

2nd November 1961

NI/GP/61/48

D632

NATIONAL INSTITUTE FOR RESEARCH IN NUCLEAR SCIENCE

11/2a

GENERAL PURPOSES COMMITTEE

Building Contract for various works at the

Rutherford Laboratory

Note by the Secretary

1. It is now necessary to let a contract for building work on the following schemes which have already been approved by the Committee:-

(a) Roofing in the hardstanding adjoining the Experimental Area	£ 30,000
(b) Extension of the Parasitic Area	£ 28,000
(c) Extension of Building R.2	£122,000
	£180,000

2. On the 2nd October 1961, the Committee authorised the placing of contracts over £25,000 without reference to them subject to certain provisos. Approval of the Committee is sought in this case since it is not recommended that competitive tender action should be taken.

3. Paper NI/GP/60/38, which was approved by the Committee in September 1960, set out the case for letting a building contract with W. E. Chivers & Sons Ltd. for £265,875 after competitive tender and on the basis of measured quantities. The contract contained an "escalator clause" under which the Institute have the right to extend the contract by 100% without the pricing being affected. Partial extension of the contract under the "escalator clause" to a limit of £100,000 was approved by the Chairman early in October to cover additional approvals for roads, drains, etc. which were virtually extensions of work envisaged in the initial contract.

4. Competitive tenders could be sought for the new works listed in paragraph 1, but the Southern Works Organisation do not recommend this, because:-

- (a) W. E. Chivers & Sons Ltd. are already giving attendance on plant installations in these areas and the introduction of a new contractor might cause embarrassment and would certainly add to the difficulties of plant installation.
- (b) Knowledge of the work already executed in the vicinity of Bldg. R.2 will be of value especially when dealing with the preparation of the site and the formation of the foundations.
- (c) In the present national situation in the building trade, it is invariably more economical to extend contracts when rates are favourable, rather than to invite new tenders as it has been found that enhanced prices are at present being submitted.
- (d) In the general labour situation, the feeding in of additional work to the existing contractor enables a more balanced labour force to be maintained on the site which in turn provides greater flexibility between jobs than would be possible if additional contractors were introduced.

5. Approval is now sought to implement the whole of the "escalator clause" on the contract with W. E. Chivers & Sons Ltd. and to extend it by £15,000 making a new contract limit of £546,750 (i.e. the original £265,875 plus £100,000 plus £180,000 and rounded up by £875). As stated above, financial approval of the schemes has already been given by the Committee, and the present paper is concerned only with the contract. The AEA Contracts Branch (Tadley) have approved the proposal in principle subject only to formal approval by the Director of Contracts.

6. As an early contract action is required, I shall be very grateful if Members will kindly let me know as soon as possible whether they approve. A tear-off slip is appended for use if desired.

J. A. V. Willis
Secretary
Rutherford High Energy Laboratory
Harwell.

2nd November 1961.

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From:

To the Secretary, NIRNS
Rutherford High Energy Laboratory
Harwell, Didcot, Berks.

I approve/do not approve of the implementation of the "escalator clause" in Messrs. Chivers' contract bringing the contract limit to £546,750.

Signed