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MADRAS RECORD OFFICE.

Government of Madras.

Public Works DEPARTMENT.

G.O. No. 33

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Dated 6 / 18

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*Proceedings of the Madras Government, Public Works Department,
6th January 1877. No. 55.*

Read the following papers:—

No. 103. Letter from Superintendent, Madras Harbour Works, dated 1st December 1876, No. 91-W.

No. 1,902.

No. 103-A.

MEMORANDUM.

WITH reference to the manner in which the Harbour Superintendent's report for the month of November describes that certain contracts have been entered into by him, the undersigned is directed to ask Mr. Thorowgood to report wherein consists in his opinion the advantage of limiting the option of tendering to a few favored individuals, and why he does not advertise all contracts for competition. Also whether his action in the present case has been submitted to, and approved by, the Committee appointed by Government to advise him in all financial matters.

(Signed) G. W. WALKER, Major-General, R.E.,

15th November 1876.

Chief Engineer, Public Works Department.

No. 103-B. Letter from W. PARKES, Esq., M. Inst. C.E., Engineer-in-Chief, Madras Harbour Works, to Major-General G. W. WALKER, R.E., Secretary to Government, Public Works Department, dated Madras, 30th December 1876.

MR. THOROWGOOD having consulted me on the subject of your memorandum, No. 1,902, dated the 15th instant, I have carefully gone into the circumstances under which the contracts were let, and I have thought it better to submit a report to you on the subject myself.

2. I am of opinion that none of these contracts were suitable subjects for advertisement. Four of them were small in amount, and advertising for tenders would have given no advantage to compensate for the loss of time (at least a week or ten days) which could have occurred in letting them. These were as follows:—

I.—Building a godown for the Marine Department, Rupees 1,070-14-0.

II.—Labor in making concrete blocks (four per diem) pending the completion of the machinery, Rupees 234 per week.

III.—Preparing part of the south block ground, Rupees 1,799-10-0.

IV.—Sinking a well in the block ground, Rupees 428.

The three first of these were let by competition among small contractors known to Mr. Thorowgood as competent for the work or who had personally applied for employment. I have no doubt that this mode of asking for tenders is more adapted to attract the notice of the class of persons likely to make favorable and *bona fide* offers than that of public advertisement, while it leaves the Superintendent more free to refuse a doubtful tender from an unknown person.

The well was let to the same contractor as the Marine Department godown at a very low rate. He was well known to Mr. Thorowgood as a competent person. An incompetent contractor for this work might have caused great delay and additional expense.

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*Proceedings of the Madras Government, Public Works Department,
6th January 1877. No. 55.*

Another contract was the purchase of 100 tons of teak timber for Rupees 88 per ton. The timber was exceptionally good and the price exceptionally low. It was no doubt offered at so low a price on account of some immediate necessity of the seller. Had Mr. Thorowgood refused to take it and advertised, the timber would probably have been sold elsewhere. Before concluding this purchase Mr. Thorowgood consulted the Chairman of the Harbour Works Committee, who fully sanctioned the transaction.

The last contract is that of the stone from Palaveram for making concrete blocks. The price has been lowered by competition among five or six persons who have made offers unasked from Rupees 2 to Rupees 1-12-0. All these persons claim a sort of exclusive right to the stone which has been already quarried and left for waste in the quarries. Had Mr. Thorowgood advertised for tenders he would have involved himself in the legal question of ownership, and the supply of stone might have been prevented altogether. The amount paid is from Rupees 300 to Rupees 400 per week.

Such are my reasons for thinking that these particular six contracts were properly not made subjects of advertisement. I quite agree however that advertisement should be the rule for large contracts, and Mr. Thorowgood concurs in this opinion and will act upon it. At the same time I would express a hope that no restriction be put upon his discretion in this matter. For small contracts almost universally and even for some large ones the Superintendent can make arrangements more advantageous for the Government by private negotiation than by public competition, and I would submit that it is a matter in which entire confidence should be placed on his discretion. The advice of the Committee will be valuable in any case from their local knowledge and experience and will be freely sought, but the question of the mode of offering and letting contracts is one which involves many points of which only an Engineer can properly judge, and I am therefore strongly of opinion that the relations of the Superintendent to the Committee should be of such a nature as not to affect his personal responsibility and freedom of action.

No. 101.

ORDER THEREON, 6th January 1877, No. 55.

CIVIL WORKS, No. 4.

ORDERED to be recorded, with reference to G.O., No. 7, of 4th January, paragraph 2.

(True Extract.)

Major-General, R.E.,
Secretary to Government.To W. Parkes, Esq., M. Inst. C.E.,
the Superintendent, Madras Harbour Works.Encl. E. C. Shunker.
Spare Copies

*Letter from W. Parkes Esq. M. Inst. C.E.
dated 30th December 1876.*

FOR ORDERS.

*Commander Major Genl R.E.
Secretary to Govt. P.W. Dept.*

*The order passed yesterday
apparently deals with
the relation of the Engineer
with the Committee. It
was approved specially
with reference to contracts
I don't think it is
I don't think it is*

*1/11/77
5/1*

From

W. Parkes Esq: M. Inst. C.E.

Engineer in Chief.

Madras Harbour Works.

To

Major General G. W. Walker, R.E.

Secretary to Government,

Public Works Department.

Fort St George.

Madras 30th December 1896.

Sir,

M^r Thoroughgood having consulted me on the subject of your Memorandum N^o 1902, dated the 15th instant, I have carefully gone into the circumstances under which the contracts were let and I have thought it better to submit a report to you on the subject myself.

I am of opinion that none of these contracts were suitable subjects for advertisement. Four of them were small in amount and advertising for tenders would have given no advantage to compensate for the loss of time (at least a week or 10 days) which would have occurred in letting them. - These were as follows: -

Building

SM

TH

12/14

1. Building a godown for the Marine Department - Rs 1070. 14. 0.
2. Labour in making concrete blocks $\frac{1}{2}$ ft per diam pending the completion of the machinery - Rs 250 per week.
3. Preparing part of the South Dock ground - Rs 1799. 10. 0.
4. Sinking a well in the block ground - Rs 125.

The three first of these were let by competition among small contractors known to Mr. Thoroughgood as competent for the work or who had personally applied for employment. I have no doubt that this mode of asking for tenders is more adapted to attract the notice of the class of persons likely to make favorable and bona-fide offers than that of public advertisement, while it leaves the Superintendent more free to refuse a doubtful tender from an unknown person.

The well was let to the same contractor as the Marine Department godown at a very low rate. He was well known to Mr. Thoroughgood as a competent person. An incompetent contractor for this work might have caused great delay and additional expense.

Another contract was the purchase of 100 tons

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tons of Teak Timber for Rs 3 per ton. The timber was exceptionally good and the price exceptionally low. It was no doubt offered at so low a price on account of some immediate necessity of the seller. Had Mr. Thoroughgood refused to take it and advertised, the timber would probably have been sold elsewhere. Before concluding this purchase Mr. Thoroughgood consulted the Chairman of the Harbour Works Committee who fully sanctioned the transaction.

The last contract is that of the stone from Palaveram for making concrete blocks. The price has been lowered by competition among five or six persons who have made offers unasked from Rs 2. to Rs 1. 12. 0. All these persons claim a sort of exclusive right to the stone which has been already quarried and left for waste in the quarries. Had Mr. Thoroughgood advertised for tenders he would have involved himself in the legal question of ownership and the supply of stone might have been prevented altogether. The amount paid is from Rs 500 to Rs 1100 per week.

Such are my reasons for thinking that these particular six contracts were properly

not made subjects of advertisement. I quite agree
however that advertisement should be the rule
for large contracts and Mr. Thornegood concurs
in this opinion and will act upon it. At the
same time I would express a hope that no
restriction be put upon his discretion in this
matter. For small contracts almost invariably
and even for some large ones the Superintend-
ent can make arrangements more advantageous
for the Government by private negotiation than
by public competition and I would submit
that it is a matter in which entire confidence
should be placed on his discretion. The ad-
vice of the Committee will be valuable in any
case from their local knowledge and experience
could well be freely sought, but the question of
the mode of offering and letting contracts is
one which involves many points of which
only an Engineer can properly judge and
I am therefore strongly of opinion that the
relations of the Superintendent to the Committee
should be of such a nature as not to affect
his personal responsibility and freedom of
action.

I have the honor to be,

Yours most obedient servant,

W Parkes

Engineer in Chief
Collins Harbour Works

CO 25-8-76 No 2261
Memo: No 1902 & 15: Dec 76.
GD 16-12-76 No 3457.

Thru 701
W. Parker Esq. M. I. C. C.
Engineer in Chief
Madras Harbour Works

To
The Secretary to Government.
Public Works Department.
Fort St. George.

Dated 30th December 1976
Ad

States the reason why
partly contracts have not been
advertised. -

No 55 of 76 Jan 77
Recorded

L.M.M.
5.1.

No 103-B -

W. Parker Esq. M. I. C. C.
Supt. Mad. Harb. Works
Dated 24-1-77 -

Cin 3-1-76.

Govt. of Madras.

PUBLIC WORKS.

To

H. Parker Esq.

Date

Ind

Ref

Encl

G. O. No. 1000

55

Nos. 1000 & 1001

Public Contracts of the
Madras Harbour Works

Letter from Mr. Parker
explaining details for the
non-attendance of

See also

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