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MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 1550 Press / Mis.

248-49

Dated 14-8-1861.

Not to be folded or roughly handled

No. 218. Read the following letter from Lieutenant-Colonel W. I. BIRDWOOD, Deputy Chief Engineer, in charge of Central Office of Public Works, to J. D. SIM, Esq., Secretary to Government, dated Chepauk, 4th July 1861, No. 2,343:—

SIR,

1 Letter from the District Engineer, Presidency, No. 204, dated 6th June 1861, with six enclosures.
1 Do., No. 799, dated 6th August 1860, with one enclosure
1 Do., No. 290, dated 8th August 1860.
1 Letter from the Acting Principal Commissary of Ordnance, No. 2,726, dated 7th August 1860, with three enclosures.
1 Letter to the District Engineer, Presidency, No. 3,601, dated 9th August 1860.
1 Letter from the Garrison Engineer, No. 172, dated 29th June 1860, with two enclosures.
1 Letter from the District Engineer, Presidency, No. 313, dated 28th August 1860.
1 Letter to the District Engineer, Presidency, No. 5 521, dated 4th October 1860.

I have the honor to forward correspondence, as per margin, regarding certain claims to remuneration for losses incurred by Dévánáda Pillay & Co., Contractors, in carrying out the Contract entered into by them, for making certain alterations and additions to the Arsenal in Fort Saint George, upon an estimate of Rupees 10,550, which was sanctioned by Government in an Order, No. 1,523, dated 22nd June 1859.

2. The ground of their application is, that "immediately after entering into the contract, "the prices of labor and materials rose rapidly from 20 to 25 per cent., above the estimate rates." This statement is entirely corroborated by the accompanying letter from Captain Rawlins, who was Garrison Engineer at the time when the work was under execution, and that Officer accordingly recommended that the work done by the Contractors should be valued according to the new and enhanced rates, observing "that his own Department could not have executed "the work for less," so that in fact all that is recommended is, that the Contractors shall have paid to them what must have been their *bonâ fide* expenditure, without any profit at all.

3. The matter appeared to be so purely one of equity, that Colonel Horsley authorized the Deputy Chief Engineer of the Circle to intimate to the District Engineer, that when the work was completed and a final report received, he would recommend the claim of the Contractors to the favorable notice of Government.

No. 3,601, 9th August 1860.
" 5,521, 4th October "

4. In now dealing with figures, I shall refer to Mr. Sub-Engineer Walsh's letter to the District Engineer, which clearly elucidates the whole subject, and to the statement which accompanied it as representing matters as they stood after the work had been completed, whereas Captain Rawlin's letter was written twelve months ago when something yet remained to be done.

No. 120, 3rd June 1861.

7th June 1860.

RS.	A.	P.
10,550	0	0
10,815	3	0
265	3	0

5. The value of the work executed by the Contractors and calculated on the old rates, is Rupees 9,656-6-9; their loss, as stated by themselves in their Petition to the Garrison Engineer, is Rupees 1,200, which would be nearly made good to them by adding 12 per cent., viz., Rupees 1,158-12-3 to the above; the total cost of the work would then be only Rupees 10,815-3-0 or Rupees 265-3-0 in excess of the estimate.

RS.	A.	P.
10,8 5	3	0
421	12	3
97	9	11
11,3?4	9	2
10,550	0	0
784	9	2

6. To this, however, has to be added the price of a Crane, viz., Rupees 421-12 3, and a sum of Rupees 97-9-11 for erecting an ordinary staircase, in lieu of a spiral one, neither of which were put up by the Contractor, so that the total excess over the sanctioned estimate will be only Rupees 784-9-2, or about 7½ per cent. This would have been rather more, if the estimate had been closely worked to, but as the work progressed there were sundry minor alterations made, which on the whole made a saving upon the estimate of Rupees 689-9-3.

7. Mr. Walsh is of opinion, that it would be fair to the Contractors to place the same percentage, viz., 20 per cent. upon the work done by them, as is known to have been added to the cost of materials; the District Engineer is silent on this subject; and merely forwards the papers, without offering any opinion whatever. On the whole, I do not feel disposed to endorse the Sub-Engineer's suggestion, but I do think Messrs. Dévánáda Pillay & Co., fairly entitled to the sum of Rupees 1,158-12-3, and I accordingly solicit the authority of Government may be granted for that amount being disbursed to them out of the general funds at the disposal of the District Engineer Presidency, for the current year.

Proceedings of the Madras Government, Public Works Department, 14th August 1861.

No. 249.

ORDER THEREON, 14th August 1861, No. 1,550.

1. In June 1859 Government sanctioned an estimate of Rupees 10,550 for certain improvements to the Arsenal in the Fort, and ordered the work to be executed on emergency.

2. The performance of the work was entrusted by the Department to Messrs. Dévánáda Pillay & Co., who contracted for it on the rates, &c., in the Government estimate. They now claim compensation (about Rupees 1,200) for losses caused by the prices of labor and materials having risen some 20 per cent. immediately after they made the contract.

3. The Contractors are said to have done their work well, and it is admitted that with the sanction of the Chief Engineer the Garrison Engineer's rates were raised 20 per cent. shortly after the contract was accepted.

4. The value of the work done, calculated according to the old rates, is Rupees 9,656, and according to the enhanced rates of the Garrison Engineer's Department Rupees 10,815, the difference Rupees 1,158-12-3 is the sum which Colonel Birdwood recommends should be paid to the Contractors.

5. Under all the circumstances the Government resolve, as an act of grace, to sanction payment of this sum as recommended. But this mode of contracting for Government cannot be continued. When contracts are desired, they should be advertised for, the nature of the work required and all other conditions should be specified, and the Contractor should be left to make his own calculations and submit his tender, to which, if accepted, he should be strictly held. The Government estimate should be used as a guide in the acceptance or refusal of tenders.

6. The Chief Engineer should have required the District Engineer to give his opinion on the present claim when he submitted it, he being the Head of the local Department.

(Signed) J. D. SIM,
Secretary to Government.

Central Office of P.W.
Chepauk
4th July 1861.

No. 2343

From

Lieut. Colonel W. J. Birdwood
Deputy Chief Engineer in charge the
Central Office of P. Works

Public

To

J. D. Sim Esqre
Secretary to Government P.W.D.
Fort Saint George

Enclosures 20.

Sir,

I have the honor to forward correspondence, as per margin, regarding certain claims to remuneration for losses incurred by Dévnáda Pillay and Co. Contractors, in carrying out the Contract entered into by them for making certain alterations and additions to the Arsenal in Fort Saint George, upon an Estimate of Rupees 10550 which was sanctioned by Government in an Order No. 1523 dated 22nd June 1859.

2 The ground of their application is that "immediately after entering into the Contract, the prices of labor and

and

/ Letter from the Dist. Engineer Presidency No. 214 dated 6th June '61 with 6 Enclosures
/ Do No. 290 dated 6th August 1860 with 1 Enc.
/ Do No. 299 dated 8th August 1860.
/ Letter from the Acting Principal Commissary of Ordnance No. 272 dated 7th August 1860 with 3 enclosures
/ Letter to the District Engineer Presidency No. 3091 dated 9th August 1860.
/ Letter from the Garrison Engineer No. 179 dated 29th June 1860 with 2 Enclosures.
/ Letter from the District Engr. Presidency No. 313 dated 28th August 1860.
/ Letter to the District Engr. Presidency No. 5521 dated 4th October 1860.

and materials rose rapidly from 20 to 25 per cent: above the Estimate rates.
This statement is entirely corroborated by the accompanying letter from Captain Rawlins, who was Garrison Engineer at the time when the work was under execution, and that Officer accordingly recommended, that the work done by the Contractors, should be valued according to the new and enhanced rates, observing that his own Department could not have executed the "work for hire", so that, in fact, all that is recommended is, that the Contractors shall have paid to them what must have been their bonâ fide expenditure, without any profit at all.

3 The matter appeared to be so purely one of equity, that Colonel Horsley authorised the Deputy Chief Engineer of the Circle to intimate to the District Engineer that when the work was completed, and a final report received, he would recommend the claim of the Contractors to the favorable notice of Government.

No 3611. 9th August 1860.

No 5521. 2nd October 1860.

In

4 In now dealing with Engineer, I shall refer to Mr Sub Engineer Rawlins' letter to the District Engineer, which clearly elucidates the whole subject, and to the statement which accompanied it: as representing matters, as they stood, after the work had been completed, whereas Captain Rawlins' letter was written 12 Months ago when something yet remained to be done.

No 120. 3rd June 61.

5 The value of the work executed by the Contractors, and calculated on the old rates is Rupees 9656-6-9; their loss as stated by themselves in their Petition to the Garrison Engineer is Rupees 1,200, which would be nearly made good to them by adding 12 per cent: viz: Rupees 1158-12-3 to the above; the total cost of the work would then be only Rupees 10,815-3-- or Rupees 265-3-- in excess of the Estimate.

7th June 1860

10,550 Rupees
10,815-3-
265-3--

441
44
783

6 To this, however, has to be added the price of a Crane viz: Rupees 421-12-3, and a sum of Rupees 97-9-11 for erecting an Ordinary Staircase in lieu of a Spiral one, neither of which were

10,815-3--
421-12-3
97-9-11
11,334-9-2
10,550---
784-9-2

accordingly

were put up by the Contractor, so that the total excess over the sanctioned Estimate will be only Rupees 784-9-2 or about 7½ per cent. This would have been rather more if the Estimate had been closely worked to, but as the work progressed there were sundry minor alterations made, which on the whole made a saving upon the Estimate of Rupees 689. 9. 3.-

7 Mr. Walsh is of opinion that it would be fair to the Contractors to place the same percentage, viz. 20%, upon the work done by them, as is known to have been added to the cost of materials; the District Engineer is silent on this subject; and merely forwards the papers without offering any opinion whatever. On the whole, I do not feel disposed to endorse the Sub Engineer's suggestion, but I do think Messrs. Devenáda Pillai and Co. fairly entitled to the sum of Rupees 1158. 12. 3, and I accordingly solicit the authority of Government may be granted for that amount being disbursed

to

to them out of the General Funds at the disposal of the District Engineer Presidency for the current year.

I have the honor to be,
Sir
Your Most Obedient Servants,

Chepauk
the 9th July 1861

A. B. 2d Lieut.
Dy Chief Engr & Secy

Lieut. Colo
Dy Chief Engr in Chge of the
Central Office of P.W.

To

J. D. Sim Esqre
Secretary to Government P.W.D.
Fort Saint George

Lt. Col. Strahan

Pm. 22 June/59 Nº 37-38.

P. W. 1861 2d Instt
Pro: of Govt for August
Nº 1506.

From

Lieut. Colt. R.E. Birdwood
Dy Chief Engr in Chge of the
Central Office of P.W.

To

J. P. Sim Esqre
Secretary to Govt Pub. D.
Fort Saint George

Dated 4th
Rect 5th } July 1861.

Enc 20. Returned Nº 2343

Forwards correspondence regarding certain claims to remuneration for losses incurred by Dewanidas Tilly and Co Contractors for certain alterations and additions to the Arsenal in Fort Saint George and requests under the circumstances certain mentioned to grant Authority for the sum of Rupees 1158-12-3 being paid to them from the General Funds at the disposal of the Chief Engineer Presidency.

Nº 1550. 14th Augt

Nº 248-249.

C 20 July R 24th

immediately after they made
the Contract.

The Contractors are said
to have done their work well
and it is admitted that with
the sanction of the Chief Engr
the Garrison Engineers'
rates were raised 20 per cent.

The value of the work
done calculated according to
the old rates is Rs 9636-
and according to the enhanced
rates Rs 10815 - the difference
Rs 1158-12-3 is the sum
which Colonel Birdwood re-
commends should be paid
to the Contractors.

The claim seems fair
and may I presume be allowed
At merits consider[illegible]

[illegible] decision - But as the Contractors
[illegible] for more funds in accordance
[illegible] the Contractors themselves to keep
[illegible] to make up their own
[illegible]

[illegible]

neither this mode of con-
tracting should not be
abandoned. The Contractor
should be left to estimate
for himself - otherwise
he of course takes advan-
tage of any fall in pri-
ces while if they rise he claim
compensation which can-
not well be denied when
the rates given by the Govt
Officer are proved to be
below those of the market
and when the Govt itself
is competing with the Con-
tractor for labor Rs for
other works.

The Chief Engr
should have required the
Dist-

District Engineer to have given his opinion on the claim when he submitted it - he being the Head of the local Dept.

The excess over the estimate, if this claim is allowed is set down at Rupees 784 - but it is not clear how this result is obtained.

L. D.S

Memo

Messrs Davidado & Co's
claim for compensation.

Copy

See the Govt. order
dated 4th Decr 1861

Draft a
Order to
Record

C. 20 Jan 62

P. W. D. 1861

No 15550

Proceedings of the Madras Government

Under date the 14th August 1861

Read the following letter
from the Deputy Chief Engr.
in charge of the Central Office P.W.

Forwards correspondence
regarding certain claims to re-
muneration for losses incurred
by Dévanidas Pillay and Co.
Contractors in making certain
additions to the Arsenal.

(Recd. entered 15th July 1861 No 2343)

In June 1859 Govt.
sanctioned an Estimate of Rs.
10350 for certain improvements
to the Arsenal in the Fort and
ordered the work to be exe-
cuted on emergency.

2. The performance of
the work was entrusted by
the Department to Messrs.
Dévanidas Pillay and Co. who
contracted for it on the rates
spec. in the Govt. estimate. They
now claim compensation
(about Rupees 1200) for losses
caused

caused by the prices of labour and materials having risen some 20 per cent immediately after they made the Contract.

3. The Contractors are said to have done their work well & it is admitted that with the sanction of the Chief Engineer the Garrison Engineer's rates were revised 20 per cent shortly after the Contract was accepted.

4. The value of the work done calculated according to the old rates is Rupees 9656 - and according to the enhanced rates of the Garrison Engr's Dept Rupees 10815 - the difference Rs 1158-12-3 is the sum which Colonel Birdwood recommends should be paid to the Contractors.

5. ~~The Committee~~ are advised Govt not to direct that the amount viz: Rs 1158-12-3 recommended to be paid in satisfaction of the said claim be referred to Bombay 2 May 46

6. ~~A unanimous opinion~~ ~~cannot be given on the present~~

under all the circumstances the just & reasonable course, as an act of grace, to sanction payment of the sum as recommended. Bd

The mode of contracting ~~should be~~ continued. ~~If~~ not be ~~discontinued~~, ~~the~~ Contractors ~~are~~ desired, they should ~~be put~~ the Contractor

XI.

should be left to estimate for himself - otherwise he of course takes advantage any fall in prices ~~while~~ if the ~~arise~~ he claims compensation which cannot well be denied when the estimate given by the Govt Officer can proved to be below those of the market and when the Government itself is ~~at~~ negotiating with the Contractor for labour &c for other works.

7. The Chief Engineer should have required the District Engineer to ~~form~~ give his opinion on the present claim which should be submitted ~~it~~ - for being ~~Govt~~ the Board of the Depart.

8. The excess over the estimate, if this claim is allowed is set down

Le adressé for the nature of the work required & all other conditions

Le Précipité & the Contractor shall be left to make his own calculations and submit his tender - If such if accepted, he shall be strictly held - The first Estimate should be set aside in the acceptance of the first of tenders

J. P.

13 Copies. Chief Engineers Office with Cash
3 " Accountant General &c

Devanada Pillay &
Sons Jr compensation

Public Works 1861 Dept
Rec: 4th Sept for August.

No 1550.

Fro: of the Madras
Government

4th of August 1861.

Sanctioning the payment
of Rs 1158-2-3 to Messrs
Devanada Pillay & Co who con-
tracted for certain improve-
ments to the arsenal in the
Fort, as compensation for the
loss caused by the prices of
labour and materials.

No 248 & 249.