

Education-Supplies
Con.18850
H R D

1-16959

Contract for
electricity.

AUG 28 1912

FOR FILE!

85969/1912 Carlisle 281

Mr. M. Friedman,

Sup't Carlisle School.

Sir:

The Office is herewith returning contract with the United Electric Company, of Lemoyne, Pennsylvania, for furnishing electric current to your school during the fiscal year 1913.

It is noted that in paragraph 4 it is set out that the company is not to be in any way responsible for the sufficiency, safety or workmanship of the equipment installed. If this is intended to apply merely to the school equipment, it is satisfactory, but as reference is made elsewhere to equipment installed by the company, it is thought that provision should be drafted so that the company will be held responsible for the sufficiency, safety and workmanship of its own equipment.

Paragraph 5 sets out that the agreement shall continue in force after the expiration of the stated term until terminated by thirty days written notice.

Handwritten signature

FILED BY M. P. J.

The Government is unable to contract in this manner, as the appropriation available for this service becomes exhausted on June 30, 1913, and a contract covering a longer period would be unauthorized.

In paragraph 6 it is noted that the company shall make or cause to be made, application for any necessary street permits and shall not be required to supply current under this contract until a reasonable time after such permits are granted. As a considerable controversy might ensue over the meaning of the expression "reasonable time," it is believed that this service should begin immediately after the permits are granted and appliances connected.

It is noted further along that the customer shall be responsible for all damages to or loss of the company's property located upon the customer's premises, and used in carrying out this contract, unless said damages or loss may be occasioned through the company's negligence. The wording of this would seem to indicate that the Government would be responsible for damages to the company's property whether this loss resulted from the negligence of its agents or otherwise, provided the company was not to blame. It should be worded so that the Government will be liable only for damage

to this property which is occasioned by the negligence of its agents.

It is further set out that the company is not to be liable for damages resulting from the use of electric current or the presence of the company's appliances on the customer's premises. The company should be liable, however, for damages resulting from its negligent use of the current or for losses from its defective appliances or from its negligent use of such appliances.

The Office has further objections to the two last paragraphs of the contract, as they provide that in case the supply of current shall be interrupted or be defective, or fail by reason of accidents, strike, state or municipal interference, or other causes, the company shall not be liable therefor, but should interruption, defect or failure in the service result from the company's negligence, the customer may terminate the agreement by written notice delivered to the company; whereas, the company has the right to discontinue the service without notice in case the customer fails to comply with or perform any of the conditions or obligations of this agreement, and the company not only has the right to discontinue its service, but if the customer, in the company's opinion, is negligent, there

shall then become due and payable to the company in lieu of the returns from such supply during the unexpired term of this contract as stipulated damages and not as a penalty, a sum equal to the price of one hour's average use of the equipment for each day of such unexpired term.

Under the above provisions the company is exculpated from liability for almost every form of interference that could arise to its service, and even if negligent, the customer could only terminate the agreement and no loss would result to the company; whereas, if the customer is negligent, liquidated damages would accrue in the manner above set out. It is believed that if the company demands liquidated damages to cover loss by reason of negligence on the part of the consumer, that the Government should also be reimbursed in a similar manner for loss occasioned by the negligence of the company. It is also believed that the causes for interruption of the supply should be confined to acts of God, strikes and state or municipal interference, and that the company should not be relieved from liability by reason of mere accidents but should be bound to furnish current from other sources if their own plant becomes disabled.

In view of the foregoing, the Office does not wish to approve the inclosed contract in its present form, and it is requested that another be prepared in quintuplicate along the lines suggested on ordinary letter-size paper.

Respectfully,

(Signed) C. F. Hauke
Acting Commissioner.

8-10-27

Submits
articles of
agreement for
approval.

DEPARTMENT OF THE INTERIOR,

UNITED STATES INDIAN SCHOOL,

CARLISLE, PA.

CPR 18830

July 9, 1912.

OFFICE OF INDIAN AFFAIRS
RECORDED
JUL 11 1912
FILE

85969

The Honorable
Commissioner of Indian Affairs,
Washington, D. C.

Sir:-

I have the honor to enclose herewith articles of agreement in quintuplicate entered into with the United Electric Company for the furnishing of electric current for industrial motors, for the fiscal year beginning July 1, 1912 and ending June 30, 1913, also agreement for rental of the Henderson tract of land, which has been rented yearly for pasture and other purposes, as it adjoins the school grounds and is very necessarily required for use of the school.

Very respectfully,

M. P. J.
Superintendent.

SJN:SAR

At

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