

RD01

0719Z

15-11-1983

PAGE 01

AGR--25/2/46 A/ADD SM ADS

VLCZCRBA775

PP

DE #0581 3190543

ZNY MMNSH

P 150542Z NOV 83

FM DSD

TO CLO

ZEM

~~TOP SECRET UMBRA~~

FOR DIRECTOR

MARSIK

ANSWERS TO QUESTIONS POSED ARE:

1. COSTS

(A) BASIC RELIABILITY OF COST ESTIMATES SHOULD BE HIGH AS COST TREND IN SUPER COMPUTERS IS GENERALLY DOWNWARD DUE TO THE INCREASING COMPETITIVENESS OF THE MARKET AND TO THE CONTINUING ADVANCES IN INTEGRATED CIRCUIT TECHNOLOGY. THE BIGGEST POTENTIAL FOR COST VARIATION IS EXCHANGE RATE CHANGES.

(B) WE HAVE REASONABLE CONFIDENCE IN PRICE QUOTED FOR THE

XUP BY CRAY AS:

- (1) WE CANNOT SEE ANY SCOPE FOR MISUNDERSTANDING BETWEEN CRAY AND DSD ON THE EXACT NATURE OF THE REQUIREMENT AS WE ARE SEEKING A MACHINE FOR WHICH THERE IS A PUBLISHED DETAILED SPECIFICATION DEFINED IN THE XMP TECHNICAL MANUAL.
- (2) THE POSSIBILITY THAT THE INFORMALLY QUOTED LOWER SPEED VERSION OF THE XMP THE *XUP* WILL NOT BE AVAILABLE AT THE QUOTED LOWER PRICE IS CONSIDERED MINIMAL AS CRAY HAVE OFFERED

2. CONSUMABLES.

THE ONLY COMPUTER CONSUMABLE COSTS INVOLVED WILL BE MAGNETIC

RD01

0719Z

15-11-1983

PAGE 02

TAPES AND FANFOLD PAPER. IT IS EXPECTED THAT THERE WILL BE A TRADE-OFF BETWEEN MARSIK CONSUMABLES AND BACKER (CYBER) CONSUMABLES AS THE TRANSITION IS MADE. THE LEVEL OF UNCERTAINTY IN EXPECTATION COULD NOT, IN ANY EVENT EXCEED "\$10,000 P.A.

3. MAINTENANCE.

FULL MAINTENANCE BY THE CONTRACTOR IS PROPOSED, AND IS INCLUDED IN THE COST ANALYSIS. SEE PARA 51 AND PAGE C(5) OF THE DP1.

4. CONTINGENCIES.

THE LIKELIHOOD OF A CATASTROPHIC EVENT CAUSING DESTRUCTION OF THE MACHINE IS CONSIDERED VERY REMOTE. THE POSSIBILITY OF SERIOUS MACHINE FAILURE CAUSING AN OUTAGE OF, SAY, ONE TO THREE DAYS IS ALSO CONSIDERED LOW. HOWEVER IN THE EVENT THAT SUCH A FAILURE OCCURRED WE WOULD EXPECT A SYMPATHETIC RESPONSE FROM NSA TO ANY REQUEST FOR ASSISTANCE (WHICH IS OF COURSE AN ADVANTAGE, ALTHOUGH PREVIOUSLY UNSTATED, OF COMPATIBILITY).