### **Project Report**

# Understanding the cost of Computing in the Cloud

Abstract – The main purpose of this project is to understand the importance of economics concerns regarding cloud computing. Since cloud has become one of the widespread and trending technology within the industry, but one major concern is management of the prices over the years. We are here to study the advantages of establishing a public cloud over a private cloud.

CS 553: Cloud Computing

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In this project, we will estimate the cost of building a private cloud for a startup company and compare the costs with the public cloud Amazon AWS. The cost estimation for building the AWS equivalent instances is done by generating a quotation for the components. The running cost of the private cost over 5 years is then compared with the AWS instances. Here we will consider different cloud size expressed in Flops, (floating point operations per second). Finally we will see in what extent it is interesting to use public resources rather than buying and setting up a private cloud from scratch.

Whenever a company wants to switch to cloud or a new company wants to design their own Data Centre for the purpose of their customer base, Trade-offs will always be there whether to opt for a public cloud such as Amazon Ec2, Google App Engine, and Microsoft Azure or design your own Data Centre which is nothing but private cloud. While making a choice, many factors are needed to be considered to come to the final conclusion between both.

Factors needed to be considered while deciding between private or public cloud are listed as below.

- 1) Cost of computing
- 2) Demand/ Usage
- 3) Security
- 4) Maintenance
- 5) Future usage
- 6) Scalability
- 7) Reliability

#### 1. COST OF AMAZON INSTANCES

In today's industry cost is one of the deciding factor to decide what to buy be it a public cloud setting or setting your own private cloud. The cost is also one main concern for start-ups. We will make use of the EC2 instance and compute the cost of the compute cloud for every following type an Amazon instance: t2.small, d2.8xlarge, r3.large, p3.16xlarge, m4.4xlarge, c5.large, and p2.xlarge. The cost of the private cloud is being calculated on basis of each hardware that is needed to create one own private cloud. The following are some of the listed hardware needed like Processor cost, Memory cost, Motherboard, Disk cost, Power needed to run cloud, cooling cost, admin cost etc. The costs have been calculated considering the 5 year margin.

The cost is calculated based on \$/FLOP/Hour basis to better compare with the private cloud and it would remain constant even if the usage scales up in the range of 1GFLOP to 1 PFLOP.

We have even calculated the power cost based on Illinois State power charge considered for this project report with cost being 8.83¢/kWh. The equipments need to be cooled down too for which we have taken in this project the cooling cost to be 1/3rd of the power consumption.

#### **GFLOPS for Public Cloud Amazon Instance:**

INSTANCE TYPE	PROCESSOR	Hourly Price/GFlop
t2.2xlarge	Intel Xeon processors	\$0.371
d2.8xlarge	2.3 GHz Intel Xeon® E5-2686 v4 (Broadwell)	\$5.52
	processors <b>OR</b> 2.4 GHz Intel Xeon® E5-2676 v3	
	(Haswell) processors	
r3.large	Intel Xeon E5-2670 v2 (Ivy Bridge) Processors	\$0.166
p3.16xlarge	Intel Xeon E5-2686 v4 (Broadwell) processors	\$24.48
m4.16xlarge	Intel Xeon E5-2676 v3 OR Intel Xeon E5-2686 v4	\$3.2
	(Broadwell) processor	
c5.large	3.0 GHz Intel Xeon Platinum processors	\$0.085
p2.8xlarge	Intel Xeon E5-2686 v4 (Broadwell) processors	\$7.2

Given that for a small amount of FLOPS, we might not need more instances to increase the amount of Flop. But then, the price per FLOP becomes greater because we cannot rent 'small parts' of instances. Now we are able to compute the hourly price per instance type using the hourly pricing from Amazon instances and we plot it on the following graph:

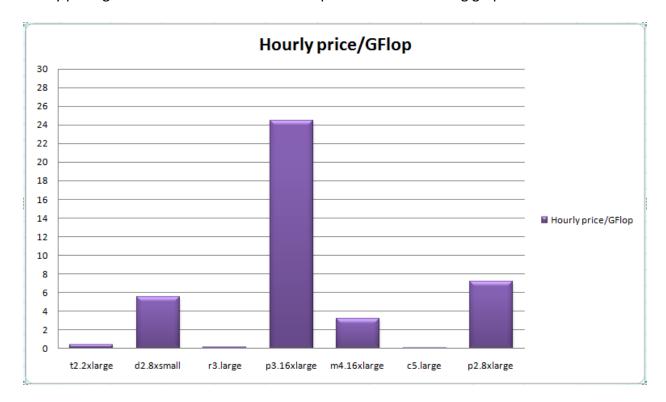


Fig 1. Public Cloud Price

#### 2. COST OF PRIVATE CLOUD

In this section we are going to compute the cost to create own private cloud by buying and setting up items needed to create on own cloud for own purposes. Similar to the Amazon's instances, which means we will b computing 5 years amortized cost usage considering the same as Amazon instance.

Here, we are taking into consideration the cost of the power needed to keep the instances running along with the cost needed to cooling the hardware installed along with the administration cost which is one of the very important factors of the budget. For example, for one of the instance of FLOP amount, the administration maintenance cost will be important because the person is going to be paid for handling the and monitoring the instance, but the moment the FLOP increases FLOPS, this cost will be decline until more administrators handle the instances. As more the usage and increment of FLOPS more administrators are needed to take care of the cloud instance.

First we will calculate the cost of the instances which we will built using the installing the items and then compare them with the cost of the Amazon instances to see the cost comparison. Below are the tables we are using to calculate the cost of the cloud being built.

#### 2.1 Configuration 1 - d2.8xlarge

The following is the d2.8xlarge configuration information obtained for Amazon instance with respect to the memory storage and network performance and clock speed.

REQUIREMENT - Hadoop/Spark Cluster with 32K-cores, 256TB memory, 50PB HDD, and 10Gb/s Ethernet Fat-Tree network (each VM should be equivalent to the d2.8xlarge instance); in addition to the compute resources, a 100PB distributed storage shared across the entire cloud should be procured, with enough capacity for 100GB/sec throughput.

vCPUs	36
Memory (GiB)	244
Storage(GB)	24 x 2000 HDD
Network performance	10 GigaBit
Processor used	Intel Xeon E5-2676 v3 (Haswell) processors
Clock Speed(GHz)	2.4 Ghz

Below is the hardware configuration used to build the same instance Amazon cloud using the hardware items and installing them.

EQUIPMENTS NEEDED				
PRODUCT DETAILS QUANTITY PRICE				

CPU Used		Xeon E5 2676 v3 12 2.4 GHz L3 Processor 30	~2667 \$219		\$2197	x 2 = \$5859400
	MB	2.4 3112 23 1 10003301 30				
Case/Chassis	Rack	mount Server Case RPC-	~1334	34 \$39.99		x 1334 = \$53346.66
	230 2U					
Memory Used		GB - NEMIX RAM 64GB	~1334		\$650 x	1334 = \$867100
	for 2	44 GB equivalent				
Motherboard		S ROG Intel X99 SATA 6	~1334		\$279.9	99 x 1334 = \$373507
	Gb/s	3.1 ATX				
Storage Servers		B HDD - Seagate	5000		\$410 >	x 5000 = \$2049950
	Ente	rprise				
	_	er Vault				
Network Adapter		Port 10 Gigabit NetGear	76		\$4500	x 76 = \$337500
	_	M4300 10 Gigabit 48				
	•	managed Switch				
Network	Start	tech Cisco Meraki Ma 10	3525 (3		\$3525	
Swtiches/Cables	Gb/s	<b>;</b>	layer)			
Racks	_	<ul> <li>Hoffman Enclosures</li> </ul>	134		\$364.9	92 x 134 = \$48899.28
	24u	Black Steel				
		epoint 2U Universal Rack				
	l	int Server Cabinet Shelf	1340 \$28.7		-	9 x 1340 = \$38578.6
		mponent Total				1,806.54
	MAINTENANCE AND COOLING C					te)
Electric Power Usag	Electric Power Usage \$858.84/year		\$4624.2			
Cooling	One-third of Power used \$3		\$1421.4			
Administration	dministration \$100,000/year		\$3200000			
		TOTAL				\$12,827,852.14

Now considering we need to add 100PB of shared resources along the cloud instance to the data center with the throughput of 100GB/sec, then we need to add the storage across the servers.

Seagate ronwolf 10TB NAS hard	~10,000	\$409.99 x 1000 = <b>\$</b> 4099900
Drive 7200 RPM 256MB 6.0 Gb/s		
TOTAL		\$16,937,752.14

The cost of the private cloud established would comes upto to be \$453.00

Now, we will check for the next configuration with respect to r3.large and what hardware components are needed to build the equivalent Amazon instance.

#### 2.2 Configuration 2 - r3.large

The following is the d2.8xlarge configuration information obtained for Amazon instance with respect to the memory storage and network performance and clock speed.

REQUIREMENT - Support 1 million virtual machines (VM) where each VM requires 2-core, 15GB RAM, 32GB SSD storage, and 1Gb/s Fat-Tree network (each VM should be equivalent to the r3.large instances); in addition to the compute resources, a 10PB distributed storage shared across the entire cloud should be procured, with enough capacity for 10GB/sec throughput.

vCPUs	2
Memory (GiB)	15.25
Storage(GB)	1 x 32 HDD
Network performance	Enhanced Networking
Processor used	Intel Xeon E5-2670 v2 (Ivy Bridge) Processors
Clock Speed(GHz)	2.5 Ghz

Below is the hardware configuration used to build the same instance Amazon cloud using the hardware items and installing them.

EQUIPMENTS NEEDED					
PRODUCT	DETAILS	QUANTITY	PRICE		
CPU Used	Intel Xeon E5-2670 v2	1000000	\$1550 x 1000000 =		
	Ivy Bridge Processor		\$1550000000		
Case/Chassis	Norco Rackmount	1000000	\$59.99 x 1000000 =		
	Server Case RPC-230		\$59990000		
	2U				
Memory Used	16 GB - Sandis 16GB	1000000	\$87.19 x 1000000 =		
	Low Voltage PC3		\$87190000		
	Kingston 16 GB SDRAM				
	Memory DDR2	1000000			
			\$69.00 x 1000000 =		
			\$69000000		
Motherboard	Asus H110M-K 6Gb/s	1000000	\$62.99 x 1000000 =		
	USB 3.1 Micro ATX for		\$62990000		
	Intel Motherboard				
Storage Servers	Sandisk 32GB DDR4	1000000	\$31.65 x 1000000 =		
	SATA SSD 1.5 Gb/s		\$31650000		
Network Adapter	Intel E10G42BT X520-T2	1000000	\$399.99 x 1000000 =		
	10Gigabit Ethernet Card		\$399990000		
Network Switches	48 Port 10 Gigabit	~21300 (since we	\$4460 x 21300 =		
	NetGear Edge M4300	need to make 1	\$94998000		

	10 Gigabit 48 port	million i	nstances of	
	managed Switch	the clou	d instance	
		to run these virtual		
		machine	e)	
Network Cables	C2G 10m Duplex Fiber	21000 (t	to run 1	\$36.49 x 1022019 =
	Optic Cable	million v	/irtual	\$37293473.31
	·	machine	e instances)	
Racks	24U – Hoffman	25000 (t	to run 1	\$364.92 x 102189 =
	Enclosures 24u Black	million i	nstances)	\$37290809.88
	Steel			
	Navepoint 2U			
	Universal Rack Mount			
	Server Cabinet Shelf			
	Post Open Frame Rack			\$27.78 x 1022019 =
				\$28391687.82
	<b>Component Total</b>			\$2458783971.01
MAIN	TENANCE AND COOLING	COSTS (5	year estima	te)
<b>Electric Power Usage</b>	\$858.84/year		\$4624.2	
Cooling	One-third of Power used		\$1421.4	
Administration	\$100,000/year		\$500000	
	TOTAL		\$24592900	16.61

Now considering we need to add 10PB of shared resources along the cloud instance to the data center with the throughput of 10GB/sec, then we need to add the storage across the servers.

Seagate ironwolf 10TB NAS hard Drive 7200 RPM 256MB 6.0 Gb/s	1000	\$409.99 x 1000 = <b>\$</b> 409990
TOTAL		\$2459700006.61

Even after adding this amount to the total cost of the Amazon Instance assembling using hardware installment, it doesn't do much high percentage of the cost increment. So now if we calculate the total after adding the 10PB distributed storage shared across entire cloud it is equivalent to the amount summed up.

The cost per month cost of the private cloud would come up to be \$5615.53

Now, we will check for the next configuration with respect to p3.16xlarge and what hardware components are needed to build the equivalent Amazon instance.

#### 2.3 Configuration 3 - p3.16xlarge

The following is the p3.16xlarge configuration information obtained for Amazon instance with respect to the memory storage and network performance and clock speed.

REQUIREMENTS - Support deep learning with 1 exaflop of mixed precision performance (hint: each VM should be equivalent to p3.16xlarge instances; you will want to use the NVIDIA V100 GPUs (8 GPUs per node), and allocate 8-cores per GPU (64-cores per node) with 8GB of memory per core (512GB per node); the network to use is at least 10Gb/s per GPU (100Gb/s should work), and should be organized in a Fat-Tree network; in addition to the compute resources, a 1PB distributed storage shared across the entire cloud should be procured, with enough capacity for 10GB/sec throughput.

Tesla V100 delivers industry-leading floating-point and integer performance. Peak computation rates (based on GPU Boost clock rate) are

- 7.8 TFLOP/s of double precision floating-point (FP64) performance;
- 15.7 TFLOP/s of single precision (FP32) performance;
- 125 Tensor TFLOP/s of mixed-precision matrix-multiply-and-accumulate.

Therefore, 8 GPUs would have performance = 125\*8 TFLOP/s (for mixed-precision).

To get 1 exaflop performance we would require,  $(10^18)/(125TFLOPS^8) = 1000$  VMs (each equivalent to p3.16xlarge instance). All these information is referred from an article listed below

*Note* - Referred from <a href="https://devblogs.nvidia.com/parallelforall/inside-volta/">https://devblogs.nvidia.com/parallelforall/inside-volta/</a>

GPUs	8
vCPUs	64
Memory (GiB)	488
GPU Mem (GiB)	128
Network performance	25 GigaBit
Processor used	Intel Xeon E5-2686 v4 (Broadwell) processors
Clock Speed(GHz)	2.3 Ghz (Base) / 2.7 GHz (Turbo)

Below is the hardware configuration used to build the same instance Amazon cloud using the hardware items and installing them.

EQUIPMENTS NEEDED				
PRODUCT DETAILS QUANTITY PRICE				
GPU Used	NVIDIA Tesla GPU 8GB	1000	\$154766.06 x 1000 =	
	Active Accelerator		\$154766060	
CPU Used	Intel Xeon E5-2686 v4	1000	\$1319 x 1000 =	
	(Broadwell) processors		\$1319000	
	2.3GHz 18 Core 45 MB			

Casa /Chasais	Nove Declare out	1000		\$59.99 x 1000=
Case/Chassis	Norco Rackmount	1000		'
	Server Case RPC-230			\$59990
	2U			
Memory Used	Trident Series SDRAM	32 x 1000 (total		\$299.99 x 32000 =
	DDR4 3200 Intel	for 1000 no	des	\$9599680
	Platform	calculated)		
Motherboard	Asus H110M-K 6Gb/s	1000		\$62.99 x 1000 =
	USB 3.1 Micro ATX for			\$62990
	Intel Motherboard			
Storage Servers	Intel Optane SSD 900P	1000		\$369.99 x 1000 =
				\$369990
Network Adapter	Intel E10G42BT X520-T2	1000		\$399.99 x 1000 =
	10Gigabit Ethernet Card			\$399990
Network Switches	Cisco 48 Port Gigabit	24 (as per th	ne	\$369.99 x 24 =
	370W Switch	design		\$8879.76
		requirement)		
Network Cables	C2G 10m Duplex Fiber	1048		\$36.49 x 1048 =
	Optic Cable			\$38241.52
Racks	24U – Hoffman	~104		\$364.92 x 104 =
	Enclosures 24u Black			\$37951.68
	Steel			
	Navepoint 2U			
	Universal Rack Mount	~1050		
	Server Cabinet Shelf			
	Post Open Frame Rack			\$27.78 x 1050 =
				\$29169
	Component Total			\$164,848,996.56
	MAINTENANCE AND COOLING COSTS (5 year e			•
Electric Power Usage	\$858.84/year		\$4624.2	
Cooling	One-third of Power used		\$1421.4	
Administration	\$100,000/year		\$500000	
TOTAL			\$165,35	55,042.16

Now considering we need to add 1PB of shared resources along the cloud instance to the data center with the throughput of 10GB/sec, then we need to add the storage across the servers.

Seagate ironwolf 10TB NAS hard Drive 7200 RPM 256MB 6.0 Gb/s	100	\$409.99 x 100 = <b>\$</b> 40999
TOTAL		\$165,396,041.16

Even after adding this amount to the total cost of the Amazon Instance assembling using hardware installment, it doesn't do much high percentage of the cost increment. So now if we

calculate the total after adding the 1PB distributed storage shared across entire cloud it is equivalent to the amount summed up.

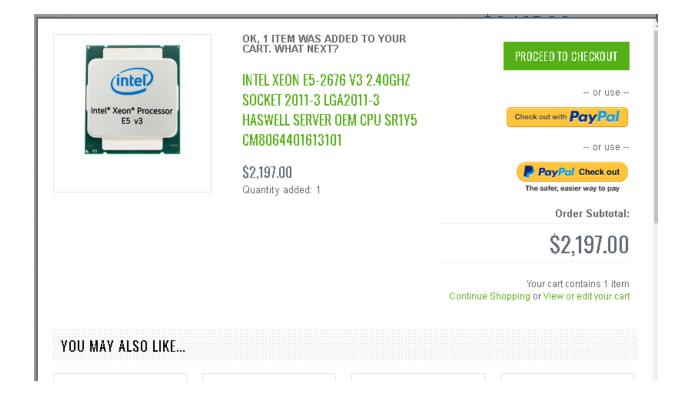
The cost of the private cloud would come upto \$3776.16

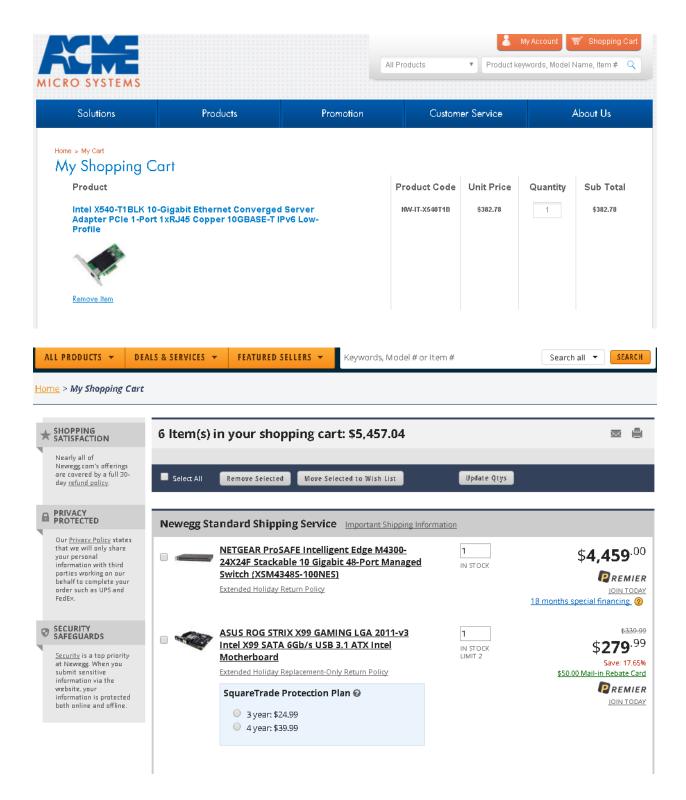
Now if we see the comparison from the public and private cost all together we see that the private seems to be the best option (considering the requirements). The public is considered on the fact of the full utilization. But, the cost may go down if the public cloud setup isn't used fully at entire 5 year duration which is one factor to care into (hypothetical situation considered).

Configuration	Private	Public		
Config 1	\$16,937,752.14	\$630,253,297.2		
Config 2	\$2,459,700,006.61	\$9,070,992,499.8		
Config 3	\$165,396,041.16	\$1,057,536,000		
What utilization	Here we see the Public is 3 times the private in Config 1,			
must be achieved	public is 10 times almost the private setup in Config 2 and in			
with the private	the 3 <sup>rd</sup> Config the cost is almost higher than the public setup.			
cloud to make the	This concludes that in this following config the private seems			
private cloud option	to be the best option no matter what including the advantage			
more attractive than	of security and other factors.			
the public cloud?				

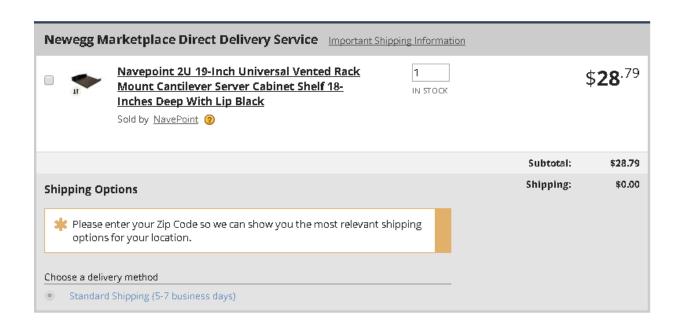
Snapshots of the Components of cart purchased for specific Amazon instance equivalent cloud generation.

#### d2.8xlarge





		StarTech MASFP10GBSR Cisco Meraki MA-SFP- 10GB-SR - 10G SFP+ - Cisco Meraki SFP Module - Cisco 10Gbase-SR SFP Module  Extended Holiday Return Policy  SquareTrade Protection Plan   3 year: \$34.99  4 year: \$54.99	1 IN STOCK LIMIT 2	\$284.35 Save: 15.87% PREMIER JOIN TODAY	
		Athena Power RM-2UC238 Black 1.0mm SECC 2U Rackmount Server Case - OEM Extended Holiday Return Policy	1 IN STOCK	\$39.99 PREMIER	
				Subtotal: \$5,063.33	
Ship	ping Opt	tions		Shipping: \$0.00	
144	Planca				
Ne	ewegg N	Marketplace Direct Delivery Service Imp	. 1	7	<b>64</b> .92
Ne	ewegg N		. 1	\$30	<b>64</b> <sup>.92</sup>
Ne	Wegg N	Hoffman Enclosures - E195WM25U24 - 19 Wall Mnt Swing Out Rack 24u, 50.6'h X 20 X 24.3'd Black, Steel	1	\$30	<b>64</b> ·92
	Hoffman	Hoffman Enclosures - E195WM25U24 - 19' Wall Mnt Swing Out Rack 24u, 50.6'h X 20 X 24.3'd Black, Steel Sold by Neobits	1	\$3	
Shi	#affman	Hoffman Enclosures - E195WM25U24 - 19' Wall Mnt Swing Out Rack 24u, 50.6'h X 20 X 24.3'd Black, Steel Sold by Neobits	. 1 .9'w IN STOCK	\$30 Subtotal:	\$364.92
Shi	Hoffman ipping O Please option	Hoffman Enclosures - E195WM25U24 - 19' Wall Mnt Swing Out Rack 24u, 50.6'h X 20 X 24.3'd Black, Steel Sold by Neobits   ptions  enter your Zip Code so we can show you the most ins for your location.	. 1 .9'w IN STOCK	\$30 Subtotal:	\$364.92
Shi a	ipping O Please option	Hoffman Enclosures - E195WM25U24 - 19' Wall Mnt Swing Out Rack 24u, 50.6'h X 20 X 24.3'd Black, Steel Sold by Neobits   ptions  enter your Zip Code so we can show you the most in sfor your location.	. 1 .9'w IN STOCK	\$30 Subtotal:	\$364.92
Shi	ipping O Please option	Hoffman Enclosures - E195WM25U24 - 19' Wall Mnt Swing Out Rack 24u, 50.6'h X 20 X 24.3'd Black, Steel Sold by Neobits  enter your Zip Code so we can show you the most in story your location.  every method rd Shipping (5-7 business days)	. 1 .9'w IN STOCK	\$30 Subtotal:	\$364.92
Shi 3	# Please option  Standar Expedite	Hoffman Enclosures - E195WM25U24 - 19' Wall Mnt Swing Out Rack 24u, 50.6'h X 20 X 24.3'd Black, Steel Sold by Neobits   ptions  enter your Zip Code so we can show you the most in sfor your location.	. 1 .9'w IN STOCK	\$30 Subtotal:	\$364.92





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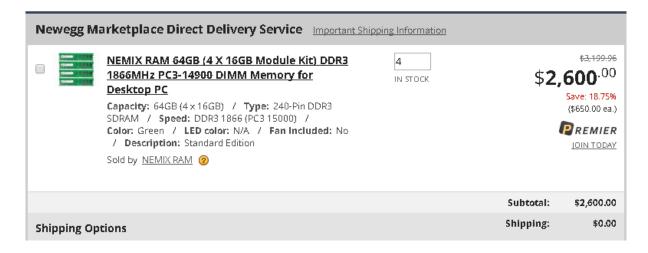
Credit Card Statement Credit\*: 

\$50.00

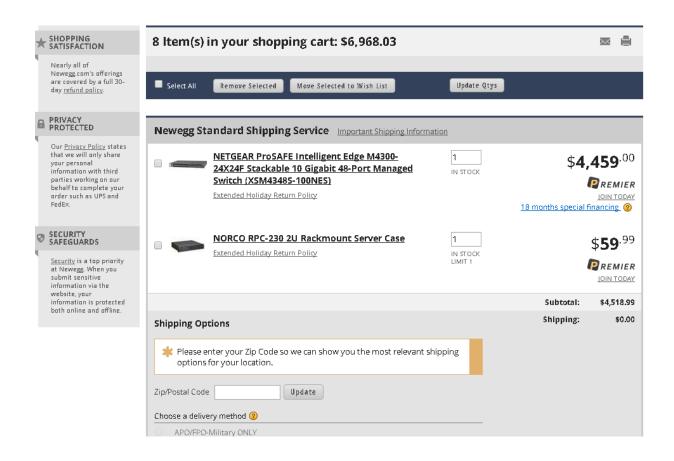
Total After the Statement Credit: 
\$5,407.04

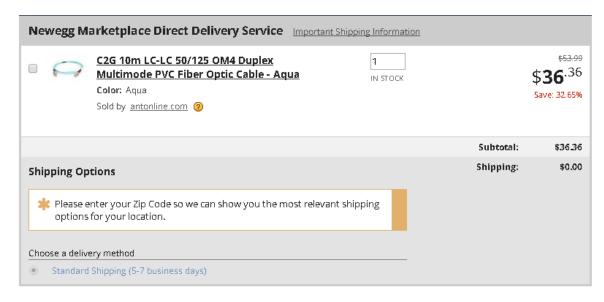
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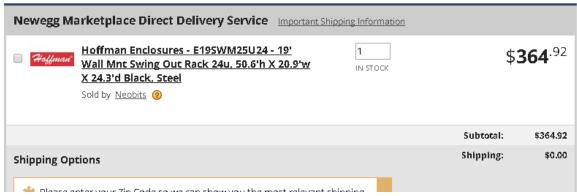
\*Statement credit will be issued approximately 6-8 weeks after making your first qualifying purchase with your new Card. Termo and Conditions apply:

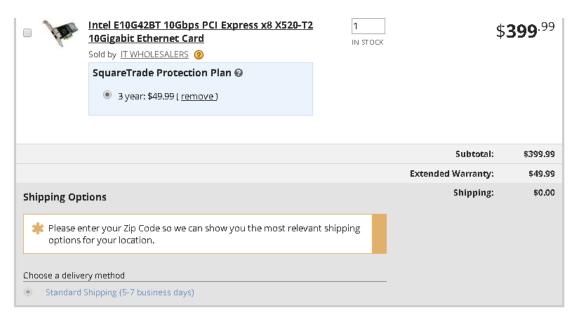


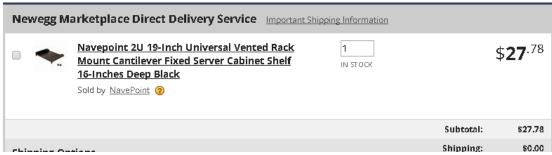
#### r3.large

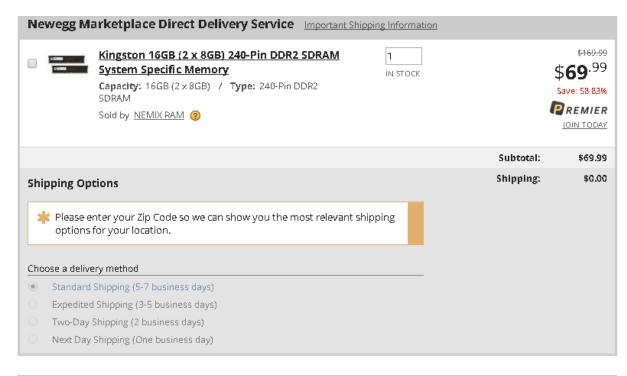






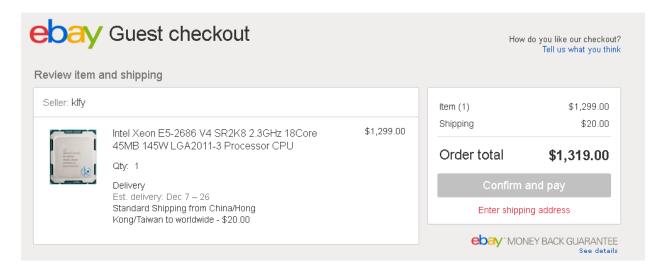


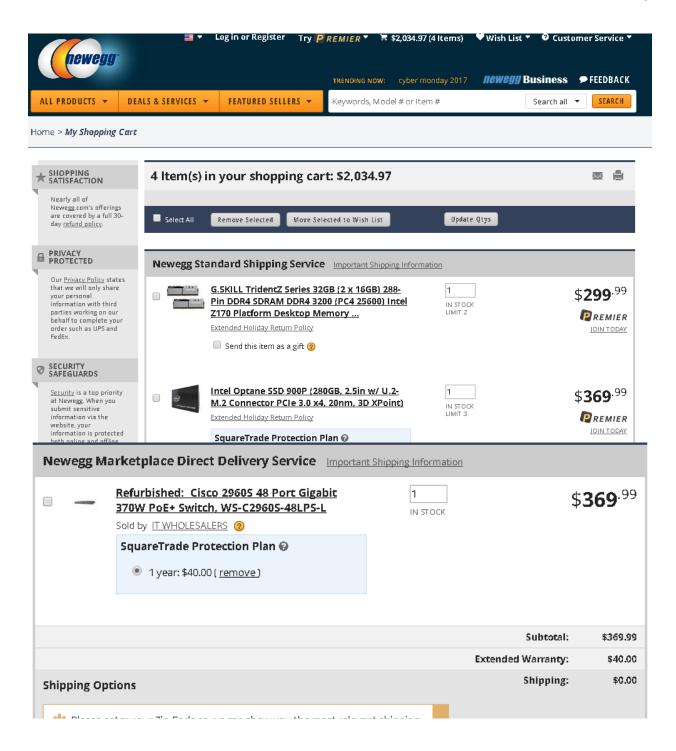


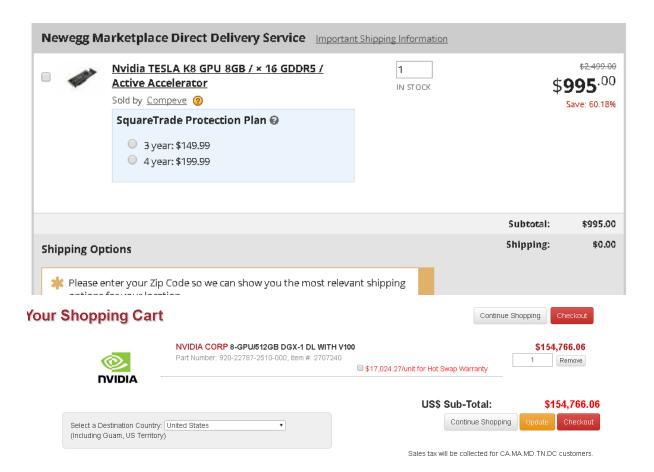




#### p3.16xlarge







Some of the items are same as the above used.