

MINUTE ITEM

40. ELECTRONIC DATA PROCESSING - W.O. 3293, P. & C.

After consideration of Calendar Item 24 attached, and upon motion duly made and unanimously 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, SUCCESSOR TO THE BENDIX CORPORATION - COMPUTER DIVISION, AND THE STATE LANDS COMMISSION, SAID SUPPLEMENTARY AGREEMENT TO PROVIDE FUNDS FOR THE CONTINUED RENTAL AND MAINTENANCE OF A G-15 BENDIX COMPUTER, FLEXOWRITER, AND SYSTEMS ANALYSIS SERVICES FOR THE PERIOD JULY 1, 1963, THROUGH JUNE 30, 1964, AT A RENTAL RATE OF \$1,030 PER MONTH, INCLUSIVE OF SERVICE AND MAINTENANCE. THE SERVICES TO BE PURCHASED DURING THE FISCAL PERIOD AS ABOVE SET FORTH SHALL NOT EXCEED \$12,360, PAYABLE FROM SUPPORT - STATE LANDS DIVISION, 1963-64 F.Y.

Attachment

Calendar Item 24 (2 pages)

CALENDAR ITEM

24.

ELECTRONIC DATA PROCESSING - W.O. 3293.

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 and 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 the Control Data Corporation. It is now in order to issue to Control Data Corporation a supplementary agreement to provide funds for the rental of the computer for the 1963-64 Fiscal Year.

The practical value of the equipment is attested in part by the following:

- A. Records maintained for computer use indicate that productive time on the computer has increased as follows:

First six weeks	7%
Current six weeks	50% +

- B. Use of the equipment has:

1. Resulted in a 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.

Reduction in rental under the present lease contract will make possible the continued use of the equipment for the 1963-64 Fiscal Year at a cost of \$12,360.

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER BE 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,

CALENDAR ITEM 24. (CONTD.)

BETWEEN CONTROL DATA CORPORATION, SUCCESSOR TO THE BENDIX CORPORATION -  
COMPUTER DIVISION, AND THE STATE LANDS COMMISSION, SAID SUPPLEMENTARY AGREE-  
MENT TO PROVIDE FUNDS FOR THE CONTINUED RENTAL AND MAINTENANCE OF A G-15  
BENDIX COMPUTER, FLEXOWRITER, AND SYSTEMS ANALYSIS SERVICES FOR THE PERIOD  
JULY 1, 1963, THROUGH JUNE 30, 1964, AT A RENTAL RATE OF \$1,030 PER MONTH,  
INCLUSIVE OF SERVICE AND MAINTENANCE. THE SERVICES TO BE PURCHASED DURING  
THE FISCAL PERIOD AS ABOVE SET FORTH SHALL NOT EXCEED \$12,360, PAYABLE FROM  
SUPPORT - STATE LANDS DIVISION, 1963-64 F.Y.