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13th September, 1957

N.I.(G.P.)(57)1st Meeting

NATIONAL INSTITUTE FOR RESEARCH IN NUCLEAR SCIENCE

GENERAL PURPOSES COMMITTEE

Minutes of the General Purposes Committee Meeting
held in Lord Bridges' Office, Treasury Buildings,
Whitehall at 2.30 p.m. on Friday, 6th September, 1957.

PRESENT: Lord Bridges
Sir Philip Morris
Sir Donald Perrott
Professor H.S.W. Massey
Dr. T.G. Pickavance
Mr. P.J. Searby (Secretary)

APOLOGIES FOR ABSENCE

Apologies for absence were received from
Professor R.E. Peierls and Professor D.H. Wilkinson.

1. CONTRACT FOR A MAGNET YOKE

The Committee had before them the report by the Project
Committee (N.I.(G.P.)(57)1) recommending

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- (a) the signing of a contract with Messrs. Joseph Sankey
for the supply of the Magnet Yoke in the sum of
£1,329,400,
 - (b) the retention in the Estimate of a nominal
£100,000 to cover the cost of possible minor changes
which the Authority might require before completion
of the pre-production run, and
 - (c) the delegation to A.E.R.E. of responsibility to
authorise up to £25,000 for this purpose.

The Chairman said that it was clear that a considerable
amount of trouble had been taken to examine all possibilities
and to ensure that a truly competitive price was arrived at and
satisfactory technical arrangements made. Reference was made
to the fact that the contract was now very nearly a fixed price
contract; apart from variations to cover cost of labour and
materials, a price variation could only be justified on the basis
of identifiable changes in specifications etc. It was agreed
that in the event of any major modification to the terms of the
contract or the price, reference would be made to the General
Purposes Committee.

The Committee therefore endorsed the recommendations of the
Project Committee set out above.

2. PROPOSALS FOR APPROVAL OF FUTURE CONTRACTS

The Committee had before them a paper by the Chairman of the
Project Committee (N.I.(G.P.)(57)2) proposing a mechanism for
approving the major contracts for the 7 GeV Proton Synchrotron.

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The Board had already agreed that the Institute should follow the precedent of the Atomic Energy Authority and delegate power to give financial approval for normal contracts of less than £25,000 to the Harwell authorities. (3rd Meeting Minutes, Item 3). The Project Committee therefore recommended:-

- (a) That contracts below £25,000 should be financially approved by A.E.A.
- (b) That contracts between £25,000 and £100,000 should, wherever possible, be approved in advance at a meeting of the General Purposes Committee on the basis of a forecast price, with the clear understanding that no contract would be signed if the actual price quoted by the supplier exceeded the forecast by more than 10%.
- (c) That contracts over £25,000 which could not be covered under (b) above, and all contracts over £100,000, should be dealt with by the General Purposes Committee at an ordinary meeting, or in cases of urgency, at an extraordinary meeting of the General Purposes Committee or of a Sub-Committee of readily available members.

The paper drew attention to the distinction between the financial authority for any project and the authority to sign the contract. The Committee endorsed this distinction and agreed that the normal procedure of the Atomic Energy Authority should be adopted for signing contracts. This allowed the General Secretary at Harwell to sign contracts on behalf of the Authority's Member for Finance and Production up to £100,000 in cases of competitive tender and up to £5,000 in other cases. Cases above these limits were referred to the Authority's Director of Contracts, again acting on behalf of the Authority Member for Finance and Administration.

The Committee agreed in general with the recommendations set out in N.I.(G.P.)(57)2, subject to the reporting to the General Purposes Committee of all action taken, particularly in cases (even below the limit of delegated powers) where departure from traditional principles of Government contracting had occurred.

The Committee expressed their appreciation of the clear way in which the proposals of the Project Committee and the types of contracts that were likely to be placed, had been set out and agreed:

- (a) that contracts below £25,000 should be financially approved by the Atomic Energy Authority, subject to the subsequent reporting to the Committee in all cases with special features or where issues of public policy might arise;
- (b) that contracts between £25,000 and £100,000 should where possible be approved in advance at a meeting of the General Purposes Committee on the basis of a forecast price, with the clear understanding that no contract should be signed without further reference to the Committee if the actual price quoted by the supplier exceeded the forecast by more than 10%;
- (c) that contracts over £25,000 which could not be covered under (b) above and all contracts over £100,000 should be dealt with by the General Purposes Committee at an ordinary meeting;

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- (d) that where it was essential for decisions to be taken at a time when the General Purposes Committee could not conveniently meet, the Chairman would be authorised to act on their behalf after taking such advice as he thought appropriate.

3. REPORT ON PROGRESS OF THE 7 GeV MACHINE

Dr. Pickavance gave a brief report on the organisation of the project and the progress of the scheme. He referred to the five Physics groups working on the project dealing respectively with the magnet, the radio-frequency acceleration system, the injector accelerator, the vacuum problems and the magnet power supply and to the engineering organisation now being set up to deal with engineering problems including estimates.

He reported that the Physics groups were already working well and that the Engineering group was now growing rapidly. Engineers were being added from other parts of the Harwell establishment, the Industrial Group were assisting in the project and the recruitment of staff from outside was also continuing.

Dr. Pickavance referred particularly to the civil engineering work now going on. The opening up contract had been signed in July and work was going well. The design of the complicated buildings required had been completed and the difficult problem of securing stable foundations for the 7,000 ton magnet had been solved. He expressed appreciation of the work done by Merz & McLellan, the consulting engineers.

Tenders were now being invited for the main civil engineering contract which it was expected might be for about £1.5m. The contract was open to competition and tenders were to be submitted by October 15th. The original estimate on which the approval of the Governing Board and the Treasury had been sought allowed £1.9m. for the total expenditure on building work, but an intermediate estimate had now been prepared on the basis of detailed drawings and a quantity survey by Merz & McLellan and the Industrial Group and the total estimate was now £2.5m. This total however included:-

- (a) an estimate of £142,500 to cover expected variations in the cost of labour and material;
- (b) a figure of £149,200 for contingencies;
- (c) £85,000 to cover the fees of the Industrial Group.

All these should be excluded for the purpose of comparison with the £1.9m. approved by the Treasury. On this basis an estimate of £2.1m. was reached, an increase of 10% on the previous estimate. The Project Committee and the General Purposes Committee would have to decide whether authority ought to be requested to incur the extra expenditure or whether drastic modifications to the buildings would have to be made to keep within the original estimate. Dr. Pickavance was satisfied that the buildings were the minimum needed and the extra expenditure was fully justified. A formal report on this would be submitted to the next meeting of the General Purposes Committee.

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In the course of discussion on Dr. Pickavance's report the following points were made:-

- (a) The project had all the authority it needed to secure staff. So far shortage of staff was not a major problem, save in so far as the project naturally suffered from the nation-wide shortage of scientists and engineers.
- (b) It would be essential in some minor cases to make contracts with Continental firms since they alone produced the equipment required. In other cases, however, it was proposed to seek tenders both from U.K. and Continental firms. The Committee drew attention to the fact that there would have to be very strong grounds indeed to justify letting a major contract to a Continental firm. Shortage of foreign currency might make it desirable in certain circumstances to attempt to obtain permission to manufacture in the U.K. under licence if a foreign design were essential.

4. ARRANGEMENTS FOR FUTURE MEETINGS

The Committee agreed that it was desirable that they should meet once a quarter to receive reports on the progress of the project and to authorise any necessary action. It was desirable that these meetings should follow shortly after the presentation of the quarterly reports that Harwell had undertaken to produce. The next meeting was accordingly fixed for Monday November 11th at 2.30 p.m.

5. STATEMENT REGARDING MAGNET CONTRACT

It was agreed that it was desirable to issue a Press Notice as soon as possible following the signature of the contract for the Magnet Yoke. Sankeys would certainly wish to publicise the contract and there were advantages in the Institute making a statement to this effect to the Press themselves. It was agreed that a Press Notice would be approved by the Chairman as soon as possible following the signature of the contract and that further Press Notices should be issued as appropriate from time to time.