

P.O. Reference 28764/45

20th December, 1947.

CONFIDENTIAL

Dear McLoughlin,

We have now received the tenders from the various manufacturers for the supply of the Hell printers and the associated relays. Details are:-

Printers

Three tenders have been received. The Coventry Gauge and Tool Company Limited have offered delivery at the rate of 20 per month commencing in sixteen weeks provided all sub-contract items are available on time. The Factories Department of the Post Office have offered delivery of 3 by 30th September, 1948 and 12 per month afterwards, again subject to the availability of components such as the Klaxon motor, while the Marconi Company offer 20 printers of their own design per week commencing mid-March, 1948. This Marconi offer remains open only until the 2nd January, 1948.

As regards prices the Coventry Gauge and Tool Co. and the Factories Department each quote the same price as that for the current (Coventry Gauge) contract, whereas the Marconi price is double.

You may, however, consider that the earlier delivery terms offered by the Marconi Co. offsets the price advantage of the Coventry Gauge product, but the use of machines of differing designs will inevitably introduce maintenance and spares problems.

Relays.

Tenders have been submitted by the Factories Department, Pyc Telecommunications Ltd. and the Marconi Company with price increases of approximately 24%, 43% and 84% respectively over that of the present relay. Delivery terms are:-

Factories Department - 3 by late September, 1948 and 12 per month after, subject to receipt of the transformers, delivery of which has been promised in 4 months.

Pyc Telecommunications - To follow completion of the existing contract.

Marconi Company - 20 (of their own design) concurrently with the first 20 printers and the remaining relays to be commences mid-September, 1948 at 20 per week. Here again the offer remains open only until the 2nd January, 1948.

These tenders need to be considered in relation to the possibility printers and relays being obtained from German sources about which Jowett the Foreign Office is making enquiries and, we understand, trying to obtain equipment for examination by this Department. Until we have had the opportunity of examining a complete set, we cannot say whether the German equipment will prove suitable, but in any event, if German machines are separate spares will have to be obtained. Moreover, having regard to the possible political implications of introducing German machines at your receiving posts abroad, to which reference has, I think, already been made you may wish to ignore this possible source of supply.

On this basis, unless you can establish a clear advantage from your point of view, sufficient to outweigh the added expenditure and difficulty over having to deal in two kinds of spares, in having the 20 printers and relays promised by Marconi's for March, we recommend the acceptance of the Coventry Gauge and Tool Company's tender for the printers, not only because there is no lower tender, but also because the Company is by now familiar with our requirements and have the necessary tools and jigs assembled. Furthermore, while this Company's delivery terms are not so good as those of the Marconi Company, the latter Company's price is out of range, and acceptance of the Marconi tender might conceivably prejudice the supply of Klaxon motors to the Coventry Gauge and Tool Company for their existing contract. The

The Factories Department price is identical with that of the Coventry Gauge Company but the delivery terms are not so good and we have no reason to believe that they could secure motors any quicker than would the Coventry Gauge Company.

In the matter of relays, we suggest acceptance of the Factories Department tender as this is the lowest and the delivery prospects, although not quite so good as those of the Marconi Company, are considered to be better than those of Pye Telecommunications whose performance of the current contract has not been entirely satisfactory. As previously mentioned, the Marconi products, both printers and relays, are of their own design and while the printer can be used with a Post Office designed relay, the Marconi relay cannot be used with a Post Office designed printer. Acceptance of the Marconi tender for relays would, moreover, involve acceptance of their tender for the printers.

I shall be glad to know on what lines you wish us to proceed. If you should consider that the speedier delivery of the Marconi products outweigh all other considerations and that we should therefore concentrate on that make, it will be necessary to place the orders before the 2nd January next. Otherwise there is not quite the same urgency.

Yours sincerely,

Sgd. R. E. Hughes.

M. McLoughlin, Esq.,
C.O.I.

and
look to
atted