

MEMORANDUM FOR SENATORS MORRIS SHEPPARD AND  
TOM CONNALLY AND CONGRESSMAN FRITZ G. LANHAM

Washington, D. C.  
June 20, 1939.

Subject: Housing Authority Contracts,  
Fort Worth, Texas

1. J. E. Morgan & Sons, El Paso, Texas, bid Fort Worth Housing Authority projects according to plans and specifications and were awarded contracts for a lesser sum in dollars and cents than the estimated approved limit by both Fort Worth and Washington Housing Authority offices for such projects and the sum total of said bids and awards were for a lesser sum than the per unit estimate approved by the United States Housing Authority for such units for Fort Worth.
2. The architects recommended to the Fort Worth Housing Authority and the Fort Worth Housing Authority approved and recommended to the United States Housing Authority the award of the contracts to J. E. Morgan & Sons.
3. The base bid was for aluminum windows and it was the recommendation of the architects in Fort Worth and the Fort Worth Housing Authority to the United States Housing Authority to award the contracts to J. E. Morgan & Sons.
4. The contracts are now in Washington awaiting approval.
5. There has not been the slightest hesitation on the part of the United States Housing Authority to approve in each and every detail the steps taken by the local Fort Worth Housing Authority as to development of plans, the writing of specifications and the use of materials until the time came for final approval by the United States Housing Authority of aluminum windows.

6. The Fort Worth Housing Authority has submitted to the United States Housing Authority detailed information showing that any window other than an aluminum window would cost 29¢ per month per unit for maintenance. This additional 29¢ would increase the per unit rental 29¢ per month.

7. The United States Housing Authority in Washington have not as yet returned the contracts submitted by the Fort Worth Housing Authority to J. E. Morgan & Sons with disapproval but they have written letters and from word of mouth have indicated their desires to eliminate aluminum windows before approving the contracts as awarded and as bids were taken. The Fort Worth Housing Authority can see no cause why they should change their opinion, the architects have expressed their determination to stand by the specifications and plans on the basis of the base bid of J. E. Morgan & Sons, which included aluminum windows, and which cost, including aluminum windows, was below the estimate approved for this project by the United States Housing Authority in Washington and is what the Fort Worth Housing Authority, including architects, wants.

8. The United States Housing Authority is not consistent in their policies. At the very outset the United States Housing Authority promulgated, over Mr. Straus' signature, a number of publications entitled "Bulletins on Policy and Procedure" and in a number of instances in these bulletins pointed out the fact that materials with maximum durability should be used. Quoting from United States Housing Authority Bulletin No. 12:

"They should therefore give careful consideration to prevailing local building practices and methods of construction, available materials and labor skills, and dwelling patterns. Above all they should plan for maximum economy in first costs and maintenance costs, and the maximum durability feasible within these costs."

"C. Maintenance, Repair and Replacement Expenses:

The cost of maintenance, repair, and replacements is the largest single annual expense item and amounts to approximately 45 per cent of the shelter rent. It is a direct reflection of the serviceability and the durability of the component parts of the project. Therefore, it is essential that materials and equipment be analyzed carefully to establish in the process of design the lowest possible total annual maintenance, repair, and replacement cost consistent with low operating expense and the development cost limitations of the Act.

"During the early years of operation, disbursements from the reserve for maintenance, repair, and replacement should be required only for routine maintenance and minor repairs. The balance should be set aside so that funds will be available during the subsequent years when requirements for repair and replacement become greater."

"It is, therefore, possible to use durable materials and methods of construction which require a minimum of operating, maintenance, replacement, and insurance cost without causing any material increase in debt service to be met from rents."

9. The Fort Worth Housing Authority, in a letter dated May 17, 1939, gave figures which would indicate that a saving of 29¢ per month for each dwelling unit could be effected by using aluminum double hung windows in lieu of light weight steel casement windows.

10. Apparently the United States Housing Authority officials up to this point on Fort Worth projects have endeavored to construe the law that they have the right to dictate to the Fort Worth Housing Authority the use of certain materials that are more expensive that go into plumbing, heating and other equipment and, in the same contract, take out a material like an aluminum window that, while it costs more initially, is just as effective in maintenance saving as expensive plumbing and heating. Any construction of the law on the part of the United States Housing Authority on one material for one usage of a building should apply on all materials for like usage where an economy can be shown in the maintenance and permanency of the project.