

Office Memorandum • UNITED STATES GOVERNMENT

TO : Dr. John C. Bugher, Director, Division
of Biology and Medicine

DATE: November 14, 1952

FROM : Philip J. Farley, Executive Secretary,
AEC Task Force on Contract Policy

Philip J. Farley

SUBJECT: MATERIAL TO BE FURNISHED TASK FORCE
ON CONTRACT POLICY

This memorandum is to confirm agreements reached during our meeting with you on November 12, to discuss information to be furnished this Task Force for use in connection with the preparation of the Commission's reply to the Joint Committee's letter of April 2.

We are requesting that you furnish the following material:

1. With regard to the question of possible direct operation of a national laboratory, we would appreciate statements on the following aspects of this problem:
 - a. What are the contributions to the program made by the contractors operating the national laboratories under the present system of contract operation?
 - b. What is the effectiveness of direct Government operation of laboratories on the basis of your observation and contacts with such institutions as the National Institute of Health, the National Bureau of Standards, Naval Laboratories, etc.? What does this experience with direct operation suggest as to the prospective advantages and disadvantages of AEC operation of national laboratories?
 - c. Your comments on other segments of the Commission's biology and medicine program which might be susceptible to direct operation.
2. Supervision of Research and Development Program: We have asked for a general description of the present system for programming, supervising, and evaluating the AEC's research and development programs in the fields of biology and medicine. Particular points which are of interest to us are the following, by way of illustration:
 - a. A statement of the Division's role in contract negotiation and administration, and its philosophy of administering ("offsite") research contracts. (We would appreciate specific discussion of the extent of actual supervision, by inspection or other means, which the Division exercises over the work.)
 - b. An account of goals and procedures in awarding ("offsite") contracts (among the specific points of interest here are the criteria for the decision between use of cost- and lump-sum-types of contract).

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- c. What, generally, does your Division want from the field offices in their handling of research and development activities under their administration, both offsite contracts and laboratory projects?
 - d. The respective responsibilities for technical supervision and evaluation of work, for the Washington technical staff and the technical staff of field offices.
 - e. Methods used in supervising and evaluating research and development projects, and in measuring output or performance of laboratories.
 - f. Channels of communication and reporting between contractors, field staff, and Washington, and the adequacy of these channels.
 - g. Arrangements for over-all coordination of the program of each laboratory and effectiveness of these arrangements--particularly of the coordinating role of the Division of Biology and Medicine with respect to the Brookhaven program. (We would appreciate receiving a copy of the General Manager's memorandum on the latter point.)
 - h. Role of the Division in coordinating programs of primary interest to it at installations reporting to other divisions; limits to the Commission-wide functioning of the Division in this respect.
 - i. Present responsibilities for level of technical staffing at field offices and laboratories, and present responsibilities and procedures for reviewing budget requests for laboratory equipment; comments on these responsibilities and procedures.
3. Other Functions of the Division of Biology and Medicine: We understand that you will give us a general description of other responsibilities and functions of the Division. In particular, points which we assume will be among those covered are:
- a. Delegation of authority to the Division. (We would appreciate receiving a copy of the draft of revised delegation which we understand is now in process of clearance.)
 - b. Role of the Division in issuing health standards to the field and in inspecting actual conditions. In this connection, we would appreciate your comments on the attached remarks which were submitted to us by a field office in response to our request for suggestions.
 - c. Manner of resolving differences between the Division of Biology and Medicine and other divisions (we understand you will provide us with a copy of recent memorandum to the General Manager discussing five such differences).

- d. Relationship between the Division and the Health and Safety Division, New York Operations Office. Has this relationship been formalized?
4. Possible Changes: We would like your views on the following questions:
 - a. Programs under way or under consideration for improving the selection or administration of research contracts, for strengthening the supervision of laboratories, etc., which the Task Force should take into account in preparing its report.
 - b. Changes in present AEC organization or in fiscal, budget, contract, and other administrative procedures which, in your opinion, would be useful in facilitating the conduct of research and development or other programs for which you have responsibility. For example, would clarification of the functions expected of your Division or policy guidance as to the relationship of your work to the whole AEC program be helpful?
 5. Competition: We understand that you will discuss the incentives which are effective in the conduct of research and development, and the sense in which competition is a factor in such pursuits. We would appreciate as many examples as you can give of the ways in which competition is now effective in research and development activities, or might be so.

Because of the tight deadlines under which we must work in the preparation of our report, we request that this material be submitted to us, in triplicate, by November 24. We have appreciated the frankness with which Dr. Dunham and Mr. Brown discussed these matters with us, and will welcome an equally frank approach to the questions outlined in this memorandum. We would be glad to have comments on other matters within the area of our charter should these occur to you.

Enclosure:

1. Excerpt from "Information Prepared by Santa Fe' Operations Office for the AEC Task Force on Joint Committee Question," dtd 10-31-52. (Ques. 4, Item 5B.)