

According to my knowledge, it is carried out substantially as follows. After elaborate detail measurements, plans, and calculations are made, and the exact nature and extent of the work intended to be done ascertained, the whole is exhibited to contractors, generally on a schedule which by some engineers is designated "The Bill of Works." The contractor money out the quantities thus given him at his prices, and thus arrives at a total amount; this forms the basis of the contractors tender. If more or less work is actually performed than that shown on the Bill of Works, a corresponding addition or deduction is made at the schedule prices given in the contractors tender.

This, as I understand it, embraces the leading principle on which *Cash Contracts* are commonly let in England, there are doubtless exceptions such as those which I referred to in my letter of the 2nd January last, but as a rule this principle is the one which generally runs through and governs not only in Railway Contracts, but in Contracts for the various other Engineering works executed. Different Companies or Corporations or individuals may vary the mode in which it is carried out, but the principle remains the same.

I have abundant evidence in my possession to satisfy you on this point, the evidence is altogether too voluminous to append to this letter, I shall however be happy to submit it any time; for the present it will be a sufficient illustration to select from a great number, a common Form of Tender and Bill of quantities recently used in connection with a new line of Railway in England, an extension of the London, Brighton and South Coast Railway system.

Copies of these documents are appended to this letter, on examining them it will be found that the Bill of Works embraces 186 different items, all of which must be moneyed out by each Contractor Tendering. At the end of the Bill of Works the following clause will be found. "No Tender will be received unless accompanied by the above Bill correctly priced and moneyed out in accordance with the Schedule of prices," and near the beginning of the Tender it will be seen that the Contractors undertake as follows "to provide all materials and labor and to execute all the works &c., &c., in strict accordance with the plans, sections, drawings and list of quantities exhibited to me (or us) for the sum of £ Sterling, and I (or we) further agree that all additions to and alterations and omissions in the works hereby contracted for shall be valued and paid for, to or deducted and allowed for, by as the case may require according to the several prices set opposite to each description of work in the Schedule of prices hereunto annexed."

I need scarcely say that this form is varied in different cases and by different persons, in some instances the exact work intended to be done is defined in a different way or not so much in detail, in others the precise quantities of every denomination, and in every single portion of the undertaking are given with the greatest possible precision.

For example, I have in my possession the Specification, Form of Tender and Bill of quantities recently used in England in connection with the construction of a Railway less than 20 miles in length. The Bill of quantities is given on 59 printed pages of foolscap, and notwithstanding this extraordinary precision indicating the most careful measurements, prolonged consideration and final determination as to the exact extent of the work intended to be executed in every minute detail, and which one would think might justify, if anything would, a lump sum Contract such as that proposed by the Commissioners for the Intercolonial Railway under very different circumstances,—notwithstanding all this I find the following clauses in the conditions of Contract.

"The Company shall have full power to add to, or take away from, or to alter in any way that they shall think fit, the whole of the works referred to in the Specification, and the accompanying drawings, without any claim upon the part of the Contractor beyond the prices to which he is entitled under his Schedule for work actually performed."

"The quantities shown upon the section attached hereto have been computed from actual measurement of the additional width required, are believed to be correct; The Contractor will however, be paid for the total quantity of excavation actually executed, such quantities to be measured in the cutting and not in the bank."