

LEO COMPUTERS LTD.

COSTS

The attached schedules are designed to give an indication of both the capital outlay and operating costs of an automatic office.

Schedule 1 Capital Outlay shows the approximate costs of two variations of the LEO II computer and of standard items of ancillary, data-preparation, stabilizing and maintenance equipment. It should be emphasised, however, that it is not possible to prepare a quotation until the customer's work has been examined and the precise arrangement of components required has been determined.

Schedule 2 Operating Costs include a depreciation charge of £10,000 per annum, being 10% of an initial capital outlay of £100,000. This schedule also takes into account salaries of management and wages of operators and maintenance personnel together with costs of power and component replacements.

Shown below are the comparative hourly charges, calculated on the same basis as shown in schedule 2, covering four different types of agreement.

Outright purchase on a single-shift basis				
Depreciation	£6.	0.	0.	per hour
Operating cost	£6.	5.	0.	per hour
	£12.	5.	0.	
Outright purchase on two-shift basis				
Depreciation	£3.	0.	0.	per hour
Operating cost	£5.	0.	0.	per hour
	£8.	0.	0.	
5-year hire on single-shift basis				
Hire	£15.	5.	0.	per hour
Operating	£6.	5.	0.	per hour
	£21.	10.	0.	
5-year hire on a two-shift basis				
Hire	£7.	12.	0.	per hour
Operating	£4.	8.	0.	per hour
	£12.	0.	0.	

It will be realised that in the first two cases after 10 years, the hourly charge is confined to the figure for operating cost alone. In the last two cases the hire charge is negligible at the expiration of 5 years.

The costs of programming and data preparation are excluded since these have to be assessed separately for each job. However, it is suggested that a figure of 2/8thd per 1,000 characters would be an equitable figure for the latter.

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1. LEO II Computer

(1st variation)

1024 compartment rapid access store

14 immediate access registers

8192 compartment drum storage system

3 input channels:

1 card (alpha, binary or decimal)

1 card (binary or decimal)

1 paper tape (binary/decimal)

3 output channels:

2 card-punches (alpha, binary or decimal)

1 Powers printer

Including costs of linkage and control circuits for Powers printer and magnetic drum system.

£75,000 (approximately)

(2nd variation)

2048 compartment rapid access store

14 immediate access registers

3 input channels:

1 card (binary or decimal)

1 paper tape (binary/decimal)

1 combined card (binary or decimal) or tape (binary/decimal)

2 output channels:

1 card punch (binary or decimal)

1 Bull or Hollerith printer

£60,000 (approximately)

2. Ancillary equipment

Printers

Powers

£5,000

Bull

£4,000

Hollerith

£6,200

Card Reader

£1,400

Hollerith

£2,350

Card Punch

£2,350

Hollerith

£350

SCHEDULE 1 (CONT)

3. Data preparation equipment

Tape perforator (Creed)	£113
Tape comparator, incorporating teleprinter and reader (LEO)	£1,065
Power pack for comparators	£106

4. Stabilizing and maintenance equipment

Power stabilizing equipment (Variation 1)	£2,760
Power stabilizing equipment (Variation 2)	£2,300
Maintenance equipment	£1,216

NOTE

- The prices shown are those currently quoted and are given for information only.
- The ancillary equipment included above, when supplied to a LEO specification, is suitable for coupling to LEO II without further modification or cost.
- It should be realised that the 2 variations of the LEO II computer given are only specimens. Other variations are available giving facilities for up to 4 separate input and 3 separate output channels.

LEO COMPUTERS LTD.

OPERATING COST SCHEDULE
SINGLE SHIFT

SCHEDULE 2 (1)

CAPITAL COST

<u>Equipment cost</u>	
Computer and auxiliary equipment approximately	£100,000

Depreciation

Depreciation at 10% per annum
Cost per hour for a single shift of 32 productive hours per week

£10,000

£6. 0. 0.

OPERATING COSTS

Single shift week

p.a.

p.a.

<u>Operators' wages</u>		
1 senior operator	£1,040	
2 operators	£1,500	
1 assistant	£460	
1 job assembly assistant	£460	
		£3,460

Maintenance wages

1 senior electronic engineer	£1,040
1 junior electronic engineer	£890
1 mechanical engineer	£670
1 valve tester	£390
	£2,990

Management

Computer manager	£1,500
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Expenses

Component replacements	£2,000
Power	£450
	£10,340

Cost per hour for a single shift of 32 productive hours per week

	£6. 5. 0.
Total cost per hour	£12. 5. 0.

OPERATING COST SCHEDULE
DOUBLE SHIFT
SCHEDULE 2 (11)

CAPITAL COST

Equipment cost
Computer and auxiliary equipment
approximately

£100,000

Depreciation

Depreciation at 10% per annum
Cost per hour for a double shift
of 64 productive hours per week

£10,000

OPERATING COSTS

Double shift week

Operators' wages
1 senior operator
4 operators
2 assistants
1 job assembly assistant

p.a.
£1,040
£3,000
£920
£460

Maintenance wages

2 senior electronic engineers
2 junior electronic engineers
1 mechanical engineer
1 valve tester

£2,080
£1,650
£670
£390

Management

Computer manager

£1,500

Expenses

Component replacements
Power

£4,000
£900

Cost per hour for a double shift of 64 productive hours per week
Total cost per hour

£5. 0. 0.
£8. 0. 0.