

File No. 9689.

CORRESPONDENCE.

SEWERAGE COMMISSION
OF THE CITY OF BALTIMORE.
CHIEF ENGINEER'S OFFICE.
AMERICAN BUILDING.

Baltimore. March 5, 1909.

Mr. Edgar Allan Poe,
City Solicitor.

Dear Sir:-

7238 I enclose herewith copy of a letter received from the Bethlehem Steel Company regarding certain payments to be made to them on account of the delay in completing the Pumping Station building; also copy of my reply, together with a copy of the specifications.

Will you kindly give me your opinion as to whether the position I have taken in this matter is legally correct?

With regard to their claim for repayment of the premium on the bond during the time the work is delayed, I would say that at the time the specifications were prepared we did not know how the premium on the bond would be paid. It now appears that this premium is an annual payment instead of a single payment covering the entire term of the contract, and the expense to the Bethlehem Steel Company is, therefore, considerably increased by the delay in erecting the Pumping Station building. While, as I have stated in my letter to the Bethlehem Steel Company, I do not think there is any legal ground for this claim, it seems to me that it has some basis in equity, especially, as at the time the specifications were written it was intended to reimburse the contractor for all direct expense to which he might be put on account of delay. Therefore, as this is a legal matter, I refer it to you with the request that you kindly give me your opinion as to the legality of the Sewerage Commission making a repayment of this premium. Thanking you, I remain

Yours truly,

(Signed) Calvin W. Hendrick,
Chief Engineer.