

OPERATIONAL AUDIT

**OKLAHOMA AERONAUTICS COMMISSION  
DURANT REGIONAL AIRPORT – EAKER FIELD  
PROJECT NUMBER DUA-09-S  
NEW TERMINAL BUILDING CONSTRUCTION**

For the period November 19, 2009 through February 11, 2013



Oklahoma State  
Auditor & Inspector  
Gary A. Jones, CPA, CFE

**Audit Report of the  
Oklahoma Aeronautics Commission  
Durant Regional Airport – Eaker Field  
Project Number DUA-09-S  
New Terminal Building Construction**

**For the period  
November 19, 2009 through February 11, 2013**



# Oklahoma State Auditor & Inspector

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

July 24, 2013

## TO THE OKLAHOMA AERONAUTICS COMMISSION

At management's request, we have conducted an audit of the Oklahoma Aeronautics Commission (Commission) – City of Durant (state project number DUA-09-S) for the period November 19, 2009 through February 11, 2013. The objective of the audit was to determine whether expenditures paid to the City of Durant were in accordance with *Exhibit B-1 – Program Narrative* and *Exhibit B-2 – Project Costs* of the airport construction agreement.

According to Exhibits B-1 and B-2, the project was to construct a new terminal building to replace the existing terminal building. The project was budgeted at \$1,384,820. The Commission's share of the budget was \$275,000 and the City of Durant's share was \$1,109,820.

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 objective.

Our audit procedures included inquiries of appropriate Commission personnel, the project engineer, and airport manager; inspection of all invoices and supporting documentation related to project reimbursements; and a physical inspection of the completed project conducted on May 24, 2013. **These procedures indicated that costs paid to the City of Durant by the Commission appeared to be in accordance with the *Program Narrative* and *Project Costs*.**

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.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gary A. Jones", is written over a horizontal line.

GARY A. JONES, CPA, CFE  
OKLAHOMA STATE AUDITOR & INSPECTOR

## 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. Therefore, we did not verify the information presented in the following schedules.

Category	Budget	Change Order	Adjusted Budget	Actual	Variance
<b>Construction:</b>					
Base Bid	\$ 1,373,000.00				
Alternate	11,820.00				
<i>Total Construction</i> <sup>1</sup>	<u>1,384,820.00</u>	<u>\$ 207,606.95</u>	<u>\$ 1,592,426.95</u>	<u>\$ 1,592,427.20</u>	<u>\$ (0.25)</u> <sup>2</sup>
Project Total	<u>\$ 1,384,820.00</u>	<u>\$ 207,606.95</u>	<u>\$ 1,592,426.95</u>	<u>\$ 1,592,427.20</u>	<u>\$ (0.25)</u>

The funding for this project was as follows:

Category	Grant Amount	Grant Amount Including Change Orders	Actual	Variance
Commission Share - 17.27%	\$ 275,000.00	\$ 275,000.00	\$ 275,000.00	\$ -
City Share - 82.73%	1,109,820.00	1,317,426.95	1,317,427.20	(0.25)
Total	<u>\$ 1,384,820.00</u>	<u>\$ 1,592,426.95</u>	<u>\$ 1,592,427.20</u>	<u>\$ (0.25)</u>

<sup>1</sup> According to the vice president of LBR Inc., a detailed bid packet was not required for this project. Consequently, the applicable *change order* amount and *actual* construction amount could not be presented in the *base bid* or *alternate* categories.

<sup>2</sup>The total budgeted construction cost is understated by \$.25 due to invoice miscalculations.

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

Invoice Item	Total Amount
1 General Cond	\$ 69,000.00
2 Bonds & Insurance	21,200.00
3 Demolition	29,000.00
4 Testing	5,500.00
5 Earthwork	65,600.00
6 Sod	4,200.00
7 Storm Drainage	54,000.00
8 Chain Link Fence	2,200.00
9 Termite Pre-treat	1,200.00
10 Concrete Reinforcement	14,200.00
11 Building Concrete	101,700.00
12 Site Concrete	66,800.00
13 Masonry	45,000.00
14 Structural Steel	122,300.00
15 Rough Carpentry	5,200.00
16 Millwork	16,200.00
17 Roofing & Soffits	88,000.00
18 Phenolic Exterior Wall Panels	94,100.00
19 Site Sealants	6,500.00
20 Hollow Metal Frames & Doors	3,100.00
21 Wood Doors	2,000.00
22 Aluminum Storefront	68,000.00
23 Door Hardware	5,600.00
24 Drywall, Metal Stud & Ceilings	105,200.00
25 Floor Covering	47,000.00
26 Tape, Texture & Paint	18,000.00
27 Toilet Partitions	2,500.00
28 Signage & Plaque	3,200.00
29 Fire Extinguishers	800.00
30 Toilet Accessories	3,500.00
31 Televisions	11,820.00
32 Window Treatments	4,800.00
33 Plumbing	56,100.00
34 HVAC	78,300.00
35 Fire Protection	18,000.00
36 Electrical	145,000.00
37 Change Order #1 - Underslab Roughing	8,233.00
38 Modifications to room 113 (change #2)	55,555.00
39 Floor seal (change order #2)	8,931.00
40 Vinyl graphics (change order #2)	1,603.00
41 Change building lettering & lighting	12,666.00
42 Banner supports (change order #2)	2,069.00
43 Framing @ structural beams (CO #2)	4,098.00
44 Web stiffeners (CO #2)	12,976.00
45 Additional site drainage & concrete demo	7,850.00
46 Changes to cabinet in room 103 (CO #2)	7,340.00
47 CO #3 - sidewalk, RCP, rock & drainage	18,271.10

**Oklahoma Aeronautics Commission  
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<b>48</b> CO #4 - Delete stabilization @ paving	(3,550.00)
<b>49</b> CO #5 - Data cabling, sidewalk, fencing	29,761.10
<b>50</b> CO #6 - Delete closure of storm drain	(196.00)
<b>51</b> CO #7 - Landscape & Irrigation	<u>42,000.00</u>
<i>Total</i>	<u><u>\$ 1,592,427.20</u></u>

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

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NOTICE OF FINAL INSPECTION

Date: 2/22/2011  
Project Number: DUA-09-S  
Airport: Eaker Field

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

FROM: James H. Dunegan RALPH HOUSER  
Project Engineer, Mayor, City Manager  
P.O. Box 578  
Address  
Durant, OK 74702-0578  
City/Town and Zip Code  
(580) 931-6605  
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 11:00 A.M. on February 16, 2011 at the new terminal building.

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.

Ralph Houser  
Signature of above named person

Asst. City Manager  
Title of above named person

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

Date: 2/16/11 Project No: DUA-09-S Airport: Eaker Field

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

FROM:

James H. Dunegan *RALPH HOLLER*  
Project Engineer, Mayor, City Manager

P.O. Box 578  
Address

Durant, OK 74702-0578  
City/Town and Zip Code

(580) 931-6605  
Area Code and Phone Number

Final inspection on the above project was made by James H. Dunegan *RALPH HOLLER*  
(Project Engineer, Mayor, City Manager)

on February 22, 2011 at Durant Regional Airport – Eaker Field  
(Date) (Location)

Personnel attending inspection:

name-title-organization	name-title-organization
Matthew Radcliffe	AIA, Mass Achitects, Inc.
Andy Dunlap	Mid-Plains Construction, Inc.
Kenny Perry	Mid-Plains Construction, Inc.
Jerry Yandell	Dir. of Technical Projects, City of Durant
Dale Williams	OAC

The project was found acceptable with the following exceptions:

See attached Substantial Completion Document

Anticipated completion date for above exceptions: completed

*James H. Dunegan*  
Signature of above named person

*City Manager*  
Title of above named person

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

Date: 2/16/12  
Project Number: DUA-09-S  
Airport: Eaker Field

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

FROM: James H. Dunegan RALPH HOUSER  
Project Engineer, Mayor, City Manager  
P.O. Box 578  
Address  
Durant, OK 74702-0578  
City/Town and Zip Code  
(580) 931-6605  
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 James H. Dunegan RALPH HOUSER  
(Project Engineer, Mayor, City Manager)  
on February 22, 2011 at Durant Regional Airport – Eaker Field  
(Date) (Location)

Ralph Houser Asst. City 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.

END



**OFFICE OF THE STATE AUDITOR & INSPECTOR**  
2300 N. LINCOLN BOULEVARD, ROOM 100  
OKLAHOMA CITY, OK 73105-4896

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