

CONFIDENTIAL

SCB



THE PRIME MINISTER

WBP

PROCUREMENT OF MAIN FRAME COMPUTERS

1. I have seen Norman Fowler's minute to you of 27th March, the response from your office of 7th April, Peter Brooke's minute to you and Kenneth Baker's letter to Norman.
2. Procurement of computers on a single tender basis gives rise to complex legal hazards. I discussed these in the letter annexed to my minute to you dated 24 July 1985. I agree to the procedure suggested by Norman Fowler but must stipulate that each proposed procurement be individually cleared by his lawyers. If in any instance they remain anxious on a legal point I shall of course be happy to advise. I would, however, need full instructions.
3. Copies of this minute go to the members of E(A), Sir Geoffrey Howe and Sir Robert Armstrong.

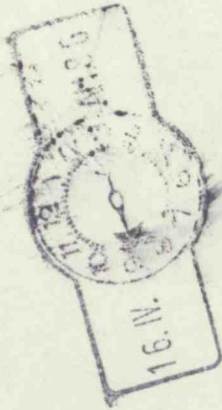
Blind 22/2/86

14 April 1986

Law Officers' Department.

CONFIDENTIAL

Sound Services: 4T Strategy; Sept 80



COMMUNICATIONS



cc BG
FROM: Minister of State

DATE: 7 April 1986

PRIME MINISTER

MBM

PROCUREMENT OF MAINFRAME COMPUTERS

Norman Fowler minuted you on 27 March proposing a framework for the procurement of mainframe computers by DHSS in the light of the decision by E(A) on 29 July 1985 that the mainframe computers for his Local Office Project should be purchased by single tender to ICL.

I am content with Norman Fowler's proposal that advance notice should be given of each procurement decision, and that each of the projects on the list enclosed with his minute should be the subject of a single-tender approach to ICL, provided no unforeseen cost or other difficulties emerge. I suggest that Norman's officials discuss each project with Treasury officials in advance, as part of the normal procedure for the approval of projects which exceed the level of financial authority delegated to DHSS. This would enable officials to identify any difficulties before the project is brought to our attention.

I am also content that the Departmental Central Index procurement which is due to begin next month should be by single tender to ICL. There does not seem to be the same need to announce this decision as in the case of the Local Office Project but, if anything is contemplated, I should be grateful if Norman's officials could discuss it in draft with mine and, I suggest, those of the Solicitor General and the Secretary of State for Trade and Industry.

I am copying this to members of E(A), Michael Havers, Patrick Mayhew and to Sir Robert Armstrong.

P.B.

PETER BROOKE



Soc. Serv: Long Term Strategy

Aug. '80



10 DOWNING STREET

7 April 1986

From the Private Secretary

Dear Ales,

The Prime Minister has now seen your Secretary of State's minute of 27 March about the procurement of main frame computers. She has agreed to your Secretary of State's proposal and in particular to the single tender approach to ICL. She very much hopes however that your Department will be making arrangements to ensure that ICL deliver on time and to specification given the substantial computer contracts over the next five years which they are being guaranteed. Moreover, she further hopes that your Department's undertaking to put as much of its computer requirements as possible out to tender will be carried out.

The Prime Minister would wish to be assured that the computer terminals, the communications network linking them together and the software programmes will all go out to competitive tender. Perhaps you could arrange for comments on both these points to be provided as soon as is appropriate.

I am sending copies of this letter to Private Secretaries to members of E(A), Tony Galsworthy (Foreign and Commonwealth Office), Michael Saunders (Law Officers' Department) and to Michael Stark (Cabinet Office).

Yours
Tim F.

(TIM FLESHER)

Giles Denham, Esq.,
Department of Health and Social Security.

BM