

MINUTE ITEM

34. ELECTRONIC DATA PROCESSING - W.O. 3293 (D).

After consideration of Calendar Item 35 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ENTER INTO AND EXECUTE A SUPPLEMENTARY AGREEMENT TO THAT CERTAIN AGREEMENT KNOWN AS LC-34, DATED JULY 1, 1961, AS AMENDED BY AGREEMENT LC-91, DATED JANUARY 1, 1963, BETWEEN CONTROL DATA CORPORATION AND THE STATE LANDS COMMISSION, SAID SUPPLEMENTARY AGREEMENT TO PROVIDE FUNDS FOR THE CONTINUED RENTAL AND MAINTENANCE OF A G-15 GENERAL PURPOSE COMPUTER, FLEXOWRITER, AND SYSTEMS ANALYSIS SERVICE FOR THE PERIOD JULY 1, 1964, THROUGH JUNE 30, 1965, AT A COST NOT TO EXCEED \$11,940. THE SAID AMOUNT IS TO BE PAYABLE FROM SUPPORT-STATE LANDS DIVISION, 1964-65 FISCAL YEAR, BUDGET ITEM NO. 145.

Attachment

Calendar Item 35 (2 pages)

CALENDAR ITEM

35.

ELECTRONIC DATA PROCESSING - W.O. 3293 (D)

On June 22, 1961, the Commission authorized the issuance to Bendix Corporation of a contract providing for the rental of a G-15 Bendix computer system at \$1,530 per month. The agreement authorized services until June 30, 1962, and was subsequently renewed, pursuant to authorization given at the Commission's meeting of June 28, 1962, by a supplementary agreement for the 1962-63 Fiscal Year.

As of approximately January 1, 1963, the Bendix Corporation made the Commission an offer of a reduction in rental to \$1,030 per month, provided that the equipment was leased for a three-year period. In view of the savings to the State, amounting to \$6,000 annually, the original agreement was amended by a supplementary agreement entered into as of January 1, 1963, at the reduced rate and on the terms offered by Bendix Corporation. This agreement provided funds to lease the equipment through June 30, 1963.

In March of 1963, Bendix Corporation assigned to Control Data Corporation all of its rights to an interest in the agreement with the State and its interest in the equipment covered thereby. Thus the State's rental agreement now in force is with Control Data Corporation. On December 3, 1963, Control Data Corporation issued credit reducing the computer rental from \$1,030 per month to \$995 per month, effective June 1, 1963.

In order that continued use of the equipment may be had, it is proposed to issue a supplementary agreement to Control Data Corporation to provide for the rental of the computer for the 1964-65 fiscal year. Reduction in rental under the present lease contract will make possible the continued use of the equipment for the 1964-65 fiscal year at a reduced cost of \$11,940. The practical value of the equipment is attested in part by the following:

A. Use of the equipment has:

1. Resulted in material reduction in the backlog of work in the Civil Engineering section without additional staffing.
2. Permitted the development of reservoir performance simulations for more effective primary and secondary petroleum-recovery operations from State oil and gas leases.

B. A study made during December 1963 resulted in an estimated annual saving on civil engineering work of \$23,442 through use of the computer.

A new project program was adopted. Under this program, computer support was furnished the survey crew; i.e., observations were forwarded to the office, and resultant calculations were returned to the crew. This resulted in:

1. Establishment of accurate triangulation nets basic to the job at the beginning of the project. This eliminated adjustments and corrections to secondary traverse lines.

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2. The conversion of 1156 engineering calculations, some of them quite complex, from manual to computer computation. This not only saved time but resulted in accurate computations.
3. The elimination of calculating errors that occur in the handling of large volumes of complex data.
4. The coordination of field and office work so that the two portions of the job were completed almost simultaneously. This eliminated time required for office review subsequent to the submission of the final field work.
5. The elimination of return trips by the field crew to the project to correct surveying errors.
6. The elimination of the drudgery of extended engineering calculations, thus permitting the engineers to devote their thinking to the broader aspects of the project.

The study was made in connection with a surveying project at Clear Lake, California. It indicated that the computer-supported field operation saved twenty days of field-party (five men) time when compared with former manual methods. This saving, combined with savings in office time, and converted to an annual basis, resulted in an estimated annual savings of \$23,442.

As the foregoing indicates, the equipment is more than paying the rental costs involved.

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER BE AUTHORIZED TO ENTER INTO AND EXECUTE A SUPPLEMENTARY AGREEMENT TO THAT CERTAIN AGREEMENT KNOWN AS IC-34, DATED JULY 1, 1961, AS AMENDED BY AGREEMENT IC-91, DATED JANUARY 1, 1963, BETWEEN CONTROL DATA CORPORATION AND THE STATE LANDS COMMISSION, SAID SUPPLEMENTARY AGREEMENT TO PROVIDE FUNDS FOR THE CONTINUED RENTAL AND MAINTENANCE OF A G-15 GENERAL PURPOSE COMPUTER, FLEXOWRITER, AND SYSTEMS ANALYSIS SERVICE FOR THE PERIOD JULY 1, 1964, THROUGH JUNE 30, 1965, AT A COST NOT TO EXCEED \$11,940. THE SAID AMOUNT IS TO BE PAYABLE FROM SUPPORT-STATE LANDS DIVISION, 1964-65 FISCAL YEAR, BUDGET ITEM NO. 145.