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*REPORT TO THE COMMITTEE ON  
POST OFFICE AND CIVIL SERVICE  
HOUSE OF REPRESENTATIVES*

RELEASED

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Procuring Equipment For  
New York Postal Data Center

B-180235

United States Postal Service

*BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES*

~~906814~~

090269

JUL 19 1974



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-180235

The Honorable Thaddeus J. Dulski  
Chairman, Committee on Post Office  
and Civil Service  
House of Representatives

Dear Mr. Chairman:

Your November 28, 1973, letter requested that we determine whether the contracts for automatic data processing equipment for installation at Postal Data Centers in St. Louis and New York City were fairly awarded.

As requested by your office, separate reports covering the equipment for the different Centers were to be furnished to you. This report discusses the Postal Service's procurement of equipment for the New York Center, which included the acquisition of like equipment for the Centers in San Mateo and Minneapolis.

As your office requested, we did not ask the Service to review or formally comment on this report. However, we did discuss these matters with agency officials who agreed with the facts presented and are revising their policies and procedures for selecting automatic data processing equipment. In addition, we discussed our observations with the successful and unsuccessful vendors on the New York procurement. Officials of these firms also agreed with our observations.

We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours,

A handwritten signature in black ink that reads "James B. Stacks".

Comptroller General  
of the United States

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### ABBREVIATIONS

GAO	General Accounting Office
IBM	International Business Machines Corporation
PDC	Postal Data Center
RFP	request for proposal

COMPTROLLER GENERAL' S  
REPORT TO THE COMMITTEE  
ON POST OFFICE AND CIVIL  
SERVICE  
HOUSE OF REPRESENTATIVES

PROCURING EQUIPMENT FOR  
NEW YORK POSTAL DATA  
CENTER  
United States Postal Service  
B-180235

D I G E S T

WHY THE REVIEW WAS MADE

GAO was requested to determine whether the contracts for automatic data processing equipment for Postal Data Centers in St. Louis and New York City were fairly awarded.

GAO is reporting on the St. Louis procurement in a separate report.

FINDINGS AND CONCLUSIONS

The Postal Service did not try to rig the New York contract. However, the request for proposal did not (1) adequately describe the workload requirements or the benchmark demonstration to be performed on vendor equipment or (2) provide information on the criteria to be used to evaluate vendor proposals. (See ch. 2.)

The Service made the hardware, software, vendor support, benchmark, and cost analysis evaluations adequately. (See ch. 3.)

It did not provide copies of all vendors' questions and Service responses to all participating vendors. However, one

list of questions and responses was sent to all vendors. This one list did not alleviate the problem of different vendors, on different dates, submitting basically the same questions because the Service waited until numerous questions and responses had been accumulated before sending out the list. (See ch. 4.)

AGENCY ACTIONS AND  
UNRESOLVED ISSUES

These deficiencies were discussed with the successful and unsuccessful vendors and Service officials. Vendor officials agreed with GAO's observations. Service officials also agreed and said they are revising their policies and procedures for selecting automatic data processing equipment.

Service officials also agreed to revise their policy on responding to vendor questions. (See ch. 5.)

These actions should help the Service alleviate weaknesses noted in this report.

## CHAPTER 1

### INTRODUCTION

The Postal Service has six Postal Data Centers (PDCs)--five regional PDCs in New York City, Atlanta, Minneapolis, Dallas, and San Mateo, and one national PDC in St. Louis. Generally the regional PDCs maintain accounting ledgers for their regions and provide system development, maintenance support, and data processing services to the regions and to Postal Service headquarters.

The New York, San Mateo, and Minneapolis PDCs have similar workload requirements. They support management information systems for all levels of operations within their regions. An additional requirement to be placed on the PDCs will be to provide automatic data processing support for the administrative-management system of the National Bulk Mail System.

### PROCURING EQUIPMENT

In September 1972 the Service completed a feasibility study undertaken to consider ways to increase the capability of the New York PDC to handle an increase in the projected workload. In March and April 1973, similar studies were completed for the Minneapolis and San Mateo PDCs. Each study considered either modifying the existing computer system or acquiring new large-scale computer systems to replace the existing one. All three recommended that new large-scale systems be acquired for each of the three PDCs.

The Service's Management Information Systems Department submitted the projects to the agency's Capital Investment Committee for consideration. The Committee approved the acquisitions and authorized total expenditures of \$3.7 million for New York on December 12, 1972, \$4.1 million for Minneapolis on September 11, 1973, and \$4.5 million for San Mateo on October 9, 1973.

A request for proposal (RFP) was issued in March 1973 before the Capital Investment Committee approved the purchase of equipment for the Minneapolis and San Mateo PDCs. The RFP, in anticipation of the need for three new systems, stated that the computer systems would be acquired under one of these methods:

- a system for the New York PDC would be acquired with the option to acquire systems for the Minneapolis and San Mateo PDCs or
- all three systems would be acquired if funds were available when the contract was awarded.

When the RFP was issued, funds were available only for the New York system; however, before the award of the procurement contract, funds became available for the Minneapolis and San Mateo systems.

Four vendors responded to the RFP. The Service performed evaluations of the proposals in April and May 1973. Two proposals did not pass the benchmark evaluation and were eliminated from further consideration. Appendixes I and II summarize the costs of the systems proposed by the remaining vendors.

In June 1973 the Service performed a detailed cost analysis of the two proposals. The equipment proposed by International Business Machines Corporation (IBM) was selected; and on October 31, 1973, a contract was awarded to that firm for the purchase of a large-scale computer system for the New York PDC, with the option to purchase additional systems for the Minneapolis and San Mateo PDCs.

In early January 1974, an analysis of the New York PDC's readiness for installing the new system showed a need to defer installation from February to June 1974. On January 29, 1974, the Service exercised the contract option and awarded contracts to IBM for installing systems for Minneapolis and San Mateo. Because of the deferred installation at the New York PDC and the readiness of the San Mateo and Minneapolis PDCs, the Service decided to install new systems in San Mateo and Minneapolis in February and April, respectively.

## CHAPTER 2

### ADEQUACY OF REQUEST FOR PROPOSAL

The RFP for the New York procurement was inadequate in that the RFP did not

- adequately describe the workload requirements to be processed on vendor equipment,
- adequately describe the benchmark demonstration to be performed on vendor equipment, or
- provide information on the criteria that would be used to evaluate vendor proposals.

### WORKLOAD INADEQUATELY DESCRIBED

The RFP did not adequately describe the workload expansion requirement that the Service desired of the vendors' equipment. As a result, the selected vendor was judged more cost effective because the equipment proposed had more unused capacity to handle the workload expansion.

The RFP described the short-range requirement of the current application and the long-range requirement of proposed applications and stipulated that the equipment proposed must be able to process the workloads in one 8-hour shift. The RFP did not describe a workload expansion requirement. However, the Service used an assumed growth of 5 percent in its evaluations. Unless the entire workload requirement, including workload expansion needs, is known, the vendors are led to make assumptions about how such needs would be handled in the future.

Two vendors, IBM and the Sperry Rand Corporation/UNIVAC Division, were determined to meet the workload requirement, including the assumed growth of 5 percent through the 5-year systems life. Since the selected vendor had more unused capacity, its proposal cost was enhanced by a credit adjustment of \$758,000 for one system and \$2,274,000 for three systems.

The Assistant Postmaster General for the Management Information Systems Department agreed with our observation on the workload description problem. He stated that new policies and procedures being developed for automatic data processing equipment evaluation and selection will require that more time be spent in preparing and reviewing an RFP so that it clearly states what the Service intends.

## BENCHMARK DEMONSTRATION INADEQUATELY DESCRIBED

The RFP did not adequately describe the benchmark <sup>1/</sup> demonstration that the Service desired to be performed on the vendor equipment. As a result, vendors interpreted the benchmark demonstration requirements differently and proposed different approaches to the benchmark. For example, one unsuccessful vendor stated that its technical staff had made three interpretations of how the benchmark demonstration could be performed. Another unsuccessful vendor considered the benchmark specifications vague.

Further, the RFP did not indicate a time limit in which the benchmark demonstration was to be performed. The successful and unsuccessful vendors said they could not determine a time limit. A General Services Administration official said it is his agency's policy to include in the RFP the benchmark times so as to inform the vendors of the time requirement necessary to successfully perform the benchmark.

We believe the Service would have obtained different proposals had the RFP clearly described the benchmark specifications and had included a time requirement. The Assistant Postmaster General, Management Information Systems Department, agreed. He stated that new policies and procedures being developed for automatic data processing equipment evaluation and selection will require that RFPs contain clearer and more descriptive benchmark specifications and include benchmark time requirements.

## EVALUATION CRITERIA NOT IDENTIFIED

The Service stated in the RFP that it would select the most cost-effective system. However, the RFP provided only limited information on how the Service would determine which system was the most cost-effective. Further, the RFP stated that proposals which met mandatory minimum requirements would be examined for desirable features most advantageous to the Service. The RFP listed desirable features; however, it did not include how these features would be evaluated or which features were more important.

General Services Administration guidelines for preparing specifications and selecting and acquiring automatic data processing equipment state that RFPs should include (1) the evaluation criteria and (2) a list of desirable features with dollar values or specific weights assigned to

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<sup>1/</sup>A benchmark is a set of programs arranged so that, when run, they act as a model of the workload. Benchmarks are used to compare the computer system performance of proposed vendor systems.

each feature. The vendors said they could have submitted more responsive proposals had they known of the evaluation criteria and the most desirable features.

The Assistant Postmaster General, Management Information Systems Department, agreed that the RFP did not sufficiently identify these areas. He stated that new policies and procedures being developed for automatic data processing equipment evaluation and selection will require that RFPs identify the evaluation criteria and state the dollar values for each desirable feature.

## CHAPTER 3

### EVALUATION PROCESS

The Service's evaluation guidelines for use in the New York procurement were issued in March 1973. These guidelines set forth policies for evaluating proposals on hardware, software, vendor support, benchmark, and cost analysis. The guidelines also established separate panels to evaluate the various sections of the vendors' proposals. The detailed evaluations of the hardware, software, and vendor support sections were performed through analyzing the vendors' responses to a standardized questionnaire issued in the RFP.

The hardware, software, vendor support, benchmark, and cost analysis were adequately performed. In addition, the Postal Service used the most appropriate acquisition method.

#### HARDWARE

Vendors' responses to the hardware section of the questionnaire were reviewed and evaluated on the basis of comparisons and references to the vendors' proposals. Individual ratings on the hardware were given to the following subcategories: central processing unit, main memory, input and output channels, direct access storage, communication interface, remote terminals, line printers, magnetic tapes, card readers, and others. The highest score was given to the best response.

The panel judged that each vendor met the hardware mandatory requirements of the RFP. In our opinion, the hardware evaluation was made adequately.

#### SOFTWARE

The software evaluation included a detailed technical evaluation of the following subcategories: data management system, operating system, sort and merge, utility programs, telecommunications, assembly language, and others. The software evaluation panel stated that all vendors met the minimum requirements. In our opinion, the software evaluation was made adequately.

#### VENDOR SUPPORT

The vendor support evaluation consisted of the following subcategories: preinstallation, conversion, training, system support, maintenance, documentation, and others. The vendor support evaluation panel stated that all vendors had met the Service's requirements. In our opinion, vendor support evaluation was made adequately.

## BENCHMARK PERFORMANCE

The performance benchmark test was developed and conducted to afford each vendor an opportunity to demonstrate its capabilities in particular functional areas. On the basis of the performance benchmark test, the benchmark evaluation panel then calculated processing time--expressed in operational-use hours. This resulted in the elimination of two vendors, Burroughs Corporation and Honeywell Information Systems, Inc., which could not perform the workload within the acceptable timeframe of 8 hours. The Service calculated the following number of hours required to perform the basic workload: IBM, 3.23 hours, and UNIVAC, 6.38 hours. Appendix IV describes the procedures used and the results of the operational-use hours determination. In our opinion, the benchmark performance evaluation was made adequately.

## COST ANALYSIS AND PROCUREMENT DECISION

After the technical evaluations were submitted to the Office of Procurement, the vendors' cost proposals were made available to the cost analysis panel for evaluation. The cost analysis panel developed the total 5-year cost for the vendors' procurement alternatives. The cost analysis panel then considered the cost potentials that the technical panel had identified during its evaluations. Appendix V shows the identifiable potential cost savings and potential additional costs for the two remaining vendors--IBM and UNIVAC.

After adjusting each vendor's proposal by the identifiable cost potentials, the cost analysis panel calculated cost-savings ratios to rank the vendors' alternatives as to cost effectiveness to the Service. These ratios considered acquisition cost, cost potentials, and residual values and showed IBM's alternative of initial purchase to be the most cost effective.

In our opinion, the cost analysis was adequately performed, resulting in the use of most appropriate acquisition method.

CHAPTER 4  
POSTAL SERVICE RESPONSES  
TO VENDORS' QUESTIONS

Postal Service policy, which was reiterated in the RFP, provides that:

- Vendors submit in writing any questions concerning the RFP.
- Substantive questions be answered in writing and copies of the questions and answers be mailed to participating vendors.
- RFP addendums be issued if necessary to clarify any part of the RFP.
- RFP supplements be issued if additional data is necessary for a more exact interpretation of the RFP.

Correspondence between vendors and the Service showed that, in most cases, the Service adequately responded to vendors' questions. However, there were instances when the vendors considered the Service's responses vague and only referred them back to sections of the RFP or RFP amendments. We analyzed in detail 134 Service responses and determined that approximately 20 percent of the responses were vague. The Service merely referred vendors back to the same sections of the RFP that the vendors had used in referencing their questions or referred the vendors to amendments which did not adequately answer the questions.

For example, one vendor sought clarification on the Service's rationale for using certain lease figures in its cost performance calculation. The Service referred the vendor back to the RFP for further clarification. This was the same section of the RFP that the vendor had referred to in its question. In another instance, a vendor asked for an explanation of the Service's criteria to be used in evaluating desirable features. The Service replied that proposals would be evaluated in accordance with the evaluation section of the RFP. However, as noted on page 4 of this report, the RFP did not define the importance of each desirable feature nor indicate how the features would be evaluated.

A separate problem involved the requirement that all vendors be advised of all substantive questions and answers. Correspondence files showed that the Service prepared one list of vendors' questions and the Service's responses and sent the list to all participating vendors. However, this list did not alleviate the problem of different vendors, on different dates, submitting basically the same questions, because the Service waited until it had accumulated numerous questions and responses before sending out the list.

A General Services Administration official said that, to treat all vendors fairly, his agency's policy is to provide copies of vendor questions and the agency's responses to all participating vendors. We believe, to insure that all vendors are treated fairly and to minimize the probability of vendors submitting repetitive questions, the Service should answer all questions and provide copies to all vendors when responses are sent to the requesting vendor.

The Assistant Postmaster General of the Procurement and Supply Department agreed with our finding. He stated that the Postal Service policy would be revised to insure that all vendors' questions and Postal Service responses would be sent promptly to all participating vendors.

CHAPTER 5  
CONCLUSIONS

There was no effort by the Service to rig the award of the New York contract. On the other hand, as discussed above, we noted deficiencies in the RFP.

These deficiencies, and the other problems observed, were discussed with the successful and unsuccessful vendors and Service officials. Vendor officials agreed with our observations. Service officials also agreed and stated that they have prepared a draft manual of revised Service policies and procedures for evaluating and selecting automatic data processing equipment. Major computer vendors reviewed the draft manual and presented their comments on the revised policies and procedures to the Service in March 1974. The Service is considering the vendors' comments before finalizing its manual.

Service officials also stated that they will revise their policy on responding to vendor questions to insure that all participating vendors receive copies of all vendor questions and Service responses.

We believe that these corrective actions should help the Service correct the weaknesses noted in this report. We intend, at a future date, to review the effectiveness of the actions.

CHAPTER 6  
PROTEST ON AWARD OF  
NEW YORK CONTRACT

UNIVAC, Honeywell, and Burroughs protested the award of the contract to IBM.

The Postal Contracting Manual provides that no protest be considered if received more than 5 days after award of the contract. The contract in question was awarded on October 31, 1973; therefore, according to postal policy, any protest received after November 5, 1973, would not be considered by the Service's General Counsel.

The UNIVAC protest was submitted on November 9, 1973, while the protests of Burroughs and Honeywell were submitted on November 21 and 26, 1973, respectively. Therefore, the Service's General Counsel ruled that his office was without authority under the manual to afford any relief to the protestants.

He did review and comment on (1) the stringent time limitations for submitting a protest and (2) the evaluation methods that were applied to this procurement. His decision stated that it would be advisable for the Service to consider revising its time limitation provision to insure that unsuccessful vendors have a reasonable opportunity to protest after being notified of a contract award. The Service is considering a proposal which will change its regulations concerning the time requirements for a protest. The decision, as it relates to the evaluation methods used, generally agreed with comments we have made in this report.

## CHAPTER 7

### SCOPE OF REVIEW

The information in this report is based on discussions with officials of the Postal Service, the General Services Administration, and the four vendors that submitted proposals. Our review also included:

- Examining and evaluating the Service's policy and procedures for procuring automatic data processing equipment; the New York, Minneapolis, and San Mateo feasibility studies; the RFP evaluation reports; the contract correspondence files; and related Service documents.
- Analyzing the vendors' proposals.
- Reviewing the General Services Administration guidelines for preparing specifications and selecting and acquiring automatic data processing equipment.

## NINETY-THIRD CONGRESS

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**U.S. House of Representatives**  
 COMMITTEE ON POST OFFICE AND CIVIL SERVICE  
 207 CANNON HOUSE OFFICE BUILDING  
 Washington, D.C. 20515

November 28, 1973

Honorable Elmer B. Staats  
 Comptroller General  
 General Accounting Office  
 441 G Street, NW  
 Washington, D. C. 20548

Dear Mr. Staats:

The United States Postal Service has awarded contracts to IBM to furnish computers for Postal Data Centers in St. Louis and New York. In each award IBM was not the low bidder but through adjustments made by the Post Office evaluation group, the adjusted bid price favored IBM.

After being appraised of the method used for the St. Louis evaluation and award, the Postal Facilities, Mail, and Labor Management Subcommittee staff requested an explanation from the Postal Service. Mr. John Gentile, Assistant Postmaster General for Management Information Systems, accompanied by Mr. Norman Halliday, Assistant Postmaster General for Congressional Affairs, and Mr. John W. Powell, Congressional Liaison Officer for the U.S.P.S., gave a briefing on the manner in which the evaluation at St. Louis was made. They also told of the proposed method of evaluation (radically different) that would be used for the New York award.

The briefing did not satisfy the staff or justify the method used in the award. Mr. Gentile agreed to furnish a written and more detailed explanation of the Postal Service action. The written explanation offered nothing to further clarify or justify the Post Office method of award.

The Subcommittee staff discussed the evaluation with a computer expert who has an in-depth knowledge of computers and computer transactions. This person felt that the methods of evaluation were arbitrary and unjust to the other bidding vendors.

Two of the vendors have filed letters of protest with the United States Postal Service.

From information obtained in the staff investigation, it appears that the awards have been unfairly made and that a more thorough investigation should be made by the General Accounting Office. Therefore, I am requesting the assistance of GAO in determining whether the Postal Data Center contracts for St. Louis and New York were fairly and legally let. In other words, were all of the vendors given an equal chance to receive the contracts or did the U. S. Postal Service structure the Request for Proposal, bidding procedures, program formula, and deciding criteria to ensure that one pre-selected vendor receive the contract.

I have enclosed the pertinent correspondence and would appreciate your compliance to my request for assistance as soon as possible.

Very truly yours,

  
THADDEUS J. DULSKI  
Chairman

Enclosures

APPENDIX II

SUMMARY OF VENDOR 5-YEAR TOTAL COSTS (INITIAL PURCHASE)

	Vendor (note a)	
	<u>UNIVAC</u>	<u>IBM</u>
New York PDC system:		
Equipment purchase cost	\$2,824,818	\$ 2,840,270
Less purchase discount	-141,240	-
Less late discount	-410,508	-
Subtotal	2,273,070	2,840,270
Maintenance cost (5 years)	661,029	416,750
Other costs	4,412	336,636
Total 5-year costs (note b)	<u>\$2,938,511</u>	<u>\$ 3,593,656</u>
3 PDC systems:		
Equipment purchase cost	\$8,474,454	\$ 8,520,810
Less purchase discount	-1,186,458	-
Subtotal	7,287,996	8,520,810
Maintenance cost (5 years)	1,983,087	1,250,250
Other costs	16,225	957,915
Total 5-year costs (note b)	<u>\$9,287,308</u>	<u>\$10,728,975</u>

a  
Burroughs and Honeywell did not pass the benchmark evaluation and were not considered in the cost evaluation.

b  
Total 5-year costs do not reflect adjustments for cost savings, additional costs, or residual value.

**SUMMARY OF VENDOR 5-YEAR TOTAL COSTS  
(LEASE-PURCHASE OPTION AT END OF 1 YEAR)**

	Vendor (note a)	
	<u>UNIVAC</u>	<u>IBM</u>
New York PDC system:		
Cost of purchase (end of 1 year)	\$ 2,824,818	\$ 2,840,270
Less lease-purchase credit	-759,764	-410,280
Less discounts	<u>-179,717</u>	<u>-</u>
Subtotal	1,885,337	2,429,990
First-year lease	799,752	752,313
Maintenance (5 years)	695,820	382,351
Other costs	<u>4,412</u>	<u>336,636</u>
Total 5-year costs (note b)	<u>\$3,385,321</u>	<u>\$ 3,901,290</u>
3 PDC systems:		
Cost to purchase (end of 1 year)	\$8,474,454	\$ 8,520,810
Less lease-purchase credit	-2,279,292	- 1,230,840
Less discounts	<u>-1,140,871</u>	<u>-</u>
Subtotal	5,054,291	7,289,970
First-year lease	2,399,256	2,256,939
Maintenance (5 years)	2,087,460	1,147,053
Other costs	<u>16,225</u>	<u>957,915</u>
Total 5-year costs (note b)	<u>\$9,557,232</u>	<u>\$11,651,877</u>

a

Burroughs and Honeywell did not pass the benchmark evaluation and were not considered in the cost evaluation.

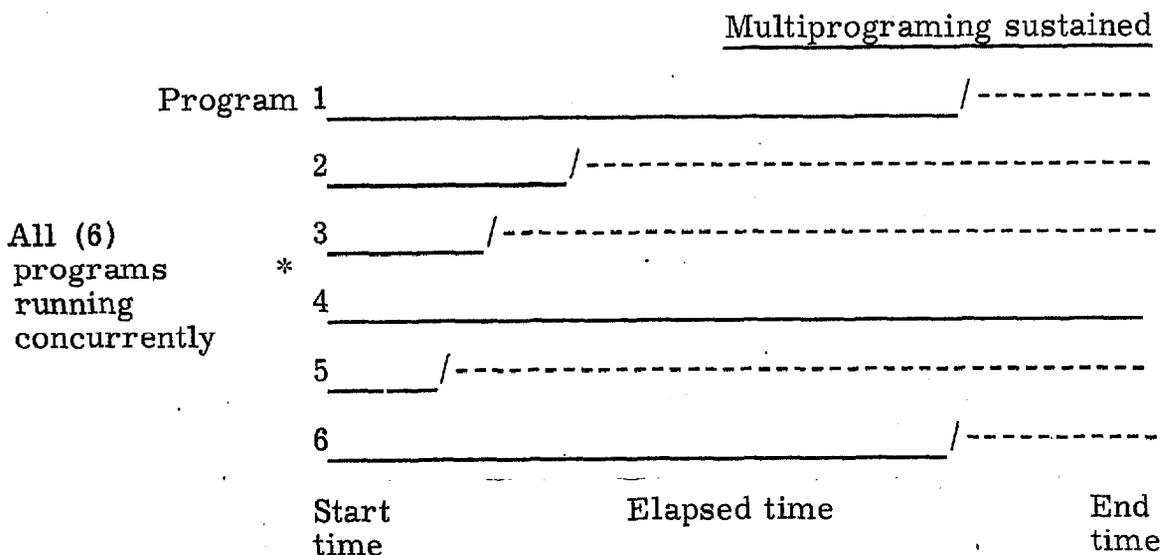
b

Total 5-year costs do not reflect adjustments for cost savings, additional costs, or residual value.

EXPLANATION OF BENCHMARK EVALUATION

Step I. Determine elapsed time of vendor's benchmark test by subtracting start time from end time of sustained mix timing.

SUSTAINED MIX TIMING METHOD SCHEMATIC



Solid line represents one program completion.

Broken line represents programs recycling.

\*All programs were recycled until program 4 terminated, at which time all other programs were terminated.

Step II: Determine "operational use hours," which represents the time it would take the vendor's equipment to do the total program requirement as opposed to the "elapsed time," which represented the time it took to do the test program requirement.

EXTRAPOLATION OF SUSTAINED MIX TIMING

(A) Start time	(B) End Time	(C) Elapsed time (B) - (A) = (C)	(D) Transactions processed
(E) = (D) Times a constant (number of files)			(E) Total accesses
(F) = (E) - Elapsed time in seconds			(F) Accesses per second
(G) = [accesses per day - (F)]			(G) Operational use hours
$\frac{1,634,688}{3,600}$ (seconds in one hour)			

(A) = Time first program begins.

(B) = Time long-run program terminates.

(D) = Equipment console shows transactions processed in thousands.

- - - - -

On the basis of the above procedures, the Service extrapolated the following number of hours required to perform the workload: IBM, 3.23 hours; UNIVAC, 6.38 hours; Honeywell, 16.48 hours; and Burroughs, 10.95 hours.

## SUMMARY OF COST EVALUATION ADJUSTMENTS

ITEM	Vendor (note a)			
	UNIVAC		IBM	
	<u>1 System</u>	<u>3 Systems</u>	<u>1 System</u>	<u>3 Systems</u>
Availability of 1410 emulator	-	-	-\$ 14,000	-\$ 28,000
Generalized test data generator package	-	-	-18,000	-54,000
H-1200 to ANSI COBOL conversion routine	-\$19,500	-\$ 19,500	-19,500	-19,500
Conversions of bulk mail programs to run on large scale system	-	-	-12,480	-12,480
Availability of vehicle scheduling package	-	-	-75,000	-75,000
Easy coder to ANSI COBOL conversion routine	-38,800	-116,400	-38,800	-116,400
Preinstallation test time	-	-	-	14,000
Value of benchmark performance in terms of potential cost savings	-	-	- 758,063	-2,274,189
Total	<u>-\$58,300</u>	<u>-\$135,900</u>	<u>-\$935,843</u>	<u>-\$ 2,565,569</u>

a

Minus amounts enhance vendor's total value, while other amounts detract from vendor's total value.