

(1) Number of pages_____

(2) Date of repair_____

(3) Initials of the Referencer_____

MADRAS RECORD OFFICE

Government of Madras

Public works

DEPARTMENT

G.O. No.	590	Press
~~B.P. No.~~		~~Mis.~~
145.146		
Dated	6-3-1973	195

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Works Department,
6th March 1874.*

No. 145. Read the following endorsement of the Chief Secretary to Government:—

From T. RYAN, Esq., to the Honourable W. HUDLESTON, Chief Secretary to the Government of Madras, dated 5, Bloomfield Street, Westbourne Terrace, London, 29th January 1874:—

I UNDERSTAND that Mr. Parkes' plans for a Harbour for Madras have been sanctioned, but as I fear the Bengal famine will close every outlet of expenditure and that this long-needed work may be indefinitely deferred, I take the liberty of submitting the following alternative proposals for consideration.

(1.) I am prepared to undertake the construction of the harbour, and to wait a year, two if necessary, for payment of any expenditure I may incur under sanction. I offer to undertake the work at estimated local rates, with a small addition to cover interest of money advanced. I assume the estimate allows a percentage for profit. The Bombay Government in all their estimates rate this item at 12 per cent.

(2.) If the above proposal does not meet the views of His Excellency the Governor, and knowing how much a return to the departmental system has lately been favoured, I take the liberty of proposing that the Government should become as it were their own contractors, and entrust the construction of the work to me as to a contractor's agent. Under such conditions I would act for them exactly as I have acted when employed as an agent by large contractors, or as when I have worked on my own account as a contractor. The Engineer appointed by Government would exercise the minutest supervision over every detail of expenditure and construction, and I would be left fairly unfettered as to the manner and mode of giving the best and most practical effect to his directions, and in carrying them out in the least expensive manner. In other words, I offer my services as an experienced contractor. The consideration I would ask in return for such services would be 7 per cent. upon the expenditure, with all the saving I might effect under the estimate, or 10 per cent. upon the expenditure, and 5 per cent. upon the saving. In either case my percentage might, in order that I might have no inducement to exceed the estimate, be limited by the amount of the estimate if that was exceeded, or by the outlay, if that fell below it. Or if no alterations or modifications in the plans took place during the construction, and that the estimate was exceeded, I would be willing that my percentage upon the estimate itself should be diminished by an amount calculated upon the excess at 10 per cent. This, of course, is assuming that that excess has been due to faulty management. If Government would not object to my taking other work at the same time, I might be induced to modify even these terms. I believe I am correct in stating that the average cost of superintendence under the departmental system in Madras is about 17 per cent., and I know from experience that contractors rarely estimate, nor would they be safe in estimating, their profits under 20 per cent. My proposal, then, under this form amounts to an offer to effect a saving to Government of at least from 7 to 10 per cent. No experienced contractor, faithfully intending to fulfil his obligations, would forego this amount of deduction in his tender, for he has to allow a margin for risk; but

as practically I incur no risk in proposing to act as your contracting agent, except the risk of the loss of time I might have more profitably employed in other enterprises and the 10 per cent. fine for exceeding the estimate which might amount to more than the percentage on the estimate, it is worth my while to forego an amount of profit which under no other circumstances could possibly be eliminated. I feel most confident the Government would save to the extent I have indicated by the adoption of my proposal, and the more so as I know of no instance in connection with any large work where the nightmare of supplemental estimates has not disturbed the hopeful anticipation of completing it within the estimate. If I am correct in stating that no large public work in India has been executed within the estimate, I need not point out that I propose for myself no inconsiderable risk and contingent responsibility. The only requisite the Government need, to adopt my proposal, is a sufficient faith in my *bona fides*.

In practical support of my *bona fides*, and in order to guard against misconduct on my part, and under either form of my proposal, I am prepared to lodge a lac of rupees (1,00,000) as security, if it is deemed necessary.

I feel diffident to cite references at this stage, but I may mention that I am an Associate of the Inst. Civil Engineers of London; that for some years I was an Engineer on the Madras Railway; that afterwards I was employed by Mr. Geo. Wythes as an Agent on the Thul Ghaut Works of the Great Indian Peninsula Railway; that subsequently for eight years I worked in Bombay as a contractor on my own account, and amongst other works carried out the Back Bay Reclamation for the Government. The greatest and most practical recommendation which I feel I can urge on my own behalf is that for eight years I was a successful contractor.

I hope to return to Madras about the 15th of March next, D.V., and will be happy to furnish any further explanation. Any communication you may honour me with will find me at Ootacamund.

REFERRED to the Department of Public Works.

(Signed) W. HUDLESTON,
Chief Secretary.

No. 146.

ORDER THEREON, 6th March 1874, No. 590.

CIVIL WORKS, No. 13.

ORDERED that this letter be communicated to Mr. Parkes, and that he be requested (by telegram) to communicate with Mr. Ryan personally.

(True Extract.)

Colonel, R.E.,
Secretary to Government.

To the Public Department.
Exd. S. T. Austin.
Spare Copies

5 Bloomfield Street.

Westbourne Terrace.

London.

29, Jan. 1874.

The Chief Secretary to Government.

Sir, I have the pleasure to acknowledge the receipt of your letter of the 29th inst. in relation to the proposed plan for a harbour at Madras. I have the pleasure to inform you that the plan has been sanctioned by the Government, but as I fear the Bengal Government have been sanctioned to a large extent, and that this long and expensive work, which is of great importance, may be indefinitely deferred, I have the liberty of submitting the following alternative proposals for consideration.

(1) I am prepared to undertake the construction of the harbour, and to wait a year or two if necessary - for payment of any expenditure I may incur under sanction. I offer to undertake the work at estimated local rates, with a single addition to cover interest of money advanced. I assume the estimate allows a percentage for profit. The British Government in all their estimates, rate this item at twelve per cent.

(2) If the above proposal does not meet the views of the Government, and knowing how much a return to the departmental system has been favoured - I state the liberty of proposing that the Government should become as it were their own contractors, and entrust the construction of the work to a contractor agent. Under such conditions I would act for them, exactly as I have acted when employed as an agent of large contractors, or as when I have worked on my own account as a contractor. The Engineer appointed by Government would exercise the minutest supervision over every detail of expenditure and construction, and if

Radio made 15th November

28-1089.

590

17

From

On the 17th

the letter to com.

communicated to

Mr. Smiles, and

that Mr. Logan

be separated

(the telegram)

to communicate

with Mr. Smiles

personally -

From a station at
Mantua -

145-146

Mr. 24

To the Hon. Mr. Logan
19/11/14

Mr. 24

145-146

Mr. 24

10801
Govt. of 1874 Madras.
PUBLIC WORKS.

To *The Public Depart.*

Dated

Recd.

Encl.

G. O. *5th March* 1874, No. 590

Nos. 145-146.

Letter from *Mr. Ryan*, containing
proposals for the
construction of a Har-
bour at *Madras*.
Comd^d to *Mr. Parker*.