

Mr Whitcombe *D. 2/4/84*

Mr Kennedy

COST OF EDGAR GRAHAM MEMORIAL

Thank you. While Jones may be in apparent breach of contract, I don't think that our case is particularly defensible. Nevertheless in view of the gross departure from the estimated cost we should endeavour to reach a compromise. It is also important to retain Jones's goodwill - I fear we might lose it! (Dr Smyth to try again)

You asked me to consider this matter which I have summarised below with my views. *JWS/K 9/4/84*

1. On 13 December 1983 we wrote to Sir Ewart Bell (through his PS) intimating that the cost to public funds "would be in the region of £150 exclusive of VAT".
2. On 16 December 1983 we asked Jones Bros to undertake the job and requested "a rough estimate of cost and completion date".
3. On 23 December 1983 Jones Bros agreed to undertake the work but did not provide an estimate of cost.
4. On 18 January 1984 Dr Smyth recorded that he had agreed an estimated cost of circa £104 (130 characters x 80p/character) with Jones Bros.
5. On 12 March 1984 an account from Jones Bros for £240 + £36 VAT (£276) was received and Dr Smyth asked Jones Bros to reconsider the charge as it was so much greater than the estimate.
6. On 29 March 1984 Dr Smyth wrote to Jones Bros pointing out both the difference between the estimated cost (£104) and the bill (£240) and the methods of costing ie 80p per character and £6 per hour for 40 hours.
7. On 3 April 1984 Jones Bros wrote saying although they had "quoted 80p per letter the job took longer than normal because the sculptor was told to stop work on numerous occasions. The time taken was approximately 40 hours and while the hourly rate is £8 a charge of £6 per hour was made and this just covered expenses. Jones Bros also offered to discuss further if necessary.
8. Dr Smyth's record of the sculptor's hours on the job indicates a total of 34³⁵/60 on 5 different days (including 2 sitting days 25 January 1984 and 1 February 1984 when the House rose at 9.29 pm and 5.33 respectively) I doubt if the sculptor could have worked when the House was sitting!

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If ~~this is~~ correct then 5 hours 10 minutes could be deducted. Travelling time between Stormont and Jones Bros is of the order of 10 minutes for 5 days and ~~it~~ it is probable that the sculptor went home because of times of finishing. I would allow an extra 1 hour for travelling. Thus the account if priced at an hourly rate of £6 should be of the order of £180 (30 x £6).

9. In my view we are legally contracted to pay £104 + VAT £15.60. Where we have delayed the job we have, at least a moral obligation to meet the extra cost involved in delays. Jones Bros, however have departed completely from the estimated method of costing ie 80p per letter to £6 per hour. This has resulted in a demand for an additional £136 + VAT £20.40.
10. We could be criticised by auditors if we meet this increased cost and I would recommend that we should tell Jones Bros that the change of costing method without notice is unreasonable and that we are prepared to pay only part of the extra cost. I would suggest we pay 50% of the additional sum ie £68 plus £10.40 VAT. Even if we have to settle at a greater amount we will have demonstrated our determination to safeguard public funds. I suggest we issue a cheque for £200 (ie £172 + £24.80 VAT and rounding) with an accompanying letter explaining why.



T WHITESIDE
Clerk Assistant (Administration)

6 April 1984