

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

PROJECT MAC

Reply to: Project MAC  
545 Technology Square  
Cambridge, Mass. 02139

February 18, 1970

Telephone: (617) 864-6900 x6201

To: C. Clingen, H. Nye, J. C. R. Licklider,  
F. J. Corbato, R. Scott, W. Burner,  
J. DeCoursey, J. Grochow and D. Driscoll

From: M. M. Jones, R. C. Daley and D.E. Burmaster

Subject: Rental Rebate on the GE 645 due Project MAC

Amendment #1 dated July 21, 1969, to the basic agreement between GE and MIT dated April 22, 1968, extending the period of the agreement through December 31, 1969, has now been signed by both GE and MIT. (A copy is attached to this memo.) The most significant feature of this amendment was that effective February 1, 1969 Project MAC would pay for the rental of system 2 rather than system 1. The rebate issue arises because Project MAC continued to pay for the rental of the more expensive system 1 through September 30, 1969 while the amendment was being negotiated.

Although the amendment extends the agreement through December 31, 1969, Project MAC turned over administrative and financial responsibility for the Multics System to the Information Processing Center on October 1, 1969. Therefore the period of interest for Project MAC is just from February 1, 1969 through September 30, 1969. During these 8 months Project MAC paid \$673,900.40 ( $\$84,237.55 \times 8$ ) to GE for the rental of system 1. The computations in the attached appendix shows that under the terms of amendment #1 we only should have paid about \$477,629. (All cents were ignored in the computations.)

Therefore, Project MAC is due a rebate of approximately \$196,271. We would like to secure this rebate as soon as possible since this considerable sum of money is needed to assure the fiscal responsibility of Project MAC in the immediate future.

Appendix #1

All items referred to in the following tabulation are those listed in attachment A of the amendment #1 to the basic agreement between GE and MIT.

February 1969

Initial Configuration (items 1-52) \$66,476

March 1969

Initial Configuration	\$66,476	
28/30 of item 54-57	<u>10,819</u>	
		77,295

April 1969

Initial Configuration	66,476	
Full price of items 54-57	<u>11,592</u>	
		78,068

May 1969

April rental	78,068	
Terminate items 39-41	-4,115	
Terminate 18/30 of items 42-50	<u>-1,137</u>	
		72,816

June 1969

April rental	78,068	
Terminate items 39-50	<u>-6,010</u>	
		72,058

July 1969

June rental	72,058	
Terminate item 51	-3,580	
Add item 53	<u>2,460</u>	
		70,938

August 1969

July rental	70,938	
Terminate item 52	<u>- 990</u>	
		69,948

September 1969

August rental	69,948	
Add item 58	84	
Terminate items 54-57	<u>-11,592</u>	
		58,440

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Total Gross Rental, February - September, 1969	\$566,039
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Extra Shift Maintenance (5 percent)	<u>28,302</u>
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Total Rental and Maintenance	594,341
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Less Educational Allowance (20 percent)	<u>-118,868</u>
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Net Rental and Maintenance	475,473
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Maintenance for EMU 302, August and September (@ \$1,078) by special agreement)	<u>2,156</u>
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Total due GE by Project MAC	\$477,629
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