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December 16, 2004

Loren Smith  
Senior Vice-President  
Parsons Transportation Group  
7600 Corporate Center Drive  
Suite 500  
Miami, FL 33126

**RE: REQUEST FOR ADVISORY OPINION 04-196**

Dear Mr. Smith:

The Commission on Ethics and Public Trust considered your request for an advisory opinion at its meeting on December 15, 2004 and rendered its opinion based on the facts stated in your letter.

You requested an opinion regarding any conflicts between the firm's service as a subcontractor to the Corgan Group on the North Terminal Development Program and serving as Program Consolidation Project Manager for the North Terminal Development Program. The firm will do the work as a joint venture partner with Odebrecht Construction.

In your letter, you advised the Commission that in 1995, American Airlines and Miami-Dade County entered into an agreement to create the North Terminal Development Program. The original agreement and the subsequent amendments provided that American Airlines would build the North Terminal and provide modifications and renovations to existing airport facilities. The North Terminal Development Program is funded with

county dollars and contractors are subject to relevant county ordinances and regulations.

The Corgan Group serves as Program Manager for American Airlines. Pursuant to the Program Management Agreement, the Corgan Group provides overall contract management including administration of all subcontractor agreements, program budgeting and accounting functions, program phasing, scheduling, cost controls and facilitation for the design team. Parsons is a subconsultant under the agreement and primarily supervises scheduling, change orders and cost control. Parsons does not currently have any employees on the management team for the project.

American Airlines has recently issued an Invitation to Bid for a firm to serve as Program Consolidation Project Manager. The firm will essentially serve as General Contractor for the remaining construction projects on the North Terminal program. The new management structure will have American Airlines at the top of the organizational structure, the Corgan Team as the Program Manager for American and the Program Consolidation Project Manager as General Contractor. The North Terminal administrative functions including cost controls and scheduling are overseen by the Program Director and the American Airlines Director of Construction oversee the construction function. The Corgan Group serves as the link between the two functions. Further, the Program Consolidation Project Manager will serve as the Construction Manager member of the overall management team.

The Commission found Parsons may serve as Program Consolidation Project Manager only if the firm relinquishes any current responsibilities for approval and review of change orders and cost tracking related to construction of the remaining North Terminal projects. Although Parsons would not serve as the only reviewer of change orders and

scheduling matters under the management structure, a conflict would be created if Parsons were to simultaneously serve in both capacities. The firm may also not serve in any management capacity for the Corgan Group while serving as Program Consolidation Program Manager.

The Ethics Commission has previously opined that certain contractual arrangements create an inherent conflict of interest and should be determined prior to award. For example, a conflict exists if a contractor has overlapping responsibilities on different phases of the same project (i.e. AE on one phase of the project and serving as value engineer, CIS or CM partner on another phase of the project; supervisor or prime on one phase of the project and subcontractor on another or related phase or project.) Further a conflict may exist if there are overlapping roles or responsibilities between two related contracts. These arrangements create conflict because they lead to disclosure of confidential information and impair independent judgment by the contractor in the performance of its contractual obligations.

As acknowledged in the request, the proposed arrangement has the potential for the conflicts discussed above. In order to eliminate such potential conflicts, Parsons must relinquish scheduling, change order and cost management responsibilities for any projects overseen by the Program Consolidation Program Manager. The functions must be undertaken by Corgan directly or some other entity. Therefore, Parsons can serve as Program Consolidation Program Manager subject to the restrictions discussed herein.

This opinion construes the Miami-Dade Conflict of Interest and Code of Ethics ordinance only and is not applicable to any conflict under state law. Please contact the State of Florida Commission on Ethics if you

have any questions regarding possible  
conflicts under state law.

If you have any questions regarding this  
opinion, please call the undersigned at (305)  
579-2594 or Ardyth Walker, Staff General  
Counsel at (305) 350-0616.

Sincerely Yours,

A handwritten signature in cursive script, appearing to read "Robert Meyers", with a long horizontal flourish extending to the right.

ROBERT MEYERS  
Executive Director

cc: Christopher Mazzella, Inspector General  
Scott Windham, American Airlines