

ABSTRACT

The growth of the transportation industry in Indonesia has gotten better for years. The government along with the automotive industry put much effort to increase contributions for society, industry players, and also the state. This research was conducted in one of the companies producing automotive components. Costs incurred by the company to purchase and support an asset / machine is categorized into several types of costs. The company does not record expenses related to machinery according to its cost elements. This study applied LCC method to assist companies to have knowledge of the total cost of a machine in their lifetime and each of the elements of the costs incurred. The results of the Life Cycle Cost calculation portrayed the optimal costs incurred by the company for a certain lifetime, the number of optimal crew maintenance, and the retirement age year as the optimal life span of a machine. The optimal machine cost is Rp527.676.988,61. in the 10th year of retirement age and the optimal number of maintenance crew is 1 person. The cost component for comparison is categorized into 5 namely, operating cost, failure cost, support cost, purchasing cost, and salvage value.

Key Word : Life Cycle Cost, Cost, Element, Industry, Retirement Age