

**OKLAHOMA
AERONAUTICS
COMMISSION**

**CITY OF TULSA
PROJECT NUMBER
RSV-06-F**

**FOR THE PERIOD
JUNE 8, 2006 THROUGH
DECEMBER 19, 2008**



OPERATIONAL AUDIT



Oklahoma State Auditor
& Inspector

**Audit Report of the
Oklahoma Aeronautics Commission -
City of Tulsa - Project Number RVS-06-F**

**For the Period
June 8, 2006 through December 19, 2008**

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 27, 2009

TO THE OKLAHOMA AERONAUTICS COMMISSION

Pursuant to your request, this is the audit report for the Oklahoma Aeronautics Commission for the period June 8, 2006 through December 19, 2008. 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

Mission Statement

The Oklahoma Aeronautics Commission’s mission is to promote aviation, which includes fostering the growth of the aerospace industry and ensuring that the needs of commerce and communities across Oklahoma are met by the state’s 114 public airports that comprise the state’s air transportation system.

Commission Members

Joe Harris..... Chair
Kenneth Adams Vice-Chair
Wes Stucky..... Secretary
Dave Amis Member
Rick Armstrong Member
Tom Stephenson. Member
Mel Stubbings..... Member

Key Staff

Victor Bird.....Executive Director
Elaine Spell..... Chief Operations Officer
Vivek Khanna, PhD., P.E. Airport Engineer

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.

The City of Tulsa, Oklahoma (the Sponsor) applied for assistance from the Commission to improve drainage on the R.L. Jones airport grounds by rerouting water to the Arkansas River. The Commission committed \$79,207 to this \$3,381,356 project. The Sponsor pledged \$89,207 and the difference was pledged by the Federal Aviation Administration (FAA).

Authority, Scope, and Sample Methodology

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

The audit period covered was June 8, 2006 through December 19, 2008.

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 Tulsa (state project number RVS-06-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 City of Tulsa 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 project engineer for the Richard L. Jones, Jr. Airport;
- Interviewed the principal engineer and construction manager from Meshek & Associates;
- Reviewed the bids submitted by contractors for the project;
- Reviewed all invoices submitted by the contractors to the Sponsor;
- Reviewed all invoices submitted by the engineers to the Sponsor;
- Reviewed all requests for reimbursement submitted by the Sponsor to the Commission;
- Documented internal controls related to the construction project;
- 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 if expenditures paid to the City of Tulsa (state project number RVS-06-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.

Disbursements

	Budget	Change Orders	Adjusted Budget	Actual	Variance
Construction	\$ 2,972,279.50	\$ 213,076.27	\$ 3,185,355.77	\$ 3,219,723.71	\$ (34,367.94)
Administrative	-		-	2,726.35	\$ (2,726.35)
Testing	15,898.06		15,898.06	-	\$ 15,898.06
Engineering	-		-	20,345.38	\$ (20,345.38)
Inspection	190,101.94		190,101.94	200,536.53	\$ (10,434.59)
Total	\$ 3,178,279.50	\$ 213,076.27	\$ 3,391,355.77	\$ 3,443,331.97	\$ (51,976.20)

Commission Portion - 2.3%
Sponsor Portion - 2.59%
FAA Portion - 95.11%

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

Construction Costs

	Bid Qty	Per Unit Bid	Bid Price	Actual Qty	Per Unit Actual	Actual Cost	Variance on Qty	Variance on Cost
Clearing and Grubbing	1	\$ 20,000.00	\$ 20,000.00	1	\$ 20,000.00	\$ 20,000.00	-	-
Unclassified Excavation	4,800	1.00	4,800.00	4,800	1.00	4,800.00	-	-
Unclassified Borrow	19,464	1.00	19,464.00	19,464	1.00	19,464.00	-	-
Temporary Siltation Screen & Erosion Control	5,330	4.00	21,320.00	2,330	4.00	9,320.00	3,000.00	\$ 12,000.00
Solid Slab Sodding (Bermuda)	11,419	1.50	17,128.50	11,419	1.50	17,128.50	-	-
Seeding Method A (Hydromulch)	3	1,900.00	5,700.00	3	1,900.00	5,700.00	-	-
Aggregate Base	40	55.00	2,200.00	40	55.00	2,200.00	-	-
12" Type 1-A Rip Rap	61	65.00	3,965.00	15.25	65.00	991.25	45.75	2,973.75
Filter Blanket	20	55.00	1,100.00	20	55.00	1,100.00	-	-
Filter Fabric	122	3.00	366.00	122	3.00	366.00	-	-
Structure #5 Connection	1	7,000.00	7,000.00	1	7,000.00	7,000.00	-	-
Structure #10 Junction Box Complete w/Riser	1	20,000.00	20,000.00	1	20,000.00	20,000.00	-	-
Structure #11 Junction Box Complete w/Riser	1	22,000.00	22,000.00	1	22,000.00	22,000.00	-	-
Structure #12 Junction Box Complete w/Riser	1	18,000.00	18,000.00	1	18,000.00	18,000.00	-	-
Structure #13 Junction Box Complete w/Riser	1	18,000.00	18,000.00	1	18,000.00	18,000.00	-	-
Structure #14 Headwall w/Grille	1	58,000.00	58,000.00	1	58,000.00	58,000.00	-	-
Water Valve Boxes Adjust to Grade	2	250.00	500.00	2	250.00	500.00	-	-
Water Meter Boxes Adjust to Grade	2	250.00	500.00	2	250.00	500.00	-	-
78" RCP CL. IV with C443 Gaskets	1,566	350.00	548,100.00	1,566	350.00	548,100.00	-	-
Trench Excavation	3,700	6.00	22,200.00	3,700	6.00	22,200.00	-	-
Standard Bedding Material	3,300	35.00	115,500.00	3,300	35.00	115,500.00	-	-
Boring & Jacking 78" CL.V w/C443 Gaskets	229	1,300.00	297,700.00	229	1,300.00	297,700.00	-	-
Mobilization	1	110,000.00	110,000.00	1	110,000.00	110,000.00	-	-
Staking	1	30,000.00	30,000.00	1	30,000.00	30,000.00	-	-
Traffic Control	1	10,000.00	10,000.00	1	10,000.00	10,000.00	-	-
Dewatering along Project Length	1,566	3.00	4,698.00	300	3.00	900.00	1,266.00	3,798.00
Excavation & Disposal of Landfill Material	18,500	20.00	370,000.00	28,166.89	20.00	563,337.80	(9,666.89)	(193,337.80)
Pumping and disposal of Landfill Groundwater	100,000	0.01	1,000.00	0	-	-	100,000.00	1,000.00
Water Service Relocation	1	2,000.00	2,000.00	1	2,000.00	2,000.00	-	-
Native Variety 1-Gallon Trees Furnished and Planted	10	300.00	3,000.00	10	300.00	3,000.00	-	-
6" C151 CL 50 Ductile Iron Pipe, Cement Lined	60	80.00	4,800.00	60	80.00	4,800.00	-	-
6" Tapping Sleeve & Valve	1	2,000.00	2,000.00	1	2,000.00	2,000.00	-	-
6" Plug with Joint Restraint	1	200.00	200.00	1	200.00	200.00	-	-
Valve Box	1	100.00	100.00	1	100.00	100.00	-	-
Valve Box Extension	1	100.00	100.00	1	100.00	100.00	-	-
3-Way Fire Hydrant	1	1,600.00	1,600.00	1	1,600.00	1,600.00	-	-
Additional Insurance AIP	1	3,500.00	3,500.00	1	3,500.00	3,500.00	-	-
Additional Insurance Railroad	1	6,500.00	6,500.00	1	6,500.00	6,500.00	-	-

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

Construction Costs Continued

	Bid Qty	Per Unit Bid	Bid Price	Actual Qty	Per Unit Actual	Actual Cost	Variance on Qty	Variance on Cost
Alternate 1								
Clearing and Grubbing	1	\$ 4,500.00	\$ 4,500.00	1	\$ 4,500.00	\$ 4,500.00	-	-
Unclassified Excavation	78,058	4.50	351,261.00	78,058	4.50	351,261.00	-	-
Temporary Siltation Screen & Erosion Control	250	4.00	1,000.00	250	4.00	1,000.00	-	-
Solid Slab Sodding (Bermuda)	40,334	1.50	60,501.00	41,754	1.50	62,631.00	(1,420.00)	\$ (2,130.00)
Seeding Method A (Hydromulch)	23	1,900.00	43,700.00	23	1,900.00	43,700.00	-	-
Aggregate Base	37	55.00	2,035.00	37	55.00	2,035.00	-	-
Type A Asphalt Concrete PG(64-22)	80	100.00	8,000.00	40.57	100.00	4,057.00	39.43	3,943.00
Type B Asphalt Concrete PG(64-22)	40	120.00	4,800.00	15.30	120.00	1,836.00	24.70	2,964.00
Class A Concrete	210	200.00	42,000.00	230.30	200.00	46,060.00	(20.30)	(4,060.00)
Reinforcing Steel Gr. 60	15,000	0.70	10,500.00	15,368.70	0.70	10,758.09	(368.70)	(258.09)
Low Strength Concrete Backfill	10	80.00	800.00	10	80.00	800.00	-	-
12" Type 1-A Rip Rap	25	65.00	1,625.00	4.79	65.00	311.35	20.21	1,313.65
Filter Blanket	20	65.00	1,300.00	24.28	65.00	1,578.20	(4.28)	(278.20)
Filter Fabric	2,328	1.00	2,328.00	3,368	1.00	3,368.00	(1,040.00)	(1,040.00)
Structure #14A	1	16,000.00	16,000.00	1	16,000.00	16,000.00	-	-
Structure #19	1	27,000.00	27,000.00	1	27,000.00	27,000.00	-	-
Structure #20	1	33,000.00	33,000.00	1	33,000.00	33,000.00	-	-
Area Inlet Complete in Place	12	2,000.00	24,000.00	14	2,000.00	28,000.00	(2.00)	(4,000.00)
Area Inlet Additional Depth	6	160.00	960.00	6	160.00	960.00	-	-
ASTM C789 5'x5' Precast RCB	50	200.00	10,000.00	50	200.00	10,000.00	-	-
18" RCP CL. IV with Omniflex Gaskets	2,548	40.00	101,920.00	2,546	40.00	101,840.00	2.00	80.00
Perforated Pipe Underdrain	360	15.00	5,400.00	360	15.00	5,400.00	-	-
Underdrain Cover Material	160	40.00	6,400.00	160	40.00	6,400.00	-	-
Trench Excavation	3,063	6.00	18,378.00	3,059	6.00	18,354.00	4.00	24.00
Standard Bedding Material	700	35.00	24,500.00	698	35.00	24,430.00	2.00	70.00
Temporary Fencing	500	4.00	2,000.00	409	4.00	1,636.00	91.00	364.00
6' Fence-Style CLF w/3 Barb 12 GA. w/Hardware	800	15.00	12,000.00	565	15.00	8,475.00	235.00	3,525.00
Staking	1	3,000.00	3,000.00	1	3,000.00	3,000.00	-	-
Traffic Control	1	17,000.00	17,000.00	1	17,000.00	17,000.00	-	-
Dewatering Along Project Length	1,500	3.00	4,500.00	0	-	-	1,500.00	4,500.00
Spec. Str. Added C/O #3	-	-	-	1	21,102.28	21,102.28	(1.00)	(21,102.28)
Alternate 2								
Clearing and Grubbing	1	10,000.00	10,000.00	1	10,000.00	10,000.00	-	-
Unclassified Excavation	4,500	6.00	27,000.00	4,500	6.00	27,000.00	-	-
Temporary Siltation Screen & Erosion Control	180	4.00	720.00	883	4.00	3,532.00	(703.00)	(2,812.00)
Solid Slab Sodding (Bermuda)	1,582	1.50	2,373.00	1,582	1.50	2,373.00	-	-

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

Construction Costs Continued

	Bid Qty	Per Unit Bid	Bid Price	Actual Qty	Per Unit Actual	Actual Cost	Variance on Qty	Variance on Cost
Seeding Method A (Hydromulch)	0.50	\$ 1,900.00	\$ 950.00	0.50	\$ 1,900.00	\$ 950.00	-	-
Type A Aggregate Base	75	55.00	4,125.00	75	55.00	4,125.00	-	-
Type A Asphalt Concrete PG(64-22)	57	100.00	5,700.00	75.26	100.00	7,526.00	(18.26)	\$ (1,826.00)
Type B Asphalt Concrete PG(64-22)	37	120.00	4,440.00	75.73	120.00	9,087.60	(38.73)	(4,647.60)
Class A Concrete	530	200.00	106,000.00	534	200.00	106,800.00	(4.00)	(800.00)
Reinforcing Steel Gr. 60	33,000	0.70	23,100.00	33,091	0.70	23,163.70	(91.00)	(63.70)
Low Strength Concrete Backfill	20	80.00	1,600.00	20	80.00	1,600.00	-	-
Filter Blanket	220	65.00	14,300.00	222	65.00	14,430.00	(2.00)	(130.00)
Filter Fabric	2,222	1.00	2,222.00	2,224	1.00	2,224.00	(2.00)	(2.00)
Structure #27 Headwall	1	20,000.00	20,000.00	1	20,000.00	20,000.00	-	-
Structure #28 Headwall	1	15,000.00	15,000.00	1	15,000.00	15,000.00	-	-
48" RCP CL. IV with Omniflex Gaskets	230	150.00	34,500.00	278	150.00	41,700.00	(48.00)	(7,200.00)
Trench Excavation	600	6.00	3,600.00	608	6.00	3,648.00	(8.00)	(48.00)
18" RCP CL. IV with Omniflex Gaskets	360	50.00	18,000.00	360	50.00	18,000.00	-	-
Standard Bedding Material	40	50.00	2,000.00	44	50.00	2,200.00	(4.00)	(200.00)
Temporary Fencing	2,400	4.00	9,600.00	2,306	4.00	9,224.00	94.00	376.00
6' Fence-Style CLF 12 GA. w/Hardware	2,400	14.00	33,600.00	2,400	14.00	33,600.00	-	-
Staking	1	5,000.00	5,000.00	1	5,000.00	5,000.00	-	-
Traffic Control	1	15,000.00	15,000.00	1	15,000.00	15,000.00	-	-
C/O 2 - 6' CLF Price Adj	-	-	-	2,400	2.53	6,072.00	(2,400.00)	(6,072.00)
Subtotal			\$ 2,972,279.50			\$ 3,185,355.77		\$ (213,076.27)
Change Orders								\$ 213,076.27
Original Variance After Change Orders								-
Liquidated Damages (Becco Constr.)						\$ (15,589.34)		\$ 15,589.34
Additional Construction Costs:								
Oklahoma Natural Gas Company						48,677.00		(48,677.00)
Stuart C. Irby Electrical, Invoice 1						783.00		(783.00)
Stuart C. Irby Electrical, Invoice 2						316.48		(316.48)
Stuart C. Irby Electrical, Invoice 3						180.80		(180.80)
Subtotal						\$ 49,957.28		\$ (49,957.28)
Total Construction Costs & Variance						\$ 3,219,723.71		\$ (34,367.94)

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

NOTICE OF FINAL INSPECTION

Date: November 16, 2007
Project Number: RVS-06F
Airport: R.L. Jones Jr.

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

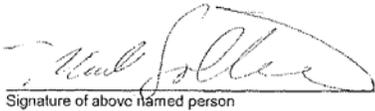
FROM: Mark Soltero
Project Engineer, Mayor, City Manager
P.O. Box 581838
Address
Tulsa, OK 74158-1838
City/Town and Zip Code
918-838-5063
Area Code and Phone Number

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 1:00 PM
(Time)

on November 16 2007 at R.L. Jones Jr. 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.



Signature of above named person

Airports Facilities Engineer

Title of above named person

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

FINAL INSPECTION REPORT

Date: 16 Nov 07, Project No: RVS-06F, Airport: R.L. Jones Jr

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

FROM: Mark Soltero
Project Engineer, Mayor, City Manager

P.O. Box 581838
Address

Tulsa, OK 74158-1838
City/Town and Zip Code

918-838-5063
Area Code and Phone Number

Final inspection on the above project was made by: Mark Soltero
(Project Engineer, Mayor, City Manager)

on November 16 2007 at R.L. Jones Jr. Airport
(Date) (Location)

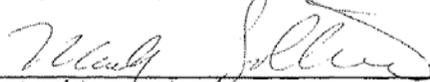
Personnel attending inspection:

name-title-organization	name-title-organization
Jerry Hancock-Superintendent-Becco	
Tom Meshek –Resident Engr-Meshek & Associates	

The project was found acceptable with the following exceptions:

No exceptions

Anticipated completion date for above exceptions: N/A


Signature of above named person

Airports Facilities Engineer
Title of above named person

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

FINAL ACCEPTANCE NOTICE

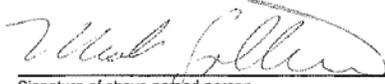
Date: 16 November 2007
Project Number: RVS-06F
Airport: R.L. Jones Jr.

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

FROM: Mark Soltero
Project Engineer, Mayor, City Manager
P.O. Box 581838
Address
Tulsa, OK 74158-1838
City/Town and Zip Code
918-838-5063
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 Mark Soltero
(Project Engineer, Mayor, City Manager)

on 16 November 2007 at R.L. Jones Jr. Airport
(Date) (Location)



Signature of above named person

Airports Facilities Engineer

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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