

1921

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KENYA

C O
22471
Recd
9 MAY 21

CROWN AGENTS

DATE
6TH MAY 1921

INCLOSURES

SUBJECT

KILINDINI HARBOUR WORKS

229

MESERS PAULIN & CO'S TENDER

Report firm prepared to carry out works in accordance with specification and contract for £1,018,010. Consulting Engineers recommend acceptance. Await satisfaction to close contract. Encloses copies of letters from various contractors forwarding their tenders.

Mr. H. Road. 10/12/21
Mr. G. Fielder 10
Mr. Ward
Mr. Churchill

Previous Paper

CAF 18568/21

MINUTES

L. H. Fielder

Item, for purpose of comparison, the figures for firm offers are

- Paulings - £1,018,010 Time 37 days
 - Jubilee - £604,874 — 3² days
 - Pearson - £1,139,330 — 3⁵ days
 - Ratton - £1,463,327 — 4¹ days
- * all various stipulations.

On 18568 H.S.M. directed a conference when Paulings' firm was concerned.

C. G. S. 11

Sir J. Stevenson
Mr. J. R.
10/12/21

Subsequent Paper

CAF 39262

Plan 12 May 21
See Tel 14 May 21
Copy comes for 825 23 May 21

2/12/21

195

I think you should
now authorise the
acceptance of
Messrs Pambro
firm for to
carry out the
Kilbuckin Barrow
works at a cost of
£1,018,010.

Approved.

as proposed

M

11.5

E.A.

to blank

(also to be done)

283/23a.



CC
22471

4. MILLBANK
WESTMINSTER
LONDON. S.W. 1.

ALL COMMUNICATIONS
TO BE ADDRESSED TO THE
CROWN AGENT FOR THE COLONIES
THE ABOVE REFERENCE AND THE
DATE OF THIS LETTER BEING QUOTED

TELEGRAMS: CROWN LONDON
TELEPHONE: 1750 VICTORIA

6th May 1921.

230

Sir,
As desired by your letter No. 12568 dated 21st April on the subject of the proposed Harbour Improvements at Kilindini we invited Messrs. Peeling & Company Ltd. to reconsider their tender for the construction of these works and to quote a firm price.

For the information of the Secretary of State, I enclose a copy of the correspondence from which it will be seen that the Peeling Co. are now prepared to complete the work on the conditions laid down in the specification and in the Contract at a further 10% increase in the price originally quoted thereby increasing the total cost of the work to £1,018,000.

The Peeling Co. offer to complete the works on the above conditions and it will be seen from the enclosed copy of their reply that they recommend the acceptance of their offer.

The new tender is now being submitted to the attention of the Secretary of State for the Colonies and it is proposed to award the contract with Messrs. Peeling & Company Ltd.

As desired by the last paragraph of your letter under reference a further copy of the letter received from the Peeling Co. with the above details of their offer and the conditions of the contract is being forwarded to you for your information. These documents are enclosed.

I have the honour to be,
Sir,
Your obedient servant,
W. J. ...
for the Secretary of State.

The Under Secretary of State,
Colonial Office;

27th April 1921.

7.283/23a.

Gentlemen,

I have to acknowledge the receipt of your letter dated 2nd April setting out the terms on which you would be prepared to undertake the construction of the quay wall reclamation sheds now required at Kilindini.

231

2. We regret to observe that you have not considered it feasible in existing circumstances to submit an offer in strict accordance with the terms on which tenders were invited. We understand however, that since submitting your offer you have had an interview with our Consulting Engineers and they have suggested to us that in the light of your discussion with them you may be prepared to reconsider your proposals and quote a fixed price on the conditions laid down.

3. We shall be glad if you can see your way to do so.

4. Should questions of sterling exchange be hampering you in making a firm offer we shall be happy to discuss such difficulties with you, if this would be of any assistance.

To prevent undue delay in settling this matter your early reply is requested.

I am etc.

(sgd) W.L. Paton

for Crown Agents

MESSRS. PAULING & CO. LTD. TO CROWN AGENTS.

26, Victoria Street,

S.W.1.

28th April 1921.

232

Gentlemen,

Wharf Wall, Reclamation & Sheds
at Kilindini, Kenya Colony.

With further reference to your letter of the 27th instant and to the interview which Sir William Mercer was good enough to grant this afternoon to Mr. Lyell, I am instructed by my Board to inform you that as an alternative offer they are prepared to carry out the above work on the condition laid down in the Specification and Form of Contract, if a further 10% is added to the price of £925,463 which we have already submitted, thereby increasing our tender to £1,018,010.

I am etc.

(Sgd) DAVID BUCHAN

Secretary.

Messrs Pauling & Co. Ltd. to Crown Agents

28th April, 1921

Gentlemen,

We beg to thank you for your letter of the 27th instant, and shall be obliged if you can make it convenient to see our Mr. Lyell either some time this afternoon, or tomorrow morning, whichever may be the more convenient to you.

Perhaps you will be good enough to let us know either by bearer or by telephone.

We are etc.

PAULING & CO. LTD.

(Sgd) David Buchan

Secretary.

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Messrs Coda Matthews Fitzmaurice & Wilson to
Crown Agents' Chief Engineer.

Westminster Chambers,

9, Victoria Street,

London, S.W.1.

4th May, 1921

Sir,

We beg to acknowledge the receipt of your letter No. E/293/23a, of the 3rd instant, forwarding correspondence with Messrs Pauling & Co. in connection with their tender for the proposed harbour works at Kilindini.

2. We notice that Messrs Paulings have now given an alternative offer to carry out the works on the conditions laid down in the Specification and Form of Contract for the sum of £1,018,010. This firm tender is still below the next lowest tender, viz. that from Sir John Jackson Ltd. which was for £1,045,873.

3. In our letter of the 11th April last we pointed out the difficulties which generally arise about contracts

carried out on a prime cost basis as originally proposed by Messrs Pauling & Co. and for the reasons therein mentioned we consider the best course is to accept Messrs Pauling's firm tender as given in their letter of the 28th April 1921 for £1,018,010.

We are etc.

for **COOKE MATTHEWS FITZLAURICE & WILSON**

(Sgd) Maurice Fitzmaurice 234

Messrs Pauling & Co. to Crown Agents

2nd April, 1921

Wharf Wall, Reclamation & Sheds
at Kilindini Kenya Colony

Gentlemen,

You have done us the honour of inviting us to send in a tender for the construction of these works. We have had the site examined and we are familiar with the local conditions having already carried out the construction of a Pier at that Port.

We wish to draw your attention to the uncertainty of suitable building material being found and labour conditions at Kilindini and on that account we are not prepared to submit a binding priced schedule.

We do not think that an unrestricted Prime Cost plus a percentage form of Contract would be suitable from your point of view and we now make an offer to carry out the work on a basis where it is to the advantage of the Contractor as well as the Kenya Government to keep down the cost as much as possible.

Our proposal is that we carry out the work on the following lines:-

(1) The sum of £971,738,15.1. is to be taken as the total estimated cost of the work as shown in the attached priced schedule.

(2) We/

(2) We will be paid the actual cost of the work plus five per cent profit as remuneration till the actual total cost plus our remuneration reaches the total estimated cost.

Should the actual cost of the work plus our remuneration exceed the total estimated cost the Government will pay for the extra cost of the work but we will receive no percentage of profit as remuneration on the extra expenditure. 235

(3) Should the actual cost of the work plus our profit of five per cent be less than the total estimated cost any saving will be divided between the Government and ourselves the proportion to be 50% to the Government and 50% to ourselves.

(4) Should you wish it we are prepared to supply the necessary plant being paid for the use of same an agreed percentage on the actual cost of the work.

We are willing to carry out these works for you under some such form of Contract the details of which can be agreed between your Engineers and ourselves.

We have etc.

PAULING & CO. LTD.

(Sgd) David Buchan

Secretary.

Messrs Topham Jones & Railton to Crown Agents

11, Great George Street,

Westminster, S.W.1.

2nd April, 1921

Quay Wall, Reclamation and Sheds at Kilindini
Harbour, Kenya Colony and Protectorate

Gentlemen,

We beg to enclose herewith our tender for the construction of the above works.

The tender is subject to the following conditions that -

1. A Clause - the terms of which are to be agreed upon between the Engineer-in-Chief and the Contractors - shall be included in the Conditions of Contract providing for the effect generally upon the Contract of risks of war and of epidemic, and other risks particularly applicable to Kiliimaia.

236

2. All cases of dispute shall be referred to the Engineer-in-Chief as Arbitrator and the provisions of paragraph (b) Clause 46 shall not be limited by the provisions of paragraph (a) of the same Clause.

3. The Government are to advance the Contractors monthly in addition to the amounts payable under the monthly certificates for work done, 80% (eighty per cent) of the difference between the total expenditure on the works up to date, and the amounts paid on account under the Measurement Certificates.

4. The amount of the tender includes an amount of £307,000 for the total expenditure on wages other than the wages of European employes. Should the total expenditure in wages, as ascertained, be greater or less than this amount, subject to such adjustments as may be necessary for altered or additional works, the amount of the Contract and the provisional payments on account shall be adjusted accordingly. The term "wages" is to be interpreted as meaning the actual amount paid to any employes other than European employes by way of monthly, weekly or daily pay rates, piecework rates, allowance or bonus, bonus on output, allowances to wives and other dependants, and allowances while travelling, and any other similar payments including sick pay, hospital expenses, compensation for accidents, and all allowances of every kind in lieu of wages. All expenditure in providing and maintaining quarters and supplying food for either Europeans or natives (excluding provision of materials for erecting houses or huts) and

all expenditure incurred in recruiting native labour is also to be included as wages. The Contractors will use their best endeavours to carry out the work with an expenditure in wages not exceeding the sum mentioned, as adjusted in accordance with any additional or extra works, but they are to retain full discretion as to the class and number of men to be employed and the terms and conditions of employment.

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5. The tender is based on 10 cent of material, fuel and stores on approximately present day prices, of which a Schedule will be prepared. Should the actual cost of the materials, fuel and stores purchased for the works vary to an extent greater than five per cent upwards or downwards, as compared with the Schedule prices, then the difference is to be added to or deducted from the total of the contract as the case may be.

6. No Royalties, Wayleaves or Rents shall be chargeable on stone, sand or coral obtained from Government land for purposes of the works.

7. A sufficient supply of suitable stone for all purposes other than 2" road metalling and chippings for Ferro Concrete work, will be obtainable from the cliff excavation. (It is proposed in any case to obtain the small amount of stone required for metalling and Ferro Concrete purposes by working hand gangs at the quarry at the 17th Mile on the Railway).

Should the stone available from the cliff excavation prove unsuitable or the supply insufficient for the progress of the works, making it in the opinion of the Engineer-in-Chief necessary for the Contractors to open the quarry at the 17th Mile on the Railway in a larger way, then the Contractors are to be paid the net cost of opening such quarry, together with an extra rate of 4 per cube yard on all stone other than for 2" metalling or Ferro Concrete chippings, brought from this Quarry for works purposes.

Adequate transport is to be provided by the Railway Department.

8. The necessary quantity of suitable sand for concrete purposes will be obtainable from the sand deposits in the cliff, or the shores of the site or of the mainland opposite thereto. Should such sources of supply prove unsuitable or insufficient, the Contractors shall be paid an extra rate of 3/6d per cube yard on all sand obtained from Andromache Reef for the purposes of the works. 238

9. Government is to provide suitable and sufficient sites on land belonging to the Railway Department between the works and the Kilindini Railway Station for the housing of the Contractors' European Staff.

10. Government is to provide free of charge a site on Railway Department land between the Railway and Magadi Co's Works for a labour camp instead of the site indicated on Drawing No. 1 the latter not being large enough for the purposes.

(The site referred to has been approved in a letter dated the 2nd November 1920 from the Acting Chief Secretary of Kenya Government to our representative.)

11. Government is to give every assistance to the Contractors in recruiting African labour for the purposes of the works and will also permit the importation of the requisite number of skilled Indians and Chinese.

12. Government is to arrange for a suitable and sufficient area of the land now leased to the East African Estates Ltd. on the mainland between Ras Muaka Singe and the boundary of the Liwali's land, to be available free of charge or royalty to the Contractors for the quarrying of the coral rubble required for the works.

(A letter dated the 2nd November 1920 from the Acting Chief Secretary of Kenya Government to our representative stated that Government would arrange for this land to be available for the purposes mentioned).

Government is also to permit, if necessary, the quarrying of coral on the island for purposes in

connection with housing accommodation during the first year of the Contract.

13. Government, if desired by the Contractors, shall make payment in the Colony up to 50% of the certificate earnings in any one month.

We are etc.

TOPHAM JONES & RAILTON LTD.

(Sgd) E.D. Jones

Director.

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Messrs S. Pearson & Son to Crown Agents

10, Victoria Street,

Westminster, S.W.1.

4th April, 1921

Quay Wall Reclamation and Sheds at Kilindini
Harbour Kenya Colony and Protectorate

Gentlemen,

We have given considerable care and attention to the offer which we beg to submit with this letter for the works in connection with Kilindini.

For the purposes of making our proposal clear, there are some reservations we should like to make in view of the general conditions and responsibilities imposed upon contractors.

With reference to the excavation in the sea bed, the removal of the high land behind the wall and elsewhere, we notice that the borings in the alignment of the wall below water level shew that the material to be excavated is generally sand or mud. In one case only, viz. in Section 13, is soft rock or soft sandstone shewn to exist.

It is naturally impossible for us to judge as to how much of such material there is and we think, in error that we should give the very best possible price for the work generally. It is better for us to look upon this material as exceptional and quote you a special price for

the/

the soft rock that has to be excavated below sea level and this we have taken the liberty of doing, adding an additional item to the schedule and a quantity which would seem to cover the material indicated.

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As to the excavation behind the wall, no actual borings are given, but inspection of the land indicates that a considerable quantity of rock is to be expected where this excavation has to be made. Here again we have thought it best, in view of the uncertainty as to the amounts, to introduce a new schedule price and a quantity for the rock excavation if met with.

We consider that the rock in the cliff excavation will be suitable for the rubble and concrete material required and we have assumed that all the hard material for the purpose of broken stone, rubble and wall backing, will be procured from this excavation and the price we quote includes for the extra labour required to pick out the hard material for this purpose.

The effect of this latter arrangement is, that as we have quoted a separate price for rock excavation, your Government will not be called upon to pay for the excavation of rock should our judgment in this matter be at fault and no rock be found. On the other hand, should it be necessary for us to go elsewhere for the supply of the hard material for any of the works, we should only ask for payment of the actual cost of producing this material and its delivery to the site of the works.

As to the supply of sand, we hope that considerable quantities will be found in the excavation of the cliff. Should this not be so, our prices include for obtaining the necessary sand from Andromache Reef.

It is therefore necessary for us to stipulate that the Government will provide us with a site above high water within half a mile of Ras Muaka Singh where the sand can be obtained and also access thereto for a tramway from the coral cliff about 600 yards east of the same point.

We shall also require a suitable site for the native camp and houses for our staff engaged on the procurement of sand.

In making our arrangements for the disposal of spoil, we have assumed that there will be no objection to our depositing this, when necessary, in the deep water of the Port Reitz.

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We think the best position for housing accommodation for our staff and men will be on suitable sites on the island of Mombasa, for which we are willing to pay your Government a nominal rent if you so desire and cannot permit us free use of such area as we need.

We have prepared plans shewing the general lay-out of the working arrangements we propose and should our offer be favourably considered, we shall be pleased to submit them to you for your approval.

With reference to Clause 11 of the "Instructions to persons Tendering", we note, on drawing No. 2, that the proposed warehouse is to be 420' x 120', which is the same size as the warehouse moneyed out in the schedule of quantities and prices, items 127 to 167. We shall be pleased to carry out this additional work at the schedule rates should you give us notice, that you desire us to do so, in time to complete within the contract period.

In view of the uncertainties in the rate of exchange and in particular of the varying value of the rupee in recent years, we have thought it in the interests of all concerned to fix a rate for the rupee of fifteen rupees to the pound sterling in making up our prices. The amount we expect to pay in rupees is 25% of the contract amount. We desire to stipulate that when our certificates are paid, the sum represented by this 25% shall be increased or diminished to enable us to purchase the same number of rupees as if the rupee was fifteen to the pound sterling. By this proposal we eliminate the risk of the rise and fall in the

rupee market for which we would otherwise have to provide by increased prices.

As to the personal sureties you desire, should our offer otherwise meet with your approval, we should be pleased to submit the names we propose. 242

There are a few clauses in the suggested contract, especially in the description of the relations between the Engineer-in-Chief, the Resident Engineer, and/or his nominees, and also as to the results of possible defaults on the part of the servants of the contractor, for which he would be more severely penalized than is usual. If we are to be awarded this contract, we should desire reasonable modifications in these clauses, which we hope you would be willing to accept.

We trust our offer will meet with your approval.

Yours etc.

S. PEARSON & SON (CONTRACTING DEPARTMENT) LTD.

(Sgd) E.W.Meir

Director.

Sir J. Jackson^{Ltd.} Crown Agents

53, Victoria Street,

Westminster, S.W.1.

1st April, 1921

Kilindini Harbour

Gentlemen,

Enclosed we send you tender for the above work subject to the following observations :-

(1) We have not filled in the names of any proposed sureties as we have never asked anyone to be surety for us but we are willing to deposit with the Crown Agents securities to be approved by them of a value of £10,000 (ten thousand pounds) under the same conditions as we did in respect of our contract for the Singapore Harbour

Works,

2. We note that the lines to which the excavation has to be executed in connection with the Quay Wall are shown on the drawings as assumed lines and we understand from the Conditions and Specification that should these assumed lines be insufficient for the purpose the Contractor will be paid for the actual amount taken out and also for the extra rubble deposited.

Trusting our tender may receive your acceptance.

Yours etc.

for Sir John Jackson, Ltd.

(Sgd) Arthur Jackson

Chairman

2nd

12 May 1921

~~Sr~~

Gentlemen,

2c

DRAFT.

I am re to ack. the rec^t of

CA.

your letter N^o E/283/23a of the

MINUTE.

- Mr. Clark 12/5/21
- Mr. Robinson 14/5/21
- Mr. Bolton 12/5/21
- Mr. Grindle.
- Sir H. Lambert,
- Sir H. Read,
- Sir G. Fiddes,
- Col. Amery,
- Mr. Churchill,

226th of May, enclosing a copy of copies

of quotations for the construction

of the Harbour Works at

Kilindini, and to inform

~~I request to forward~~

that he sanctions your accept^{ce}

f

CA Kaya 245
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21

Sent 11/5 11/5 AM
Manrow

14th May 1921

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DRAFT. Telegram to my despatch of 22 Feb 1906

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Laveron

CA have been instructed to accept

K. Nandi

MINUTE.

Trace
ABRAMSEND

CUPBEARED

Pauling Tenders

- Mr. Jewell 13.5 21
- Mr. Parkin 13.5 21
- Mr. Bottomley 3.8.21
- Mr. Grindle
- Sir H. Lambert.
- Sir H. Road.
- Sir G. Fiddes.
- Col. Amery.
- Mr. Churchill.

~~Sent~~

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£1,018,010

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CA to find out
for info: should
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copies to be kept
of the program

