

Although DOT had made an in-house estimate of the number of people and man-hours it would take to perform the construction management services, it did not advise the bidders of that estimate or include it in the request for proposal. Rather, it asked the bidders to develop their own estimates of what would be required and to base their bids on those respective estimates. Thus, although the general scope of the work was defined, there was a great deal of flexibility in the DOT request. To some extent that is what caused the problem. The five proposals received by DOT on 14 June 1976 varied widely, as they were based on different estimates of the number of man-hours required to do the job.

DOT reviewed the five proposals in accordance with evaluation criteria it had previously established and ultimately recommended to its PSSB the firm of Ralph M. Parsons, a national consortium based in California, which it believed had submitted the best proposal. Unfortunately, the Parsons bid, at \$25 million, appeared to be about \$7 million more than that submitted by a consortium that included a local firm, Baltimore Contractors, purportedly having extensive "political connections." The PSSB approved the DOT recommendation, and thus the Parsons firm was recommended to the Board of Public Works.

The matter was first formally presented to the board on 12 November 1976 and immediately ran into trouble. The board questioned the price disparity and asked for more information; DOT insisted that the Parsons proposal was the best one and that the price disparity was more apparent than real.⁵⁰ For seven months the issue lay unresolved, with DOT refusing to reconsider its recommendation and the board refusing to approve the Parsons proposal. Charges and countercharges of favoritism were bandied about both publicly and privately. The press generally sided with Hughes, viewing the matter in the context of an attempt by Baltimore Contractors to exert political influence on the board and subvert the selection process. Parsons, not without some influence of its own, enlisted the aid of two influential U.S. senators and, through them, the federal Urban Mass Transit Administration, which, as the principal financier of the project, also had something to say about the matter.

The affair came to a head in May 1977. On 2 March the board had by unanimous vote formally disapproved the Parsons contract. A week later the board directed that the selection process begin again on an emergency basis. With construction scheduled to commence in July and no prospect of resolving the impasse, Hughes resigned as secretary of transportation on 26 May 1977, maintaining in his letter of resignation that the board was, in effect, tampering with the selection process.⁵¹ With the governor already under federal indictment for other alleged misfeasance and the press viewing the Hughes resignation as an act of conscience, the board was under extreme pressure to back off and approve the Parsons proposal as submitted.

The board continued to demur, however, perhaps partly because its own integrity was on the line, but also because it simply was not satisfied with the Parsons submission. Once a replacement was named for Hughes, the board considered whether DOT could get along without a construction manager. When the new secretary, Herman Intemann, advised that in light of the imminence of construction activity that was not possible, the board undertook to renegotiate with Parsons.⁵²

Eventually there was a more or less happy ending to all of this. Through Intemann, a new contract was negotiated with Parsons—at \$21.5 million rather than the \$25 million originally proposed to the board. Part of the difference involved a reduction in scope of work; part arose from price concessions made by Parsons. With some fanfare

50. BPW Minutes, 12 November 1976, pp. 13-14, MdHR 40281-318, and transcripts, pp. 5-138, MdHR 40328-59-1/6; BPW Minutes, 26 November 1976, pp. 6-7, MdHR 40281-320, and transcripts, pp. 3-47, MdHR 40328-61-1/2.

51. *Ibid.*, 2 March 1977, pp. 61-62, MdHR 40281-328-2; 11 March 1977, pp. 49-50, MdHR 40281-329-2.

52. *Ibid.*, 6 July 1977, pp. 5c-5j, MdHR 40281-336-1.