

1924

250

KENYA

C. O.
49247
18 OCT 24

FROM *Gov*
Coryndon Conf
716

DATE *12th Sept 1924*

FOR CIRCULATION:-
Mr.
Mr.
Mr.
Asst. U.S. of S.

Pres. U.S. of S.
Vice Pres. U.S. of S.
Secretary of State.

Uganda Railway
Basin - Kisumu branch

Sends further revised
estimate of expenditure
and comments upon
excessive cost and possible
delay - complete

Previous Paper
yes
25011

MINUTES
Wry of report, sent, 6
CA. of 4500
Cost.

copy to Dept - 23 OCT 1924 - 131

Subsequent Paper
8a
49823

KENYA.

No. 216.

CONFIDENTIAL.



251
GOVERNMENT HOUSE.

NAIROBI.

KENYA.

13th September, 1924.

Sir,

With reference to Kenya despatch No. 527 of the 1st May, relative to the Fourth Revised Estimate of the cost of the Uganda Railway - Usain Gishu Branch, I have the honour to transmit for your information a further Revised Estimate of Expenditure upon the branch in question, together with a covering memorandum by the Resident Engineer in charge of the construction.

2. You will observe that the total estimated cost shown in the enclosure to this despatch is now Shs:38,042,815 (£1,902,130), an increase of Shs:2,400,000 (£120,000) upon the previous estimate, and from this amount the Resident Engineer estimates the deduction of Shs:1,080,000 (£54,000) the details of which are shown in the enclosed memorandum.

The Estimates now enclosed include the sum of £20,000 in the event of adverse decisions being given in the litigation between Messrs. Griffiths and Company and their Sub-Contractors concerning which a separate despatch will be addressed.

3. The Revised Estimate now enclosed has been reviewed by the General Manager, Uganda Railway, who observes that the cost of construction of the line will be £13,000 per mile and that including interest during construction and proportionate costs of issue of the loan the total cost will be approximately £22,202,130 or £15,000 per mile - a sum which I think you will agree is excessive.

THE RIGHT HONOURABLE

J. N. THOMAS, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES,
BOVEY STREET, LONDON, S.W.

4.

4. It would also appear that the branch will not be completed within the time specified in the Contract; on the 28th July last the Resident Engineer reported that he had directed the Contractors that they must complete the Contract without fail by the 31st December and that he considered that if the work was energetically and intelligently carried out it was reasonable to expect completion by that date.

He has since been informed by Messrs. Griffiths and Company, Limited, that the date of completion which they have before them is the 30th November, and he states that he is not satisfied that they will even be able to complete the Railway by the 31st December. The Resident Engineer has informed the Contractors that unless they give immediate effect to certain proposals and arrangements communicated by him they will not, in his opinion, be able to finish the Railway until before March or April 1925.

I have the honour to be,

Sir,

Your most obedient, humble servant,

R. W. ...

G O V E R N O R .

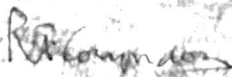
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I have the honour to be,

Sir,

Your most obedient, humble servant,



G O V E R N O R .

5th August

The Hon. Colonial Secretary
NAIROBI

RAILWAY
REVISED ESTIMATE OF EXPENDITURE

In submitting a Fifth revised estimate, showing additional expenditure of £120,000, I have to make the following observations :-

1. It is anticipated that on the completion of construction of the Railway, there will be a certain unspent floating Cash balance amounting to £15,000. As stated in the enclosed Revised estimate, a sum of £20,000 is provided as provision in the event of adverse decisions being given in the litigation between Messrs. Griffiths & Co. Ltd., and their sub-contractors.
2. The following assets at the completion of Construction are estimated to realise in cash :-

a. Due from Messrs. Griffiths & Co. in respect of overpayments made by them	£ 6,000
b. Legal expenses chargeable against the 1 st Head Office Charges to Messrs. Griffiths & Co.	3,000
c. Cash Shortages	115
d. Local Purchases disallowed	3,620
e. Estimated penalty for exceeding Contract period	6,000
f. Cash on account of Sale of Stores	10,000
g. One-half Freight charges on material carried over Construction Line	2,500
	<u>£ 31,235</u>
3. The Fourth Revised Estimate therefore, will be exceeded by the Fifth Revised Estimate by the sum of £54,000 if the above sums amounting to £31,235 are realised and Messrs. Griffiths & Co.'s litigation is successful.

G. Watson

5th. August 4

The Hon. Colonial Secretary
NAIROBI

NAIROBI MOUNTAIN RAILWAY
REVISED ESTIMATE OF EXPENDITURE.

In submitting a Fifth Revised Estimate, showing additional expenditure of £120,000, I have to make the following observations :-

1. It is anticipated that on the completion of construction of the Railway, there will be a certain dispend floating Cash balance amounting to £15,000. As stated in the enclosed Revised Estimate, a sum of £20,000 is provided as provision in the event of adverse decisions being given in the litigation between Messrs. Griffiths & Co. Ltd., and their Sub-contractors.
2. The following assets at the completion of Construction are estimated to realise in cash :-

a. Due from Messrs. Griffiths & Co. in respect of overpayments made by them	£ 5,000
b. Legal Expenses chargeable against the 1st. Head Office Charges to Messrs. Griffiths & Co.	3,000
c. Cash Shortages	115
d. Local Purchases disallowed	3,620
e. Estimated penalty for exceeding Contract period	6,000
f. Cash on account of Sale of Stores	10,000
g. One-half Freight charges on material carried over Construction Line	2,500
	£ 31,235

3. The Fourth Revised Estimate therefore, will be exceeded by the Fifth Revised Estimate by the sum of £54,000, if the above sums amounting to £31,235 are realised and Messrs. Griffiths & Co.'s litigation is successful.

UGANDA RAILWAY

U A S I N G I S H U R A I L W A Y E X T E N S I O N

251

FIFTH REVISED ESTIMATE

Items of Nature	Fourth Revised Estimate Shs.	Fifth Revised Estimate Shs.	Increase Shs.	Remarks
Preliminary Expenses	842356	842356	-	
Land	256206	256206	-	
Construction	7460814	8060814	600000	Increase due to cost of additional works.
Bridgework	2552346	2992346	440000	Increase due to the cost of works being greater than previously estimated.
Fencing	125456	125456	-	
Electric Telegraphs	299872	319872	20000	Additional cost of erection and train charges.
Plant & Permanent Way	9000000	9400000	400000	Increase due to additional cost of ballasting and cost of laying Permanent Way being greater than previously estimated.
Stations & Buildings	2758037	2758037	-	
Plant	1484520	1484520	-	
Working stock	2072920	2072920	-	
Other Charges	8790088	9730088	940000	Increase due to :- 1. Retaining the services of the staffs employed on the Railway for a longer period due to the Contractors exceeding the Contract time. 2. Cost of freight on Uganda Railway of material and equipment being greater than previously estimated. 3. Increase in amount payable to Contractors on account of Head Office Charges and Profit due to additional expenditure. 4. Provision made in the event of adverse decisions being given in the litigation between Messrs. Griffiths & Co. Ltd., and their Sub-contractors - viz: £ 20,000
	Shs. 38642615	38042615	2400000	
		35642615		
	Shs. 2400000			
		<u>£ 120000</u>		

UGANDA RAILWAY

ASIN GIBRU RAILWAY EXTENSION

FIFTH REVISED ESTIMATE

Fifth Revised Estimate	Increase	Remarks
Shs	Shs.	
842358	-	
256206	-	
8060814	600000	Increase due to cost of additional works.
2992346	440000	Increase due to the cost of works being greater than previously estimated.
125456		
319872	20000	Additional cost of erection and train charges.
9400000	400000	Increase due to additional cost of ballasting and cost of laying Permanent Way being greater than previously estimated.
2758037		
1484580		
2072980		
9730088	940000	<p>(Increase due to :-</p> <ol style="list-style-type: none"> 1. Retaining the services of the staffs employed on the Railway for a longer period due to the Contractors exceeding the Contract time. 2. Cost of freight on Uganda Railway of material and equipment being greater than previously estimated. 3. Increase in amount payable to Contractors on account of Head Office Charges and Profit due to additional expenditure. 4. Provision made in the event of adverse decisions being given in the litigation between Messrs. Griffiths & Co. Ltd. and their Sub-contractors - viz: £ 20,000
38042616	2400000	
36642616		
2400000		
120000		