

OPERATIONAL AUDIT

**OKLAHOMA AERONAUTICS COMMISSION
PONCA CITY REGIONAL AIRPORT
PROJECT NUMBER PNC-09-F
TAXIWAY AND APRON CONSTRUCTION**

For the period May 6, 2009 through February 12, 2013



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

**Audit Report of the
Oklahoma Aeronautics Commission
Ponca City Regional Airport –
Project Number PNC-09-F
Taxiway and Apron Construction**

**For the period
May 6, 2009 through February 12, 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

June 11, 2013

TO THE OKLAHOMA AERONAUTICS COMMISSION

At management's request, we have conducted an audit of the Oklahoma Aeronautics Commission (Commission) – City of Ponca City (state project number PNC-09-F) for the period May 6, 2009 through February 12, 2013. The objective of the audit was to determine whether expenditures paid to the City of Ponca City were in accordance with *Exhibit B-1 – Program Narrative* and *Exhibit B-2 – Project Costs* of the airport construction agreements.

According to Exhibits B-1 and B-2, the project was to construct taxiways and aprons and replace deteriorated pavement with durable, well-drained pavement that can support forecasted aircraft traffic without distress. The project was budgeted at \$4,354,430. The Commission's share of the budget was \$647,900, Ponca City's share was \$156,530, and the Federal Aviation Administration's (FAA) share was \$3,550,000.

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 April 25, 2013. **These procedures indicated that costs paid to the City of Ponca City 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".

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

APPENDIX

**Oklahoma Aeronautics Commission
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The following information has been presented at the request of management. Therefore, we did not verify the data presented in the following schedules.

Category	Budget	Change Order	Adjusted Budget	Actual	Variance
Advertising	\$ 1,100.00	\$ -	\$ 1,100.00	\$ 383.38	\$ 716.62
Engineering	73,420.00	-	73,420.00	73,420.00	-
Testing	45,000.00	-	45,000.00	79,615.38	(34,615.38)
Inspection	88,000.00	24,000.00	112,000.00	112,000.00	-
Update CIP* of Known Resources	1,200.00	-	1,200.00	1,200.00	-
Update DBE**	2,500.00	-	2,500.00	2,500.00	-
Complete EPD*** Packet	5,400.00	-	5,400.00	5,400.00	-
Construction	4,137,810.02	188,250.02	4,326,060.04	4,315,158.53 ¹	10,901.51 ²
Project Cost	<u>\$ 4,354,430.02</u> ³	<u>\$ 212,250.02</u>	<u>\$ 4,566,680.04</u>	<u>\$ 4,589,677.29</u>	<u>\$ (22,997.25)</u>

The funding for this project was as follows:

Category	Grant Amount	Grant Amount Including Change Orders	Actual	Variance
Commission Share (14.12%)	\$ 647,900.00	\$ 647,900.00	\$ 647,900.00	\$ -
City Share (3.41%)	156,530.00	156,530.00	156,530.00	-
FAA Share (82.47%)	3,550,000.00	3,762,250.02	3,785,247.29	(22,997.27)
Total	<u>\$ 4,354,430.00</u> ³	<u>\$ 4,566,680.02</u>	<u>\$ 4,589,677.29</u>	<u>\$ (22,997.27)</u>

*Capital Improvement Plan

**Disadvantaged Business Enterprise

***Early Project Development

¹ The construction total is overstated by \$.60 due to a clerical error in the construction company's calculation of previous payments. Total construction costs equal \$4,315,157.93 (\$4,315,158.53 - \$.60)

² Due to the overstatement of total construction costs, the construction variance is understated by \$.60 and is actually equal to \$10,902.11 (\$10,901.51 + \$.60).

³ The total budgeted project cost was rounded from \$4,354,430.02 to \$4,354,430.00, resulting in a \$.02 increase to the funding variance.

**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 Costs	Variance on Qty	Variance on Cost
1 Traffic Maintenance	1.00	\$ 19,489.50	\$ 19,489.50	1.00	\$ 19,489.50	\$ 19,489.50	0.00	\$ -
2 Mobilization, Bonds, Erosion Control	1.00	125,000.00	125,000.00	1.00	125,000.00	125,000.00	0.00	-
3 Saw Cutting - Full Depth	690.00	5.00	3,450.00	690.00	5.00	3,450.00	0.00	-
4 Remove Existing Pavement	50,340.00	5.00	251,700.00	51,810.00	5.00	259,050.00	1,470.00	(7,350.00)
5 4' Ornamental Fence	710.00	63.69	45,219.90	928.00	63.69	59,104.32	218.00	(13,884.42)
6 4 Personnel Gate	2.00	761.48	1,522.96	3.00	761.48	2,284.44	1.00	(761.48)
6A 5' Personnel Gate	0.00	-	-	3.00	1,094.78	3,284.34	3.00	(3,284.34)
7 Remove Existing 10,000 Gallon Fuel Tank	1.00	11,182.50	11,182.50	1.00	11,182.50	11,182.50	0.00	-
7a Remove and Waste Tank Backfill	100.00	30.00	3,000.00	100.00	30.00	3,000.00	0.00	-
8 Remove Existing Edge Drain	6,380.00	4.00	25,520.00	6,040.00	4.00	24,160.00	-340.00	1,360.00
9 Strip Topsoil 6" Thick	18,880.00	4.00	75,520.00	18,880.00	4.00	75,520.00	0.00	-
10 Unclassified Excavation	42,510.00	3.75	159,412.50	42,510.00	3.75	159,412.50	0.00	-
11 Embankment in Place	12,440.00	5.50	68,420.00	14,776.00	5.50	81,268.00	2,336.00	(12,848.00)
12 Replace Topsoil 6" Thick	22,290.00	4.00	89,160.00	22,290.00	4.00	89,160.00	0.00	-
13 Surveying	80.00	135.00	10,800.00	88.63	135.00	11,965.05	8.63	(1,165.05)
14 8" Lime Treated Subgrade	30,930.00	4.00	123,720.00	34,020.00	4.00	136,080.00	3,090.00	(12,360.00)
15 Lime Delivered to Site	740.00	157.00	116,180.00	792.00	157.00	124,344.00	52.00	(8,164.00)
16 8" Fly Ash Treated Subgrade	30,930.00	4.00	123,720.00	34,020.00	4.00	136,080.00	3,090.00	(12,360.00)
17 Fly Ash Delivered to Site	1,260.00	53.00	66,780.00	1,337.00	53.00	70,861.00	77.00	(4,081.00)
18 4" Bituminous Base Course	7,020.00	63.63	446,682.60	7,176.00	63.63	456,608.88	156.00	(9,926.28)
19 5" PCCP for Access Road	20.00	50.00	1,000.00	465.00	50.00	23,250.00	445.00	(22,250.00)
20 9" PCCP Surface Course	28,590.00	51.50	1,472,385.00	31,166.00	51.50	1,605,049.00	2,576.00	(132,664.00)
21 18" PCCP Full Depth Section	1,740.00	100.00	174,000.00	-	100.00	-	-1,740.00	174,000.00
22 Bituminous Prime Coat	7,740.00	3.99	30,882.60	88.10	3.99	351.52	-7,651.90	30,531.08
23 Mooring Eye Tie-Downs	33.00	175.00	5,775.00	36.00	175.00	6,300.00	3.00	(525.00)
24 Runway & Taxiway Painting w/Reflective Media	6,030.00	1.17	7,055.10	8,110.00	1.17	9,488.70	2,080.00	(2,433.60)
25 Black Runway & Taxiway Painting w/o Reflective Media	6,510.00	1.28	8,332.80	8,280.00	1.28	10,598.40	1,770.00	(2,265.60)

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Operational Audit
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Construction Costs	Bid Qty	Per Unit Bid	Bid Price	Actual Qty	Per Unit Actual	Actual Costs	Variance on Qty	Variance on Cost
26 Runway & Taxiway paint Removal	40.00	3.99	159.60	40.00	3.99	159.60	0.00	-
27 15" RCP	1,130.00	60.00	67,800.00	1,259.00	60.00	75,540.00	129.00	(7,740.00)
28 18" RCP	270.00	70.00	18,900.00	269.00	70.00	18,830.00	-1.00	70.00
29 24" RCP	760.00	95.00	72,200.00	539.00	95.00	51,205.00	-221.00	20,995.00
30 30" RCP	400.00	112.50	45,000.00	632.00	112.50	71,100.00	232.00	(26,100.00)
31 Junction Box w/Manhole for 30" RCP	1.00	3,850.00	3,850.00	2.00	3,850.00	7,700.00	1.00	(3,850.00)
32 Junction Box w/Manhole for 15" & 24" RCP	1.00	3,650.00	3,650.00	1.00	3,650.00	3,650.00	0.00	-
33 Junction Box w/Manhole for 15", 18", 24" & 30" RCP	1.00	3,750.00	3,750.00	1.00	3,750.00	3,750.00	0.00	-
34 Double Grate Field Inlets	10.00	3,800.00	38,000.00	10.00	3,800.00	38,000.00	0.00	-
35 Modify Existing Inlet/Junction Box	2.00	2,400.00	4,800.00	2.00	2,400.00	4,800.00	0.00	-
36 Modify Existing Inlet - Remove Grate & Seal	1.00	2,100.00	2,100.00	1.00	2,100.00	2,100.00	0.00	-
37 End Section for 18" RCP	2.00	1,250.00	2,500.00	3.00	1,250.00	3,750.00	1.00	(1,250.00)
38 End Section for 24" RCP	1.00	1,450.00	1,450.00	1.00	1,450.00	1,450.00	0.00	-
39 Removal of Existing Storm Sewer Pipe	2,780.00	20.00	55,600.00	583.00	20.00	11,660.00	-2,197.00	43,940.00
40 Remove Existing Storm Sewer Structures	12.00	800.00	9,600.00	13.00	800.00	10,400.00	1.00	(800.00)
41 Seeding	27.60	1,863.75	51,439.50	32.00	1,863.75	59,640.00	4.40	(8,200.50)
42 Solid Slab Sodding	14,930.00	2.85	42,550.50	22,180.00	2.85	63,213.00	7,250.00	(20,662.50)
43 6" x 18" Trench & Backfill for Cable/Conduit	7,740.00	3.73	28,870.20	11,449.00	3.73	42,704.77	3,709.00	(13,834.57)
44 6" x 18" Trench for Counterpoise	7,450.00	3.73	27,788.50	8,682.00	3.73	32,383.86	1,232.00	(4,595.36)
45 Cable, No. 8AWG, 5 kV, 1/C Stranded, Type C	8,350.00	1.38	11,523.00	21,804.00	1.38	30,089.52	13,454.00	(18,566.52)
46 Counterpoise No. 6AWG Bare Stranded Copper Wire w/Ground Rods	7,450.00	1.07	7,971.50	8,682.00	1.07	9,289.74	1,232.00	(1,318.24)
47 2" Schedule 40 PVC Conduit in Trench Remove & Reinstall Above Grade	7,740.00	1.33	10,294.20	10,328.00	1.33	13,736.24	2,588.00	(3,442.04)
48 Taxiway Lights	72.00	319.50	23,004.00	72.00	319.50	23,004.00	0.00	-
49 Remove & Deliver to Airport Above Grade Elements & Taxiway Signs	2.00	532.50	1,065.00	8.00	532.50	4,260.00	6.00	(3,195.00)
50 Signs	2.00	2,130.00	4,260.00	8.00	2,130.00	17,040.00	6.00	(12,780.00)

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Construction Costs	Bid Qty	Per Unit Bid	Bid Price	Actual Qty	Per Unit Actual	Actual Costs	Variance on Qty	Variance on Cost
51 Furnish & Install Light Cans w/PCC Pads	72.00	772.13	55,593.36	120.00	772.13	92,655.60	48.00	(37,062.24)
52 New Base Mounted MITL Fixtures	40.00	1,304.63	52,185.20	49.00	1,304.63	63,926.87	9.00	(11,741.67)
53 Remove & Reinstall PAPI and Controls	1.00	24,495.00	24,495.00	1.00	24,495.00	24,495.00	0.00	-
54 Insurance Premium for Additional Insured	1.00	1,500.00	1,500.00	1.00	1,500.00	1,500.00	0.00	-
<i>Subtotal</i>			<u>\$ 4,137,810.02</u>			<u>\$ 4,288,375.35</u>		<u>\$ (150,565.33)</u>
EXTRA WORK PER AIRPORT MANAGER/OWNER¹								
1A Remove Existing Pavement			\$ -			\$ -		\$ -
2A 4' Ornamental Fence			-			-		-
3A 5' Personnel Gate			-			999.90		(999.90)
4A 9" PCCP Surface Course			-			-		-
5A New PAPI Service			-			25,782.68		(25,782.68)
6A LED Intern. Lit Wind Sock			-			-		-
7A Can Lids w/Adapters			-			-		-
8A Temp. RW Lighting Circuit			-			-		-
<i>Subtotal</i>			<u>\$ -</u>			<u>\$ 26,782.58</u>		<u>\$ (26,782.58)</u>
<i>Construction & Extra Work Subtotal</i>			<u>\$ 4,137,810.02</u>			<u>\$ 4,315,157.93</u>		<u>\$ (177,347.91)</u>
Change Order/Amendment			188,250.02			- *		188,250.02
<i>Total</i>			<u><u>\$ 4,326,060.04</u></u>			<u><u>\$ 4,315,157.93</u></u>		<u><u>\$ 10,902.11</u></u>

*Change order amounts are included in the actual costs for the related line items.

¹ Line items 1A, 2A, 4A, 6A, 7A and 8A reflect items that were originally included in the construction bid. Additional costs related to these line items were not stated separately, but were included in the actual costs of the original line items.

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

NOTICE OF FINAL INSPECTION

Date: 7-4-11
Project Number: PNC-09-F
Airport: Ponca City Regional

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

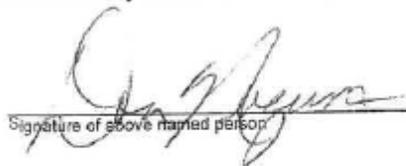
FROM: Don Nuzum
Airport Manager
P.O. Box 1450
Address
Ponca City 74602
City/Town and Zip Code
580-767-0470
Area Code and Phone Number

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 8:15 A.M.
(Time)

on 7-12-11 at Ponca City Regional
(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

Airport Manager
Title of above named person

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

Date: 7-12-11, Project No: PNC-09-F, Airport: Ponca City Regional.

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

FROM: Don Nuzum
Airport Manager

P.O. Box 1450
Address

Ponca City 74602
City/Town and Zip Code

580-767-0470

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

on 7-12-11 at Ponca City Regional
(Date) (Location)

Personnel attending inspection:

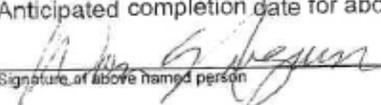
name-title-organization	name-title-organization
Don Nuzum	Airport Manager, City of Ponca City
Kevin Reeder	LBR
Jed Banks	LBR
Roger Key	TTK
Eugene Brown	TTK

The project was found acceptable with the following exceptions:

1. Electrical

a. The PAPI lights were removed, and are to be reinstalled in this project. The PAPI lights were fully functional when they were removed. As of this date, The PAPI lights have not been energized, so there is no way to determine if they are working properly. The PAPI lights must be fully functional, before acceptance.

Anticipated completion date for above exceptions: 12-20-12.

 Airport Manager
Signature of above named person Title of above named person

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

FINAL ACCEPTANCE NOTICE

Date: 1-2-13
Project Number: PNC-09-F
Airport: Ponca City Regional

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

FROM: Don Nuzum
Airport Manager
P.O. Box 1450
Address
Ponca City 74602
City/Town and Zip Code
580-767-0470

This is to advise you that the exceptions found at the final inspection have been completed or corrected. The project is accepted by Don Nuzum
(Airport Manager)
on 1-2-13 at City of Ponca City, Oklahoma.
(Date) (Location)

 Airport 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 & INSPECTOR
2300 N. LINCOLN BOULEVARD, ROOM 100
OKLAHOMA CITY, OK 73105-4896

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