

## Advanced Materials 2: Project Management Board

### Minutes and Actions

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**10 am – 12 pm Thursday 26<sup>th</sup> February 2009**

**Warwick Ventures Meeting Room, University House, University of Warwick**

#### **In Attendance**

##### *Members:*

- Julie MacPherson – PI, UoW (Acting Chair)
- Dave Haddleton - PI, UoW (10 am – 11 am)
- Mike Adams - PI, UoB
- Jon Preece - PI, UoB (10 am – 11:50 am)

##### *Advisor:*

- Emma Melia - AM2 Project Manager

##### *Invited Attendees:*

- Stuart Arkless – Facilities Manager, School of Chemistry, UoB
- James Bowen – Facilities Manager, School of Chem. Eng., UoB
- Jonathan Smith – Procurement Advisor, UoW
- Karen Manyika – Procurement Advisor, UoB
- Jo Tuck – AM2 Project Developer, UoW

##### *Apologies*

- Joe Paget, Tony Clarke and Adrian Lisseman

Julie MacPherson facilitated introductions for all attendees, apologies were given and early departures were requested by Dave Haddleton, Jon Preece and Stuart Arkless.

#### **Finance – Capital**

##### **Warwick Procurement**

Emma Melia introduced the finance paper and requested that Jonathan Smith present the procurement overview which was tabled at the meeting. Jonathan highlighted the current spend position at Warwick and that procurement is on track to spend the original agreed budget as well as making plans to make up the shortfall on the Warwick Estates capital spend due to the delays in work commencing in the Chemistry Department at Warwick. Jonathan stated that Warwick forecasts to have taken delivery of and defrayed expenditure against all equipment items in the current project plan by Dec 2009. Currently there are just two outstanding items to be ordered at Warwick. Mike Adams questioned what the overall capital spend commitment was for Warwick for 08/09 compared to the figure for Birmingham and the board papers were clarified that the totals recorded are for 08/09.

Dave Haddleton summarised Warwick's position for 08/09 in saying that Warwick will hit their committed spend profile by 31<sup>st</sup> March 09, but will not have any overspend.

### **Birmingham Procurement**

Emma Melia introduced the discussion on procurement at Birmingham as Karen Manyika was delayed. Jon Preece assured the board that the School of Chemistry at Birmingham is on target to meet their proportion of the £1,089,553 budget for 08/09 spend. Mike Adams questioned whether it was still possible to request re-profiling of capital expenditure into 09/10 and Emma Melia indicated that at this point it would be very unlikely that AWM would allow this due to their response to the request to re-profile revenue expenditure. Karen joined the meeting and described the plans at Birmingham to retender for the outstanding items of equipment as well as to procure the items under £25,000 through the three quotes route. Emma Melia asked Mike Adams, Jon Preece and Karen Manyika about whether the evidence had been collected for equipment where advanced payments have been made such as equipment build schedules, photographic/diagrammatic evidence etc. The example of the Bruker NMR refurbishments was picked out (Bid2E1) and Stuart Arkless suggested that Neil Spencer may have this as he is in touch with the supplier.

**Action: Jon Preece/Stuart Arkless** – to investigate whether this evidence has been collected and inform the Project Manager. If the evidence has not been collected, Emma Melia will send Jon Preece a list of the evidence types that Warwick has collected for its NMR purchase with advanced payment from Bruker.

### **Warwick Estates**

In Joe Paget's absence, Emma Melia tabled the update on the refurbishment activity at Warwick. The work had been delayed due to an issue with room allocation in the department. This has now been resolved and work commenced on the revised start date of 9<sup>th</sup> February 09. Work is on track to be completed in the first Quarter of 09/10 and a photographic record of the work is being recorded for audit purposes. The delay in starting the work has led to a change in profiled spend and now only just over £82,500 of the £211,893 refurbishment budget will now be spent in 08/09. It appears that the shortfall in the Warwick 08/09 profile will be met by increased spend in the procurement of equipment.

### **Birmingham Estates**

Jon Preece confirmed that work on refurbishment in the School of Chemistry is on schedule to begin in June 09 during the summer break. Stuart Arkless indicated that a concern that he previously raised with the Project Manager around the requirement for a wall to be removed has now been resolved. Jon suggested that there could be a change to the original estates costs committed as the School would now like to place one of the two solvent stills (Bid2 E15) on the fourth floor of the Haworth Building and one on the seventh, rather than both of the fourth as originally proposed and hence this would require some money originally omitted to Room 404 now being spent to install one still on the seventh floor. He confirmed that this would not affect the overall estates budget. Emma Melia stated that while this was likely to be acceptable, it would have to be entered as a formal request to change the project to AWM.

**Action: Jon Preece** – to send an email to Emma Melia detailing the proposed change to the location of the solvent stills and the change in refurbishment spend to include a seventh floor laboratory.

Mike Adams touched on the most recent issue regarding the refurbishment of laboratory space in the School of Chemical Engineering. The laboratories which are to be committed to Science City currently have an academic occupying the space and she must be relocated before work can commence. He highlighted that the latest position and probable resolution is for the academic to be moved to a temporary location at minimal cost (funded by the School not AM2) and that the School will then request funds to switch her laboratories with an alternative more suitable location at a cost of around £100,000. Mike agreed to keep the board updated on any further changes which could cause delay to the Project. Mike also explained that he was in discussions with estates about the possibility of the space being fitted to Class Two biological containment standards, however this seems unlikely due to the conflicting requirements of Class Two and externally venting and re-circulating fume cupboards. He suggested that they would consider local booths for any equipment requiring Class Two containment. Emma Melia reminded that if Birmingham wish to proceed with this the purchase of the booths would have to be a formal change of spend request to AWM and the booths would have to be procured as equipment items. Mike confirmed that this will not pose a hold up to the overall refurbishment project and can be managed independently.

### **VAT Savings/Changes to Equipment Spend**

Emma Melia highlighted section AG1.4 of the Board Papers and reminded the Board that no equipment that is not on the originally agreed list (Attachment D to the Contract) may be purchased without permission from AWM. The VAT savings that the Project has made on many orders will be used to off-set the change in exchange rates on equipment purchased from the US and Europe. Any outstanding unspent capital will be assessed when all orders have been placed by the Board and requests to spend this budget will be tabled by Emma Melia to AWM.

### **Finance – Revenue**

Emma Melia discussed developments around AG1.11. The AM2 revenue budget is under spent for 08/09 and requests were submitted to Kathryn Dews the AM2 Project and Contract Officer at AWM to vary the spend and re-profile budgets. Request 1: to re-categorise £2,167.75 of Delivery Salaries as Overhead Salaries to be spent within 08/09 and for the remaining under spent Delivery Salary profile of £12,209.75 to be re-profiled to be spent 1<sup>st</sup> April 2012 – 30<sup>th</sup> June 2012 was rejected by AWM. The alternative agreed was that the £2,167.75 could be re-categorised as Overhead Salary to make up the Project Manager salary shortfall and the remaining £12,209.75 could be re-categorised as “Other” to be spent on equipment consumables by 31<sup>st</sup> March 09.

Request 2 to re-profile £1,650 of travel expenses into 09/10 is to be put forwards as a formal request to AWM decision panel, but is not guaranteed at this stage.

Request 3 to re-categorise the £8,000 recruitment budget as “Other” to be spent on equipment consumables by 31<sup>st</sup> March 09 was agreed.

This means that the project has £20,209.75 to spend on equipment consumables by 31<sup>st</sup> March 09. This requires that orders are placed and items received by this date and the money must be defrayed (invoice paid).

Dave Haddleton informed the Board that he and Julie MacPherson had discussed this spend and could deliver the full amount of legitimate AM2 spend within the timeframe at Warwick. It was agreed that initially the money should be split four ways between the four PIs, quotes should be sent to Emma Melia and Warwick would place orders for all items

required. Should there be any problems with any PI being able to achieve their proportion of the required spend, Emma Melia will place orders from the remaining PIs to total the required value.

**Action: Dave Haddleton, Julie MacPherson, Mike Adams and Jon Preece** – to send quotations for AM2 equipment consumables (including spares, vials, pans, tips etc) as soon as possible, but not later than 9<sup>th</sup> March 09. Reminder: No quotation from any one supplier can be for more than £2,500 in value otherwise three quotes will be required. Quotes must be for consumables and cannot be for additional equipment items or peripherals.

The Board agreed to revisit the allocation of the “Other” revenue budget for 08/09 between events and equipment consumables at the next Board meeting.

The question was asked by Mike Adams about what happens to the AM2 staff after the lifetime of the project and Jo Tuck responded that the Project Manager post is underwritten by Warwick, however the other posts are not underwritten and the Project will need to apply for alternative grant funding to keep these posts beyond 31<sup>st</sup> March 2012.

### **Finance – Income**

Mike Adams brought up the subject of AM2 income accounting. He asked about retaining funds in an internal University account from Grant and Contract Research income to be used for maintenance and eventual replacement of AM2 equipment. Emma Melia reminded the board that the project cannot make a profit from any income and that all income through work with industry must be spent on consumables and running costs for the equipment. The point was raised that it appears that currently any contract research income funds in a University cost centre may need to be spent before the end of each financial year. Mike Adams raised that he felt that this was unacceptable and that the project required an account such as those used for FP7 projects to hold funds for the whole life time of the Project. This issue cannot be resolved in isolation and must be seen as part of the wider discussions with the Finance Departments and Senior Management of both institutions.

**Action: Emma Melia** – to investigate further at Warwick and Birmingham the financial procedures which govern the retention and spend of research income to report at the next Board Meeting.

### **Finance – Charging**

A final issue was raised on the subject of finance, the question was tabled about charging for access to equipment. The two Universities have different approaches to charging for access and overarching discussion are taking place for the whole Science City Project. Jo Tuck raised that a joint meeting is scheduled for 16<sup>th</sup> March 09 (PM) and for each project, one PI from each institution as well as the Project Manager should attend.

**Please Note:** The Project Manager is unable to attend the costings/charging meeting due to annual leave. It would be best if Mike Adams or Jon Preece could attend as well as Dave Haddleton for AM2.