

**OKLAHOMA
AERONAUTICS
COMMISSION**

**TOWN OF KETCHUM
PROJECT NUMBER
1K8-09-S**

TAXILANE CONSTRUCTION

**FOR THE PERIOD
FEBRUARY 12, 2009 THROUGH
OCTOBER 2, 2009**

OPERATIONAL AUDIT



Oklahoma State Auditor
& Inspector

**Audit Report of the
Oklahoma Aeronautics Commission
Town of Ketchum - Project Number 1K8-09-S
Taxilane Construction**

**For the Period
February 12, 2009 through October 2, 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

April 12, 2010

TO THE OKLAHOMA AERONAUTICS COMMISSION

Pursuant to your request, this is the audit report for the Oklahoma Aeronautics Commission for the period February 12, 2009 through October 2, 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, reading "Steve Burrage", is positioned above the printed name.

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 Town of Ketchum (the Sponsor) applied for assistance from the Commission to acquire land and to design and construct new taxi lanes. The Commission committed \$350,000 to this \$1,226,915 project. The Sponsor pledged \$80,790 with the difference paid by the Federal Aviation Administration.

Purpose and Scope

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

The audit period covered was February 12, 2009 through October 2, 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 Town of Ketchum (state project number 1K8-09-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 Town of Ketchum 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 and vendors to the 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

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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 whether expenditures paid to the Town of Ketchum (state project number 1K8-09-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	Change Orders	Adjusted Budget	Actual	Variance
Advertising	\$ 1,600.00		\$ 1,600.00	\$ 683.89	\$ 916.11
Construction ¹	712,896.00	\$ (15,250.90)	697,645.10	697,645.15	(0.05)
Additional Construction: Fence ²	-		-	17,684.00	(17,684.00)
Engineering ³	258,600.00		258,600.00	276,702.90	(18,102.90)
Testing	8,000.00		8,000.00	-	8,000.00
Inspection	64,800.00		64,800.00	-	64,800.00
Other: Land Acquisition Services	63,600.00		63,600.00	54,289.00	9,311.00
Other: Land Cost	114,919.00		114,919.00	98,956.13	15,962.87
Update Airport Layout Plan	2,500.00		2,500.00	-	2,500.00
Total Eligible					
Project Cost	<u>\$ 1,226,915.00</u>	<u>\$ (15,250.90)</u>	<u>\$ 1,211,664.10</u>	<u>\$ 1,145,961.07</u>	<u>\$ 65,703.03</u>

¹The amount presented as budgeted construction costs was estimated by the engineer and presented in “Exhibit B-2 – Project Costs” of the airport construction agreement. The budgeted construction costs estimated by the vendor awarded this contract totaled \$796,096.75 and are presented on page 4 of this report. As a result, the construction cost variance presented above will not agree to the variance presented on page 4.

²This fence construction had not yet been completed at the time of our audit and was not considered in our conclusion on page 1 of this report. The Commission requested that we include this final cost at its bid price for informational purposes only.

³Actual testing and inspection costs were included in the engineering invoices.

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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
Mobilization	1.00	\$ 98,500.00	\$ 98,500.00	1.00	\$ 98,500.00	\$ 98,500.00	0.00	\$ -
Temporary Marking Lighting and Barricades	1.00	2,000.00	2,000.00	1.00	2,000.00	2,000.00	0.00	-
1/4" PVC Electrical Duct	225.00	35.00	7,875.00	225.00	35.00	7,875.00	0.00	-
Pavement Removal	4,407.00	3.00	13,221.00	4372.40	3.00	13,117.20	34.60	103.80
Pipe Removal	110.00	10.00	1,100.00	110.00	10.00	1,100.00	0.00	-
Unclassified Excavation	11,327.00	9.50	107,606.50	11327.00	9.50	107,606.50	0.00	-
Unsuitable Excavation	1,000.00	15.00	15,000.00	1000.00	15.00	15,000.00	0.00	-
Erosion Control - Silt Fence	1,000.00	2.00	2,000.00	450.00	2.00	900.00	550.00	1,100.00
Flyash Treated Sub grade	9,915.00	1.85	18,342.75	9137.00	1.85	16,903.45	778.00	1,439.30
Flyash	736.00	52.50	38,640.00	325.85	52.50	17,107.12	410.15	21,532.88
Aggregate Base Course (8")	9,915.00	6.50	64,447.50	9137.00	6.50	59,390.50	778.00	5,057.00
Bituminous Surface Course (1.5")	821.00	155.00	127,255.00	753.00	142.80	107,528.40	68.00	19,726.60
Bituminous Base Course (2.5")	1,378.00	155.00	213,590.00	1264.00	142.80	180,499.20	114.00	33,090.80
Prime Coat	4,706.00	6.00	28,236.00	2450.00	6.00	14,700.00	2,256.00	13,536.00
Tack Coat	1,412.00	4.00	5,648.00	450.00	4.00	1,800.00	962.00	3,848.00
Reflectorized Pavement Marking	1,425.00	4.00	5,700.00	1325.00	4.00	5,300.00	100.00	400.00
18" Diameter RCP Concrete Pipe	79.00	85.00	6,715.00	0.00	85.00	-	79.00	6,715.00
15" x 23" Elliptical RCPA	0.00	-	-	64.00	114.00	7,296.00	(64.00)	(7,296.00)
18" Diameter RCP Concrete Pipe End Sections	2.00	1,000.00	2,000.00	0.00	1,000.00	-	2.00	2,000.00
15" x 23" RCPA Elliptical End Sections	0.00	-	-	2.00	1,303.39	2,606.78	(2.00)	(2,606.78)
Seeding	7.80	2,100.00	16,380.00	0.00	2,100.00	-	7.80	16,380.00
Mulching	7.80	2,800.00	21,840.00	0.00	2,800.00	-	7.80	21,840.00
Sod	0.00	\$ -	-	7.80	\$ 4,925.00	38,415.00	(7.80)	(38,415.00)
Total Construction Costs			\$ 796,096.75			\$ 697,645.15		\$ 98,451.60

Oklahoma Aeronautics Commission
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Appendix- Project Costs (unaudited) and
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FINAL INSPECTION REPORT

Date: 8-04-2009 Project No: 1k8-09-S Airport: South Grand Lake Regional

TO: Oklahoma Aeronautics Commission
3800 North Classen, Suite 240
Oklahoma City, Oklahoma 83118
(405) 604-6900 – phone
(405) 604-6919 – fax

FROM: Steven Harris
510 E Memorial, Suite A-1
Oklahoma City, OK 73114
(405) 748-6651

Final inspection on the above project was made by Steven Harris
(Project Engineer, Mayor, City Manager)

on 8-4-2009 at South Grand Lake Regional Airport
(Date) (Location)

Personnel attending inspection:

name-title-organization	name-title-organization
Brent Howard, Airport	Art Couch, Couch Construction
Mike Couch, Couch Construction	Vivek Khanna, OAC
Dale Williams, OAC	Steven Harris, BWR
Byron Labodie, Adobe Inspection	

The project was found acceptable with the following exceptions:

The centerline markings are peeling and will be repaired as necessary

RCP needs fill placed around the end section to prevent drop off

Place a fog seal on areas of segregation (small area north taxiway/ east end)

Check Drainage on west side to ditch, grade a small swale to prevent water runoff

Reflectors to be placed at east end of stub taxilanes

Airports option but place low profile barricades to prevent aircraft from using taxilanes

Anticipated completion date for above exceptions: 9-31-09



Signature of above named person

Project Manager

Title of above named person

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

Date: 1-12-2010

Project Number: 1k8-09-S

Airport: South Grand Lake Regional

TO: Oklahoma Aeronautics Commission
3800 North Classen, Suite 240
Oklahoma City, Oklahoma 83118
(405) 604-6900 – phone
(405) 604-6919 – fax

FROM: Steven Harris
510 E Memorial, Suite A-1
Oklahoma City, OK 73114
(405) 748-6651

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

on 1-12-2010 at _____
(Date) (Location)

 Project Manager
Signature of above named person 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
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OKLAHOMA CITY, OK 73105-4896**

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