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**MINUTE PAPER**

125

REFERENCE: 18/3/33 18/11/6

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ADA

Info: ADS  
ADD

PROJECT MARSIK COSTS

Final prices have been agreed for the major equipment configuration for MARSIK, at a total cost of \$11,213,381 at a contract price basis of 2 Jan 1985 exchange rate (0.8278).

2. The procurement contract covers the supply and installation of the required CRAY equipments, the Network Systems Corporation components, an additional Raytheon terminal controller, and the commissioning of the complete system including the DSD supplied Raytheon equipment.

3. Other budgeted project costs are for the purchase of Raytheon terminals by FMS case, at \$A255,000, equipment for interface to our existing IBM tape units at \$15,000 and the purchase of a NORTH STAR microprocessor system for computer assisted training for MARSIK operators at \$10,000. Other minor expenditures may be necessary for engineering hardware for the terminal cable reticulation.

4. The total costs are as follows:

Item	Expected Year of Expenditure			Total
	84/85	85/86	86/87	
1. Cray Contract CP 13-24662N-1		7,390,000	3,823,381	11,213,381
2. Raytheons (FMS case GIY)	25,000	230,000		255,000
3. North star equipments	6,000	4,000		10,000
4. IBM Interface		15,000		15,000
5. Engineering H/W for terminals		3,619		3,619
TOTALS				
	\$31,000	\$7,642,619	\$3,823,381	\$11,497,000

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5. All prices are subject to influence by the changing exchange rates. Items one and two are contractually linked to the exchange rate and monies paid will be calculated at the exchange rate on the day of payment.

6. The contract payment dates for the CRAY contract (Item 1) are 1 August 1985 and 1 August 1986, with the first payment being subject to a bank guarantee.

7. Maintenance charges at the contract exchange rate are \$828,168 per annum, including both the contracted CRAY and NSC equipments and the DSD supplied Raytheon equipment. The contract provides for indexing of half of the maintenance charge to the exchange rate at the time of acceptance. Thereafter the Contractor may apply for variations yearly, but all applications must be substantiated and not exceed the increase in the CPI for that year. Based on an exchange rate of 0.69, the maintenance charge would be \$910,864 p.a., (with full indexing to the exchange rate it would have been \$993,561 p.a.,).

8. Maintenance charges for the NORTH STAR and IBM interfaces are not known accurately yet, but are expected to total approx \$1,000 p.a.

*Sam Slapp*

P.R. BROBERG  
SM  
8 Mar 85

*Equip cost discount*

*10.5 x Cyber new single processor  
as now proposed*

*saving ~ \$3.1m  
or 24%*

*2nd hand 2 processor  
with 8 MW new main memory*

*~ \$6.9m below new unit 2  
(15.14 x cybers)*

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