

OPERATIONAL AUDIT

OKLAHOMA

AERONAUTICS COMMISSION

CITY OF TAHLEQUAH - PROJECT NUMBER TQH-09-NPE/S

RELOCATE AND REHABILITATE TAXIWAY A, PHASE II

July 9, 2009 through January 27, 2011



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



Oklahoma State
Auditor & Inspector
Gary Jones, CPA, CFE

**Audit Report of the
Oklahoma Aeronautics Commission
City of Tahlequah - Project Number TQH-09-NPE/S
Relocate and Rehabilitate Taxiway A, Phase II**

**For the period
July 9, 2009 through January 27, 2011**



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

June 7, 2011

TO THE OKLAHOMA AERONAUTICS COMMISSION

Pursuant to your request, this is the audit report for the Oklahoma Aeronautics Commission – City of Tahlequah (state project number TQH-09-NPE/S) for the period of July 9, 2009 through January 27, 2011. 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 "Gary A. Jones". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gary A. Jones, CPA, CFE
Oklahoma State Auditor and 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:

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

The City of Tahlequah (the Sponsor) applied for assistance from the Commission to relocate and rehabilitate taxiway A at the Tahlequah Municipal Airport. The Commission committed \$274,568 to this \$644,024 project while the Sponsor pledged \$48,880. The Federal Aviation Administration funded the difference.

Purpose and Scope

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

The audit period covered was July 9, 2009 through January 27, 2011.

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 Tahlequah (state project number TQH-09-NPE/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 Tahlequah were in accordance with “Exhibit B-1 – Program Narrative” and “Exhibit B-2 – Project Costs” of the airport construction agreement.

Methodology¹

To accomplish our objective, we performed the following:

- Reviewed the airport construction agreement;
- Interviewed the mayor, the airport manager, and the 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.

There were no exceptions noted as a result of these procedures.

¹ Internal controls were not considered significant to this objective because 100% of the project-related invoices were reviewed.

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 Tahlequah (state project number TQH-09-NPE/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
Advertising	\$ 500.00	\$ 311.50	\$ 188.50
Engineering	43,410.00	43,410.00	-
Testing	15,000.00	20,178.00	(5,178.00)
Inspection	46,200.00	43,417.50	2,782.50
Airport Sponsor Expectations			
Guide (ASGE) submittals	17,680.00	17,680.00	-
ASGE non-submittals	11,540.00	11,540.00	-
Airport layout plan	21,290.00	21,290.00	-
Construction	488,404.00	472,778.75	15,625.25
 Total Eligible Project Cost	 <u>\$ 644,024.00</u>	 <u>\$ 630,605.75</u>	 <u>\$ 13,418.25</u>

Note 1- Because of rounding, the construction amounts presented as “budget” and “variance” above differs slightly from the same categories presented on page 4 of this report.

Note 2- A change order was not requested for the cost overage in testing.

Note 3 – The funding for this project was budgeted at the following percentages: Commission’s portion – 42.6%; Sponsor’s portion – 7.6%; and FAA’s portion – 49.8%.

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

	Construction Costs	Bid Qty	Per Unit Bid	Bid Price	Actual Quantity	Per Unit Actual	Actual Cost	Variance on Qty	Variance on Cost
1	Traffic Maintenance	1.00	\$ 8,000.00	\$ 8,000.00	1.00	\$ 8,000.00	\$ 8,000.00	0.00	\$ -
	Mobilization, Bonds, and	1.00	60,000.00	60,000.00	1.00	60,000.00	60,000.00	0.00	-
2	Temp. Erosion Control								
3	Saw Cutting	250.00	3.66	915.00	254.00	3.66	929.64	-4.00	(14.64)
	Reclaim and Stockpile								
4	existing pavement	5170.00	4.50	23,265.00	5,118.30	4.50	23,032.35	51.70	232.65
5	Install paving fabric	4990.00	4.82	24,051.80	5,060.86	4.82	24,393.34	-70.86	(341.54)
6	Remove existing drains	880.00	8.62	7,585.60	0.00	8.62	-	880.00	7,585.60
7	Strip topsoil 6"	2000.00	5.72	11,440.00	2,000.00	5.72	11,440.00	0.00	-
8	Normal excavation	3460.00	9.00	31,140.00	3,460.00	9.00	31,140.00	0.00	-
9	Normal embankment	270.00	8.00	2,160.00	270.00	8.00	2,160.00	0.00	-
10	Replace top soil 6"	2030.00	7.13	14,473.90	2,030.00	7.13	14,473.90	0.00	-
11	Surveying	12.00	130.00	1,560.00	0.00	130.00	-	12.00	1,560.00
	Construct 8" lime treated								
12	subgrade	5200.00	8.00	41,600.00	5,196.00	8.00	41,568.00	4.00	32.00
13	Lime delivered to site	120.00	175.00	21,000.00	131.76	175.00	23,058.00	-11.76	(2,058.00)
	Crushed aggregate base								
14	course 6"	5200.00	7.50	39,000.00	5,196.00	7.50	38,970.00	4.00	30.00
	Construct 2" bituminous								
15	surface course	570.00	115.00	65,550.00	513.00	115.00	58,995.00	57.00	6,555.00
	Construct 3" bituminous								
16	surface course	850.00	115.00	97,750.00	868.28	115.00	99,851.63	-18.28	(2,101.63)
17	Bituminous Prime Coat	1300.00	3.99	5,187.00	1,200.03	3.99	4,788.12	99.97	398.88
18	Runway and Taxiway painting	580.00	6.00	3,480.00	628.49	6.00	3,770.93	-48.49	(290.93)
	Provide and install 15" RCP								
19	storm sewer	90.00	61.75	5,557.50	90.00	61.75	5,557.50	0.00	-
	Provide and install 18" RCP								
20	storm sewer	100.00	41.38	4,138.00	97.50	41.38	4,034.55	2.50	103.45
21	Remove existing 18" RCP	92.00	12.96	1,192.32	92.00	12.96	1,192.32	0.00	-
	Remove existing 12 X 18"								
22	CMPA	70.00	10.00	700.00	70.00	10.00	700.00	0.00	-
23	Remove existing drop inlet	1.00	700.00	700.00	1.00	700.00	700.00	0.00	-
	Construct sloped concrete								
24	end section for 18" RCP	2.00	550.00	1,100.00	2.00	550.00	1,100.00	0.00	-
	Construct culvert end								
25	treatment for 15" RCP	2.00	700.00	1,400.00	2.00	700.00	1,400.00	0.00	-
26	Seeding	3.00	1,100.00	3,300.00	1.70	1,100.00	1,870.11	1.30	1,429.89
27	Sodding	2030.00	5.25	10,657.50	2,193.21	5.25	11,514.36	-163.21	(856.86)
28	Insurance	1.00	\$ 1,500.00	1,500.00	1.00	\$ 1,500.00	1,500.00	0.00	-
	Failed tests						(3,361.00)	0.00	3,361.00
	Total			<u>\$ 488,403.62</u>			<u>\$ 472,778.75</u>		<u>\$ 15,624.87</u>

NOTE: On the contractor's final invoice, only "actual costs" were presented. For presentation purposes, the "per unit actual" amount is shown with no change from the "per unit bid" amount. The "actual quantity" amount was calculated by dividing the "actual cost" amount by the "per unit actual" amount.

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

NOTICE OF FINAL INSPECTION

Date: May 27, 2010
Project Number: TQH-09-NPE/S
Airport: Tahlequah Municipal

TO: Oklahoma Aeronautics Commission
120 North Robinson, Suite 1244W
Oklahoma City, Oklahoma 73102
(405) 604-6800 – phone
(405) 604-6819 – fax

FROM: Kevin Reeder
Project Engineer, Mayor, City Manager
5915 Phillip J. Rhoads Avenue, Suite 105
Address
Bethany, Oklahoma 73008
City/Town and Zip Code
405 / 789-0200
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 2:00 P.M.
(Time)
on Friday, May 28, 2010 at Tahlequah Municipal Airport, Tahlequah, OK
(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.

Kevin Reeder
Signature of above named person

Airport Consultant
Title of above named person

WR

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

FINAL INSPECTION REPORT

Date: May 28, 2010 Project No: TQH-09-NPE/S Airport: Tahlequah Municipal

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

FROM: Kevin Reeder
Project Engineer, Mayor, City Manager

5915 Phillip J. Rhoads Avenue, Suite 105
Address

Bethany, Oklahoma 73008
City/Town and Zip Code

405 / 789-0200
Area Code and Phone Number

Final inspection on the above project was made by the following personnel
(Project Engineer, Mayor, City Manager)
on May 28, 2010 at Tahlequah Municipal Airport, Tahlequah, Oklahoma
(Date) (Location)

Personnel attending inspection:

name-title-organization		name-title-organization	
Greg Blish	Tahlequah Airport Manager	George Fletcher	Inspector
Ken Lightcap	Glover and Associates, Inc.	Rick Wiese	LBR Inc.

The project was found acceptable with the following exceptions:
(See attached final Inspection Notes)

Anticipated completion date for above exceptions: June 2010

Kevin Reeder
Signature of above named person

Airport Consultant
Title of above named person

VP

Oklahoma Aeronautics Commission
Operational Audit
Appendix- Project Costs (unaudited) and
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FINAL ACCEPTANCE NOTICE

Date: June 8, 2010
Project Number: TQH-09-NPE/S
Airport: Tahlequah Municipal

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

FROM: Kevin Reeder
Project Engineer, Mayor, City Manager
5915 Philip J. Rhoads Avenue, Suite 105
Address
Bethany, Oklahoma 73008
City/Town and Zip Code
405 / 789-0200
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 George Fletcher, Inspector
(Project Engineer, Mayor, City Manager)

on June 8, 2010 at Tahlequah Municipal Airport
(Date) (Location)

Kevin Reeder
Signature of above named person

Airport Consultant
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.

HP



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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OKLAHOMA CITY, OK 73105-4896

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