



# HIGHLIGHTS

Office of Inspector General  
United States Department of State

AUD-MERO-19-37

## What OIG Audited

Beginning in 2010, the Department of State (Department), under the supervision of the Bureau of Overseas Buildings Operations (OBO), has significantly expanded the construction of new facilities at U.S. Embassy Kabul, Afghanistan. These facilities, which cost approximately \$791 million, consist of office buildings and staff living quarters, including the construction of Staff Diplomatic Apartment (SDA) buildings. This audit focused on the commissioning of SDA-2 and SDA-3. Commissioning is the systematic process of ensuring that all building systems perform interactively, in accordance with the design documentation and intent, and with the owner's operational needs.

The Office of Inspector General (OIG) conducted this audit to determine whether (1) the OBO commissioning of SDA-2 and SDA-3 was done in accordance with all applicable policies and procedures, (2) documentation associated with the commissioning process was maintained in accordance with Department requirements, and (3) Integrated Systems Tests (IST) for both buildings were conducted in accordance with Department guidance.

## What OIG Recommends

OIG made five recommendations to OBO to improve the commissioning process and strengthen contract administration. On the basis of OBO's response to a draft of this report, OIG considers all five recommendations resolved, pending further action. A synopsis of OBO's response to the recommendations offered and OIG's reply follow each recommendation in the Audit Results section of this report. OBO's response to a draft of this report is reprinted in Appendix C.

August 2019

OFFICE OF AUDITS

MIDDLE EAST REGION OPERATIONS

## Audit of the Bureau of Overseas Buildings Operations Commissioning of Diplomatic Housing at U.S. Embassy Kabul, Afghanistan

## What OIG Found

OBO adhered to its policies and procedures in commissioning SDA-2 and SDA-3 because of the latitude it has in deciding when buildings can be declared substantially complete, which is required before occupancy. This latitude allowed OBO to accommodate the U.S. Ambassador to Afghanistan's January 2019 request that OBO expedite occupancy because of security threats. As a result, substantial completion was declared and occupancy allowed even though commissioning of 8 of 22 building systems was not complete. OIG concluded that if OBO had managed SDA-2 and SDA-3 to its earlier contract completion date of May 2018 rather than as a single project with one completion date for the entire Embassy Kabul project, which consisted of the construction of multiple buildings over the span of almost 10 years, SDA-2 and SDA-3 could have been fully commissioned prior to occupancy. This is important because occupying buildings before commissioning is complete increases the risk that deficiencies in building construction and systems may not be identified before warranties expire.

OIG also reviewed commissioning documentation and found that most, but not all, construction and commissioning agent contract requirements were fulfilled. This occurred, in part, because the Contracting Officer's Representative acted outside his authority and instructed the contractor that delivery of some documents was not required.

Finally, OIG found that ISTs were not conducted for SDA-2 or SDA-3 in accordance with OBO's Construction Alerts. The purpose of this test is to verify that building systems function reliably following a power outage. OBO made this test mandatory in 2015 for all future construction contracts; however, the construction contract for Embassy Kabul began in 2010. Accordingly, the test was not contractually required, and OBO did not modify the contract to include it.