OKLAHOMA AERONAUTICS COMMISSION

CITY OF OKMULGEE

PROJECT NUMBER OKM-09-S

TAXIWAY REHABILITATION

FOR THE PERIOD MAY 6, 2009 THROUGH MARCH 31, 2010

OPERATIONAL AUDIT

Oklahoma State Auditor & Inspector
Audit Report of the
Oklahoma Aeronautics Commission
City of Okmulgee - Project Number OKM-09-S
Taxiway Rehabilitation

For the period
May 6, 2009 through March 31, 2010
July 9, 2010

TO THE OKLAHOMA AERONAUTICS COMMISSION

Pursuant to your request, this is the audit report for the Oklahoma Aeronautics Commission for the period of May 6, 2009 through March 31, 2010. 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,

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 City of Okmulgee (the Sponsor) applied for assistance from the Commission to reconstruct and realign its parallel and connecting taxiways. The Commission committed $161,769 to this $412,162 project. The Sponsor pledged the $250,393 difference.

Purpose and Scope

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

The audit period covered was May 6, 2009 through March 31, 2010.

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 City of Okmulgee (state project number OKM-09-S) 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 City of Okmulgee were 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 the project engineer;
- Reviewed the bids submitted by contractors for the project;
- Reviewed all invoices submitted by the contractors to the engineer and Sponsor;
- Reviewed all requests for reimbursement submitted by the Sponsor;
- Documented the expenditure process related to the construction project; and
- Observed the completed project.
The following information has been presented at the request of management. Our objective was to determine whether expenditures paid to the City of Okmulgee (state project number OKM-09-S) 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.

<table>
<thead>
<tr>
<th>Category</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alternate 6</td>
<td>$250,393.00</td>
<td>$238,583.06</td>
<td>$11,809.94</td>
</tr>
<tr>
<td>Alternate 7</td>
<td>$161,769.00</td>
<td>$154,210.31</td>
<td>$7,558.69</td>
</tr>
<tr>
<td>Total Eligible</td>
<td>$412,162.00</td>
<td>$392,793.37</td>
<td>$19,368.63</td>
</tr>
</tbody>
</table>

Note 1 - Two change orders were involved in this portion of the project. However, they did not change the dollar value of the work performed and therefore are not reflected in this table.

Note 2 - Due to the variance in cost identified above, the Commission reduced the dollar amount of its grant to maintain its original percentage contribution of 39% of the project cost. Therefore, while they were budgeted to contribute $161,769, the Commission’s total contribution was $153,189.41.
## Construction Costs

<table>
<thead>
<tr>
<th></th>
<th>Bid Quantity</th>
<th>Per Unit Bid</th>
<th>Bid Price</th>
<th>Actual Quantity</th>
<th>Per Unit Actual</th>
<th>Actual Cost</th>
<th>Variance on Quantity</th>
<th>Variance on Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alternate A-6</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce Unclassified Excavation</td>
<td>1</td>
<td>$ 5,100.00</td>
<td>$ 5,100.00</td>
<td>0.953</td>
<td>$ 5,100.00</td>
<td>$ 4,860.30</td>
<td>0.047</td>
<td>239.70</td>
</tr>
<tr>
<td>Omit 4&quot; Econocrete Base Course</td>
<td>13,295</td>
<td>12.25</td>
<td>162,863.75</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>13,295</td>
<td>162,863.75</td>
</tr>
<tr>
<td>Reduce 8&quot; PCC to 6&quot; PCC</td>
<td>13,295</td>
<td>6.20</td>
<td>82,429.00</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>13,295</td>
<td>82,429.00</td>
</tr>
<tr>
<td>6&quot; PCC (added per change order 2)</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>12,667.90</td>
<td>18.45</td>
<td>233,722.76</td>
<td>-12,667.90</td>
<td>(233,722.76)</td>
</tr>
<tr>
<td><strong>Alternate A-7</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Reduce Unclassified Excavation</td>
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<td>3,800.00</td>
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<td>0.047</td>
<td>178.60</td>
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<td>12.25</td>
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<td>0</td>
<td>0</td>
<td>-</td>
<td>8,562</td>
<td>104,884.50</td>
</tr>
<tr>
<td>Reduce 8&quot; PCC to 6&quot; PCC</td>
<td>8,562</td>
<td>6.20</td>
<td>53,084.40</td>
<td>0</td>
<td>0</td>
<td>-</td>
<td>8,562</td>
<td>53,084.40</td>
</tr>
<tr>
<td>6&quot; PCC (added per change order 2)</td>
<td>0</td>
<td>$ -</td>
<td>-</td>
<td>8,162</td>
<td>18.45</td>
<td>150,588.90</td>
<td>-8,162</td>
<td>(150,588.90)</td>
</tr>
<tr>
<td><strong>Total Construction Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$ 412,161.65</strong></td>
<td><strong>$ 392,793.36</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$ 19,368.29</strong></td>
</tr>
</tbody>
</table>

**Note:** The original bids for alternates A-6 and A-7 reflected deductions from the construction project, so the amounts were negative. Change order #1 reversed these deductions, turning the numbers positive. (The positive numbers are reflected here for ease of comparability.) Change order #2 then changed the 4" econocrete to PC concrete and added an additional 2" PC concrete, changing the second and third line items on each alternate to one line item: 6" PC concrete. This change is reflected above.

* This variance is 0.34 less than the variance listed in the Budget to Actual comparison on the previous page due to rounding.
**This variance is .01 less than the variance listed in the Budget to Actual comparison on the previous page due to rounding.
NOTICE OF FINAL INSPECTION

Date: 11-1-10

Project Number: OKM-09-S

Airport: Okmulgee Regional

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

FROM: Terry S. Leard, P.E., Project Engineer
Cobb Engineering Company
4516 N.W. 36th Street

Oklahoma City, OK 73112
City/Town and Zip Code

405-230-2131
Area Code and Phone Number

This is to advise you that the above referenced project is complete and ready for final inspection. The final inspection is scheduled to begin at 10:00 AM on January 13, 2010 at Terminal Building, Okmulgee Regional Airport. (Time) (Date) (Location)

Prior to making this request, I have carefully gone over this project and have found there to be no known plan omissions and that the work is complete and in reasonably close conformity with approved plans and specifications.

Terry S. Leard, P.E. Director, Airport Planning & Design
Title of above named person
FINAL INSPECTION REPORT

Date: 1-13-10  Project No: OKM-09-S  Airport: Okmulgee Regional

TO: OKLAHOMA AERONAUTICS COMMISSION
120 North Robinson, Suite 1244 W
Oklahoma City, Oklahoma 73102
(405) 604-6900 phone
(405) 604-6919 fax

RECEIVED
JAN 19, 2010

FROM: Terry S. Leard, P.E.
Project Engineer, Mayor, City Manager

Cobb Engineering Company
4516 NW 36th Street
Address

Oklahoma City, OK 73122
City/Town and Zip Code

405-230-2131
Area Code and Phone Number

Final inspection on the above project was made by the personnel on attached list
(Project Engineer, Mayor, City Manager)

on January 13, 2010 at Okmulgee Regional Airport
(Date) (Location)

Personnel attending inspection:

<table>
<thead>
<tr>
<th>Name-title-organization</th>
<th>Name-title-organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please see attached list</td>
<td></td>
</tr>
</tbody>
</table>

The project was found acceptable with the following exceptions:

The OAC's portion of this project was found to be complete, and we recommend this portion be accepted.

Anticipated completion date for above exceptions: N/A

Terry S. Leard, P.E.

Director Airport Planning & Design
# ARRA Project Final Inspection

**Rehabilitate Taxiway**

**ARRA PROJECT 3-40-0074-014-2009**

**OKMULGEE REGIONAL AIRPORT**

**PLEASE PRINT**

<table>
<thead>
<tr>
<th>NAME</th>
<th>ORGANIZATION, ADDRESS &amp; ZIP CODE</th>
<th>PHONE NO.</th>
<th>FAX NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terry Leonard</td>
<td>Cobb Engineering Co., 4516 NW 36th St.</td>
<td>405-230-2131</td>
<td>405-415-941</td>
</tr>
<tr>
<td>Jeremy Porter</td>
<td>City of Okmulgee (Airport) 100 E Airport Rd.</td>
<td>405-756-0413</td>
<td>405-415-941</td>
</tr>
<tr>
<td>Toby Baker</td>
<td>Cobb Engineering Co. 4516 NW 36th St.</td>
<td>405-230-2138</td>
<td>405-415-941</td>
</tr>
<tr>
<td>James D. Reid</td>
<td>City of Okmulgee</td>
<td>918-259-0648</td>
<td></td>
</tr>
<tr>
<td>Charles Buchanan</td>
<td>City of Okmulgee 100 E Airline Dr. OKMULGEE 74401</td>
<td>918-756-0413</td>
<td>918-756-0413</td>
</tr>
<tr>
<td>Dana Sizemore</td>
<td>City of Okmulgee 110 E Airport Rd. Box 260 74401</td>
<td>918-758-1103</td>
<td>918-758-1102</td>
</tr>
<tr>
<td>Frank Price Jr.</td>
<td>Airport Board</td>
<td>918-758-0535</td>
<td>918-758-0533</td>
</tr>
<tr>
<td>Justin Blunt</td>
<td>Libra Electric</td>
<td>918-909-9833</td>
<td>905-494-9373</td>
</tr>
<tr>
<td>Nick Zorgatos</td>
<td>Tri-Star Construction 3540 SW 4000 OKMULGEE 74401</td>
<td>918-439-9255</td>
<td>918-439-5832</td>
</tr>
<tr>
<td>Marv Huff</td>
<td></td>
<td>918-439-9555</td>
<td>918-439-5832</td>
</tr>
<tr>
<td>Jerry Rik</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jimmy Pierce</td>
<td>FAA</td>
<td>(317) 222-5637</td>
<td>(317) 577-5897</td>
</tr>
<tr>
<td>NAME</td>
<td>ORGANIZATION, ADDRESS &amp; ZIP CODE</td>
<td>PHONE NO.</td>
<td>FAX NO.</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------------------------------</td>
<td>-----------</td>
<td>---------</td>
</tr>
</tbody>
</table>
| Bob Baxter   | City of Okmulgee  
P.O. Box 250  
Okmulgee, OK 74447                       | 918-758-1100  
918-758-1176 |
| Bill Wynn    | Airport Board Chairman  
5701 S 201  
Oklahoma City, OK 73107                 | 918-758-7500  
918-758-6268 |
| Vivek Khanna | Oklahoma Aeronautics  
405 604 6704  
405 607 9157 |
| Aaron Browse | Oklahoma Aeronautics Commission  
405 604 6704  
405 607 9157 |

**Please Print**
FINAL ACCEPTANCE NOTICE

Date: 1-25-10

Project Number: OKM-09-S

Airport: Okmulgee Regional Airport

TO: Oklahoma Aeronautics Commission
120 North Robinson
Suite 1244W
Oklahoma City, Oklahoma 73102

FROM: Brian Priegel
Mayor

P. O. Box 250
Address

Okmulgee, Oklahoma 74447
City/Town and Zip Code

918-758-1101
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 Brian Priegel on 1-25-10 at Okmulgee, Oklahoma

Signature of above named person: Brian Priegel
Title of above named person: Mayor

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