

OPERATIONAL AUDIT

**OKLAHOMA AERONAUTICS COMMISSION
OKLAHOMA CITY AIRPORT TRUST**

PROJECT NUMBER – PWA-08-F

TAXIWAY EXTENSION, OVERLAY AND STRENGTHENING, AND LIGHTING

June 12, 2008 through July 30, 2013



*Independently serving the citizens of
Oklahoma by promoting the
accountability and fiscal integrity of
governmental funds.*



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

**Audit Report of the
Oklahoma Aeronautics Commission
Oklahoma City Airport Trust - Project Number PWA-08-F
Taxiway Extension, Overlay and Strengthening, and Lighting**

**For the Period
June 12, 2008 through July 30, 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

August 23, 2013

TO THE OKLAHOMA AERONAUTICS COMMISSION

At management's request, we have conducted an audit of the Oklahoma Aeronautics Commission (Commission) – Oklahoma City Airport Trust (state project number PWA-08-F) for the period June 12, 2008 through July 30, 2013. The objective of the audit was to determine whether expenditures paid to the Oklahoma City Airport Trust were in accordance with *Exhibit B-1 – Program Narrative* and *Exhibit B-2 – Project Costs* of the airport construction agreement.

According to Exhibit B-1 and Exhibit B-2, the project was to provide taxiway overlay and strengthening, taxiway extension and taxiway lighting. The project was budgeted at \$2,703,000. The Commission's share of the budget was \$450,000, the Federal Aviation Administration's (FAA) share was \$2,092,565, and the Oklahoma City Airport Trust's share was \$160,435.

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 objective. 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 engineering company, the Federal Planning Specialist for the Oklahoma City Airport Trust, and the airport manager; inspection of all invoices and supporting documentation related to project reimbursements; and a physical inspection of the completed project conducted on August 16, 2013. **These procedures indicated that costs paid to the Oklahoma City Airport Trust by the Commission appeared to be in accordance with the *Program Narrative* and the *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 data presented in the following schedules.

Category	Budget	Change Order	Adjusted Budget	Actual	Variance
Construction	\$ 2,255,100.00	\$ (70,997.31)	\$ 2,184,102.69	\$ 2,184,099.79	\$ 2.90
Engineering	233,100.00		233,100.00	233,109.00	(9.00)
Advertising	-		-	484.05	(484.05)
Testing	73,200.00		73,200.00	14,806.48	58,393.52
Inspection	110,900.00		110,900.00	46,873.48	64,026.52
Survey/Airport Admin for FAA	30,700.00		30,700.00	3,075.00	27,625.00
Project Cost	<u>\$ 2,703,000.00</u>		<u>\$ 2,632,002.69</u>	<u>\$ 2,482,447.80</u>	<u>\$ 149,554.89</u>

	Budget Amount	Budget Amount Including Change Orders	Actual	Variance
City's Share (4%)	\$ 160,435.00	\$ 160,435.00	\$ 91,467.80	\$ 68,967.20
Commission's Share (15%)	450,000.00	450,000.00	379,740.00	70,260.00
FAA's Share (81%)	2,092,565.00	2,092,565.00	2,011,240.00	81,325.00
Change Order		<u>(70,997.31)</u> ¹		
	<u>\$ 2,703,000.00</u>	<u>\$ 2,632,002.69</u>	<u>\$ 2,482,447.80</u>	<u>\$ 149,554.89</u> ²

1. Unable to ascertain how change order affected the City's/Commission's/FAA's budgeted amount.

2. The sum of the three variances was reduced by the amount of the Change Order since it could not be reflected accurately in the variance for the City/Commission/FAA.

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

Item NO.	Description	Bid Unit	Bid Quantity	Unit Price Bid	Bid Amount	Actual Quantity	Actual Cost	Quantity Variance	Cost Variance
1	Mobilization	L.S.	1.00	\$ 25,000.00	\$ 25,000.00	1.00	\$ 25,000	0.00	\$ -
2	Traffic Maintenance	L.S.	1.00	225,000.00	225,000.00	1.00	225,000.00	0.00	-
3	Displaced Threshold	L.S.	1.00	5,907.00	5,907.00	1.00	5,907.00	0.00	-
4	Closure Crosses	L.S.	1.00	7,920.00	7,920.00	1.00	7,920.00	0.00	-
5	Strip Topsoil	C.Y.	1,995.00	3.00	5,985.00	1,995.00	5,985.00	0.00	-
6	Unclassified Excavation	C.Y.	3,170.00	3.00	9,510.00	3,170.00	9,510.00	0.00	-
7	Embankment	C.Y.	2,900.00	3.00	8,700.00	2,900.00	8,700.00	0.00	-
8	Embankment - Replace Topsoil	C.Y.	2,000.00	5.00	10,000.00	1,800.00	9,000.00	200.00	1,000.00
9	Surveying	Hr	12.00	125.00	1,500.00	4.80	600.00	7.20	900.00
10	8" CKD Working Platform	S.Y.	1,700.00	3.43	5,831.00	1,591.00	5,457.13	109.00	373.87
11	CKD (Material)	Ton	60.00	60.00	3,600.00	63.00	3,780.00	-3.00	(180.00)
12	8" Thick Soil Cement Subbase	S.Y.	2,370.00	5.00	11,850.00	1,406.00	7,030.00	964.00	4,820.00
13	Cement (Material for Subbase)	Ton	60.00	150.00	9,000.00	40.00	6,000.00	20.00	3,000.00
14	Asphalt Bond Breaker	Ton	1,040.00	89.77	93,360.80	815.97	73,249.63	224.03	20,111.17
15	Full Depth Saw Cutting	L.F.	470.00	8.50	3,995.00	176.00	1,496.00	294.00	2,499.00
16	Pavement Demolition	S.Y.	3,830.00	5.00	19,150.00	499.80	2,499.00	3330.20	16,651.00
17	11.5" PCC Pavement	S.Y.	2,260.00	65.00	146,900.00	2,255.19	146,587.35	4.81	312.65
18	15" PCC Pavement	S.Y.	1,650.00	90.00	148,500.00	1,591.33	143,219.70	58.67	5,280.30
19	9.6" PCC Overlay	S.Y.	17,400.00	45.00	783,000.00	17,490.00	787,050.00	-90.00	(4,050.00)
20	Black Runway/Taxiway Painting w/o reflective media	S.F.	4,370.00	1.27	5,549.90	5,000.50	6,350.64	-630.50	(800.74)
21	Runway/Taxiway Painting with reflective media	S.F.	3,960.00	1.16	4,593.60	5,502.00	6,382.32	-1542.00	(1,788.72)
22	Repair Existing Edge Drain	L.F.	620.00	20.00	12,400.00	0.00	-	620.00	12,400.00
23	6" x 24" Trench w/ Backfill	L.F.	2,400.00	2.70	6,480.00	4,043.00	10,916.10	-1643.00	(4,436.10)
24	Lighting Cable - No 8 AWG, 5kv, 1/c, Type C	L.F.	6,260.00	1.93	12,081.80	6,468.00	12,483.24	-208.00	(401.44)
25	6" x 8" Trench w/ Backfill	L.F.	2,300.00	1.82	4,186.00	2,660.00	4,841.20	-360.00	(655.20)
26	Counterpoise, No. 6AWG	L.F.	2,300.00	2.92	6,716.00	2,660.00	7,767.20	-360.00	(1,051.20)
27	2" Schedule 40 PVC conduit, by bore	L.F.	600.00	26.40	15,840.00	630.00	16,632.00	-30.00	(792.00)
28	2" Schedule 40 PVC conduit, in trench	L.F.	2,400.00	2.89	6,936.00	4,731.00	13,672.59	-2331.00	(6,736.59)
29	Protect Above Grade HIRL, MITL	Ea	16.00	52.80	844.80	16.00	844.80	0.00	-
30	Remove & Reinstall Above Grade MITL	Ea	71.00	1,105.50	78,490.50	71.00	78,490.50	0.00	-
31	Above Grade Unlighted Signs	Ea	5.00	213.40	1,067.00	5.00	1,067.00	0.00	-
32	Base Mounted MITL w/ Transformers	Ea	57.00	1,221.00	69,597.00	57.00	69,597.00	0.00	-
33	Seeding	Acre	2.70	935.00	2,524.50	2.70	2,524.50	0.00	-
34	Solid Slab Bermuda Sodding w/ Fertilizing & Watering	S.Y.	8,000.00	2.75	22,000.00	7,208.98	19,824.70	791.02	2,175.31
35	Third Party Insurance	L.S.	1.00	300.00	300.00	1.00	300.00	0.00	-
	Subtotal for Base Bid				<u>\$ 1,774,315.90</u>		<u>\$ 1,725,684.59</u>	<u>0.00</u>	<u>\$ 48,631.31</u>
36	Strip Topsoil	C.Y.	2,535.00	3.00	7,605.00	2,535.00	7,605.00	0.00	-
37	Unclassified Excavation	C.Y.	4,830.00	3.00	14,490.00	4,830.00	14,490.00	0.00	-
38	Embankment	C.Y.	450.00	5.00	2,250.00	450.00	2,250.00	0.00	-
39	Replace Topsoil	C.Y.	1,650.00	5.00	8,250.00	1,485.00	7,425.00	165.00	825.00
40	Surveying	Hr	12.00	125.00	1,500.00	6.00	750.00	6.00	750.00
41	8" Soil Cement Subbase	S.Y.	5,650.00	4.00	22,600.00	5,650.00	22,600.00	0.00	-
42	Cement	Ton	143.00	150.00	21,450.00	128.05	19,207.50	14.95	2,242.50
43	11.5" PCC Pavement	S.Y.	5,460.00	65.00	354,900.00	5,225.10	339,631.50	234.90	15,268.50
44	Black Runway/Taxiway Painting w/o reflective media	S.F.	1,470.00	1.65	2,425.50	1,470.00	2,425.50	0.00	-
45	Runway/Taxiway Painting with reflective media	S.F.	1,470.00	1.54	2,263.80	1,470.00	2,263.80	0.00	-
46	Remove Existing Edge Drains	L.F.	380.00	10.00	3,800.00	580.00	5,800.00	-200.00	(2,000.00)
47	Remove Transformer & MITL	Ea	7.00	156.20	1,093.40	7.00	1,093.40	0.00	-
48	Base Mounted MITL w/ Transformers	Ea	21.00	1,221.00	25,641.00	21.00	25,641.00	0.00	-
49	Pull Box	Ea	3.00	1,694.00	5,082.00	3.00	5,082.00	0.00	-
50	Seeding	Acre	2.30	935.00	2,150.50	2.30	2,150.50	0.00	-
51	Solid Slab Bermuda Sodding w/ Fertilizing & Watering	S.Y.	1,600.00	3.30	5,280.00	0.00	-	1600.00	5,280.00
	Subtotal for Alternate 1				<u>\$ 480,781.20</u>		<u>\$ 458,415.20</u>	<u>\$ 22,366.00</u>	
	TOTAL FOR BASE AND ALTERNATE BID				<u>\$ 2,255,097.10</u>		<u>\$ 2,184,099.79</u>	<u>\$ 70,997.31</u>	

1 The cost variance of \$70,997.31 equates to the final Change Order presented on page A-1.

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

NOTICE OF FINAL INSPECTION

Date: April 8, 2009
Project Number: PWA-08-F
Airport: Wiley Post

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

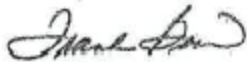
FROM: Frank Bice
Project Engineer
5915 Phillip J. Rhoads Suite 105
Address
Bethany 73008
City/Town and Zip Code
405-789-0200
Area Code and Phone Number

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 10:00 A.M.
(Time)

on April 15, 2009 at Wiley Post 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

VP

Title of above named person

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

FINAL INSPECTION REPORT

Date: 4-15-2009 Project No: PWA-08-F Airport: Wiley Post

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

FROM: _____
Project Engineer, Mayor, City Manager

Address

City/Town and Zip Code

Area Code and Phone Number

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

on April 15, 2009 at Wiley Post
(Date) (Location)

Personnel attending inspection:

name-title-organization	name-title-organization
Tim Whitman	Wiley Post
Scott Kelth	Dept. of Airports
Chuck Thompson	Wiley Post
Dave Hellen	FAA
Roger Key	TTK Construction
Frank Smith	Inspector
Ken Zagzebeki	LBR
Frank Bice	LBR

**Oklahoma Aeronautics Commission
Operational Audit
Appendix- Project Costs (unaudited) and
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The project was found acceptable with the following exceptions:

1. Many light fixtures throughout the project, e.g., #T684, are tilted excessively and need to be plumbed up. Some light fixture numbers are also crooked, e.g. #'s T867 and T444, and need to be straightened. Recheck all fixtures and correct accordingly.
2. The project needs to be swept, especially at the Bravo-A8 intersection.
3. Erosion rutting or scouring has begun in various shoulder and infield areas that were seeded, especially at the NE corner of the run-up pad. There is also some washout at light fixture #T475. All such areas need to be re-dressed.
4. There is too much of a drop-off in a few places along the north edge of A8. Sod along this edge is also thin in places. This edge needs to be re-dressed and re-sodded accordingly.
5. Grass seeding on the entire project was not accepted at this time. The seed has not sprouted, and related erosion is expected to continue. The contractor was advised that he must correct for any erosion occurring until he gets a stand of grass established and accepted.

Anticipated completion date for above exceptions: Sep 15, 2009

Signature of above named person

Title of above named person

SEE LBR LETTERS DATED APRIL 15 AND MAY 12, 2009.

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



April 15, 2009

RECEIVED

APR 21 2009



Mr. Don Jones
Will Rogers World Airport
7100 Terminal Drive, Box 937
Oklahoma City, Oklahoma 73159-0937

Dear Mr. Jones:

Note: The following report was submitted to LBR Inc. by Ken Zagzebski P. E. Ken was an LBR employee and Engineer-of-Record for the design phase and most of the construction phase of this project. Ken is no longer employed by LBR, but attended the final inspection at our request, as a matter of continuity. This letter is submitted under those circumstances.

The final inspection for AIP Project 3-40-0073-017-2008 and OAC Project PWA-08-F at Wiley Post Airport was conducted on Wednesday, April 15, 2009 at 10:00 A.M. Those who attended are as follows:

*Tim Whitman, Wiley Post Airport Manager	*Roger Key, TTK Construction
*Scott Keith, Assistant Director, Dept. of Airports	*Frank Smith, Inspector
Chuck Thompson, Wiley Post Airport	Ken Zagzebski, Engineer
*Dave Hellen, FAA	Frank Bice, LBR Inc.

All attendants slowly drove the project, up and back, including A5 for the new edge light installation. The following discrepancies (punch list items) were noted:

1. Many light fixtures throughout the project, e.g., #T684, are tilted excessively and need to be plumbed up. Some light fixture numbers are also crooked, e.g. #'s T867 and T444, and need to be straightened. Recheck all fixtures and correct accordingly.
2. The project needs to be swept, especially at the Bravo-A8 intersection.
3. Erosion rutting or scouring has begun in various shoulder and infield areas that were seeded, especially at the NE corner of the run-up pad. There is also some washout at light fixture #T475. All such areas need to be re-dressed.
4. There is too much of a drop-off in a few places along the north edge of A8. Sod along this edge is also thin in places. This edge needs to be re-dressed and re-sodded accordingly.
5. Grass seeding on the entire project was not accepted at this time. The seed has not sprouted, and related erosion is expected to continue. The contractor was advised that he must correct for any erosion occurring until he gets a stand of grass established and accepted.

Once the above discrepancies are corrected to the satisfaction of the Inspector and Tim Whitman, the work will be considered completed and accepted, and the warranty period will begin. As a further condition to final project acceptance, the contractor is required to also a) clear and reasonably dress the staging area and equipment routes, b) remove all traffic control items (and sweep those pavement areas) in a sequence approved by Tim Whitman or his designee, and c) deliver the closure crosses to the airport.

Respectfully submitted,

Frank Bice

C. *All Attendants
Dale Williams ✓

5915 Philip J. Rhoads Ave. • Suite 105 • Bethany, OK 73008
Tel 405-789-0200 • Fax 405-789-0260 • WWW.LBROK.COM

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

May 12, 2009

Mr. Tim Duit
TTK Construction Company, Inc.
P. O. Box 3681
Edmond, Oklahoma 73083

Reference: LBR letter dated April 15, 2009 regarding AIP Project 3-40-0073-017-2008 and OAC Project PWA-08-F at Wiley Post Airport.

Dear Mr. Duit,

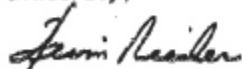
Please note that the Owner has agreed that Items 1 through 4, of the referenced LBR letter dated April 15, 2009, have been completed. Item 5, of the referenced letter remains incomplete and has not been accepted by the Owner.

Specifically, LBR has been notified, by Tim Whitman and Frank Smith, that the following items remain deficient:

- 5(a). The grass drilled on 4/3/09 has not established a uniform stand of grass, and many areas have no growth. This item needs to be corrected.
- 5(b). On the east side, of the run up pad, there are three areas where the grass has eroded and needs to be re-established.

The project will not be considered accepted, by the Owner, until these items are corrected.

Sincerely,



Kevin Reeder

C. Tim Whitman
Scott Keith
Dave Hellen
Dale Williams
Frank Smith

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

FINAL ACCEPTANCE NOTICE

Date: September 15, 2009
Project Number: PWA-08-F
Airport: Wiley Post

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

FROM: _____
Project Engineer, Mayor, City Manager

Address

City/Town and Zip Code

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 _____
(Project Engineer, Mayor, City Manager)
on September 15, 2009 at Wiley Post
(Date) (Location)

SEE LBR LETTER DATED SEPTEMBER 15, 2009.

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.

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

September 15, 2009

Mr. Tim Duit
TTK Construction Company, Inc.
P. O. Box 3681
Edmond, Oklahoma 73083

Reference: LBR letter dated May 12, 2009 regarding AIP Project 3-40-0073-017-2008 and OAC Project
PWA-08-F at Wiley Post Airport.

Dear Mr. Duit,

Please note that both items referred to in the above referenced letter have been completed to the satisfaction of the
Owner and the project has been accepted by the Owner.

Thank you for completing this important project for the City of Oklahoma City and Wiley Post Airport.

Sincerely,



Kevin Reeder

C. Tim Whitman
Scott Keith
Dave Hollen
Dale Williams
Frank Smith



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

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