

empowered with authority and responsibility to make decisions on the procurement and utilization of data-processing equipment with the objective of obtaining and utilizing all needed facilities at least cost to the Government.

RECOMMENDATION TO HEADS OF USING DEPARTMENTS AND AGENCIES

In view of the substantial savings that may be realized from more extensive purchasing, we recommend that the heads of all using departments and agencies, as an interim measure pending action on the above recommendation, arrange for a prompt and complete reappraisal of their current plans to lease data-processing equipment and take such action as is possible to realize the financial savings that may be available from purchasing such equipment and fully utilizing it.

EXHIBIT A

Estimated savings available to the Government through purchasing 523 of the 1,006 electronic computer systems scheduled to be leased as of June 30, 1963

Manufacturer	System identification	Number of systems	Estimated savings available through purchase over 5-year period	Estimated annual savings after initial 5-year period
International Business Machines Corp. ¹	7090	36	\$57,449,000	\$34,378,000
Philco Corp.....	2000	6	13,706,000	6,821,000
International Business Machines Corp.....	7080	15	24,413,000	11,778,000
Control Data Corp.....	1604	7	8,956,000	3,825,000
Minneapolis-Honeywell Regulator Co.....	800	8	3,700,000	3,194,000
International Business Machines Corp. ²	7070	23	4,148,000	4,787,000
The National Cash Register Co.....	315	2	76,000	300,000
International Business Machines Corp.....	1410	27	5,713,000	4,500,000
Univac, Division of Sperry Rand Corp. ³	SS-90	16	1,902,000	1,987,000
Minneapolis-Honeywell Regulator Co.....	400	3	217,000	322,000
International Business Machines Corp. ⁴	1401	310	24,693,000	26,965,000
Control Data Corp. ⁵	160-A	16	474,000	431,000
Radio Corp. of America.....	501	27	1,666,000	4,648,000
Do.....	301	27	654,000	1,344,000
Total.....		⁶ 523	147,767,000	105,280,000

¹ Includes IBM 7090 and 7094 systems.

² Includes IBM 7070, 7072, and 7074 systems.

³ Includes Univac SS-80 and SS-90 systems.

⁴ Because there is no available analysis of the many types of IBM 1401 systems included in the inventory of automatic data processing (ADP) equipment in the Federal Government published by the Bureau of the Budget, August 1962, we have projected savings for all 310 systems based on the medium-sized card and tape system for which computations were made in our study.

⁵ Includes Control Data Corp. 160 and 160-A systems.

⁶ These projections are based on the number of systems that will be leased on June 30, 1963, as shown by the Bureau of the Budget inventory report. The same report shows no plans for leasing the Burroughs B-5000 and the Sperry-Rand Univac III, and therefore no projections for these systems are made above.