

**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**

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

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,

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

STEVE BURRAGE, CPA
STATE AUDITOR & INSPECTOR

**Oklahoma Aeronautics Commission
Operational Audit**

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.

APPENDIX

**Oklahoma Aeronautics Commission
Operational Audit
Appendix – Project Costs (unaudited) and
Close-out Documentation**

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.

Category	Budget	Actual	Variance
Construction			
Alternate 6	\$ 250,393.00	\$ 238,583.06	\$ 11,809.94
Alternate 7	161,769.00	154,210.31	7,558.69
Total Eligible Project Cost	<u>\$ 412,162.00</u>	<u>\$ 392,793.37</u>	<u>\$ 19,368.63</u>

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.

**Oklahoma Aeronautics Commission
Operational Audit
Appendix – Project Costs (unaudited) and
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Construction Costs	Bid Quantity	Per Unit Bid	Bid Price	Actual Quantity	Per Unit Actual	Actual Cost	Variance on Quantity	Variance on Cost
<i>Alternate A-6</i>								
Reduce Unclassified Excavation	1	\$ 5,100.00	\$ 5,100.00	0.953	\$ 5,100.00	\$ 4,860.30	0.047	\$ 239.70
Omit 4" Econocrete Base Course	13,295	12.25	162,863.75	0	0	-	13,295	162,863.75
Reduce 8" PCC to 6" PCC	13,295	6.20	82,429.00	0	0	-	13,295	82,429.00
6" PCC (added per change order 2)	0	0	-	12,667.90	18.45	233,722.76	-12,667.90	(233,722.76)
<i>Alternate A-7</i>								
Reduce Unclassified Excavation	1	3,800.00	3,800.00	0.953	3,800.00	3,621.40	0.047	178.60
Omit 4" Econocrete Base Course	8,562	12.25	104,884.50	0	0	-	8,562	104,884.50
Reduce 8" PCC to 6" PCC	8,562	6.20	53,084.40	0	0	-	8,562	53,084.40
6" PCC (added per change order 2)	0	\$ -	-	8,162	\$ 18.45	150,588.90	-8,162	(150,588.90)
Total Construction Costs			<u><u>\$ 412,161.65</u></u>			<u><u>\$ 392,793.36</u></u> **		<u><u>\$ 19,368.29</u></u> *

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.

Oklahoma Aeronautics Commission
Operational Audit
Appendix- Project Costs (unaudited) and
Close Out Documentation

NOTICE OF FINAL INSPECTION

Date: 1-11-10

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
Project Engineer, Mayor, City Manager
Cobb Engineering Company
4516 N.W. 36th Street
Address

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
(Time)
on January 13, 2010 at Terminal Building, Okmulgee Regional Airport
(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
Terry S. Leard, P.E.

Director, Airport Planning & Design
Title of above named person

Oklahoma Aeronautics Commission
Operational Audit
Appendix- Project Costs (unaudited) and
Close Out Documentation

FINAL INSPECTION REPORT

Date 1-13-10 Project No: 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

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:

Name-title-organization	Name-title-organization
Please see attached list	

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
Terry S. Leard, P.E. Director Airport Planning & Design

Oklahoma Aeronautics Commission
 Operational Audit
 Appendix- Project Costs (unaudited) and
 Close Out Documentation

ARRA Project Final Inspection
 Rehabilitate Taxiway

ARRA PROJECT 3-40-0074-014-2009
 OKMULGEE REGIONAL AIRPORT
 PLEASE PRINT

January 13, 2010
 10:00 AM

NAME	ORGANIZATION, ADDRESS & ZIP CODE	PHONE NO.	FAX NO.
1 TERRY LEARD	COBB ENGINEERING Co. 4576 NW 36TH ST. OKLAHOMA CITY, OK 73122	405 230-2131	405 415-941
2 JEREMY PORTER	CITY OF OKMULGEE (AIRPORT) 100 E AIRPORT RD OKMULGEE, OK 73117	918 756-5412 918-758-2274	918 756-0413
3 TOBY BAKER	COBB ENGINEERING Co. 4576 NW 36TH ST OKLAHOMA CITY, OK 73122	405 230-2138	405 415-9410
4 JAMES D. KEUL	CITY OF OKLAHOMA Tulsa	918 759-0648	
5 CHARLES DEERWATER	CITY OF OKMULGEE 100 E AIRPORT DR. OKMULGEE 73117	918 756 0412	918 756 0413
6 Dana Sigmon	City of Okmulgee, P.O. Box 250 111 E 4th Street Okmulgee, OK 73117	918-758-1105	918-758-1102
7 FRANK PFLIEGER JR	AIRPORT BONCO	918-788-0535	918-758-053
8 JUSTIN BLUNT	LIBRA ELECTRIC	918-906-9833	905-999-9373
9 Nick Zografos	Tri-Star Const. P.O. Box 400 Enterprise, OK 74015	918-439-9455	918-439-5802
10 MAX HUFF	"	"	"
JERRY FOLEY	"	"	"
JIMMY PIERRE	FAA	(817) 222-5637	(817) 222-5787

Oklahoma Aeronautics Commission
 Operational Audit
 Appendix- Project Costs (unaudited) and
 Close Out Documentation

PLEASE PRINT

NAME	ORGANIZATION, ADDRESS & ZIP CODE	PHONE NO.	FAX NO.
11 Bob Baxter	City of Okmulgee P.O. Box 250 Okmulgee, OK 74447	918-758-1100	918-758-1176
12 Bill Wynn	Airport Board Chairman 512 E 5th Okmulgee, OK 74447	918-758-2500	918 758 6268
13 Mike Kinnard	Oklahoma Aeronautics	405 604 6900	405 601 9100
14 Aaron Boush	Oklahoma Aeronautics Commission	405 604 1610	405 601 6700
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Oklahoma Aeronautics Commission
Operational Audit
Appendix- Project Costs (unaudited) and
Close Out Documentation

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
(Date) (Location)


Signature of above named person Brian Priegel

Mayor
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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