

C. S.

CONFIDENTIAL

19⁴⁵.

C/9/45

P. W. D.

SUBJECT.

19⁴⁵.

24th September

Previous Paper.

CONTRACT FOR HAULAGE AND STACKING OF GOVERNMENTPEAT, 1945 - TENDERS FOR.

III/48.

MINUTES.

1. Minute from Executive Engineer of 24. 9. 45.

(2)

G.F.

The proposal is that a contract for the carting of Govt. peat should be given to W. E. Hutchinson this year. He has ordered two more lorries, delivery of which at docks in U.S.A. is arranged for 29th Sept. We are, however, not yet committed.

2. Financially we may save a little. The cost of peat, all inclusive, by departmental methods is 2/3 per cu. yard at present as compared with about 2/6 paid by the private householder who does not dig his own peat. The all-in cost if we give this contract will be 2/-. Circumstances affecting the peat, however, vary so much that it is safer to assume ~~no~~ the carting to be no cheaper by contract.

Subsequent Paper.

3. On the other hand:—

(1) The PWD lorries will be available for roadwork & other purposes throughout the summer, which will be of great advantage, &

(2) The peat will be "home" well before the winter instead of dragging on into May or June, &

(3) This will encourage private enterprise, of which there is all too little.

4. Mr H. is incurring heavy capital expenditure & I understand, wants the contract for 5 years. As it is based on a price per yard & we would save a great deal on wear & tear of transport I do not know that there is any great objection to this, provided that there is a clause enabling either side to terminate the contract by 6 months notice to be given at 30th September.

5. There is nobody else who is capable of tendering for this contract & I think we might dispense with advertisement.

Col. Reg. 338

2/10/45

6. I recommend.

NB
2/10/45

(3)

~~Ex. Reg.~~

we must advertise - as discussed.

NB
2/10/45

(4)

Innumerable Colonial Seminars.

Sir. Thank you. Advertisement & tender form attached.

NB. H. 3. x. 45.

B. U.
6/10/45

Copy of Tender Advertisement

4A.

" " " Form

4B.

Letter from Mr. L. J. Blithmore of - 1/9/45

4C.

" " " Bruce Bonner " "

4D.

" " " E. J. Hutchinson " 3/9/45

4E.

" " Messrs. E. Barnes & P. McPhee " 4/10/45

4F.

(5)

4.E.

A Tender Board consisting of myself, Ex. Eng., Sup. Ex. T. & O. & Treasury opened & considered the four Tenders attached this morning.

2. Nos ^(4C) 1 & 2 are too high, but Nos ^(4E) 3 & 4 are identical on price. Although the Board knows that No 3. has the vehicles & ability to fill the contract satisfactorily, we are not in a position to compare No 4's resources unfavorably or otherwise. He would do it better.

3. In these circumstances we should be grateful for 4.E's advice as to the next steps.

4. None of us feel that to attempt to get information from the two rivals about their resources & prospective efficiency would give satisfactory results. Perhaps it would be best to summon both parties before the Board simultaneously & suggest that they should either make a mutual arrangement or re-tender. Ex. Eng. advises that it would be most undesirable now for Govt. to split the contract. If one party would sub-contract to the other, that would be quite satisfactory.

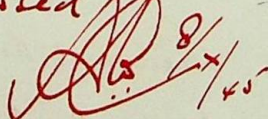
5. I could come & discuss on Monday morning if you wish.

(6)

KPB

6.10.45

Discussed



L.R.

The Board interviewed W. Hutchinson & subsequently Messrs Barnes & McPhee.

2. W. Hutchinson has two lorries & two others on order through the B.C.S.M. These two are to be shipped by the end of November. W. Hutchinson stated that he "jumped to the conclusion" that no one else would compete. On being asked whether he thought he had been led to think that he would get the contract, he said - after considerable hesitation - that he had not thought anyone else could afford to take the contract & that neither the R.R. Co. nor anyone else thought differently. He said that he had taken a business view & that he realised the situation was now governed mainly by the tenderers. ~~He~~ ^{He} undoubtedly realised now that he should not have anticipated ~~waited~~ until he had actually got the contract. If he does not get the contract he ^{may} try to cancel the lorries, but if this is impossible he will accept them & "take another chance". He was not willing either to retender or to subcontract.
3. Messrs Barnes & McPhee have two lorries and stated that if they got the contract Messrs L. Cleburne & J. Finlayson are coming in with them with two more lorries. Messrs Barnes has a good reputation for honesty & reliability.
4. Mr. Maclean considers that Messrs Barnes & McPhee should be given the contract because (1) because W. Hutchinson has deliberately tried to stall off competition by spreading the story that he already had the contract "tied up". (2) that new contractors, i.e. Barnes & McPhee, should be given a start to encourage competition.
5. Mr. Bellman agrees, his chief point being that (2) above & also that with four men sharing the contract the benefit would be more widely spread.
6. Col. Woodgate supports Barnes & McPhee for Mr. Maclean's second reason, & also taking into consideration W. Hutchinson's behaviour.
7. I agree with the other members of the Board on the general ground that new enterprise should be encouraged. I also have in mind the fact that competition may reduce the cost of the garbage contract when that comes up for review.
8. The recommendation is unanimous that the contract should

(7) *contd.*

be given to Messrs Barnes & McPhee.

9. An early decision is desirable in order to enable Mr Hutchinson to have a better chance of cancelling his copies. The B.C.S.17. presumably will agree if ~~other~~ they can dispose of them elsewhere, but the sooner they know the better.
10. The Contract will be submitted in draft before signing.

VB.

9.10.45.

(8)

App'd.
[Signature] 9/10/45

9. Letter to Messrs. B. Barnes, P. McPhee of 9.10.45
10. " " " Cletheroe, Hutchinson & Barnes " 9.10.45
11. Minute from Executive Engineer of 28.11.45.

No.

(It is requested that, in any reference to this minute the above Number and the date may be quoted.)



MINUTE.

24th September, 1945.

From THE EXECUTIVE ENGINEER,

Stanley, Falkland Islands.

To THE HONOURABLE,

THE COLONIAL SECRETARY,

STANLEY.

Mr. E.J.Hutchinson has offered to cart and stack in sheds the whole of the new Government peat this coming season.

He will charge 1/3 per yard and will be paid on the total yardage cut by Government - in this way all dispute as to quantities consequent on shortage, lorry content & wastage when it is carted as per cart load by lorry will be avoided.

At this price on a figure of 15,000 cubic yards to be cut the cost will be £937. 10. 0. and to this must be added an average price of cutting and rickling at 9d that is £562.10.0 giving a total of £1500. £1700 is provided in the estimates but the balance will be needed for cutting at the end of next year.

As Mr. Hutchinson is the only contractor who has the plant and staff to handle this and the price is reasonable will tenders be necessary? If not your early authority to give him the contract will be appreciated.

A handwritten signature in dark ink, appearing to read "Arthur Goodfellow".

EXECUTIVE ENGINEER.

T E N D E R.

TENDERS ARE INVITED FROM HAULAGE CONTRACTORS IN STANLEY FOR THE CASTING AND STACKING IN SHEDS OF THE WHOLE OF THE GOVERNMENT PEAT SUPPLY. FULL DETAILS AS TO QUANTITIES WILL BE GIVEN ON APPLICATION TO THE PUBLIC WORKS DEPARTMENT WHERE FORMS OF TENDER MAY ALSO BE OBTAINED.

ALL TENDERS (ON THE FORM SUPPLIED) SHOULD BE ADDRESSED TO THE "CHAIRMAN TENDER BOARD SECRETARIAT" IN A SEALED ENVELOPE ENDORSED "PEAT CONTRACT" AND DELIVERED ON OR BEFORE 10 A.M. ON THE 6TH INST.

THE GOVERNMENT DO NOT BIND THEMSELVES TO ACCEPT THE LOWEST OR ANY TENDER, AND TENDERS MUST BE FOR THE WHOLE WORK.

To The Chairman,
TENDER BOARD, SECRETARIAT,
STANLEY.

September, 1945.

Sir,

I
~~WE~~ *Leslie John Bletthens* do hereby offer and agree to cart the whole of the Government Peat Supply from the banks and stack in sheds where directed for the sum of $\text{r} / \text{shilling and } 7^4$ pence ($\text{r s. } 7 \text{ d.}$) per cubic yard. The yardage to be based on the amount cut and as measured by the Government Peat Foreman.

I *Leslie John Bletthens*
~~WE~~ understand that the contract will be for five years in the first case but may be terminated by either side on six months notice being given on the 1st September in any year.

I am
~~WE~~ are willing to enter into a bond for the satisfactory completion of the contract should the Government wish and I ~~WE~~ realise the Government does not bind itself to accept the lowest or any tender.

I am,
~~WE are,~~

Sir,

Yours faithfully.

L. J. Bletthens

To The Chairman,
TENDER BOARD, SECRETARIAT,
STANLEY.

September, 1945.

Sir,

I
~~WE~~ *Bruce Bonner* do hereby offer and agree to cart the whole of
the Government Peat Supply from the Banks and stack in sheds where
directed for the sum of $1\frac{1}{2}$ shilling and 4 pence (s./ d.4)
per cubic yard. The yardage to be based on the amount cut and
measured by the Government Peat Foreman.

I
~~WE~~ understand that the contract will be for five years in the first
case but may be terminated by either side on six months notice being
given on the 1st September in any year.

I am
~~WE are~~ willing to enter into a bond for the satisfactory completion
of the contract should the Government wish and ~~WE~~ realise the
Government does not bind itself to accept the lowest or any tender.

I am,
~~we are,~~

Sir,

Yours faithfully,

Bruce Bonner.

To The Chairman,
TENDER BOARD, SECRETARIAT,
STANLEY.

3rd. September, 1945.

Sir,

I
~~WE~~, *E. J. Hutchinson* do hereby offer and agree to cart the whole of the Government Peat Supply from the banks and stack in sheds where directed for the sum of *one* shilling and *three* pence (*1s. 3d.*) per cubic yard. The yardage to be based on the amount cut and as measured by the Government Peat Foreman.

I
~~WE~~ understand that the contract will be for five years in the first case but may be terminated by either side on six months notice being given on the 1st September in any year.

I am
~~WE~~ are willing to enter into a bond for the satisfactory completion of the contract should the Government wish and ~~WE~~ I realise the Government does not bind itself to accept the lowest or any tender.

I am,
~~We are,~~

Sir,

Yours faithfully.

E. J. Hutchinson

4 F

14

To The Chairman,
TENDER BOARD, SECRETARIAT,
STANLEY.

October 4th
September, 1945.

Sir,

~~I~~
WE,

do hereby offer and agree to cart the whole of the Government Peat Supply from the banks and stack in sheds where directed for the sum of *one* shilling and *three* pence (1 s. 3 d.) per cubic yard. The yardage to be based on the amount cut and as measured by the Government Peat Foreman.

~~I~~

WE understand that the contract will be for five years in the first case but may be terminated by either side on six months notice being given on the 1st September in any year.

~~I am~~

WE are willing to enter into a bond for the satisfactory completion of the contract should the Government wish and ~~WE~~ realise the Government does not bind itself to accept the lowest or any tender.

~~I am~~

We are,

Sir,

Yours faithfully.

Ernest Barnes.

&

P. McPhee

Copy to Executive Engineer.
" " File No. III/45.

9

9th October, 45.

Gentlemen,

I have the honour to inform you that His Excellency has accepted the recommendation of the Tender Board that your tender for the peat contract at 1/3d. per cubic yard should be accepted.

2. You should now consult the Executive Engineer with a view to drawing up the necessary contract.

I have the honour to be,

Gentleman,

Your obedient servant,

K. G. BRADLEY

Colonial Secretary,
Chairman,
Tender Board.

Messrs: E. Barnes and P. McPhee,
STANLEY.

C O P Y.

C/9/45.
111/45.

9th October, 45.

Sir,

I regret to inform you that your tender for the peat cutting contract was unsuccessful.

I have the honour to be

Sir,

Your obedient servant,

(Sgd.) K. G. BRADLEY,

Colonial Secretary,
Chairman,
Tender Board.

L. Cletheroe, Esq.
B. Bonner, Esq.
E. Hutchinson, Esq.

No. _____

(It is requested that, in any reference to this minute, the above Number and the date may be quoted).



MINUTE.

28th November, 1945.

From THE EXECUTIVE ENGINEER,

Stanley, Falkland Islands.

To THE HONOURABLE,
THE COLONIAL SECRETARY,
STANLEY.

Attached hereto, in duplicate, signed copies of Peat Haulage Contract signed on behalf of the Contractors by Mr. E. Barnes the original of which, with signed security attached, is deposited in the safe in this Office.

A handwritten signature in dark ink, appearing to be "EWS" or similar, written in a cursive style.

EXECUTIVE ENGINEER.

MEMORANDUM OF AGREEMENT made on the 26th day of November, 1945
between the Government of the Falkland Islands (hereafter
referred to as the Government) and Mr. E. Barnes and Mr.
P. McPhee (hereafter referred to as the Contractors)

WHEREAS the Government are desirous of hauling their peat
supplies from the banks to sheds or stacks in Stanley
and have accepted the tender of the Contractors dated
the 4th of October, 1945 for this work now it is hereby
agreed as follows:-

1. The Contractors will upon being so ordered load and cart
the peat from the banks and stack in sheds or stacks where
directed in Stanley and will provide all necessary labour and
transport for this purpose. The Contractors shall commence the
work and continue uninterruptedly until it is completed or they
are otherwise ordered except from causes over which they have
no control such as strikes or inclement weather, and the work
entailed in this Contract shall have priority over any other
work or contract the Contractors may have.
2. The loading on the bank and the stacking in Stanley
shall be done under the supervision and to the entire
satisfaction of the Executive Engineer to the Government or
his duly appointed agent.
3. The quantities carted shall be the number of cubic yards
cut by the Government and as certified by the Executive
Engineer and on this basis the Government shall pay the
Contractors one shilling and three pence per cubic yard
irrespective of the number of loads carted at any one time.
Payment shall be made in monthly instalments on the
certificate of the Executive Engineer based on the estimated
amount of peat carted to the date of payment less 20% until
such time as the 20% retention amounts to £100 when payments
shall be in full on the estimated amount carted each month.

The retention money of \$100 shall be included and paid with the final instalment, upon the satisfactory execution of the contract. In the event of the non completion of the contract by the Contractors, the Government may use all or part of any monies due to the Contractor to defray the cost of its completion.

4. The Contractors shall give the Government the names of two responsible persons who are willing to act as sureties for the satisfactory completion of the Contract.

5. The Government agrees to keep the peat sheds in reasonable order and tidy so that the work of the Contractors in stacking in sheds shall not be hindered.

6. The Contractors shall cover themselves against all claims arising against them under this Contract in connection with the Workmen's Compensation Ordinance 1936.

7. Provided all the conditions of this Contract are satisfactorily fulfilled it shall run until September 1950 unless either party gives to the other six months notice on the 1st day of September in any year.

Signed for and on behalf of the
Government of the Falkland Islands

Rush Woodgate
Executive Engineer

In the presence of

E. V. Dyer
Witness.

Signed for and on behalf of the
Contractors.

Ernest Barnes

In the presence of

E. V. Dyer
Witness.

on the day first hereon mentioned.