

OPERATIONAL AUDIT

OKLAHOMA AERONAUTICS COMMISSION

CITY OF PONCA CITY - PROJECT NUMBER PNC-08-FS

TAXIWAY IMPROVEMENTS

For the period June 12, 2008 through August 25, 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 Ponca City - Project Number PNC-08-FS
Taxiway Improvements**

**For the period
June 12, 2008 through August 25, 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

November 2, 2011

TO THE OKLAHOMA AERONAUTICS COMMISSION

Pursuant to your request, this is the audit report for the Oklahoma Aeronautics Commission – City of Ponca City (state project number PNC-08-FS) for the period of June 12, 2008 through August 25, 2011. The goal of the State Auditor and Inspector is to promote accountability and fiscal integrity in state and local government. Maintaining our independence as we provide this service to the taxpayers of Oklahoma is of utmost importance.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during our engagement.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gary A. Jones", with a long horizontal flourish extending to the right.

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

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:

- Rick Armstrong..... Chairman
- Dr. David Conway Vice-Chairman
- Joe Harris Secretary
- Wes StuckyMember
- Dave AmisMember
- Michael Ray.....Member
- Tom Stephenson.Member

The City of Ponca City (the Sponsor) applied for assistance from the Commission to provide 2,074 feet of Federal Aviation Administration (FAA) compliant taxiway, update lighting and marking, and eliminate an intersection. The Commission committed \$300,000 to this \$2,771,279 project, while the Sponsor pledged \$91,287. The FAA funded the difference.

Purpose and Scope

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

The audit period covered was June 12, 2008 through August 25, 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 - Determine whether expenditures paid to the City of Ponca City (state project number PNC-08-FS) 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 Ponca City 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 airport manager, and the engineer;

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- Reviewed the bid submitted by the construction contractor 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 Ponca City (state project number PNC-08-FS) 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	Change Order	Adj. Budget	Actual	Variance
Advertising	\$ 378.93	\$ -	\$ 378.93	\$ 402.66	\$ (23.73)
Engineering	411,126.84	-	411,126.84	411,126.84	-
Testing	22,422.00	-	22,422.00	43,380.50	(20,958.50)
Inspection	38,500.00	9,625.00	48,125.00	48,125.00	-
Update CIP ¹ of Known Resources	1,200.00	-	1,200.00	1,200.00	-
Complete EPD ² Packet	4,500.00	-	4,500.00	4,500.00	-
Update Airport Layout Plan	8,800.00	-	8,800.00	8,800.00	-
Construction	2,120,972.23	153,754.25	2,274,726.48	2,252,304.02	22,422.46
Total Eligible Project Costs	<u>\$ 2,607,900.00</u>	<u>\$ 163,379.25</u>	<u>\$ 2,771,279.25</u>	<u>\$ 2,769,839.02</u>	<u>\$ 1,440.23</u>

The funding for this project was:

	Adj. Grant Amount	Actual	Variance
FAA's Share - 85.00%	\$ 2,379,992.25	\$ 2,378,552.02	\$ 1,440.23
Commission's Share - 11.50%	300,000.00	300,000.00	-
Sponsor's Share - 3.50%	91,287.00	91,287.00	-
Total	<u>\$ 2,771,279.25</u>	<u>\$ 2,769,839.02</u>	<u>\$ 1,440.23</u>

¹**Capital Improvement Program** - Serves as the primary planning tool for systematically identifying, prioritizing and assigning funds to critical airport development and associated capital needs for the National Airspace System.

²**Early Project Development** - Eligibility documentation required by the FAA and the Commission.

Note 1 - A change order was not submitted for the testing overage. According to the engineer, construction testing is not a fixed cost; therefore, there is no need for a change order.

Note 2 - There is a \$0.01 variance between the amount presented as actual construction costs in the first schedule on this page and the schedule presented on page 6 of this report.

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Appendix – Project Costs (unaudited) and
Close-out Documentation**

Construction Costs	Bid Qty	Per Unit Bid	Bid Price	Actual Quantity	Per Unit Actual	Actual Cost	Variance on Qty	Variance on Cost
1 Traffic Maintenance	1	\$ 12,354.00	\$ 12,354.00	1	\$ 12,354.00	\$ 12,354.00	0	\$ -
2 Mobilization, Bonds, Temp. Erosion Ctrl	1	125,000.00	125,000.00	1	125,000.00	125,000.00	0	-
3 Saw Cutting Full Depth Asphalt/Concrete	680	5.00	3,400.00	680	5.00	3,400.00	0	-
4 Break-Up/Removal of Existing Pavement	14,900	5.00	74,500.00	14,900	5.00	74,500.00	0	-
5 Break-Up/Removal/Disposal	820	5.00	4,100.00	820	5.00	4,100.00	0	-
6 Remove Existing Edge Drains	5,310	4.00	21,240.00	5,310	4.00	21,240.00	0	-
7 Unclassified Excavation: 6" Topsoil	9,790	4.00	39,160.00	9,790	4.00	39,160.00	0	-
8 Unclassified Excavation: Normal	10,220	3.75	38,325.00	10,220	3.75	38,325.00	0	-
9 Embankment in Place: Normal	7,070	5.50	38,885.00	7,070	5.50	38,885.00	0	-
10 Waste Excess Excavation	3,230	4.00	12,920.00	3,230	4.00	12,920.00	0	-
11 Embankment in Place: Replace 6" Topsoil	9,720	4.00	38,880.00	9,720	4.00	38,880.00	0	-
12 Surveying - Cross Section Only	40	135.00	5,400.00	21	135.00	2,835.00	19	2,565.00
13 Construct 8" Lime-Treated Subgrade	16,700	4.00	66,800.00	12,389	4.00	49,556.00	4311	17,244.00
14 Lime Delivered to Site	400	136.00	54,400.00	320	136.00	43,520.00	80	10,880.00
15 Construct 8" Fly Ash Treated Subgrade	16,700	4.00	66,800.00	12,389	4.00	49,556.00	4311	17,244.00
16 Type C Fly Ash Delivered to Site	680	60.00	40,800.00	512	60.00	30,720.00	168	10,080.00
17 Construct 9" PCC Surface Course	16,140	55.00	887,700.00	11,829	55.00	650,595.00	4311	237,105.00
18 Runway/Taxiway Painting w/Reflective	5,350	0.75	4,012.50	4,280	0.75	3,210.00	1070	802.50
19 Runway/Taxiway Painting w/o Reflective	5,900	0.85	5,015.00	4,720	0.85	4,012.00	1180	1,003.00
20 Paint Removal	1,000	1.01	1,010.00	1,000	1.01	1,010.00	0	-
21 Adjust Sanitary Sewer Manholes	2	2,000.00	4,000.00	2	2,000.00	4,000.00	0	-
22 Seeding & Watering	12.1	2,662.50	32,216.25	15	2,662.50	40,203.75	-3	(7,987.50)
23 Solid Slab Bermuda Sodding & Watering	8,280	3.20	26,496.00	9,520	3.20	30,464.00	-1240	(3,968.00)
24 Fertilizer for Seed & Sod	4	1,597.50	6,390.00	7	1,597.50	10,703.25	-3	(4,313.25)
25 Trenching & Backfill 6"x18"	5,200	2.25	11,700.00	6,362	2.25	14,314.50	-1162	(2,614.50)
26 Trenching & Backfill 6"x8"	4,675	1.50	7,012.50	6,000	1.50	9,000.00	-1325	(1,987.50)
27 Cable No. 8 AWG 5kV 1/C Stranded	5,660	2.13	12,055.80	9520	2.13	20,277.60	-3860	(8,221.80)
28 Counterpoise, No. 6 AWG Bare Stranded	4,675	1.71	7,994.25	5642	1.71	9,647.82	-967	(1,653.57)
29 Furnish/Install 2" Sched. 40 PVC Conduit	5,200	3.25	16,900.00	6362	3.25	20,676.50	-1162	(3,776.50)
30 Remove/Store LED Light Fixtures	57	31.95	1,821.15	57	31.95	1,821.15	0	-
31 Remove/Deliver Guidance Sign Elements	3	166.14	498.42	3	166.14	498.42	0	-
32 Remove/Store/Reinst Stake-Mntd Signs	2	47.93	95.86	4	47.93	191.72	-2	(95.86)
33 Remove/Store/Reinst LED Fixture Elements	3	634.74	1,904.22	3	634.74	1,904.22	0	-
34 Remove/Store/Reinst MIRL Fixture Elements	2	\$ 514.40	\$ 1,028.80	2	\$ 514.40	\$ 1,028.80	0	\$ -

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Appendix – Project Costs (unaudited) and
Close-out Documentation**

	Bid Qty	Per Unit Bid	Bid Price	Actual Quantity	Per Unit Actual	Actual Cost	Variance on Qty	Variance on Cost
35 Furnish/Install Light Cans w/PCC Pads	57	\$ 987.26	\$ 56,273.82	87	\$ 987.26	\$ 85,891.62	-30	\$ (29,617.80)
36 Install Stored LED Fixture Elements	57	370.62	21,125.34	67	370.62	24,831.54	-10	(3,706.20)
37 Furnish/Install LED Taxiway Fixtures	7	1,704.00	11,928.00	20	1,704.00	34,080.00	-13	(22,152.00)
38 Furnish/Install 2-Module Guidance Signs	2	3,887.25	7,774.50	2	3,887.25	7,774.50	0	-
39 Furnish/Install 3-Module Guidance Signs	1	5,112.00	5,112.00	3	5,112.00	15,336.00	-2	(10,224.00)
40 Furnish/Install Retro-fit Kits for 2-Module	4	526.11	2,104.44	7	526.11	3,682.77	-3	(1,578.33)
41 Furnish/Install Retro-fit Kits for 3-Module	4	608.12	2,432.48	7	608.12	4,256.84	-3	(1,824.36)
42 Insurance Premium to Add City/Engineer	1	1,500.00	1,500.00	1	1,500.00	1,500.00	0	-
<i>Alternate 1: Asphalt Subbase</i>			-			-	0	-
44 4" Asphalt Subbase Course	3,790	84.93	321,884.70	2,771	84.93	235,341.03	1019	86,543.67
45 Bituminous Prime Coat	4,180	4.79	20,022.20	0	4.79	-	4180	20,022.20
47 ADD - 18" PCCP Full Depth Change Order	0	\$ -	-	4,311	\$ 100.00	431,100.00	-4311	(431,100.00)
			153,754.25					153,754.25
Total Construction Costs			\$ 2,274,726.48			\$ 2,252,304.03		\$ 22,422.45

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

FINAL INSPECTION REPORT

Date: July 15, 2010, Project No: PNC-08-FS, Airport: Ponca City Regional

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

FROM: Kevin Reeder
Project Engineer, Mayor, City Manager

5915 Philip J. Rhoads Avenue, Suite 105
Address

Bethany, Oklahoma 73008
City/Town and Zip Code

405 / 789-0200
Area Code and Phone Number

Final inspection on the above project was made by the following personnel
(Project Engineer, Mayor, City Manager)
on July 15, 2010 at Ponca City Regional Airport, Ponca City, Oklahoma
(Date) (Location)

Personnel attending inspection:

name-title-organization		name-title-organization	
Don Nuzum	Airport Manager	Vivek Khanna	OAC
Rob Dick	City of Ponca City	Jim Case	TLS
Roger Key	TTK	Doug Kent	Inspector for LBR
Eugene Brown	TTK	Jed Banks	LBR
Allan Weiher	TTK	Kevin Reeder	LBR

The project was found acceptable with the following exceptions:

(See attached letter)

Anticipated completion date for above exceptions: September 15, 2010


Signature of above named person

Airport Consultant
Title of above named person

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NOTICE OF FINAL INSPECTION

Date: July 8, 2010
Project Number: PNC-08-FS
Airport: Ponca City Regional

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

FROM: Kevin Reeder
Project Engineer, Mayor, City Manager
5915 Philip J. Rhoads Avenue, Suite 105
Address
Bethany, Oklahoma 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 12:30 P.M.
(Time)

on Thursday, July 15, 2010 at Ponca City Regional Airport, Ponca City, OK
(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 Consultant
Title of above named person

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FINAL ACCEPTANCE NOTICE

Date: July 12, 2011

Project Number: PNC-08-FS

Airport: Ponca City Regional

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

FROM: Kevin Reeder
Project Engineer, Mayor, City Manager

5915 Philip J. Rhoads Avenue, Suite 105
Address

Bethany, Oklahoma 73008
City/Town and Zip Code

405 / 789-0200
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 The City of Ponca City
(Project Engineer, Mayor, City Manager)

on July 12, 2011 at Ponca City Regional Airport
(Date) (Location)


Signature of above named person

Airport Consultant
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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