

**OKLAHOMA  
AERONAUTICS  
COMMISSION**

**OKLAHOMA CITY  
AIRPORT TRUST  
PROJECT NUMBER  
PWA-07-F**

**RECONSTRUCTION OF  
TAXIWAYS A, A-1, AND A-3**

**FOR THE PERIOD  
AUGUST 2, 2007 THROUGH  
JULY 16, 2009**

**OPERATIONAL AUDIT**



Oklahoma State Auditor  
& Inspector

**Audit Report of the  
Oklahoma Aeronautics Commission -  
Oklahoma City Airport Trust - Project Number PWA-07-F  
Reconstruction of Taxiways A, A-1, and A-3**

**For the Period  
August 2, 2007 through July 16, 2009**

# STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA  
State Auditor

MICHELLE R. DAY, ESQ.  
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 [www.sai.ok.gov](http://www.sai.ok.gov)

March 11, 2010

## **TO THE OKLAHOMA AERONAUTICS COMMISSION**

Pursuant to your request, this is the audit report for the Oklahoma Aeronautics Commission for the period August 2, 2007 through July 16, 2009. The Office of the State Auditor and Inspector is committed to serving the public interest by providing independent oversight and by issuing reports that serve as a management tool to the State. Our goal is to ensure a government that is accountable to the people of the State of Oklahoma.

We wish to take this opportunity to express our appreciation to the agency's staff for the assistance and cooperation extended to our office during the course of our engagement.

Sincerely,

A handwritten signature in blue ink that reads "Steve Burrage".

STEVE BURRAGE, CPA  
STATE AUDITOR & INSPECTOR

**Background**

The Oklahoma Aeronautics Commission (the Commission) was created to encourage, foster, and assist in the development of aeronautics in Oklahoma and to encourage the establishment and maintenance of public airports. This includes the preservation and improvement of the state’s 114 public airports, which make up the state’s airport system; and the promotion of the aviation industry, one of the top ten employers in Oklahoma, providing 143,700 jobs.

Oversight is provided by seven commission members. They are:

Kenneth Adams .....	Chair
Wes Stucky .....	Vice-Chair
Rick Armstrong .....	Secretary
Dave Amis .....	Member
Dr. David Conway .....	Member
Tom Stephenson .....	Member
Joe Harris .....	Member

The Oklahoma City Airport Trust (the Sponsor) applied for assistance from the Commission to reconstruct taxiways A, A-1, and A-3 at Wiley Post Airport due to deterioration and incompatible pavement strengths. The Commission committed \$163,684 to this \$2,782,987 project. The Sponsor pledged \$77,641 with the difference paid by the Federal Aviation Administration (FAA).

**Purpose and Scope**

This audit was conducted in response to the Commission’s request.

The audit period covered was August 2, 2007 through July 16, 2009.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This report is a public document pursuant to the Oklahoma Open Records Act (51 O.S. § 24A.1 et seq.), and shall be open to any person for inspection and copying.

**Objective 1 - Determine if expenditures paid to the Oklahoma City Airport Trust (state project number PWA-07-F) were in accordance with “Exhibit B-1 - Program Narrative” and “Exhibit B-2 - Project Costs” of the airport construction agreement.**

**Conclusion**

The expenditures paid to the Oklahoma City Airport Trust were not in accordance with “Exhibit B-1 – Program Narrative” and “Exhibit B-2 – Project Costs” of the airport construction agreement.

**Methodology**

To accomplish our objective, we performed the following:

- Reviewed the airport construction agreement;
- Interviewed the airport manager and federal planning specialist for the Sponsor;
- Interviewed the finance officer of the engineering firm;
- Reviewed the bids submitted by contractors for the project;
- Reviewed all invoices submitted by the contractors to the Sponsor;

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- Reviewed all invoices submitted by the engineer to the Sponsor;
- Reviewed all requests for reimbursement submitted by the Sponsor to the Commission; and
- Observed the completed project.

**Observation**

**Inadequate Review of Project Invoices**

An effective internal control system provides for an adequate review of project invoices.

The engineering firm was working on two projects for the Sponsor simultaneously. As a result, a number of the professional engineering services invoices and the advertising invoice did not distinguish what portion of the incurred costs were attributable to “Exhibit B-1 - Program Narrative” and “Exhibit B-2 - Project Costs” of the airport construction agreement. The Sponsor did not detect this during their review process and consequently submitted invoices to the Commission, with supporting documentation, for reimbursement. Likewise, the Commission did not detect the error during their review process.

It appears the Commission reimbursed the Sponsor for costs not attributable to “Exhibit B-1 - Program Narrative” and “Exhibit B-2 - Project Costs” of the airport construction agreement for state project number PWA-07-F. The invoices do not break the costs down by project; therefore, the amount of overpayment is unknown.

The Commission’s review of project related invoices does not appear to be effective.

**Recommendation**

We recommend the Commission exercise diligence when reviewing project related supporting documentation to ensure the costs incurred are related to “Exhibit B-1 - Program Narrative” and “Exhibit B-2 - Project Costs” of the airport construction agreement. This is especially important when more than one project is in progress at the airport as the risk for including unallowable costs increases.

**Views of Responsible Officials**

The Commission is working with the Oklahoma City Airport Trust (Trust) for the resubmission of invoices representing progress billing for Engineering Services and advertising pertaining to project PWA-07-F. The Commission will request that the Trust provide the desired documents within thirty (30) days of the request. At that time, the Commission will examine the documents provided to decide if actions taken by the Trust are satisfactory and comply with project audit requirements. It is pertinent to add that as per the grant agreement the Commission has not yet released the final 10% of the grant amount to the sponsor and also, the Commission does not consider the project as being financially closed yet. The Commission will notify the State Auditor’s Office of the actions taken by the sponsor to comply with project audit requirements and about subsequent actions taken by the Commission.

## APPENDIX

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Appendix- Project Costs (unaudited) and  
Close Out Documentation**

The following information has been presented at the request of management. Our objective was to determine if expenditures paid to the Oklahoma City Airport Trust (state project number PWA-07-F) were in accordance with “Exhibit B-1 - Program Narrative” and “Exhibit B-2 - Project Costs” of the airport construction agreement. Therefore, we did not conclude on the following schedules and information.

<b>Category</b>	<b>Budget</b>	<b>Change Order</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
Advertising	\$ 980	\$ -	\$ 980	unknown	unknown
Engineering	187,211	-	187,211	unknown	unknown
Testing	72,114	-	72,114	17,748	54,366
Inspection	82,850	-	82,850	87,024	(4,174)
Other	4,020	-	4,020	-	4,020
Construction	2,434,742	197,195	2,631,937	2,631,941	(4)
<b>Total Eligible Project Costs</b>	<b>\$ 2,781,917</b>	<b>\$ 197,195</b>	<b>\$ 2,979,112</b>	<b>\$ 2,736,713</b>	unknown

As a result of the deficiency reported earlier in this report, we were unable to present the actual amounts expended and variances between budgeted and actual expenditures related to advertising and engineering. This is because costs incurred for projects other than project number PWA-07-F were included on the invoices by the Sponsor, submitted to and partially reimbursed by the Commission.

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**Construction Costs**

Base Bid A	Bid Qty	Per Unit Bid	Bid Price	Actual Qty	Per Unit Actual	Actual Cost	Variance on Qty	Variance on Cost
Mobilization, bonds, insurance	1.00	\$ 254,849.20	\$ 254,849.20	1.00	\$ 254,849.20	\$ 254,849.20	0.00	\$ -
Traffic maintenance	1.00	81,305.00	81,305.00	1.00	81,305.00	81,305.00	0.00	-
Remove existing edge drains, cut and cap outlets	4,200.00	7.00	29,400.00	3,933.00	7.00	27,531.00	267.00	1,869.00
Unclassified excavation	1,760.00	2.40	4,224.00	1,760.00	2.40	4,224.00	0.00	-
Unclassified excavation	2,910.00	3.00	8,730.00	3,648.46	3.00	10,945.38	(738.46)	(2,215.38)
Embankment to required grades	830.00	3.50	2,905.00	830.00	3.50	2,905.00	0.00	-
Replace topsoil 6" thick	1,000.00	6.00	6,000.00	1,000.00	6.00	6,000.00	0.00	-
Surveying	10.00	210.00	2,100.00	10.00	210.00	2,100.00	0.00	-
Cement sub base	22,400.00	3.00	67,200.00	26,343.56	3.00	79,030.68	(3943.56)	(11,830.68)
Cement delivered to site	305.00	151.48	46,201.40	468.05	151.48	70,900.21	(163.05)	(24,698.81)
Pavement saw cutting	1,915.00	4.05	7,755.75	1,448.00	4.05	5,864.40	467.00	1,891.35
Existing pavement breakup	17,000.00	2.30	39,100.00	21,477.03	2.30	49,397.17	(4477.03)	(10,297.17)
Construct 11.5' PCC surface course with joints	21,600.00	53.80	1,162,080.00	25,293.90	53.80	1,360,811.82	(3693.90)	(198,731.82)
Construct reinforced concrete manhole cover	1.00	1,371.41	1,371.41	1.00	1,371.41	1,371.41	0.00	-
Runway and taxiway painting with out reflective media	10,550.00	1.09	11,499.50	5,699.00	1.09	6,211.91	4851.00	5,287.59
Runway and taxiway painting with reflective media	12,610.00	0.92	11,601.20	5,952.50	0.92	5,476.30	6657.50	6,124.90
Construct a 6" X 24" trench for 2" PVC	925.00	2.40	2,220.00	1,715.00	2.40	4,116.00	(790.00)	(1,896.00)
Furnish and install lighting cable #8	1,275.00	2.70	3,442.50	2,097.00	2.70	5,661.90	(822.00)	(2,219.40)
Construct 6" X 8" trenching for counterpoise	675.00	1.32	891.00	900.00	1.32	1,188.00	(225.00)	(297.00)
Furnish and install counterpoise	675.00	1.44	972.00	903.00	1.44	1,300.32	(228.00)	(328.32)
Furnish and install 2" Sch 40 PVC conduit in trench	925.00	2.52	2,331.00	1,258.00	2.52	3,170.16	(333.00)	(839.16)
Protect above grade and in-pavement elements	55.00	264.00	14,520.00	61.00	264.00	16,104.00	(6.00)	(1,584.00)
Protect above grade unlighted sign elements	3.00	129.60	388.80	6.00	129.60	777.60	(3.00)	(388.80)
Remove , store, and reinstall retro reflective markers	3.00	32.40	97.20	6.00	32.40	194.40	(3.00)	(97.20)
Remove and reinstall transformers and elements in new loc.	9.00	1,164.00	10,476.00	18.00	1,164.00	20,952.00	(9.00)	(10,476.00)
Remove and reinstall existing unlighted signs on new pad	2.00	1,872.00	3,744.00	2.00	1,872.00	3,744.00	0.00	-
Furnish and install MITL fixtures and isolation transformers	16.00	1,350.00	21,600.00	16.00	1,350.00	21,600.00	0.00	-
Seeding	1.50	3,000.00	4,500.00	0.00	3,000.00	-	1.50	4,500.00
Sodding	5,000.00	2.40	12,000.00	5,131.00	2.40	12,314.40	(131.00)	(314.40)
Fertilizer	0.75	780.00	585.00	0.65	780.00	507.00	0.10	78.00
Third party insurance	1.00	\$ 2,500.00	2,500.00	1.00	2,500.00	2,500.00	0.00	-
Base bid A subtotal			<u>\$ 1,816,589.96</u>			<u>\$ 2,063,053.26</u>		<u>\$ (246,463.30)</u>

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**Construction Costs - continued**

Base Bid A-Alternate	Bid Qty	Per Unit Bid	Bid Price	Actual Qty	Per Unit Actual	Actual Cost	Variance on Qty	Variance on Cost
Furnish and place temporary lighted thresholds	2.00	\$ 6,528.00	\$ 13,056.00	0.00	6,528.00	\$ -	2.00	\$ 13,056.00
Relocate temporary lighted thresholds	5.00	2,928.00	14,640.00	0.00	2,928.00	-	5.00	14,640.00
Furnish and install closure crosses	5.00	2,950.00	14,750.00	19.00	2,950.00	56,050.00	(14.00)	(41,300.00)
Remove existing edge drains	710.00	11.13	7,902.30	0.00	11.13	-	710.00	7,902.30
Unclassified excavation-strip 6" of topsoil	385.00	7.27	2,798.95	80.50	7.27	585.24	304.50	2,213.72
Excavation to required grades	1,020.00	2.86	2,917.20	1,020.00	2.86	2,917.20	0.00	-
Embankment to required grades	220.00	6.64	1,460.80	0.00	6.64	-	220.00	1,460.80
Embankment in place - replace topsoil 6" thick	730.00	8.01	5,847.30	730.00	8.01	5,847.30	0.00	-
Surveying	10.00	210.00	2,100.00	0.00	210.00	-	10.00	2,100.00
Construct CKD sub grade 8" thick	6,250.00	4.03	25,187.50	0.00	4.03	-	6,250.00	25,187.50
CKD delivered to the site	210.00	50.37	10,577.70	0.00	50.37	-	210.00	10,577.70
Full depth pavement saw cutting	830.00	3.38	2,805.40	250.00	3.38	845.00	580.00	1,960.40
Existing pavement breakup and removal	7,720.00	2.25	17,370.00	6,319.83	2.25	14,219.62	1400.17	3,150.38
Construct 15" PCC surface course with joints	5,910.00	70.45	416,359.50	5,978.66	70.45	421,196.60	(68.66)	(4,837.10)
Runway and taxiway painting with out reflective media	1,475.00	1.09	1,607.75	1,982.00	1.09	2,160.38	(507.00)	(552.63)
Runway and taxiway painting with reflective media	4,625.00	0.92	4,255.00	4,916.83	0.92	4,523.48	(291.83)	(268.48)
Construct 6" X 24" trench	775.00	2.40	1,860.00	1,020.00	2.40	2,448.00	(245.00)	(588.00)
Furnish and install lighting cable #8	1,575.00	2.76	4,347.00	5,037.00	2.76	13,902.12	(3462.00)	(9,555.12)
Construct 6" X 8" trenching for counterpoise	925.00	1.32	1,221.00	612.00	1.32	807.84	313.00	413.16
Furnish and install counterpoise	925.00	1.86	1,720.50	612.00	1.86	1,138.32	313.00	582.18
Furnish and install 2" PVC conduit in trench	775.00	2.52	1,953.00	1,155.00	2.52	2,910.60	(380.00)	(957.60)
Protect above grade and in-pavement elements	36.00	288.00	10,368.00	36.00	288.00	10,368.00	0.00	-
Protect above grade unlighted sign elements	1.00	129.60	129.60	1.00	129.60	129.60	0.00	-
Remove and reinstall transformers and elements in new loc.	13.00	1,164.00	15,132.00	7.00	1,164.00	8,148.00	6.00	6,984.00
Remove reusable elements in MITL fixtures	1.00	129.60	129.60	10.00	129.60	1,296.00	(9.00)	(1,166.40)
Remove and install existing unlighted signs on new pad	2.00	1,308.00	2,616.00	2.00	1,308.00	2,616.00	0.00	-
Furnish and install MITL fixtures and isolation transformers	20.00	1,350.00	27,000.00	6.00	1,350.00	8,100.00	14.00	18,900.00
Seeding	1.00	3,000.00	3,000.00	1.00	3,000.00	3,000.00	0.00	-
Sodding	1,970.00	2.40	4,728.00	2,340.00	2.40	5,616.00	(370.00)	(888.00)
Fertilizer	0.40	\$ 780.00	\$ 312.00	0.08	780.00	62.40	0.32	249.60
Base Bid A- alternate subtotal			<u>\$ 618,152.10</u>			<u>\$ 568,887.69</u>		<u>\$ 49,264.41</u>
Base Bid A and alternate totals			<u><u>\$ 2,434,742.06</u></u>			<u><u>\$ 2,631,940.95</u></u>		<u><u>\$ (197,198.89)</u></u>

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FINAL INSPECTION REPORT

Date: Feb. 13, 2009, Project No: PWA-07-F, Airport: Wiley Post Airport.

TO: Oklahoma Aeronautics Commission  
120 N. Robinson, Suite 1244 W  
Oklahoma City, Oklahoma 73102  
(405) 604-6900 – phone  
(405) 604-6919 – fax

FROM: Don Jones, Department of Airports  
Project Engineer, Mayor, City Manager  
7100 Terminal Dr., Unit 937  
Address  
Oklahoma City, Oklahoma 73159-0937  
City/Town and Zip Code  
(405) 680-3201  
Area Code and Phone Number

Final inspection on the above project was made by LBR, Inc. (Project Engineer)  
(Project Engineer, Mayor, City Manager)

on Feb. 6, 2009 at Wiley Post Airport  
(Date) (Location)

Personnel attending inspection: See attached Project Engineer letter

name-title-organization	name-title-organization

The project was found acceptable with the following exceptions: See attached Project Engineer letter.

Anticipated completion date for above exceptions: Feb. 13, 2009

  
Signature of above named person

Airport Facility Planner  
Title of above named person

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February 17, 2009

Mr. Don Jones  
Will Rogers World Airport  
7100 Terminal Drive, Box 937  
Oklahoma City, Oklahoma 73159-0937

Dear Mr. Jones:

The final inspection for AIP Project 3-40-0073-016-2007 and OAC Project PWA-07-F was conducted on Friday, February 6, 2009 at 1:30 PM. Those who attended are as follows:

*Tim Whitman, Wiley Post Airport Manager	*Dick Hunnicutt, Libra Electric
*Marvin Cramer, Department of Airports	*Frank Smith, Inspector
Jack Bailey, Wiley Post Airport	Ken Zagzebski, Engineer
*Brian Schwarz, Schwarz Paving	

All attendees slowly drove the length of the new extension, and then the home run cable installation along TW Bravo. The following discrepancies (punch list items) were noted:

1. The contractor staging area is too rough for mowers and needs to be graded smoother.
2. The south shoulder just west of the south turnout (approx. Sta 18+00 to 19+00) has a couple of high spots that should be rolled or somehow worked smooth, but without displacing the mulch/seed topping.
3. There is a small area along the east fillet of the south turn out (approx. Sta 20+00) that does not completely drain. The concrete surface needs to be ground down between the low spot and the pavement edge to permit drainage.
4. There is a small hole by light fixture No. T842, probably resulting from inadequate backfilling of the cable trench. This hole needs to be filled in.
5. Similarly, backfill for the homerun trench just south of TW A6 is settling, and needs additional fill.
6. If it does not rain within the next week, the contractor should water the sod and seeded areas once more.

Jack Bailey, the Wiley Post Electrical Supervisor, separately drove the project and rechecked all the lights. He found no discrepancy

As of February 13, 2009, the above six discrepancies have been corrected to the satisfaction of the Inspector and Chuck Thompson, Wiley Post Maintenance Supervisor, and the project is considered complete and accepted. The warranty period can begin effective February 13, 2009.

Respectfully submitted,



Frank Bice

C. Dave Hellen  
Dale Williams  
\*All Attendees

Oklahoma Aeronautics Commission  
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FINAL ACCEPTANCE NOTICE

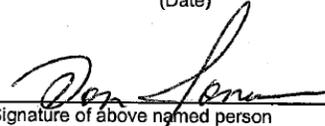
Date: Feb. 13, 2009  
Project Number: PWA-07-F  
Airport: Wiley Post Airport

TO: Oklahoma Aeronautics Commission  
120 N. Robinson, Suite 1244 W  
Oklahoma City, Oklahoma 73102  
(405) 604-6900 – phone  
(405) 604-6919 – fax

FROM: Don Jones, Department of Airports  
Project Engineer, Mayor, City Manager  
7100 Terminal Dr., Unit 937  
Address  
Oklahoma City, Oklahoma 73159-0937  
City/Town and Zip Code  
(405) 680-3201  
Area Code and Phone Number

This is to advise you that the exceptions found at the final inspection have been completed or corrected. The project is accepted by LBR, Inc. (Proj. Engineer)  
(Project Engineer, Mayor, City Manager)

on Feb. 13, 2009 at Wiley Post Airport  
(Date) (Location)

  
Signature of above named person

Airport Facility Planner  
Title of above named person

NOTE: If no exceptions are found at the Final Inspection, submit this form at the same time the Final Inspection is completed, showing acceptance of the Project.



**OFFICE OF THE STATE AUDITOR AND INSPECTOR  
2300 N. LINCOLN BOULEVARD, ROOM 100  
OKLAHOMA CITY, OK 73105-4896**

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