

OPERATIONAL AUDIT

OKLAHOMA

AERONAUTICS COMMISSION

CITY OF GUTHRIE - PROJECT NUMBER GOK-10-S

TAXIWAY DELTA DEVELOPMENT

For the period August 12, 2010 through March 3, 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 Guthrie - Project Number GOK-10-S
Taxiway Delta Development**

**For the period
August 12, 2010 through March 3, 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

July 20, 2011

TO THE OKLAHOMA AERONAUTICS COMMISSION

Pursuant to your request, this is the audit report for the Oklahoma Aeronautics Commission – City of Guthrie (state project number GOK-10-S) for the period of August 12, 2010 through March 3, 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 Guthrie (the Sponsor) applied for assistance from the Commission to modify taxiway Delta at the Guthrie-Edmond Municipal Airport. The Commission committed \$295,648 to this \$328,498 project while the Sponsor pledged \$32,850.

Purpose and Scope

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

The audit period covered was August 12, 2010 through March 3, 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 Guthrie (state project number GOK-10-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 Guthrie 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 director of municipal services, 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.

APPENDIX

**Oklahoma Aeronautics Commission
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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 City of Guthrie (state project number GOK-10-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
Construction observation/administration and testing	\$ 49,900.00	\$ 47,650.98	\$ 2,249.02
Construction	278,597.50	277,253.97	1,343.53
 Total Eligible Project Cost	 <u>\$ 328,497.50</u>	 <u>\$ 324,904.95</u>	 <u>\$ 3,592.55</u>

The funding for this project was budgeted at the following percentages: Commission’s portion – 90%; Sponsor’s portion – 10%.

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Appendix- Project Costs (unaudited) and
Close Out Documentation**

1	Site Preparation	1.00	\$ 27,530.55	\$ 27,530.55	1.00	\$ 27,530.55	\$ 27,530.55	0.00	\$ -
2	Trench and Excavation Safety	1.00	3,500.00	3,500.00	0.00	-	-	1.00	3,500.00
3	6" Riprap	230.00	18.78	4,319.40	230.00	18.78	4,319.40	0.00	-
4	18" reinforced concrete pipe	426.00	35.00	14,910.00	426.00	35.00	14,910.00	0.00	-
5	18" flared end sections	2.00	1,100.00	2,200.00	2.00	1,100.00	2,200.00	0.00	-
6	Concrete Headwall	2.00	1,100.00	2,200.00	0.00	-	-	2.00	2,200.00
7	Structural concrete	9.50	350.00	3,325.00	0.00	-	-	9.50	3,325.00
8	Reinforcing steel	720.00	1.25	900.00	0.00	-	-	720.00	900.00
9	Clearing	1.50	1,500.00	2,250.00	1.50	1,500.00	2,250.00	0.00	-
10	Unclassified excavation	14215.00	2.50	35,537.50	14,485.00	2.50	36,212.50	-270.00	(675.00)
11	Rock excavation	300.00	5.00	1,500.00	730.00	5.00	3,650.00	-430.00	(2,150.00)
12	Unsuitable excavation	254.00	5.00	1,270.00	0.00	-	-	254.00	1,270.00
13	Temporary erosion controls	1.00	1,000.00	1,000.00	1.00	1,000.00	1,000.00	0.00	-
14	Temporary bale barriers	1538.00	4.35	6,690.30	384.50	4.35	1,672.58	1,153.50	5,017.72
15	Temporary silt fence	1153.00	1.75	2,017.75	1,100.00	1.75	1,925.00	53.00	92.75
16	6" crushed aggregate base	1297.00	15.25	19,779.25	1,352.56	15.25	20,626.54	-55.56	(847.29)
17	8" portland cement	1297.00	39.00	50,583.00	1,352.56	39.00	52,749.84	-55.56	(2,166.84)
18	Runway/taxiway painting	606.00	7.00	4,242.00	606.00	7.00	4,242.00	0.00	-
19	Seeding	0.80	600.00	480.00	0.66	600.00	396.00	0.14	84.00
20	Sodding	25035.00	1.85	46,314.75	28,597.33	1.85	52,905.06	-3,562.33	(6,590.31)
21	Topsoil	1634.00	2.50	4,085.00	3,004.00	2.50	7,510.00	-1,370.00	(3,425.00)
22	Mulching	3678.00	0.75	2,758.50	0.00	-	-	3,678.00	2,758.50
23	Directional boring	90.00	82.50	7,425.00	90.00	82.50	7,425.00	0.00	-
24	Relocate existing L-861 T lights	2.00	770.00	1,540.00	2.00	770.00	1,540.00	0.00	-
25	Install guidance sign	2.00	7,810.00	15,620.00	2.00	7,810.00	15,620.00	0.00	-
26	Install L-853 marker	7.00	159.50	1,116.50	7.00	159.50	1,116.50	0.00	-
27	Temporary lighting	1.00	539.00	539.00	1.00	539.00	539.00	0.00	-
28	Trenching for cable	1500.00	1.98	2,970.00	1,500.00	1.98	2,970.00	0.00	-
29	No. 8 AWG cable installed	2700.00	1.87	5,049.00	2,700.00	1.87	5,049.00	0.00	-
30	No. 6 AWG wire installed	1900.00	1.71	3,249.00	1,900.00	1.71	3,249.00	0.00	-
31	Lockout/tagout procedures and megger testing	1	242.00	242.00	1.00	242.00	242.00	0.00	-
32	Electrical duct bank	85	30.80	2,618.00	85.00	30.80	2,618.00	0.00	-
33	Electrical conduit	190	\$ 4.40	836.00	190.00	4.40	836.00	0.00	-
	Change order			-	1	\$ 1,950.00	1,950.00		(1,950.00)
				<u>\$ 278,597.50</u>			<u>\$ 277,253.97</u>		<u>\$ 1,343.53</u>

Note – The construction company’s final invoice did not present the “per unit actual” amount. As a result, this amount presented above was calculated by dividing the “actual cost” amount by the “actual quantity” amount.

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

NOTICE OF FINAL INSPECTION


Date: December 6, 2010
Project Number: GOK – 10 - S
Airport: Guthrie-Edmond Regional GOK

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

FROM: Curtis Brown, PE – Garver, LLC
Project Engineer, Mayor, City Manager
1016 24th Avenue NW
Address
Norman, OK
City/Town and Zip Code
(405) 329-2555
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 PM on December 16, 2010 at Guthrie-Edmond Regional Airport.

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

Project Manager / Engineer

Title of above named person

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


FINAL ACCEPTANCE NOTICE

Date: January 5, 2010
Project Number: GOK – 10 - S
Airport: Guthrie-Edmond Regional GOK

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

FROM: Curtis Brown, PE – Garver, LLC
Project Engineer, Mayor, City Manager
1016 24th Avenue NW
Address
Norman, OK
City/Town and Zip Code
(405) 329-2555
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 Garver, LLC – Curtis Brown, PE on January 6, 2011 at Guthrie-Edmond Regional Airport.



Signature of above named person

Project Manager / 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.

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

FINAL INSPECTION REPORT

Date: 12/20/2010 Project No: GOK-10-S Airport: Guthrie-Edmond Regional (GOK)

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

FROM: Curtis Brown, PE – Garver, LLC
Project Engineer, Mayor, City Manager

1016 24th Avenue NW
Address

Norman, OK
City/Town and Zip Code

(405) 329-2555
Area Code and Phone Number

Final inspection on the above project was made by Garver, LLC – Curtis Brown, PE on December 16, 2010 at Guthrie-Edmond Regional Airport.

Personnel attending inspection:

name-title-organization	name-title-organization
Mr. Lee Ivie - Airport Manager	Ray Ryan, EI – Resident Inspector
Chris Stanley – Sandstone Construction	Curtis Brown, PE – Project Manager

The project was found acceptable with the following exceptions: See attached list:

Anticipated completion date for above exceptions: January 14, 2011.



Signature of above named person

Project Manager / Engineer

Title of above named person



OFFICE OF THE STATE AUDITOR AND INSPECTOR

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