

OKLAHOMA AERONAUTICS COMMISSION

CITY OF SAND SPRINGS
PROJECT NUMBER
OWP-08-F

RUNWAY PROTECTION

FOR THE PERIOD
JUNE 12, 2008 THROUGH
MARCH 9, 2010

OPERATIONAL AUDIT



Oklahoma State Auditor
& Inspector

**Audit Report of the
Oklahoma Aeronautics Commission
City of Sand Springs - Project Number OWP-08-F
Runway Protection**

**For the Period
June 12, 2008 through March 9, 2010**

STATE AUDITOR AND INSPECTOR

STEVE BURRAGE, CPA
State Auditor

MICHELLE R. DAY, ESQ.
Chief Deputy



2300 N. Lincoln Boulevard State Capitol, Room 100 Oklahoma City, OK 73105-4801 Phone (405) 521-3495 Fax (405) 521-3426 www.sai.ok.gov

April 27, 2010

TO THE OKLAHOMA AERONAUTICS COMMISSION

Pursuant to your request, this is the audit report for the Oklahoma Aeronautics Commission for the period June 12, 2008 through March 9, 2010. 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, reading "Steve Burrage", is positioned above the printed name.

STEVE BURRAGE, CPA
STATE AUDITOR & 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:

| | |
|------------------------|------------|
| Kenneth Adams | Chair |
| Wes Stucky | Vice-Chair |
| Rick Armstrong | Secretary |
| Dave Amis | Member |
| Dr. David Conway | Member |
| Tom Stephenson | Member |
| Joe Harris | Member |

The City of Sand Springs (the Sponsor) applied for assistance from the Commission to acquire land, perform land surveys and construct fencing. The Commission committed \$86,508 to this \$239,632 project. The Sponsor pledged \$13,724 with the difference paid by the Federal Aviation Administration.

Purpose and Scope

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

The audit period covered was June 12, 2008 through March 9, 2010.

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 Sand Springs (state project number OWP-08-F) 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 Sand Springs 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 project engineer;
- Reviewed the bids submitted by contractors for the project;
- Reviewed all invoices submitted by the contractors and vendors to the Sponsor;
- Reviewed all requests for reimbursement submitted by the Sponsor;
- Documented the expenditure process related to the construction project; and
- Observed the completed project.

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. Our objective was to determine whether expenditures paid to the City of Sand Springs (state project number OWP-08-F) 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 Orders | Adjusted Budget | Actual | Variance |
|------------------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
| Administration | \$ 599.00 | \$ - | \$ 599.00 | \$ 612.20 | \$ (13.20) |
| Engineering | 30,100.00 | - | 30,100.00 | 33,100.00 | (3,000.00) |
| Inspection | 12,600.00 | - | 12,600.00 | 12,600.00 | - |
| Property Purchase | 72,000.00 | - | 72,000.00 | 72,000.00 | - |
| Land Acquisition and Surveys | 41,900.00 | - | 41,900.00 | 41,900.00 | - |
| Construction | 82,433.00 | 19,200.00 | 101,633.00 | 101,632.50 | 0.50 |
| Total Eligible | | | | | |
| Project Cost | <u>\$ 239,632.00</u> | <u>\$ 19,200.00</u> | <u>\$ 258,832.00</u> | <u>\$ 261,844.70</u> | <u>\$ (3,012.70)</u> |

Note1- There was not a change order submitted for the engineering overage.

Note 2- Due to rounding, there is a \$.50 variance between the budgeted construction costs above and the budgeted construction costs on page 4 of this report.

**Oklahoma Aeronautics Commission
Operational Audit
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 |
|-------------------------------------|----------|--------------|----------------------------|-----------------|-----------------|-----------------------------|-----------------|------------------------------|
| <i>Base Bid - Schedule 1</i> | | | | | | | | |
| Third Party Insurance | 1.00 | \$ 850.00 | \$ 850.00 | 1.00 | \$ 850.00 | \$ 850.00 | 0 | \$ - |
| Site Preparation | 1.00 | 2,800.00 | 2,800.00 | 1.00 | 2,800.00 | 2,800.00 | 0 | - |
| Class D Fence | 3,850.00 | 12.25 | 47,162.50 | 3,850.00 | 12.25 | 47,162.50 | 0 | - |
| Driveway Gates | 2.00 | 800.00 | 1,600.00 | 2.00 | 800.00 | 1,600.00 | 0 | - |
| Signs | 16.00 | 110.00 | 1,760.00 | 16.00 | 110.00 | 1,760.00 | 0 | - |
| <i>Alternate A</i> | | | | | | | | |
| Clearing and Grubbing | 1.06 | 3,000.00 | 3,180.00 | 1.06 | 3,000.00 | 3,180.00 | 0 | - |
| <i>Base Bid - Schedule 2</i> | | | | | | | | |
| Third Party Insurance | 1.00 | - | - | 1.00 | - | - | 0 | - |
| Site Preparation | 1.00 | 2,000.00 | 2,000.00 | 1.00 | 2,000.00 | 2,000.00 | 0 | - |
| Class D Fence | 1,600.00 | 12.25 | 19,600.00 | 1,600.00 | 12.25 | 19,600.00 | 0 | - |
| Driveway Gates | 1.00 | 800.00 | 800.00 | 1.00 | 800.00 | 800.00 | 0 | - |
| Signs | 8.00 | 110.00 | 880.00 | 8.00 | 110.00 | 880.00 | 0 | - |
| <i>Alternate B</i> | | | | | | | | |
| Clearing and Grubbing | 0.60 | 3,000.00 | 1,800.00 | 0.60 | 3,000.00 | 1,800.00 | 0 | - |
| <i>Change Order 1</i> | | | | | | | | |
| Clearing and Grubbing | 0.00 | \$ - | - | 6.40 | \$ 3,000.00 | 19,200.00 | (6.40) | (19,200.00) |
| Total Construction Costs | | | <u>\$ 82,432.50</u> | | | <u>\$ 101,632.50</u> | | <u>\$ (19,200.00)</u> |

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

FINAL INSPECTION REPORT

Date: November 6, 2008 Project No: AIP 3-40-0084-14-2008
Airport: OWP Sand Springs Pogue Airport

TO: Oklahoma Aeronautics Commission
3800 North Classen, Suite 240
Oklahoma City, Oklahoma 83118
(405) 604-6900 – phone
(405) 604-6919 – fax

FROM: Kelly Fincannon, P.E. Garver Engineers
Project Engineer
10015 E 51st Street
Address
Tulsa, OK 74146
City/Town and Zip Code
918-250-5922
Area Code and Phone Number

Final inspection on the above project was made by Kelly Fincannon
(Project Engineer)

on November 6, 2008 at Sand Springs Pogue Airport
(Date) (Location)

Personnel attending inspection:

| name-title-organization | name-title-organization |
|--|---|
| Ken Madison/Airport Manager/Sand Springs | Tom Loney/Inspector/Garver |
| TJ Davis/Contract Administrator/Sand Springs | Eddie Lohmann/Superintendent/ Ninemire Fencing |
| Kelly Fincannon/Project Manager/Garver | Jeremy Stahle/Project Engineer/Garver |

The project was found acceptable with the following exceptions:

It was agreed that the tree clearing debris would be disposed of by burning in a month or two when it has dried some and when the ground is covered with snow.

Anticipated completion date for above exceptions: January or February 2009

Kelly Fincannon
Signature of above named person

Sr. Project Manager
Title of above named person

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

Date: February 25, 2009
Project Number: AIP 3-40-0084-14-2008
Airport: OWP – Sand Springs Pogue

TO: Oklahoma Aeronautics Commission
120 N. Robinson, Suite 1224
Oklahoma City, Oklahoma 73102
(405) 604-6900 – phone
(405) 604-6919 – fax

FROM: Kelly Fincannon, P.E. Garver
Project Engineer
10015 E 51st Street
Address
Tulsa, OK 74146
City/Town and Zip Code
918-250-5922
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 Kelly Fincannon
(Project Engineer.)

on February 25, 2009 at OWP Sand Springs Pogue Airport
(Date) (Location)


Signature of above named person

Senior Project Manager
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
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OKLAHOMA CITY, OK 73105-4896**

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