
REPORT OF THE SELECT COMMITTEE

Appointed to enquire into the manner in which the Contract for the Cofferdam has been carried out since 1st January, 1876.

ROBERT BEAVEN,
Chairman.

To the Honourable the Speaker :—

SIR,—Your Committee appointed to inquire into the manner in which the contract for the Cofferdam and all other business connected with the Esquimalt Graving Dock has been carried on since the 1st January, 1876, beg leave to report as follows :—

2. That the contract with Messrs Hayward & Jenkinson was apparently rescinded on the 18th March, 1876, by a memorandum of agreement signed by F. G. Vernon as Chief Commissioner of Lands and Works, Charles Hayward, and Robert Jenkinson, the consideration money being ten cents.

3. That no work had been performed by Messrs Hayward & Jenkinson on the Cofferdam at that date.

4. That the contractors, Messrs Hayward & Jenkinson, had been instructed on the 20th September, 1875, in accordance with the 24th clause of the specification, to proceed at once with the construction of the Cofferdam.

5. That a contract dated London, 24th January, 1876, was made with Messrs. Reed, Bros. & Co., in which they agreed to construct the Cofferdam under conditions similar to those of the rescinding contract with Messrs. Hayward and Jenkinson, except that the work was to be completed by the 18th October, 1876. This contract was signed by John L. Reed, G. D. Reed, and F. G. Vernon, Chief Commissioner of Lands and Works. That at the date this contract was signed by Mr. Vernon, the agent of Messrs. Reed Bros., Mr. C. E. Dawson, had arrived in the Province to commence the work, and the date of completion, viz., 18th October, 1876, had been inserted in the contract, when signed in London by the contractors.

6. That a joint and several bond, signed by the contractors and James Wright and William Wilson, in the penal sum of \$7,500, was also signed in England, on the 24th January, 1876. That the contract price with Messrs. Reed Bros. & Co., is \$59,479.

7. That the contract, agreements and bonds, duly signed, were received at the Lands and Works Department, Victoria, on the 4th March, 1876.

8. That Mr. C. E. Dawson, the Agent of Messrs. Reed Bros. & Co., was placed in possession of the ground necessary for the construction of the Cofferdam at Esquimalt, on 21st March, 1876.

9. That on the 26th May, 1876, the Chief Commissioner, Mr. Vernon, addressed a letter to Mr. Dawson, requesting him to report fully to the Department of Lands and Works, as to the steps taken by him to carry out the contract.

10. That Mr. Dawson replied under date 7th June, 1876, as follows :—

“VICTORIA, B. C., June 7th, 1876.

“ESQUIMALT HARBOUR COFFERDAM WORKS.

“SIR,—I have the honour to acknowledge receipt of your letter of the 26th ult., in which you ask me what steps have been taken towards carrying out the contract for the Cofferdam at Esquimalt.

“In reply I beg to state that, pending the receipt of an order from the Government to commence the works and the giving possession of the land at Esquimalt (on which several persons are located), I have, since the contract was executed by the Government on the 21st of March ult., (having been signed by Messrs. Reed Bros. & Co on the 24th January ult.,) examined carefully the ground at Esquimalt and the various documents connected with the works, and, as already pointed out, the drawings and bills of quantities have been found untrustworthy to such an extent as to prevent my ordering material or taking active steps, and to necessitate the making of fresh surveys and soundings, and the taking out of fresh quantities, &c. This has caused, and I fear will still cause, delay and expense.

“Having completed the fresh surveys and soundings, I am now occupied in taking out fresh quantities and in making working drawings, with a view to be in a position to procure the necessary materials; and matters are now so far advanced that I hope to be able to commence active operations within a short period after the order has been issued to go on with the works and possession of the ground given.

“These preliminaries, I presume, have been necessarily left in abeyance lately, for a time, owing to the sanction of the Legislature being required to enable the Government to arrange effectively for the prosecution of the contract; indeed, till this was attained, any serious expenditure might have led to considerable inconvenience; and you were good enough to intimate, as was obviously no more than just and right, that Messrs. Reed Bros. & Co. should not suffer in consequence of inevitable causes of delay, arising from circumstances beyond their control and beyond the control of the Government.

“It is the interest and desire of my principals to finish the work as soon as possible, and I will use every effort to effect this; and I trust that the autumn weather will not prevent me from proceeding continuously with the works. Looking, however, to the delays that have already taken place, and to the advance of the summer, it is hardly possible that Messrs. Reed Bros can finish the work as soon as was hoped; and under the circumstances, as the Government will doubtless recognize, they will be fairly entitled to a considerable extension of the time limit.

“I have, etc.,

(Signed)

“C. E. DAWSON.”

11. Your Committee consider that there is no doubt that some of the soundings on the original plan were inaccurate, but, as under the conditions of the contract the contractor was supposed to verify the plans before tendering, that Mr. Dawson's excuse for delay on that account was inadmissible; that the order to commence work had been given on 20th September, 1875, and that he (Mr. Dawson) had been placed in possession of the ground necessary for the construction of the Cofferdam on 21st March, 1876.

12. That on the 20th June, 1876, Mr. Dawson applied to the Chief Commissioner, Mr. Vernon, for an extension of time within which to complete the work, and that on the 23rd June, 1876, Mr. Chief Commissioner Vernon, by letter, did ostensibly grant such extension to the 1st February, 1877.

13. That the Government Resident Engineer, Mr. Bennett, was not consulted by Mr. Vernon in reference to the proposed extension.

14. That on the 7th September, 1876, the first of the staging piles were driven, and on the 19th September, 1876, the Governor-General of Canada assisted in the inauguration of the work by driving the first of the sheeting piles for the dam.

15. That in October, 1876, Mr. Dawson was granted permission to deviate from the original design for the staging. Mr. Bennett was of opinion that if the Contractor had made due progress with the work before the month of October that the original design could have been carried out.

16. That on the 25th January, 1877, Mr. Dawson applied to the Chief Commissioner, Mr. Vernon, for a further extension of time within which to complete the contract, and that on the 10th February, 1877, the Chief Commissioner, by letter, did ostensibly grant an extension to 31st July, 31st, 1877.

17. That the Resident Engineer, Mr. Bennett, was consulted by Mr. Vernon in reference to this extension, and that Mr. Bennett was of opinion that, taking into consideration and looking at the then state of the works and the amount of work to be done, that he did not consider that the 31st July, 1877, was an unreasonable, though at the same time, sufficiently distant, date to fix on for completion of the work.

18. That this (*viz.* 30th January, 1877,) was the first occasion upon which the Resident Engineer, Mr. Bennett, was asked by the Chief Commissioner to report upon the question of an extension of the time limit in the contract.

19. That the bondsmen under the contract have not been consulted as to the extension of time for completion of the contract.

20. That there is no other arrangement or agreement other than the contract under which Messrs. Reed, Bros. & Co. are carrying on the work, and that the Contractors are not to receive any larger sum from Government than the contract price for the work.

21. That the sum of \$8,296 84 has been paid by the Government to Messrs. Reed Bros. & Co. under certificates of the Resident Engineer.

22. That the work on the Cofferdam has not been pushed as vigorously as might have been, but at the same time Mr. Bennett is of opinion that since the commencement of the staging, *viz.*, in September, 1876, the work, owing to the tides, has to be carried on at a disadvantage, and that a great deal of work was done during the night when low water occurred; that on account of the high state of the tide during the day time, an alteration in the design of the staging was made, but that these difficulties would not have been encountered to so great an extent had the work been pushed forward during the summer months of 1876.

23. That no considerable portion of the preliminary work of the Graving Dock, *viz.*, the cofferdam, has yet been constructed, but that there is a large quantity of timber and ironwork on the spot.

24. That the dredging away of the sand and shells upon the site of the works which is the first work to be done before the sheeting piles for the Cofferdam can be driven, has not yet been begun by the contractor.

25. That the delay of the engineers-in-chief, Messrs. Kinipple & Morris, in forwarding the plans for the Graving Dock, has arisen partly from the fact that certain alterations therein were required by the Admiralty, and partly from the Engineers' knowledge of the fact that the Cofferdam has not yet been commenced; that even the necessary staging from which the piling for the Cofferdam would be done, had not been begun until the month of September, 1876, and that consequently the sending in of the plans would only be saddling the Province with their cost (*viz.*, £2,500) long before any actual benefit could be derived from their use.

26. That there is no doubt that if the Cofferdam had been completed within the time mentioned in the contract, that the main works of the Dock could now have been in progress.

27. That the extensions of time supposed to have been granted by the Chief Commissioner to Messrs. Reed Bros. & Co., are not sealed with the seal of the Department.

28. Your Committee are of opinion that no further payments should be made to the Contractors until they have constructed some considerable portion of the dam; that no further extension of time to complete the work should be granted without the full consent in writing of the resident Engineer, Mr. Bennett, but that the work should be pushed forward vigorously and continuously, and that in case the contractors fail to proceed with due diligence, that the 62nd clause of the conditions of the contract should be enforced.

29. That the Honourable the Chief Commissioner of Lands and Works when replying to Mr. Dawson's letter of the 7th June, 1876, should have pointed out clearly to that gentleman the erroneous impressions that his statement would convey, and that the Government were in no way responsible to the Contractor for any sum other than the contract price.

Respectfully submitted.

ROBERT BEAVEN,
Chairman.

Victoria, 23rd March, 1877.

EVIDENCE

Taken by the Select Committee appointed to enquire into the manner in which the contract for the Cofferdam has been carried out since January 1st, 1876.

ROBERT BEAVEN,
Chairman.

MARCH 13th, 1877.

Members present:—Messrs. Beaven, Fisher, Tolmie, Morrison, Williams.

Question to Mr. Vernon.—Was your letter of 26th May your first communication to Mr. Dawson?

Answer.—Yes.

Ques.—Is there any arrangement or agreement between Mr. Dawson or Reed Bros. & Co. and yourself, other than the contract, under which the Cofferdam work is being carried on?

Ans.—None whatever.

Ques.—Have you ever pointed out by letter to Mr. Dawson that Hayward & Jenkinson received an order to commence work in September, 1875, and that Reed Bros. occupied their position as contractors?

Ans.—No; you have all the letters before you.

Ques.—Did you have any understanding with Mr. Dawson when the contract with Hayward & Jenkinson was cancelled, that an extension of time would be granted to Reed Bros.?

Ans.—No.

Ques.—Hayward & Jenkinson's contract was to be completed in June, 1876; did you obtain any security or sum of money from them to compensate the Province for the delays, interest account, storage, etc., deterioration of value in cement and machinery, and probable claim for Mr. Bennett's salary, caused by their not having commenced work?

Ans.—No; five months of the time had expired and no work had been performed.

Ques.—Are Kinipple & Morris to be compensated for the expenses of Mr. Bennett's salary?

Ans.—This matter is not decided.

Ques.—Are Reed Bros. & Co. to receive anything more than the contract price?

Ans.—Nothing.

Ques.—What guarantee have you got that the Province will not lose the money you are advancing on material?

Ans.—I consider the advances perfectly secure, as the material itself is sufficient security, the contractor being unable to remove it.

Ques.—Are you not actually advancing the current expenses on mere preparations?

Ans.—I consider that I was warranted to make the advances under the specification.

Ques.—Are the bondsmen consenting parties under seal to the extension of the contract?

Ans.—I am not aware that such a procedure is necessary; the extension to the 31st July, 1877, was, however, submitted to Mr. Bennett, the Resident Engineer, and received his sanction.

(Signed) F. GEO. VERNON,
Chief Commissioner of Lands and Works.

Question to Mr. Wm. Bennett, C. E.—When were you first consulted by the Chief Commissioner of Lands and Works as to extension of time of contract?

Answer.—I was asked to report on that question on the 30th January, 1877.

Ques.—Do you consider, as an engineer, that the work on the Cofferdam has been pushed as vigorously as circumstances would permit?

Ans.—No, I do not; but it is certainly a fact that the works, since they were started, have, owing to the tides, been carried on at a disadvantage; also that a great deal of work was done during the night when low water occurred; further, that on account of the high state of the tide during the day time, an alteration in the design of the staging was made.

Ques.—If the work had been pushed forward during the summer months, would the disadvantages referred to in your letter dated 1st February have occurred?

Ans.—Not to so great an extent.

Ques.—If the Cofferdam were now constructed, would the engineers be in a better position to prepare plans and specifications of Graving Dock?

Ans.—The plans and specifications were in hand before the Cofferdam was started.

Ques.—If the engineers were in possession of accurate soundings, borings, description of bottom, etc., could they not prepare plans equally as well without the Cofferdam being completed?

Ans.—They could.

Ques.—Do you think the engineers are in possession of such accurate information as will enable them to prepare plans and detail drawings for the Dock, without running the risk of considerable alterations?

Ans.—I object to answer that question in that form.

Ques.—You stated that the plans and specifications for the Graving Dock were in hand before the Cofferdam was started. If no extension of time had been granted to Messrs. Reed Bros. & Co., could the work on the Graving Dock have been going on at the present time?

Ans.—If the work on the Cofferdam had been completed no doubt the main Dock works could have been in progress.

Ques.—Do you mean if the work had been contracted for?

Ans.—Of course.

Ques.—Are you aware that any work for the Dock has been contracted for?

Ans.—Two contracts have been completed, viz: the supply of 700 tons of cement, and the whole of the pumping machinery.

Ques.—Do you agree with the statement made by Mr. Dawson in his letter of 7th June, 1876, viz.: that the drawings and bills of quantities were untrustworthy to such an extent as to necessitate the making of fresh surveys and soundings, and the taking out of fresh quantities?

Ans.—I am aware that some of the soundings on the original plan were inaccurate, but as the contractor was supposed to verify the plans before tendering, I consider his excuse to be inadmissible.

Ques.—Were you, as Resident Engineer, consulted at the time by the Chief Commissioner of Lands and Works as to the accuracy of these statements of Mr. Dawson?

Ans.—I do not remember.

Ques.—Is any considerable portion of the Cofferdam now constructed?

Ans.—No, but a large quantity of both timber and ironwork is on the spot.

Ques.—Has work commenced?

Ans.—Work on the Cofferdam was commenced on the 7th September, 1876, and I beg to refer you to my report dated 31st December, 1876.

Ques.—If the plans for the Dock arrive here on the 1st of April next, how long would it require for making contracts and commencing the work?

Ans.—That is a matter for the Chief Commissioner to decide.

Ques.—Do you know why the plans for the Dock have not been received?

Ans.—I am informed that certain alterations were insisted upon by the Admiralty which caused delay in completing the plans. Messrs. Kinipple & Morris were also aware in what state of progress the Cofferdam was, and doubtless did not wish to saddle the Province with the expense of the plans long before they would be of actual use.

(Signed) W. BENNETT,
Resident Engineer, Esquimaux Graving Dock.

SECOND REPORT

OF THE

SELECT STANDING COMMITTEE ON PUBLIC ACCOUNTS.

To the Honourable the Speaker of the Legislative Assembly:

SIR,—The Committee of Public Accounts have the honour to submit their second report.

That the sum of \$166,599 34 has been paid in the year 1876, on contracts entered into in 1875, viz.:

\$ 107,352 50	On Roads and Bridges.
33,496 84	„ Cofferdam and Machinery.
7,500 00	„ Victoria School.
775 00	„ Cache Creek School.
17,475 00	„ New Westminster Asylum.
<u>\$ 166,599 34</u>	

And there is a balance of \$89,347 66 to be provided for, viz.:

\$ 16,266 50	For Roads and Bridges.
58,482 16	„ Cofferdam and Machinery.
100 00	„ Cache Creek School.
14,499 00	„ New Westminster Asylum.
<u>89,347 66</u>	Due on Contracts, 1875.

and \$ 24,669 50 has been paid in 1876 on contracts entered into in 1876,
14,024 00 has to be provided for in 1877.

\$ 38,693 50

Showing \$ 166,599 34
And 24,669 50

\$ 191,268 84 Paid.

And \$ 89,347 66
14,024 00

\$ 103,371 66 To be paid.

\$ 294,640 50