

File No. 9689Continued.

CORRESPONDENCE.

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mission directly orders the Contractor to suspend all work on the plant, the specifications provide (paragraph 30, page 16) that the Contractor shall be entitled to interest on the reserved 20% in addition to the costs of storage and protection of parts and extension of time mentioned in paragraph 28. In the present case the Commission has not directed the Bethlehem Steel Company to suspend the work, and it is clearly covered by paragraph 28 of the specifications.

Referring to the statement that "the Commission requests that instead of delivery being made, work be discontinued and the engines placed in storage", the Commission has made no request, or given any directions of any sort, but we are merely proceeding to carry out the provisions of paragraph 28, pages 14 and 15 of the specifications providing for certain payments to the Contractor in case the work is delayed by the non-completion of the building. Certainly, no shipping instructions from the Commission are necessary, and you are at liberty to ship the machinery and erect it as soon as you can find a place in which to store the parts and a foundation upon which to place them, but in such case, all expenses for storage would fall upon the Bethlehem Steel Company, not on the Commission, as the specifications (paragraph 28, page 15) provide that the contractor shall be paid the cost of protection and storage of parts "at the place of manufacture".

Referring to Section 6 of your letter, the correspondence on file in this office is conclusive as to the correctness of the statement contained in my letter of January 27th, 1909. It is not equitable that the Contractor should be reimbursed for expense due to delay caused by his own action. We have repeatedly written you, calling attention to your failure to comply with paragraph 3, page 28 of the specifications, and have stated on several occasions that you would have to be responsible for delay in completion of the building.

Yours truly,

(Signed) Calvin W. Hendrick,

Chief Engineer.