

## Municipal Finance

JAMES MURRAY.

MUNICIPAL CONSULTING ENGINEERS.

The Editor:

I saw that in your last issue you reprinted an article from the Canadian Engineer criticizing the article published in the Western Municipal News in January on "Consulting Engineers' Fees." I think this was hardly fair to me, as your readers might think I did not know what I was talking about, which would not have been the case had you published the article to which the Canadian Engineer replied.

I now enclose a copy of my reply to the Canadian Engineer, which I trust you will see your way to publish.

Yours faithfully,

O. J. GODFREY.

Indian Head, Sask.,

The Editor, Canadian Engineer,

Sir,—I am sorry you gave my article on "Consulting Engineers Fees" a meaning it was not intended to, and does not, convey.

You say that stripped of excess verbiage, I assert that Consulting Engineers purposely under-estimate. I said no such thing, but I did state that on the percentage system a temptation is placed before the Engineer to underestimate. My article further stated that in many cases which have come before me, the preliminary estimate bore little relation to the final cost. You say it is hardly likely that I can give chapter and verse in substantiation, which is precisely what I am able to do in a good many instances. I am prepared to give, and to substantiate, many cases of under estimating, in which, as I stated in my article, the preliminary estimate bears little relation to the final cost, but I do not think you should suggest the Canadian Society of Civil Engineers as the tribunal, as however fair minded its members may be, it could scarcely be called an impartial tribunal. Probably the Canadian Union of Municipalities could better appoint a tribunal to consider the matter, and if you wish it carried further, the following is one of the cases I have in mind.

In the Town of "X," a well known Eastern Consulting Engineer prepared a preliminary estimate for a water-works system, which was to include delivery to the town and the laying of mains, to cost, as per the estimate, say \$100,000. The report continued: "Laterals and houses connections will, of course, be paid for by the properties served." In other words, this latter sentence would lead anyone not familiar with municipal finance to believe there was no need to borrow money for laterals and house connections, and that \$100,000 was all the capital required. What was the result? The town, having endorsed the preliminary estimate, had to go on, and spent more than twice \$100,000 in completing the work covered by the preliminary report. This year the Local Government Board held an enquiry to see whether this town could pay its fixed charges or not, and every ratepayer interrogated said that the preliminary report had misled him as to the cost of the proposed works.

That "mild amusement" is not the effect on the engineering profession, is evident from an article in the Western Municipal News this month, by a well known Consulting Engineer in the person of Mr. T. A. rd Murray, M. Can Sos. C. E. He says: "The method of charging upon a percentage basis has often been criticized both by engineers themselves and others, but no other satisfactory method has been formulated. The danger in engineers under-estimating the value of work chiefly exists at the time when the preliminary report and estimate are prepared, and this is more so when two or more engineers may be competing against one another for the work."

Again, in the Engineering Record of March 24th, 1917, Sir Maurice Fitz Maurice, in his inaugural address as President of the Institution of Civil Engineers, is reported to have asked the question: "Are engineers too optimistic in designing their work, and in their estimates of time and cost?" Answering the question, he says that engineers must plead guilty to the charge, sometimes at least.

Further, I believe that an American Engineering Weekly recently adversely criticized the percentage system.

What further justification do I need?

I also perused, with interest, another letter to you from Mr. Underwood, of Saskatoon, criticizing my article. I wonder if Mr. Underwood ever heard of the case of a

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