

Confidential:

July 23, 1912.

Dear Mr. Wyche,

The President instructs that you make the best arrangement possible with Utah Construction Company for the purpose of securing lowest practicable cost of completing Arnold's Loop work. He calls attention that \$570,000 are available for this purpose out of Denver & Rio Grande Income Adjustment Bonds, but that it is of utmost importance that the work be done at the lowest possible expenditure below that amount.

I have assured him that your estimate would not exceed \$525,000, and that we expected, by careful supervision and intelligent adjustment of surveyed line, to produce the results with the minimum quantities of excavation and fill, and that you have reasonable hope of bringing the total cost of work down to \$500,000 or less.

The authority which the President now gives that you make the best possible arrangement, is in response to inquiry I made of the President based upon your recommendation as to the excavation of the large ~~small~~ cut where 487,000 yards are to be moved. If, in carrying out the President's instructions, and most minute study by yourself, it is deemed necessary to cover the arrangement you make by a supplemental contract, such must only be done with the personal advice of General Attorney Olney and after notifying President Jeffery of the details of the arrangement, should I be absent when this is done.



*to  
Discern  
Contract*

I am sending you for your confidential information, copy of President Jeffery's telegram of July 22, on this subject, which illustrates the grave importance of saving as much out of the authorized amount available for this work as is possible to be done, and the President relies upon you to give your personal attention to this under advice and counsel of Second Vice-President and General Manager Levey and General Attorney Olney, to bring about the attainment of the desired purpose.

Please bear in mind that all of the above relates to the total cost of the work so that if you bring the cost to \$500,000 or less it means that there will be applied thereto a credit of \$10,935.00, amount of payment made to the Construction Company at the time of cessation of the work, and which, by contract dated February 28, 1916, is to apply upon completing the loop, and which will be deducted from final estimate. Therefore, with said credit, the amount which will be drawn against the funds available in New York, provided out of the Denver & Rio Grande Adjustment Bonds, is confidently expected will not exceed \$490,000.

Yours sincerely,

(Signed) C H Schlacks

T. J. Wyche, Esq.,  
Chief Engineer.

p. s. - The A.F.E. prepared to cover this work should be, as verbally directed, for the entire work of completing Arnold's Loop \$525,000.