

*Mr. P. Bowles
for information*

At least 30th 1960

NI/GP/60/33

NATIONAL INSTITUTE FOR RESEARCH IN NUCLEAR SCIENCE

GENERAL PURPOSES COMMITTEE

Nimrod Magnet Coil Installation

Note by the Secretary

In order to avoid serious delay to the Nimrod construction programme it is necessary to begin the installation of the magnet coils almost at once. Contract negotiations for the installation have been proceeding with Messrs. A.E.I. the manufacturers of the coils, with the result set out in the enclosed Nimrod Project Committee paper PSPC/P.73. The recommendation to place the contract with A.E.I. Ltd. has been endorsed on behalf of the Project Committee by Dr. Vick, its Chairman.

In view of the urgency and since at least two members of the G.P.C. are abroad at present, Lord Bridges, after consulting the A.E.A., has approved placing of the contract with Messrs. A.E.I. He has however given instruction that a further attempt should be made to negotiate an acceptable fixed price, and further, that if it proves necessary to place the contract on the basis of cost plus a fixed fee, the fee must be agreed at a figure which the Director of Contracts, A.E.A. considers reasonable.

On the Chairman's instruction, this paper is circulated to report to the Committee on the action taken.

TENDERS

The information contained in the tenders enclosed in this file is strictly confidential and must not be disclosed to any unauthorised person.

NIMROD PROJECT COMMITTEE

Magnet Coil Installation

1. In accordance with PSFC/P30 (November 1958) a contract was placed with Metropolitan-Vickers Electrical Co., Trafford Park, Manchester, for the manufacture of the magnet coils together with their cooling water connections. This contract did not include for the installation of the coils into the magnet octants at Harwell.
2. At the time of placing the manufacturing contract Metropolitan-Vickers Electrical Co. (now Associated Electrical Industries Ltd.) expressed their willingness to undertake the installation. On account of the many novel features, and unusual accuracy required in the installation they indicated their preference for a time and expenses type of contract, but no contract action was taken at that time.
3. It is highly desirable that the coil manufacturer, i.e. A.E.I. Ltd., should instal these coils to maintain continuous contractual responsibility and to avoid the possibility of a difficult situation arising should damage occur during installation. A.E.I. Ltd. have gained appreciable experience of handling these unwieldy coils during manufacture and delivery. They have also installed to our satisfaction the Magnet Coils for a nine sector model of the magnet and thereby gained useful installation experience. Accordingly, only A.E.I. Ltd. have been invited to tender for the installation.
4. A.E.I. Ltd. have now quoted for the installation of the magnet coils with their associated water connections as follows:-
 - (a) a fixed price of £75,250, or alternatively
 - (b) a fixed prorit fee of £4,400 plus actual labour and expenses at agreed rates.

There is an additional £17,539 on either of the above for tools, equipment and services which need to be provided to enable the installation to be satisfactorily carried out.
5. An estimate has been made of the labour and expenses which would be payable under alternative (b) above, based on the rates given and A.E.I.'s. own estimate of the time to complete the work and the teams of fitters they propose to send. With an allowance for uncertain factors this estimate is £30,000.

It is therefore considered that a substantial saving will be effected by choosing alternative (b) contract.
6. On the above basis the prorit fee of £4,400 seems excessive and it is the intention of the Project Group to endeavour to get this reduced. The rates quoted by A.E.I. Ltd. for labour and expenses are considered fair and reasonable.
7. The additional £17,539 comprises sixteen items of equipment and services, and following our usual practice we would agree these with A.E.I. Ltd. only after we know that they are all essential and that the prices are fair and reasonable.

8. The Nimrod construction programme requires that a contract shall be placed with the minimum of delay and it is accordingly proposed that the contract should be placed subject to later agreement of the prices discussed at paragraphs 6 and 7 above.

9. There is adequate provision in the approved Nimrod Plant Estimate to cover the likely cost of the contract if placed on the basis of alternative (b).

10. Recommendations

It is submitted that the Project Committee recommend to the General Purposes Committee that:-

10.1 A contract be placed with A.E.I. Ltd. for the installation of the magnet coils on the basis of a fixed profit fee to be negotiated plus actual labour and expenses at the rates quoted.

10.2 Expenditure of £51,940 be authorised on account of this contract comprising:-

Fixed profit fee not exceeding	£4,400
Estimated cost of labour and expenses	£30,000
Cost of tools, equipment and services not exceeding	£17,540
TOTAL	<u>£51,940</u>

G.E. SIMMONDS

Deputy for P. Bowles

Rutherford High Energy Laboratory,
Harwell.

22nd August, 1960.