

Minutes of the 1st of a series of conferences held at the Budget Bureau November 20, 1959, for the purpose of reaching agreement on the organizational structure and the functional details of a ~~pro~~posed Public Works Mechanical Equipment Organization.

In attendance

Messers.	Nguyen Quoc Lan (presiding)	Bureau of Budget
	Phan Doan Hiep	Bureau of Budget
	J.M. Crook	Highway Advisory Group
	R. Linton	" " "
	R. Hershey	" " "
	J. M. White	" " "
	M. Murphy	M. S. U.
	Vo Dinh Bong	Ministry of Public Works

Discussions were opened at 3:30 P.M. The written proposals as set forth by Mr. Hiep were used as a basis for discussion and a guide for the agenda.

- 1) The matter of work to be done on the development of field forms was discussed and it was agreed that most of this work would necessarily be made by Public Works personnel.
- 2) It was agreed that the revolving fund belongs to a "Budget extra accounts" within Public Works.
- 3) The question of to whom the administrator of the organization should be responsible. ~~to~~ Mr. Lan argued that since equipment would be handled for others than the Highway Department, he should be supervised by the Minister directly. Mr. Crook and Mr. Linton stressed the extreme importance of the Maintenance Engineer having control, since most of the equipment is used by him and many times is needed for emergency purposes. His actions can still be controlled by the minister and the policy - forming committee. This was agreed upon by all present.
- 4) Regarding personnel charges to equipment; all below the Administrator should be charged, except the operators.

- 5) With regard to the proposed plan of organization, Mr. Murphy suggested that the "Management Section" and "Commercial Operations Section" should be combined into an "Administration Section". An alternate plan of organization proposed by Mr. Hershey was submitted. It was decided to forego further discussion of this until a later date.
- 6) (4d) It was agreed that preobligation control of funds will not be necessary, but that control will be required after obligation.
- 7) (4e) The question was raised by Mr. Crook concerning the required operating funds with which to start the fund. It appears that they might be available from the regular equipment and equipment maintenance items in the 1960 budget. Mr. Crook agreed to give Mr. Lan a memorandum on the views of the Advisory Group concerning this matter.
- 8) The time of the next meeting was set at 3:30 P.M., November 24, 1959, and the meeting was adjourned.

J. M. White

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Minutes of the 2nd of a series of conferences held at the Budget Bureau November 24, 1959, for the purpose of reaching agreement on the organizational structure and the functional details of a proposed Public Works Mechanical Equipment Organization.

In attendance

Messrs	Nguyen Quoc Lan (presiding)	Bureau of Budget
	Phan Doan Hiep	" " "
	Vo Dinh Bong	Ministry of Public Works
	M. Murphy	M.S.U.
	J.M. Crook	Highway Advisory Group
	R. Linton	" " "
	R. Hershey	" " "
	J. M. White	" " "

1. The meeting was opened at 3:30 P.M. and a discussion followed on budget policies to be followed. Mr. Crook submitted to the members for their consideration, copies of his letter of Nov. 24 to Mr. Lan, regarding the allotment of equipment funds to be budgeted for 1960.

Mr. Hiep suggested the desirability of earmarking the funds for the heavy repairs of inoperative equipment, as "Capital Investment". No conclusions were reached on these items.

2. Section II - The functions of the "Administrative Committee". Agreement in principle was reached through and including item No. 2, after discussions clarifying intent. Particular attention was given to item 2 (f). It was agreed by all that this should pertain only to the transfer of equipment out of the Equipment Fund and should not apply to internal transfers.

3. Section III - After further clarification of intent agreement was reached on the items of page 8 as submitted. However, Item (b) should refer to P.W. equipment but should be limited to Highway Equipment only at the present time. On page 9, it was agreed that all hand tools should be excluded from the equipment fund except the shop tools used by the mechanics.

4. Items on page 10 and 11 were agreed upon as submitted, with the assumption that the item "Transfer of equipment" or "Public Properties", refers to their transfer to another agency only.

5. Alternate No. 2 page 12, was recommended by Mr. Murphy to be the best method to use for disposing of equipment and was concurred in by all.

6. Section IV - No. 2 (b) was considered as the alternate that should establish the rental conditions.

7. The meeting was adjourned at 5:00 P.M. with the next meeting scheduled at 3:30 P.M. Nov. 27.

Minutes of the 3rd of a series of conferences held at the Budget Bureau November 27, 1959, for the purpose of reaching agreement on the organizational structure and the functional details of a proposed Public Works Mechanical Equipment Organization.

In attendance

Messers	Nguyen Quoc Lan (presiding)	Bureau of Budget
	Phan Doan Hiep	" " "
	Vo Dinh Bong	Ministry of Public Works
	M. Murphy	M.S.U.
	J.M. Crook	Highway Advisory Group
	R. Hershey	" " "
	J.M. White	" " "

1. The meeting was opened at 3:30 P.M. and a general discussion followed on the problem raised by Mr. Hiep concerning insurance - how are the costs collected? Mr. Crook recognized this problem but gave the opinion that it is minor compared with more serious ones, such as the possibility we may find it necessary to maintain an excessive inventory of equipment, from an economical viewpoint, for the purpose of national defence. These are problems that must be dealt with at a later date when more facts are available.

2. It was agreed that Chart 3 as presented by Mr. Hiep represents a good general picture of the factors involved in charging expenses and establishing rental rates. There was considerable discussion on the alternative methods of levying rental charges and the establishment of the one that will best encourage the efficient use of the equipment.

3. The question of liability with regard to claims against the organization or individuals was discussed. Mr. Crook gave the opinion that this was a matter for the legal department and that the policies established here should be consistent with those of other government agencies.

4. In discussing Section VI (The revolving Fund), there was agreement by all on the general principles set forth on pages 21-23. On the problem of keeping the operation on a balanced budget, Mr. Crook gave the opinion that there are possibly 2 cases

where the National Treasury should supplement the income of the Fund:

Case 1 : the initial investment required to restore the large number of machines, which are presently inoperative, to a condition in which they can earn rentals.

Case 2 : if circumstances should exist which would require the keeping of significant numbers of machines on stand-by for National defense purposes, and which would under normal conditions be disposed of, then the Military or National Treasury should be responsible for the costs of depreciation and overhead on this excess equipment.

5. The next meeting was set for 3:30 P.M., December 1, 1959 and the meeting was adjourned at 4:50 P.M.

J.M.W.

JMW:hp

Minutes of the 4th of a series of conferences held at the Budget Bureau December 1, 1959, for the purpose of reaching agreement on the organizational structure and the functional details of a proposed Public Works Mechanical Equipment Organization.

In attendance

Messers	Phan Doan Hiep (presiding)	Bureau of Budget
	Vo Dinh Bong	Ministry of Public Works
	M. Murphy	M.S.U.
	J.M. Crook	Highway Advisory Group
	R. Linton	" " "
	R. Hershey	" " "
	J.M. White	" " "

The meeting was opened at 3:30 P.M. and a discussion of the proposed organization followed. The following conclusions and agreements were reached:

1. The Equipment Engineer should work under the supervision of the Highway Maintenance Engineer.
2. The Highway Maintenance Engineer should be a permanent member of the policy - forming committee.
3. The Minister of Public Works will be the liquidator and the ordinator of the fund, but should delegate most of this authority to the Maintenance Engineer. Mr. Crook informed the members that the Minister has already recognized this and has agreed to do it.
4. In a discussion of the methods of controlling funds involved in current expenses, it was recognized that the two stumbling blocks to efficient control is the lack of banking facilities and lack of adequate or balanced inventories. It is now necessary for various offices to deal with considerable sums of cash. The members agreed that it would be necessary to continue operations with some cash. In order to assure uninterrupted operations, it was agreed that it will be necessary to continue with a portion of current expenditures being on a cash basis.

However, inventorying methods should be immediately improved, thus cutting the cash expenditures to the absolute minimum. In this case, these funds should be made available for obligation (limited amounts for emergency purposes) to the shop foremen, Highway Superintendents and possibly to the General Foremen.

5. The Maintenance Engineer should have full authority over all current operations, including the authority to obligate funds for current expenses and capital outlay which are within the approved budget. It is assumed that he will delegate much of this authority to his Equipment Engineer.

The next meeting was set for 3:30 P.M., December 4, 1959 and the meeting was adjourned.

J.M.W.