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Audit of the Execution of Security-Related Construction Projects at U.S. Embassy Kabul, Afghanistan

MIDDLE EAST REGION OPERATIONS

UNCLASSIFIED



HIGHLIGHTS

Office of Inspector General
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What OIG Audited

The U.S. Embassy in Kabul, Afghanistan, has faced increasing security threats since the drawdown of the U.S.-led combat mission in 2014. In response to the threats, the Department of State (Department) executed a range of security-related construction projects at the embassy and other U.S. Government facilities in Kabul. Previous Office of Inspector General (OIG) and Government Accountability Office reports identified limitations and challenges facing the Bureau of Overseas Buildings Operations (OBO) and Diplomatic Security (DS) in the timely completion of security-related construction projects.

The objective of the audit was to determine whether OBO and DS had addressed previously identified limitations in executing security-related construction projects at U.S. Embassy Kabul.

What OIG Recommends

OIG made 13 recommendations to address the deficiencies identified in this report. OBO and the Bureau of the Comptroller and Global Financial Services provided written responses to a draft of this report. DS did not respond within the time allotted, even though OIG agreed to a request for an extension. Embassy Kabul agreed with the recommendations but did not provide an official response due to the need to focus on emerging security threats. On the basis of the responses received, OIG considers five recommendations unresolved and eight recommendations resolved, pending further action. A synopsis of management's comments and OIG's reply follow each recommendation in the Audit Results section. Management responses to a draft of this report are reprinted in their entirety in Appendices B and C.

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OFFICE OF AUDITS

MIDDLE EAST REGION OPERATIONS

Audit of the Execution of Security-Related Construction Projects at U.S. Embassy Kabul, Afghanistan

What OIG Found

In response to prior OIG recommendations, OBO took steps to respond to the needs of high-threat posts, including establishing mechanisms to increase collaboration with DS on urgent physical security upgrade projects. However, OBO continues to face challenges in expediting physical security projects in Kabul. Specifically, OIG found that physical security projects managed by OBO faced long timelines and DS officials, contractors, and embassy personnel have observed that OBO-managed projects are subject to multiple levels of review and approval that contribute to long delays in project execution. The Regional Security Office (RSO), acting under the authority of DS, has also managed some security-related construction projects in Kabul, in part, because of the need to complete physical security upgrades quickly. However, despite successes with relatively simple security projects, OIG found that the RSO lacks construction expertise and that some projects undertaken have faced deficiencies as a result. OIG also found the Department has not developed standardized designs for temporary physical security structures in conflict environments. This has also contributed to long project timelines for some physical security projects executed in Kabul.

Finally, OIG found that the Department has been inconsistent in its approach to planning for the development of the Embassy Kabul compound and surrounding properties since 2010. The need for a comprehensive master plan for the Embassy Kabul compound and surrounding properties is underscored by the significant cost, complexity, and size of a post with major construction efforts on multiple properties occurring in a dynamic and dangerous environment. Because of the challenges identified in this audit, OIG concludes that the Department must take additional steps to improve its ability to expedite urgent security projects at Embassy Kabul and other volatile posts in high-threat, high-risk areas around the world.

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OBJECTIVE

The Office of Inspector General (OIG) conducted this audit to determine whether the Bureau of Overseas Buildings Operations (OBO) and Diplomatic Security (DS) had addressed previously identified challenges and limitations in executing security-related construction projects at U.S. Embassy Kabul.

BACKGROUND

The U.S. diplomatic mission in Afghanistan includes the embassy compound and several off-compound properties in Kabul that are leased or owned by the embassy and support a range of operations. See figure 1 below.

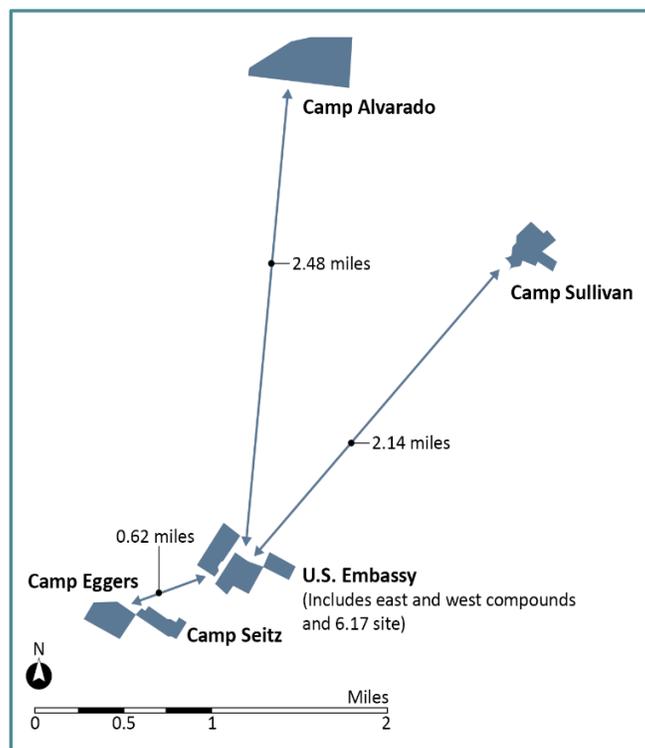


Figure 1: The U.S. Embassy Compound and key off-compound properties.
Source: GAO-15-410.

Embassy Kabul and nearby Government facilities have faced increasing threats since the drawdown of the U.S.-led combat mission in 2014. Insurgents have carried out attacks throughout the city with increasing regularity, using a range of weapons, including suicide vests, rocket-propelled grenades, and vehicle-borne improvised explosive devices. For example, on January 14, 2019, a large vehicle carrying bombs exploded in a residential area where many international companies and organizations operate. Four people were killed, and more than 100 were injured as a result of the attack.

Following the 1998 attacks on the U.S. embassies in Nairobi, Kenya, and in Dar es Salaam, Tanzania, the Accountability Review Board concluded that the U.S. Government had not provided adequate resources to protect U.S. diplomatic facilities, nor had it applied its existing security standards consistently.¹ Following the bombings, then-Secretary of State Madeleine Albright formed the Overseas Presence Advisory Panel to study the U.S. Government's footprint abroad and the condition of the Department of State's (Department) facilities.² The panel reported in November 1999 that many facilities needed "significant capital improvements to ensure security." In addition, Congress passed the Secure Embassy Construction and Counterterrorism Act of 1999, which requires the Department to identify those diplomatic facilities most vulnerable to terrorist attacks and address needed physical security enhancements. In response, the Department initiated the Capital Security Construction Program to replace unsafe buildings with newer, safer, and more secure facilities.³ In March 2003, the Government Accountability Office (GAO) reported that 89 percent of primary diplomatic facilities did not meet all of the Department's key physical security standards and were potentially vulnerable to terrorist attacks.⁴

In recent years, at Embassy Kabul and nearby properties, the Department has initiated a range of security-related construction projects. These include heightened and more robust perimeter walls, reinforced walls around temporary housing structures, and secure vehicle access gates. According to DS and the Kabul Regional Security Office (RSO), these projects are critical to protecting lives and must be completed as quickly as possible. Figures 2 and 3 are examples of security-related construction upgrades at U.S. Embassy Kabul.

¹ Foreign Affairs Manual, 12 FAM 031.1 states that the Accountability Review Board is a mechanism to foster more effective security of U.S. missions and personnel abroad by ensuring a thorough and independent review of security-related incidents. Through its investigations and recommendations, the Board seeks to determine accountability and promote and encourage improved security programs and practices.

² *Department of State, America's Overseas Presence in the 21st Century, The Report of the Overseas Presence Advisory Panel* (Washington, DC: Nov. 1999).

³ The Capital Security Construction Program is administered by OBO. From 1999 to 2017, OBO constructed 77 new embassies in line with the new security standards at a total cost of about \$24 billion, falling well short of its 2005 goal of constructing 150 new embassies by 2018. A Government Accountability Office (GAO) report concluded that the pace was caused in part by unexpected building requirements and the effects of inflation. GAO, *Embassy Construction- Pace is Slower Than Projected, and State Could Make Program Improvements* (GAO-18-653, September 2018).

⁴ GAO, *Conditions of Overseas Diplomatic Facilities* 11 (GAO-03-557T, March 20, 2003).



Figure 2: Reinforced wall under construction at Embassy Kabul.
Source: OIG photo taken October 2017.



Figure 3: Vehicle gate and reinforced wall at Embassy Kabul.
Source: OIG photo taken July 2018.

Roles and Responsibilities in Constructing Security-Related Features at Embassy Kabul

Several Department bureaus and offices are involved in the construction of security-related features at Embassy Kabul and nearby Government facilities.

Bureau of Overseas Buildings Operations

The Foreign Affairs Manual (FAM) assigns OBO as the authorized construction agent for the Department. Specifically, 15 FAM 113.1 states that “[OBO] is responsible for establishing,

implementing, and overseeing all policies and procedures governing the real property program.” OBO is responsible for incorporating security requirements and standards mandated by the Secure Embassy Construction and Counterterrorism Act of 1999⁵ into all its building projects.

OBO administers the Capital Security Construction Program, which has funded the construction of 77 new embassy compounds since 1999, and OBO plans to construct an additional 25 new embassy compounds between 2018 and 2022. Since 2009, OBO and the Bureau of Administration have undertaken a major office and residential expansion at Embassy Kabul. As part of this expansion, the bureaus contracted with Caddell Construction, Inc., to build several residential and office buildings on the embassy compound. The total cost of the Caddell contract to date is approximately \$791 million. The contract has been modified multiple times to include at least six different physical security upgrade projects.

Bureau of Diplomatic Security

DS is responsible for, among other things, establishing and operating security and protective procedures at posts and developing and implementing posts’ physical security programs. At overseas posts, DS is represented by special agents and other security professionals assigned to the RSO. The RSO is responsible for protecting personnel and property, documenting threats and security vulnerabilities, and identifying ways to mitigate those vulnerabilities. Within DS, the High Threat Programs Directorate (HTP) serves as the focal point for coordinating security programs at designated high-threat, high-risk posts. HTP was created in response to recommendations from the Benghazi Accountability Review Board, which called for the Department to re-examine DS organization and management, with an emphasis on span of control for security policy planning for all U.S. diplomatic facilities overseas.

At Embassy Kabul, the RSO, acting under the authority of DS, is also involved with managing security-related construction projects that are initiated at post, even though OBO is the authorized construction agent for the Department. While the RSO may take on minor physical security projects at other posts, the size and scope of projects taken on by the Kabul RSO is unusual. In 2015, DS and OBO entered into an agreement that allowed the Kabul RSO to take on additional responsibility for managing several small-scale physical security-related construction upgrades at Department properties in Kabul.⁶ This approach was taken, in part, because the high-threat environment requires certain physical security projects to be completed quickly. OBO and DS formalized some of their respective responsibilities through a Memorandum of Agreement signed in 2015. For these post-initiated projects, the Kabul RSO works with the General Services Office (GSO), DS, and OBO personnel in identifying, funding, and implementing physical security upgrades. According to data provided by the DS Physical Security Programs

⁵ 22 USC § 4865.

⁶ These RSO managed projects are typically field-expedient, off-compound physical security projects.

Directorate, 186 physical security projects were completed by DS at Embassy Kabul between 2013 and 2018.⁷

Bureau of Administration

Within the Bureau of Administration, the Office of the Procurement Executive serves as the procurement authority for the Department. The Office provides management direction and Department-wide leadership and expertise in the areas of acquisition and Federal assistance. The Procurement Executive appoints Contracting Officers, who have the authority to enter into, administer, and terminate contracts. Also within the Bureau of Administration, the Office of Acquisitions Management (A/OPE/AQM) manages, plans, and directs the Department's acquisition programs and conducts contract operations in support of activities worldwide. A/OPE/AQM has a Regional Procurement Support Office in Frankfurt, Germany, that assists posts with procurement actions.

General Services Office

The GSO at embassies and posts provides management services that include procuring goods and services for the embassy. At Embassy Kabul, the official with the highest level of contracting authority is typically the General Services Procurement Officer. This official can typically procure acquisitions up to \$250,000. Any procurements greater than this amount require the involvement of A/OPE/AQM or the Regional Procurement Support Office.

Facilities Management Section

The Kabul Facility Management Section (FMS) oversees all facilities-related programs for U.S. Mission Afghanistan, including office and residential maintenance and repairs, project planning and execution for post-initiated projects, gardening and janitorial services, fire prevention and protection, life safety and environmental management, and preventive maintenance. FMS provides service and technical expertise for the entire embassy compound and nearby Government facilities, including Camps Sullivan, Alvarado, and Seitz. The Kabul FMS comprises direct-hire facility managers, engineers, and tradesmen.

Financial Management Center

The Kabul Financial Management Center (FMC) provides financial services to the embassy and is responsible for financial planning and budget execution, vouchering, cashiering, and payroll. FMC's financial planning responsibilities include strategic planning, budget formulation, budget execution, and life support contract analysis. FMC plays an important role in identifying funding for needed construction services initiated at Embassy Kabul, including those post-initiated physical security upgrades overseen by the Kabul RSO.

⁷ The data provided by the DS Physical Security Programs Directorate do not include physical security projects funded by other DS directorates or by OBO. Additionally, OIG found limitations with the way the Department tracks physical security-related projects at Embassy Kabul, which is discussed in Finding C of this report.

AUDIT RESULTS

Finding A: The Department Has Established Some Formal Mechanisms To Address Urgent Security Needs But Challenges Remain

Prior OIG and GAO reports identified issues affecting the execution of security-related construction projects to counter evolving security threats and offered recommendations to remedy the identified limitations and challenges. For example, OIG reported in 2014 that OBO lacked a formal mechanism to expeditiously address the urgent needs of posts for which HTP was responsible. OIG accordingly recommended that “OBO work with DS to implement a process for responding to the needs of [high-threat] posts including urgent security upgrades and emergency construction projects.”⁸ In a separate report, also issued in 2014, OIG reported that security upgrade projects at Embassy Kabul remained incomplete, in part, because of delays in the contracting process. OIG recommended that “OBO collaborate with DS to develop operating procedures that would accelerate the development and implementation of security-related construction projects for high-risk, [high-threat] posts and, if necessary, seek additional authority from Congress to streamline the contracting process.”⁹

In this audit, OIG found that OBO had taken steps to address the recommendations made in the previous OIG reports and both recommendations were closed as a result. Specifically, OBO increased collaboration with DS and established an OBO-DS Security Requirements Working Group at headquarters to prioritize requests for urgent security upgrades or projects.¹⁰ In addition, the Department implemented a variety of contracting mechanisms to expedite physical security requests. However, OIG identified additional challenges that affect the timely completion of physical security projects at Embassy Kabul and associated off-compound properties in Afghanistan. OIG analyzed six physical security-related construction projects executed at Embassy Kabul between 2013 and 2018—three managed by OBO and three by the Kabul RSO working under the authority of DS. All the projects involved a physical security upgrade, such as providing additional overhead protection or sidewall mitigation to an existing structure or constructing a reinforced perimeter wall around an existing property.¹¹ The three OBO projects averaged 3 years from the issuance of the Request for Proposal to the time

⁸ OIG, *Inspection of the Bureau of Diplomatic Security, High Threat Programs Directorate 24* (ISP-I-14-23, September 2014).

⁹ OIG, *Inspection of Embassy Kabul, Afghanistan* (ISP-S-14-22A, August 2014).

¹⁰ In response to OIG’s *Audit of the Process To Request and Prioritize Physical Security-Related Activities at Overseas Post* (AUD-FM-14-17, March 2014), DS created a “Deficiencies Database” to identify and prioritize physical security deficiencies at posts worldwide, including Embassy Kabul. The purpose of the database is to help identify and ultimately mitigate physical security deficiencies. The database is updated only if deficiencies are identified after the RSO completes the annual Physical Security Surveys. Deficiencies are ranked for post based on imminent danger and safety concerns.

¹¹ One of the projects involved the redesign and renovation of a passenger and vehicle entry control facility at one of the embassy’s outlying properties known as Camp Alvarado.

construction was completed.¹² For the three DS projects, which are typically smaller scale, such as building or repairing T-walls, the completion time averaged less than 1 year. OIG determined that the lengthy timelines to complete the OBO projects were due, in part, to prolonged decision-making and administrative processes at OBO headquarters in Washington, DC, as well as the absence of standardized designs for some physical security projects.

The Kabul RSO manages some security-related construction projects in Kabul, in part, because of the need to complete physical security upgrades quickly. However, despite successes with completing relatively simple security projects quickly, the RSO lacks construction expertise and some projects have been inadequately constructed as a result. OIG determined that post-initiated projects managed by the Kabul RSO sometimes proceed without adequate oversight by staff with construction expertise to ensure that projects meet construction standards, building codes, and physical security requirements. Furthermore, although the OBO-DS Security Requirements Working Group addresses issues affecting OBO-managed physical security projects around the world, the group is not typically involved in post-initiated projects and there is currently no technical working group at Embassy Kabul to provide needed coordination and oversight to post-initiated physical security projects managed by the Kabul RSO.

OIG acknowledges the trade-offs and varying considerations that inform DS's and OBO's respective approaches to managing physical security projects in Kabul. Nonetheless, although OIG found challenges affecting both OBO- and DS-managed projects, OIG concludes that there are additional steps each bureau can take while maintaining their respective strengths to better balance the need for both expediency and expertise when executing urgent physical security projects at Embassy Kabul. OIG's recommendations are intended to steer the Department toward such an approach.

OBO and DS Established Working Group To Improve Coordination Related to Physical Security Projects

In response to OIG's prior recommendations, OBO created an OBO-DS Security Requirements Working Group based at headquarters in Washington, DC. The group meets bi-weekly to review all new requests for urgent security upgrades or projects and to discuss the urgency and relative priority of these projects, as well as to ensure that security-related projects move forward as expeditiously as possible when obstacles are encountered. The members of the working group include officials from HTP, the DS Office of Physical Security Programs, and the OBO Office of Project Development and Coordination, among others. It is important to note that this Working Group is not solely focused on projects affecting Embassy Kabul and its surrounding properties. Rather, this Working Group was formed to address issues affecting physical security projects worldwide, including Embassy Kabul.¹³ In an OIG compliance follow-

¹² Although OBO officials stated that it was not unusual for projects to take this amount of time, a number of stakeholders, including DS officials as well as FMS, FMC, and RSO officials at post, stated that an average of 3 years to complete a project designed to provide embassy personnel protection from imminent security threats is unreasonably long, given the threat level in Kabul.

¹³ According to an OBO official, in addition to the OBO-DS Security Requirements Working Group, a weekly meeting with the OBO Director covers ongoing OBO construction projects in Afghanistan when they are deemed urgent.

up review of the HTP,¹⁴ senior OBO and DS personnel involved in coordinating requests for urgent security projects told OIG that the OBO-DS Security Requirements Working Group had led to expedited decision making on urgent security needs, although they shared a desire to achieve further improvements. On the basis of findings from a May 2016 compliance follow-up review, OIG closed its recommendation that called for OBO to work with DS and implement a process for responding to the needs of high-threat posts, including urgent security upgrades and emergency construction projects.

In this audit, OIG found that the OBO-DS Security Requirements Working Group remains active and continues to discuss the status of ongoing security-related projects to troubleshoot issues affecting those projects. For example, an OBO official stated that when a design issue affecting a specific project requires a collective solution, the working group identifies and agrees upon a solution. According to the official, this approach eliminates the back and forth and delays that would occur if buy-in were required from each individual stakeholder. However, OIG learned from multiple OBO officials that OBO does not typically get involved with post-initiated projects, including those executed by the RSO at Embassy Kabul. For example, OBO stated that it would not get involved in assisting the Kabul RSO with moving a project through the acquisition process. According to OBO officials, post-initiated projects overseen by the Kabul RSO do not strictly fall under the purview of OBO and it would not become involved with a post-initiated project except to provide technical assistance when specifically requested. However, OBO officials noted that in the case of an urgent need or response to an imminent threat, OBO and DS consult with one another on the best course of action, including on those issues affecting post-initiated projects.

The Department Implemented a Variety of Contracting Mechanisms To Address Urgent Physical Security Projects in Kabul

With respect to the recommendation that OBO collaborate with DS to develop operating procedures that would accelerate the implementation of security-related construction projects and streamline the contracting process, OIG found that OBO and DS regularly collaborate to address high-priority emergency construction needs, including requests for new embassy compounds, new office annexes (office buildings), and hardened alternative trailer systems at high-threat posts. In addition, OIG found that the Department uses a variety of contracting mechanisms to address physical security projects and upgrades. Specifically, the Department modified an existing construction contract at Embassy Kabul to address physical security upgrades in Afghanistan, used Justifications for Other than Full and Open Competition (JOFOC) when a project with an urgent or compelling need existed, and established Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts to streamline the contracting process.

Modification of Existing Construction Contract at Embassy Kabul

During the last 10 years, OBO, in coordination with A/OPE/AQM, has undertaken a major office and residential expansion at Embassy Kabul. As part of this expansion, the Department

¹⁴ OIG, *Compliance Follow-up Review of the Inspection of the Bureau of Diplomatic Security, High Threat Programs Directorate* (ISP-C-16-18, May 2016).

contracted with Caddell Construction, Inc. (Caddell) to build several offices and residential buildings on the embassy compound. To complete some needed physical security upgrades on the compound, the Department modified Caddell's contract to perform the work.¹⁵ According to OBO, because Caddell had an existing construction contract and was established on the Embassy Kabul compound with workers, materials, and equipment, Caddell was readily available to address needed physical security upgrades. Furthermore, OBO stated that bringing a second contractor onto an active construction site where Caddell was already working would have presented logistical challenges. As a result, the Caddell contract was modified to complete physical security projects at Embassy Kabul as needed.¹⁶

Justifications for Other Than Full and Open Competition

OBO officials said that they also have the option to use a JOFOC in the case of an urgent and compelling need. According to officials, a JOFOC can be used to meet an urgent construction need in a contingency-type environment like Kabul. The law requires Federal agencies to hold full and open competition when procuring goods and services. However, the Competition in Contracting Act, 41 U.S.C. § 3304(a) allows an agency to use other than competitive procedures under certain circumstances, such as when an agency's need for supplies or services is of unusual and compelling urgency such that the Federal Government would be seriously injured unless the executive agency is permitted to limit the number of sources from which it solicits bids or proposals. Embassy Kabul has also used JOFOCs for some post-initiated physical security construction projects.¹⁷ For example, after a May 2017 attack in Kabul, the Kabul RSO used a JOFOC citing Federal Acquisition Regulation (FAR) 6.302-2, Unusual and Compelling Urgency, to expedite a project to make necessary repairs and reinforcements to one of the outlying Embassy Kabul properties damaged in the attack.¹⁸ During fieldwork for this audit, OIG noted that a blanket JOFOC citing national security concerns was prepared by Embassy Kabul GSO procurement officials to cover post-initiated construction projects in 2016. However, OIG determined that the JOFOC was renewed by Kabul Procurement Staff in 2017 and 2018 without consulting the Procurement Executive. This occurred, in part, because procurement staff in Kabul incorrectly believed that the JOFOC could be unilaterally renewed if national security continued to be at risk due to the ongoing security threats at Embassy Kabul. In its April 2019 report, OIG recommended that Embassy Kabul establish a more appropriate procurement mechanism and that A/OPE/AQM establish and implement a process to prioritize and expedite procurements in support of mission-critical, urgent physical security construction projects at Embassy Kabul and

¹⁵ OBO has used other contractors, in addition to Caddell, to complete physical security upgrades at other Department properties throughout Afghanistan.

¹⁶ Caddell's contract for construction services at Embassy Kabul is expected to expire in June 2020.

¹⁷ Although both OBO and Embassy Kabul implement physical security projects, they execute projects independently from one another and each entity uses its own contracting mechanisms. For example, the Kabul RSO at Embassy Kabul has used JOFOCs as well as the Afghanistan Life Support Services contract to complete physical security projects at post. When implementing physical security projects at Embassy Kabul, OBO has executed modifications to the Caddell contract and also has the option to use JOFOCs as well as its own worldwide IDIQ contracting vehicle.

¹⁸ The project involved the construction of reinforced perimeter walls at Camp Eggers and took approximately 6 months to complete.

other high-threat posts.¹⁹ The use of a JOFOC is appropriate in some circumstances, but as noted in OIG's April 2019 report, the Department should carefully assess potential legal considerations when deciding to use this mechanism.

Indefinite Delivery, Indefinite Quantity Contracts

The Department has also awarded several IDIQ contracts to provide OBO with a rapid means to establish temporary housing and office space. IDIQ contracts are typically awarded to one or more contractors for the same or similar products or services and are used when the exact quantities and timing for products or services is not known at the time of award.²⁰ Selected contractors compete for subsequent task orders under the IDIQ contract. IDIQ contracts can also help streamline some contract processes because negotiations are only with the selected contractor or contractors and can cover a span of up to 5 years. This eliminates the need to award new contracts on an annual basis. OBO officials stated that they have a total of 22 IDIQ contracts in place to address the Department's construction needs around the world for design-build construction projects valued at \$10 million or less. For example, a Containerized Housing and Office Space and Modular Construction Solutions IDIQ contract was established in 2010 after it was noted that the Department did not have a contract in place that could provide a rapid response to the construction of temporary facilities. Although these IDIQ contracts address some of the Department's smaller construction needs around the world, A/OPE/AQM officials stated that no IDIQ contract had been established specifically for the construction of physical security upgrades in Kabul. According to OBO, it would be impractical and inefficient to establish a new IDIQ contract specifically for physical security upgrades in Kabul because putting such a contract in place could take more than a year. OBO officials also stated that, once Caddell's contract in Kabul expires, "it might make sense to identify one of the existing IDIQ contracts that could meet the need for future physical security upgrades in Kabul."²¹ However, in 2014, GAO noted a number of factors impacting ongoing construction efforts at Embassy Kabul, including constructing new facilities on an occupied compound in a conflict environment and delays and changes to shipping routes of building materials due to difficulties with shipments transitioning through Pakistan.²² The unique challenges affecting construction in Afghanistan—and the fact that the Caddell contract is set to expire in less than a year (June 2020)—suggest that having an IDIQ contract in place specific to Kabul may be the best way to ensure that needed physical security upgrades are executed efficiently and effectively.²³

¹⁹ OIG issued its findings in the *Management Assistance Report: Noncompliance with Federal and Department Procurement Policy at U.S. Embassy Kabul Needs Attention* (AUD-MERO-19-25, April 2019).

²⁰ See FAR 16.504(a).

²¹ The Caddell contract is not among the 22 construction IDIQ contracts, which are for construction projects valued at \$10 million or less.

²² GAO, *Afghanistan: Kabul Embassy Construction Costs Have Increased and Schedules Have Been Extended* (GAO-14-661R: July 2014).

²³ In AUD-MERO-19-25, OIG recommended that Embassy Kabul develop an IDIQ contract specifically for post-initiated projects that are managed by the Kabul RSO. This recommendation, however, is based on OIG's conclusion in this audit that that OBO itself would also benefit from using an IDIQ contract for those physical security projects that the bureau manages at the embassy.

Recommendation 1: OIG recommends that the Bureau of Overseas Buildings Operations work with the Bureau of Diplomatic Security and the Office of Acquisitions Management to determine which of the Department of State's existing indefinite delivery/indefinite quantity construction contracts could meet future needs for physical security upgrades in Kabul.

Management Response: OBO concurred with the recommendation, stating "OBO, DS, and A/OPE/AQM have determined that existing IDIQ construction contract processes meet the anticipated needs for physical security upgrades in Kabul." According to OBO, IDIQ contracts are available to provide construction solutions worldwide and "can be used for all temporary or modular construction requirements" around the world.

OIG Reply: On the basis of OBO's concurrence with the recommendation and stated actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that OBO, in coordination with DS and A/OPE/AQM, has determined which of the Department's existing IDIQ construction contracts will meet the future needs for physical security upgrades in Kabul.

Recommendation 2: OIG recommends, in the event that the Department determines that one of the existing indefinite delivery/indefinite quantity contracts will not meet anticipated needs for physical security upgrades in Kabul, that the Bureau of Overseas Buildings Operations, in coordination with the Bureau of Diplomatic Security and the Office of Acquisitions Management, develop and execute a new indefinite delivery, indefinite quantity contract at Embassy Kabul to facilitate the timely execution of future physical security upgrades.

Management Response: OBO concurred with the recommendation, stating that OBO, DS, and A/OPE/AQM agree that "the current IDIQ construction contract process meets the intent of this recommendation." OBO further stated that the current General Construction IDIQ contracts can handle any requirement up to \$10 million and the new IDIQ contracts, presently in Phase 1 of the acquisition process, will allow for contracts up to \$15 million. OBO further noted that Embassy Kabul also has a procurement mechanism for "expediting the execution of security-related projects through Task Order 15 of the Afghanistan Life Support Services" contract. OBO also stated that the Afghanistan Life Support Services contract "serves as an appropriate mechanism to provide timely execution of security-related construction and physical security upgrades at Embassy Kabul."

OIG Reply: On the basis of OBO's concurrence with the recommendation and stated actions, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that OBO, in coordination with DS and A/OPE/AQM, has determined which of the Department's existing IDIQ construction contracts can be used to meet future needs

for physical security upgrades in Kabul and confirms that a new IDIQ contract is not required.

OBO Managed Physical Security Projects at Embassy Kabul Experienced Lengthy Timelines

For this audit, OIG used risk-based criteria to select six security-related construction projects executed at Embassy Kabul between 2013 and 2018—three managed by OBO and three by the Kabul RSO, acting under the authority of DS.²⁴ The three OBO projects averaged 3 years to complete, following the issuance of the Request for Proposal, and involved the construction of protective walls and a reinforced enclosure over a tunnel connecting the East and West sections of the compound (see Table 1).

Table 1: OBO Managed Physical Security Projects at Embassy Kabul Between 2013 and 2018

Project	Description	Contract Mechanism	Request for Proposal ^a	Construction Start Date	Substantial Completion	Time from RFP to Substantial Completion ^b
Physical Security Upgrade (A)	Protective walls built around temporary housing structures on embassy compound	Modification to Existing Caddell Contract	7/30/2013	3/25/2015	5/15/2017	3 years, 10 months
Sidewall Mitigation at Camp Alvarado	Protective walls built around Camp Alvarado Dining Facility	IDIQ Contract with Framaco-Epik	5/5/2013	1/16/2015	11/28/2016	3 years, 6 months
Tunnel Enclosure Embassy Kabul	Reinforced enclosure over Embassy Kabul tunnel	Modification to Existing Caddell Contract	11/2/2015	5/20/2017	10/21/2018	2 years, 11 months

^a The definition and use of Requests for Proposal (RFP) are covered in FAR 15.203 – Requests for Proposals. In the acquisition arena, RFP indicates the proposed procurement action is to be considered a Negotiated action subject to FAR Part 15 (as opposed to sealed bidding in which Invitations for Bids are used in accordance with the provisions of FAR Part 14). In this report, an RFP refers to whenever a contractor or offeror is asked for a price proposal.

^b According to OBO's Policy and Procedures Directive on Commissioning and Transition to Occupancy of Overseas Facilities (P&PD CM 01), substantial completion refers to a stage of a construction or building project that the project has been determined to be sufficiently complete, in accordance with the construction contract documents, so that the owner may use or occupy the project for the intended purpose.

Source: OIG generated from data provided by OBO and A/OPE/AQM.

Each of the physical security projects undertaken by OBO was to address known security vulnerabilities. In the case of the **Physical Security Upgrade (A) project**, post management and the RSO identified the need for sidewall protection for temporary housing on the embassy in 2013. Specifically, embassy personnel were living in temporary, unhardened, containerized

²⁴ For additional details regarding the methodology used to select these projects, see Appendix A.

housing units that provided limited blast protection in the event of a rocket or mortar attack. It was determined that building additional sidewall mitigation around the temporary housing units could provide the protection required until staff could be moved into permanent, hardened housing. This prompted a modification of the Caddell contract. As previously mentioned, Caddell was already under contract for a major office and residential expansion at Embassy Kabul.²⁵ In July 2013, a Request for Proposal was issued, and construction on the walls began in March 2015. The project took 3 years and 10 months to reach substantial completion. One reason for the lengthy construction period was that OBO and the contractor explored multiple design options for the walls before construction could be initiated.

The need for **Sidewall Mitigation at Camp Alvarado** was identified after the camp was attacked by rockets in 2012. Following the attack, DS determined that the camp required several new physical security upgrades, including sidewall mitigation around some of the camp's temporary facilities. Like the Physical Security Upgrade (A) wall project discussed above, the protective walls constructed around the Camp Alvarado dining facility underwent numerous design iterations before a final design decision was made. In May 2013, a Request for Proposal was issued, and construction began in January 2015. The project took 3 years and 6 months to reach substantial completion.

With respect to the **Tunnel Enclosure Embassy Kabul**, the project was initiated after the September 2011 attack that affected both the embassy and the adjoining North Atlantic Treaty Organization Resolute Support base. Following the attack, the RSO conducted a review of the physical security posture of the embassy and identified several physical security upgrade requirements, one of which was reinforcing the tunnel enclosure between the East and West sides of the embassy compound. In November 2015, a Request for Proposal was issued, and demolition for the project began in May 2017. The project took 2 years and 11 months to reach substantial completion. According to OBO, one reason for the lengthy construction period was that the materials DS originally wanted to use for the tunnel enclosure were proprietary. As a result, the Department took additional time to identify an acceptable alternative material to reinforce the enclosure over the tunnel.

Prolonged Decision Making Has Contributed to Long Timelines for Physical Security Upgrades in Kabul

Multiple officials interviewed for this audit stated that once an OBO-managed physical security construction project is initiated, prolonged decision making involving the project's design as well as administrative processes at OBO headquarters in Washington, DC, contribute to the lengthy project timelines. DS officials stated that they cannot rely on OBO to complete physical security construction projects in a timely manner and that project execution takes too long, particularly for projects intended to address urgent security threats. FMS officials added that what they described as even relatively simple physical security projects can often take several years to complete. According to OBO officials, the timelines for completing physical security

²⁵ At the time construction began on the Physical Security Upgrade (A) project, the Caddell contract was scheduled to expire in March 2019.

projects at Embassy Kabul are not unusual. They noted that the typical design development and design review process can take 3 months to 1 year to complete and that, for some projects, the process can take up to 18 months. Nonetheless, DS, FMS, FMC, RSO, contracting officials, and construction contractors working at Embassy Kabul underscored their concerns about OBO's timeliness in completing important security and safety projects. Their observations correspond with OIG's analysis of the three OBO projects above, each of which faced long timelines.

One contractor with 10 years of experience working on Department construction projects in Kabul stated that the long delays affecting many OBO projects are caused by prolonged decision making at OBO headquarters in Washington, DC. A Contracting Officer's Representative with experience working on OBO projects similarly noted that each stage of an OBO project has multiple levels of review requirements and signoffs that can contribute to project delays. He further noted that the design development and review process is often prolonged for some projects and this can also contribute to long project timelines.²⁶

Furthermore, although the OBO-DS Security Requirements Working Group addresses individual issues affecting physical security construction projects worldwide, it is not necessarily a forum to address the larger process for expediting urgent physical security projects. Specifically, participants in the working group stated that, although the group troubleshoots issues that affect individual projects, it generally does not address potential mechanisms for expediting the existing project cycle for these types of projects.

Recommendation 3: OIG recommends that the Bureau of Overseas Buildings Operations (a) evaluate its current approach to executing physical security construction projects, (b) identify potential mechanisms for further streamlining the execution of physical security upgrades designed to address urgent security threats, and (c) revise its process for executing physical security construction projects accordingly.

Management Response: OBO concurred with the recommendation but stated that it is already meeting its intent. Specifically, OBO stated that it has "several working groups in place to address fluid environments such as Kabul." For example, OBO stated that OBO and DS have regularly scheduled meetings, such as weekly Risk Management Meetings, biweekly OBO-DS Security Requirements Working Group meetings, Security Standards Committee Meetings on an as-needed basis, and numerous smaller discussions on a daily basis. OBO further noted that it has "weekly Kabul-specific meetings with the OBO Director."

OIG Reply: Although OBO concurred with the recommendation, OIG considers this recommendation unresolved because, as set forth in the report itself, despite the existence of previously established meetings and working groups, OBO projects continue to experience lengthy timelines, averaging 3 years from the issuance of the Request for Proposal to the time construction is completed. This recommendation will be considered

²⁶ Finding B further discusses the design process for these projects and the delays that resulted from exploring multiple designs.

resolved when OBO agrees to fully implement it or provides an acceptable alternative that meets the intent of the recommendation, which is to improve OBO's current approach to executing physical security construction projects that are necessary to address urgent security threats. The recommendation will be closed when OIG receives and accepts documentation demonstrating that the existing working groups referenced by OBO have taken steps to (a) evaluate OBO's current approach to executing physical security construction projects, (b) identify potential mechanisms for further streamlining the execution of physical security upgrades designed to address urgent security threats, and (c) revise its processes for executing these types of projects accordingly.

DS Managed Physical Security Projects at Embassy Kabul Experienced Challenges

As mentioned previously, the Kabul RSO, acting under the authority of DS, manages some security-related construction projects in Kabul. DS officials stated that the Kabul RSO began executing physical security upgrades at Embassy Kabul in 2015 because of the urgent need and concerns that OBO would be unable to execute the projects in a timely manner. DS consulted with OBO and reached an agreement that the Kabul RSO could manage a portion of the needed physical security upgrades at Embassy Kabul. The type of physical security projects managed by the Kabul RSO are typically small-scale physical security upgrades and are not of the same scope and complexity as those typically managed by OBO. However, despite successes with relatively simple security projects, the RSO lacks the construction expertise of OBO and some projects have faced construction deficiencies as a result. OIG judgmentally selected and analyzed three physical security upgrades managed by the Kabul RSO under the authority of DS (see Table 2).

Table 2: Kabul RSO Managed Physical Security Projects between 2013 and 2018

Project	Description	Contract Mechanism	Contract Award	Construction Start Date	Project Completion Date	Time from Contract Award to Contract Closeout
Northpoint – Massoud Circle T-Wall Project	Reinforced walls built at one of the embassy’s access points to mitigate the potential threat of a vehicle born improvised explosive device	Justification for Other than Full and Open Competition	9/23/2015	10/5/2015	3/10/2016	6 months
Camp Eggers Perimeter Wall*	Reinforced wall built at Camp Eggers following a 5/31/17 truck bomb in the diplomatic quarter of Kabul	Justification for Other than Full and Open Competition	7/31/2017	8/4/2017	1/21/2018	6 months
Alvarado Entry Control Point Upgrade	Project to renovate a passenger and vehicle entry control facility at Camp Alvarado	Task Order to Existing Afghanistan Life Support Services Contract	10/14/2018	11/24/2018	Ongoing	Ongoing - Project has been on hold since February 2019

Source: OIG generated from data provided by DS.

* OIG issued its *Evaluation of the Bureau of Diplomatic Security’s Aegis Construction Contract at Camp Eggers, Afghanistan* (ESP-19-04), in August 2019.

The **Northpoint-Massoud Wall** project was initiated by the Kabul RSO to mitigate the potential threat of a large vehicle-borne, improvised explosive device at one of the embassy’s entry points. According to DS officials, this project was one of the first physical security upgrades of any size and scale that the Kabul RSO had undertaken. The project was prompted due to an increased threat to U.S. facilities in Kabul in 2015 and the drawdown of the U.S.-led combat mission in 2014. The project used reinforced T-walls to mitigate the potential threat of a vehicle-borne improvised explosive device.²⁷ The contract mechanism used to construct the Massoud Wall was a JOFOC. The construction contract was awarded in September 2015, construction began in October 2015, and the project was completed in 6 months. However, after construction had been completed, the wall lacked adequate drainage and corrective actions were required as a result. In addition, blast testing of the wall was not conducted until after the wall was erected. According to HTP officials, the Kabul RSO and others learned valuable lessons from managing the project.

²⁷ A T-wall is traditionally a 12-foot-high portable, steel-reinforced concrete wall typically used for blast protection throughout Iraq and Afghanistan.

The reinforced **Perimeter Wall at Camp Eggers** was built in response to a May 31, 2017, truck bombing in Kabul's diplomatic quarter, which was the largest in Kabul's history and killed 90 people and injured 461 others. Following the attack, the Kabul RSO constructed reinforced walls at Camp Eggers in July 2017, which was located adjacent to the blast site. Before construction began on this project, the Kabul RSO consulted with the U.S. Army Corps of Engineers and was advised that the wall should be designed 1 meter higher and the foundation should be 1 meter deeper than the original design.²⁸ Like the Northpoint-Massoud Wall, the construction of the reinforced wall at Camp Eggers was a unique, blast-resistant design and was constructed in 6 months.

Construction of the **Alvarado Entry Control Point²⁹ Upgrade** began in November 2018 and is currently on hold due to a variety of challenges. For example, upon learning about the project, Kabul FMS staff inspected the project and determined that the Alvarado facility was not equipped with adequate electrical power. In addition, the roof in the facility was too low to accommodate the metal detector used for screening pedestrians. As a result, ceiling tiles had to be removed to accommodate the metal detector. Furthermore, screening windows were installed too high for guards to see out of and the adjoining guard tower lacked a proper observation window.



Figure 4: Interior of Entry Control Point at Camp Alvarado.
Source: Embassy Kabul Photo taken May 2019.

²⁸ In addition to advising the Kabul RSO on the design of the Camp Eggers wall, the U.S. Army Corps of Engineers, Engineering Research and Development Center, also conducted simulated blast testing of the wall.

²⁹ Entry Control Points are a system of gates, barriers, and guard booths, used to pre-screen personnel and vehicles entering a secure perimeter. Entry Control Points provide a layered approach to control, monitor, and protect access to U.S. facilities.

Physical Security Projects Initiated at Embassy Kabul May Not Have Adequate Oversight by Staff With Construction Expertise

Embassy Kabul officials interviewed for this audit expressed concern that the Kabul RSO lacks adequate construction expertise to execute many of the physical security projects in accordance with standards. OIG concludes that existing processes do not adequately ensure appropriate oversight by qualified personnel.

For example, the Entry Control Point project at Camp Alvarado was awarded under a Task Order that is part of the Afghanistan Life Support Services contract. Therefore, the Contracting Officer's Representatives assigned to oversee the construction project also oversee all other task orders for the contract, which include a wide range of services at Embassy Kabul, including food services, logistics, fire protection, medical services, warehouse operations, and miscellaneous support services.³⁰ During fieldwork for this audit, OIG reported in April 2019 on issues related to Embassy Kabul's need for an appropriate procurement mechanism to help promote the timely execution of security-related construction and physical security upgrades at Embassy Kabul.³¹ OIG recommended that Embassy Kabul delegate technically qualified Contracting Officer's Representatives with backgrounds in construction oversight to oversee security-related construction and physical security upgrades at U.S. Mission Afghanistan. Embassy Kabul concurred with the recommendation and noted that three Afghanistan Life Support Services Contracting Officer's Representatives have appropriate experience and "maintain qualifications well above that which is required to provide oversight to these projects." On the basis of Embassy Kabul's response stating that the assigned Contracting Officer's Representatives had appropriate experience, OIG closed the recommendation. However, according to FMS staff at Embassy Kabul, assigning an experienced Contracting Officer's Representative to a given construction project is not a substitute for qualified staff that can oversee individual projects.

This is because of important distinctions in the responsibilities of the two roles. In particular, a Contracting Officer's Representative is focused primarily on ensuring that the terms of the contract are met. In contrast, the role of the Project Manager is to lead efforts to coordinate decisions regarding the scope, schedule, and budget relating to their assigned construction projects. Moreover, as FMS staff observed, a qualified Project Manager with relevant construction expertise provides oversight of day-to-day management of the project to ensure it meets relevant construction standards, building codes, and physical security requirements. This is consistent with other expert authority. For example, according to the Federal Acquisition

³⁰ Contracting Officer's Representatives assist the Contracting Officer in ensuring the Department receives high-quality supplies and services on time, at the agreed-upon price, and in accordance with all contract requirements.

³¹ OIG, *Management Assistance Report: Noncompliance with Federal and Department Procurement Policy at U.S. Embassy Kabul Needs Attention* (AUD-MERO-19-25, April 2019).

Institute,³² program and project managers play critical roles in developing Government requirements, defining measurable performance standards, and managing life-cycle activities to ensure that intended outcomes are achieved. Additionally, the Project Management Institute³³ specifically addresses the needs for specialized construction managers, stating that “[t]he prerequisites of a construction manager are a good knowledge of the architectural, engineering and construction fields plus a superior background in planning, scheduling and directing of the many activities of a multi-disciplined team.” Accordingly, to ensure successful project completion of physical security projects, the assigned project manager must be knowledgeable regarding general construction terminology, processes, and procedures.

Challenges encountered with the Alvarado upgrade have also occurred in other Kabul RSO-managed projects. According to Kabul FMS engineering staff, a Kabul RSO-led project to renovate an embassy-owned villa located outside the compound did not have the electricity properly grounded, lacked adequate handrails along the staircase, had insufficient emergency exit lighting, and lacked a fire exit for the basement bedrooms. Kabul FMS engineers collaborated with the Kabul RSO to address the identified deficiencies, but Kabul FMS staff stated that working to address the deficiencies after construction began was not ideal. Had Kabul FMS staff been involved when the project was being planned and initiated, some of the challenges encountered could have been prevented.

Embassy Kabul officials interviewed for this audit generally agreed that, in order to complete projects quickly, the Kabul RSO should have the ability to manage some projects to address urgent security needs, but they equally expressed concern that the Kabul RSO lacks adequate construction expertise to execute many of the physical security projects in accordance with standards, including building codes and physical security requirements. Moreover, the Kabul RSO has not consistently sought assistance from those with experience, including OBO and FMS staff at Embassy Kabul, before initiating a security project. FMS, GSO, and FMC officials observed that, without a requirement to have physical security projects overseen by staff with the relevant technical expertise, post-initiated projects managed by the Kabul RSO may proceed without adequate oversight. The lack of adequate oversight may, in turn, compromise the extent to which projects are properly designed and meet construction standards, building codes, and physical security requirements.

In the end, OIG recognizes that Embassy Kabul must sometimes initiate and execute projects such as temporary, expedient, on- and off-compound physical security construction projects to meet its needs. However, Embassy Kabul must take steps to ensure such projects are executed properly and that there is adequate professional support for those projects.

³² Established in 1976 under the Office of Federal Procurement Policy Act, the Federal Acquisition Institute has been charged with fostering and promoting the development of a Federal acquisition workforce. The Institute facilitates and promotes career development and strategic human capital management for the acquisition workforce, to include Contracting Officers, Contracting Officer’s Representatives and Program & Project Managers.

³³ The Project Management Institute is the leading not-for-profit professional membership association for the project management profession. It offers eight certifications that recognize knowledge and competency, including the Project Management Professional certification.

Frameworks for Support and Oversight of Physical Security Projects Could Be Strengthened

In 2015, OBO and DS established a Memorandum of Agreement governing construction in Afghanistan.³⁴ The intent of the Agreement was to better define the roles and responsibilities of each bureau regarding the design, renovation, and construction of facilities in Afghanistan. The Memorandum of Agreement includes provisions for OBO to provide technical assistance to some DS-managed projects. However, according to DS officials, these provisions only apply when DS or post has a need for OBO staff to assist with a project. OBO officials stated that it is up to DS to request technical assistance on a project and the need for such assistance is evaluated on a case-by-case basis. DS officials acknowledged that they do not consistently seek out technical assistance from OBO, noting that “the need for a hasty upgrade may justify bypassing OBO’s normal and necessarily lengthy practices in design development on a case-by-case basis.” OBO officials further noted that it was never the intention that staff in OBO’s headquarters should provide support services for all physical security projects initiated at post.

According to FMS officials, there are also informal arrangements in place for the Kabul RSO to receive support from FMS staff based in Kabul for some RSO-managed projects. For example, FMS staff can provide technical assistance, including reviewing designs, evaluating statements of work, and providing engineering staff and certified electricians to consult on projects. Additionally, FMS also has an Architect and Engineering design cell in Kabul that can support RSO-managed projects.³⁵ However, this type of assistance is also provided on a case-by-case basis. As is the case with OBO, it is up to the Kabul RSO to request technical assistance from FMS on a project. Furthermore, FMS officials noted that, even if the Kabul RSO were to seek support from FMS for post-initiated projects, there is a limit to the technical assistance that FMS can provide. Although FMS can assist with basic engineering reviews and provide advice as to how new construction projects will fit into the existing compound infrastructure (e.g., water, sewage, and electricity), only DS or OBO can provide support on the specific physical security specifications required for a given project.

Embassy Kabul officials stated that there are several working groups designed to address ongoing construction at the embassy. For example, the Kabul Facilities Working Group discusses the status and timelines of ongoing construction projects in Kabul, acquisition of new facilities, security vulnerabilities that need to be addressed, and the status of facilities and maintenance issues on the compound. This group is based in Washington, DC, and according to staff at Embassy Kabul, does not meet on a regular basis. Additionally, FMS at Embassy Kabul hosts a weekly “Project Move/Space Change” meeting that focuses on compound moves and other issues related to space planning. However, according to FMS staff at Embassy Kabul there is no working group specifically focused on physical security upgrade projects, including what projects are being initiated, who is overseeing these projects, and whether any assistance is required from stakeholders like FMS. Without a technical working group specifically focused on

³⁴ *Memorandum of Agreement Between the Bureau of Diplomatic Security and the Bureau of Overseas Buildings Operations Regarding Construction Services for Physical Security Upgrades in Kabul, Afghanistan, 2015.*

³⁵ Examples of architect and engineering design services include architectural, structural, civil, mechanical, and electrical engineering assessments.

physical security projects initiated by Embassy Kabul, many projects have been initiated and proceeded without appropriate input, consultation, or coordination from key stakeholders. In addition to ensuring that projects have adequate oversight from the appropriate technical experts, an Embassy Kabul working group for RSO-led construction projects would provide a collective review and promote accountability for physical security projects initiated at Embassy Kabul.

The deficiencies affecting post-initiated construction projects in Kabul highlight the potential negative effects of the Kabul RSO overseeing construction projects without appropriate construction expertise, coordination, and oversight. For example, in a July 2019 evaluation of DS's contract to construct Camp Eggers, OIG reported that DS lacked experience managing construction projects, which contributed to major delays and cost overruns of the construction contract.³⁶ Specifically, OIG reported that the Camp Eggers project was plagued by "a series of cascading problems, beginning with assignment of personnel who lacked the construction expertise necessary to properly plan and manage this complex, large-scale construction project."³⁷ As a result, the Department ultimately canceled the construction project after incurring costs of more than \$103 million, without any discernable benefit to the Department or the U.S. taxpayer. In response to the evaluation, the Office of the Under Secretary for Management stated that the Camp Eggers project was executed under "very unique circumstances" and that a number of external factors can play a large part in the delays and unexpected changes that may impact any given construction project. The Office of the Under Secretary for Management further noted that no two projects face the same challenges. Nevertheless, the lessons learned from the Camp Eggers construction project underscore that all construction projects, regardless of size and complexity, should be managed and overseen by those with appropriate expertise.

To further ensure that physical security projects initiated by Embassy Kabul have the necessary oversight, the Department must clearly delineate the roles and responsibilities of OBO, DS, and the Kabul RSO when it comes to physical security construction projects executed in Afghanistan. The 2015 Memorandum of Agreement between OBO and DS was intended to define the roles and responsibilities of each bureau regarding the design, renovation, and construction of facilities in Afghanistan. The Agreement does not, however, explicitly state the types and locations of projects that should be managed by OBO versus those that should be managed by the Kabul RSO working under the authority of DS.³⁸ In its evaluation of the Camp Eggers project, OIG recommended that the Department review DS's construction capabilities and adopt a policy that, among other things, identifies the circumstances under which the construction clause in the DS Worldwide Protective Services contract may be used for

³⁶ The construction contractor was required to perform site demolition, preparation, the rebuild of modular containerized housing units, and all associated infrastructure at the camp. See OIG's *Evaluation of the Bureau of Diplomatic Security's Aegis Construction Contract at Camp Eggers, Afghanistan* (ESP-19-04, July 2019).

³⁷ *Ibid.*, 25.

³⁸ The Department also established a Security Equipment Responsibilities Matrix that defines the responsibilities for the installation, maintenance, and repair of security equipment at diplomatic facilities such as forced-entry/ballistic-resistant doors and windows, locks, CCTV security systems, and vehicle barriers.

construction projects, including the designation of formal roles of DS, A/OPE/AQM, and OBO. As demonstrated in this audit, formally designating roles for OBO and DS would also be beneficial with regard to the construction of physical security upgrades in Kabul. An amended Memorandum of Agreement between DS and OBO could serve as a vehicle to formally designate those roles and responsibilities.

As noted previously, OIG recognizes that DS and OBO have managed physical security projects in Kabul in different ways and that these distinctions reflect the differing perspectives and expertise of these entities. Nonetheless, both bureaus can take steps to better balance the need for both expediency and substantive construction expertise. OIG's recommendations are intended to aid the Department in achieving that balance.

Recommendation 4: OIG recommends that Embassy Kabul take steps to ensure that a qualified Project Manager with relevant construction expertise is assigned to oversee the day-to-day management of each physical security project initiated at post to confirm that the project meets relevant construction standards, building codes, and physical security requirements.

Management Response: Embassy Kabul, in an email to OIG, agreed with the recommendation but did not provide an official response to a draft of this report due to the need to focus on emerging security threats in Kabul.

OIG Reply: On the basis of Embassy Kabul's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that Embassy Kabul has taken steps to ensure that a qualified Project Manager with relevant construction expertise has been assigned to oversee the day-to-day management of physical security projects initiated at post to confirm that projects meet relevant construction standards, building codes, and physical security requirements.

Recommendation 5: OIG recommends that Embassy Kabul, in coordination with the Bureau of Diplomatic Security, (1) identify the circumstances in which it should request advice and support from the Bureau of Overseas Buildings Operations-Diplomatic Security Requirements Working Group in connection with challenges affecting post-initiated physical security projects and (2) establish and implement a process to request such advice and support.

Management Response: Embassy Kabul, in an email to OIG, agreed with the recommendation but did not provide an official response to a draft of this report due to the need to focus on emerging security threats in Kabul.

OIG Reply: On the basis of Embassy Kabul's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation that Embassy Kabul, in coordination with DS, has (1) identified the circumstances in which it should request advice

and support from the OBO-DS Security Requirements Working Group in connection with challenges affecting post-initiated physical security projects and (2) established and implemented a process to request such advice and support.

Recommendation 6: OIG recommends that Embassy Kabul, in coordination with the Bureaus of Overseas Buildings Operations and Diplomatic Security, develop a technical working group charged with ensuring that all post-initiated physical security projects have adequate construction oversight, including ensuring that projects are properly planned, designed, and meet relevant construction standards, building codes, and physical security requirements.

Management Response: Embassy Kabul, in an email to OIG, agreed with the recommendation but did not provide an official response to a draft of this report due to the need to focus on emerging security threats in Kabul.

OIG Reply: On the basis of Embassy Kabul's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation that Embassy Kabul, in coordination with OBO and DS, has developed a technical working group charged with ensuring that all post-initiated physical security projects have adequate construction oversight, including ensuring that projects are properly planned, designed, and meet relevant construction standards, building codes, and physical security requirements.

Recommendation 7: OIG recommends that the Bureau of Diplomatic Security, in coordination with the Bureau of Overseas Buildings Operations, amend the 2015 Memorandum of Agreement Regarding Construction Services for Physical Security Upgrades in Kabul, Afghanistan, to more clearly define roles and responsibilities for physical security construction in Afghanistan with a specific focus on the types and locations of construction projects to be managed by each bureau as well as the Kabul Regional Security Office in Afghanistan.

Management Response: DS did not provide a written response to draft of this report in the timeframe allotted for comments.

OIG Reply: DS did not respond within the time allotted for official comments, even though OIG agreed to a request for an extension. As a result, OIG considers the recommendation unresolved. This recommendation will be considered resolved when DS indicates it will take steps to amend the 2015 Memorandum of Agreement Regarding Construction Services for Physical Security Upgrades in Kabul, Afghanistan, to more clearly define roles and responsibilities for physical security construction in Afghanistan with a specific focus on the types and locations of construction projects to be managed by each bureau as well as the Kabul RSO in Afghanistan. The recommendation will be closed when OIG receives and accepts documentation demonstrating that DS has acted to fully implement the recommendation.

Finding B: The Department Has Not Developed or Adopted Standardized Designs for Conflict Environments

The development of standardized designs refers to a process in which successful designs or elements of designs for a given construction project are repeated in future construction projects. Standardized designs are typically based on complete construction drawings that dictate the materials to be used, systems to be included, as well as assembly details to cover all aspects of construction. For example, in the case of a blast-resistant wall, once an initial design for a temporary blast-resistant wall is successfully developed, the height, width, installation methods, and types of materials used for the wall can then be easily replicated in future projects.

In 2015, GAO reported that both security and design challenges affected the construction of temporary facilities at Embassy Kabul. GAO noted that the Department lacked experience managing construction of temporary structures in conflict environments and recommended that the Department “consider establishing guidance for the construction of temporary structures, especially those used in conflict environments.” An OBO facility engineer told GAO that the Department should “study its experience managing construction in conflict environments and apply lessons learned based on experience in locations such as Afghanistan and Iraq.” Another OBO security engineer told GAO that the Department “would have been better able to address the temporary facility security needs in Kabul if the Department had had clearer standards (or guidance) for construction of such facilities.” In addition, DS officials told GAO that the Department “could examine [DoD’s] building design criteria for temporary facilities and standardized designs for such facilities as a possible model for improving delivery of such facilities.”

In this audit, OIG found that the Department has not developed standardized designs for physical security structures intended to protect temporary housing and residential facilities in Kabul, nor has it examined the Department of Defense’s (DoD) building design criteria for construction of such structures. This has occurred despite GAO’s recommendation and the need for standardized designs for physical security structures since the Department first began construction in Kabul in 2009. Specifically, OBO, in coordination with A/OPE/AQM, undertook a major office and residential expansion at Embassy Kabul in 2009 and many embassy personnel were housed in temporary, unhardened, containerized units while permanent residences were being constructed. Because of the threats posed to these structures by incoming weapons fire such as rockets and mortars, many of these temporary offices and residences required additional physical security structures such as overhead protection and sidewall mitigation. Although these are standard physical security features for temporary residential and office facilities, OBO has not prioritized developing standardized designs for them. Instead, OBO initiated a new design process for each physical security project undertaken at Embassy Kabul. This includes design specifics such as the design configuration (i.e., height and width of sidewall mitigation), installation, and type of materials used in each project. In the absence of standardized designs for such physical security structures, OBO had to develop new designs for each of the physical security projects in Kabul analyzed by OIG for this audit. The absence of

standardized designs contributed, in part, to the lengthy time periods to complete physical security projects designed to address urgent security threats at Embassy Kabul.

Developing New Designs for Temporary Physical Security Projects in Kabul Has Contributed to Long Project Timelines

As previously discussed in Finding A of this report, three of the OBO-managed projects examined by OIG took an average of 3 years to complete. For example, the project to provide sidewall mitigation around a temporary structure at Camp Alvarado took more than 3 years to complete, measured from the June 2013 task order until substantial completion in November 2016. The initial design proposal called for multiple layers of blast-resistant laminated glass, but the contractor found that the glass was too heavy to be used in conjunction with temporary structures. The second design option proposed constructing monolithic concrete walls as a form of sidewall mitigation. However, this option called for a deep foundation that proved to be impractical because of the number of underground utilities at the location in question. The third option, which involved the use of steel I-beams, was ultimately accepted, but the consideration of multiple design options added to the overall project timeline. According to one of the Contracting Officer's Representatives involved in overseeing the project, the absence of a ready-to-use, off-the-shelf design resulted in a relatively straightforward project for sidewall mitigation taking more than 3 years to complete.

Like Camp Alvarado, the Physical Security Upgrade (A) project to provide sidewall mitigation around temporary housing units at the embassy took almost 4 years to complete. According to the contractor, the project faced long delays, in part, because of struggles to identify a sound design for use in a contingency environment. The contractor stated that the Request for Proposal outlined only the need for sidewall protection and was not specific about the design or how the sidewall mitigation should be constructed. Because the Request for Proposal was very general, OBO and the contractor had multiple discussions on potential concepts for the design of the needed sidewall mitigation. The first proposed design was to use blast-resistant laminated glass for sidewall mitigation. Like the project at Camp Alvarado, laminated glass was determined to be too heavy for the temporary structures.³⁹ A second proposed design called for the use of a proprietary blast-resistant design, but this option was deemed too expensive. As a third option, the contractor and OBO came up with a monolithic wall design that was determined to be the best design to meet the need.

As mentioned previously, OBO officials noted that the typical design development and design review process can take 3 months to 1 year to complete and that, for some projects, the process can take up to 18 months. However, taking 18 months to develop a design for a given project before construction can even begin is unacceptable for an urgent physical security upgrade intended to protect personnel and property from potential attacks. A Contracting Officer's Representative with experience managing projects for OBO told OIG that, if the Department were to develop standardized off-the-shelf designs for some of these physical

³⁹ According to OBO, part of the reason the laminated glass was proposed for use in both projects was that the Department had the material left over from other projects and wanted to repurpose it.

security structures, it would help OBO limit the time and expense required to create new designs for these types of projects. Furthermore, DS, RSO, and FMS officials, as well as contractors and Contracting Officer's Representatives, have noted that taking 2 to 3 years to complete a relatively simple project like providing sidewall mitigation to a temporary housing or office structure is unacceptable, particularly given the risks that it is intended to address.

DS officials told OIG that they discussed the idea of developing standardized designs for use in contingency environments, but those discussions stopped after the U.S. Mission in Benghazi, Libya was attacked. Specifically, there were concerns that developing standardized designs would be too limiting and would not allow the Department the flexibility needed to address the evolving security threat. However, in August 2018, HTP officials told OIG that, although concerns about the evolving security threat are valid, establishing standardized designs for some physical security structures would be a valuable tool for the Department. Specifically, if the Department decides to open embassies or consulates in other contingency environments, having standardized designs for physical security structures to protect temporary residential and office spaces could help the Department to quickly establish a presence at other high-threat posts. OBO officials stated that they would defer to DS on the value of establishing such standardized designs but noted their concern that "one size does not always fit all" when it comes to these types of projects. OBO officials stated that the design used in any given project depends on location, population, and intended use. OBO officials similarly noted that many of the designs for physical security structures in Kabul have evolved over time as the Department identifies new designs to address changing security threats. However, establishing standardized designs may enable the Department to expedite the construction of needed physical security structures in Kabul and other high-threat posts.

Department of Defense Has Developed and Uses Standardized Designs

DoD has developed several standardized designs for expeditionary structures in contingency environments.⁴⁰ Specifically, the mission of the U.S. Army Corps of Engineers' Center of Standardization for Contingency Designs is to "provide standard designs that will meet current and future contingency operational needs."⁴¹ According to DoD, the goal of the Center is to provide standard facility designs that will be constructed using local materials and building methods to reduce the overall construction costs and significantly reduce construction completion timeframes. The Contingency Standard Designs program provides a pre-engineered solution for most facility requirements. Furthermore, according to the U.S. Army Corps of Engineers, "all pre-engineered designs meet or exceed force protection and environmental strength requirements."⁴² The Center is responsible for 1) developing and reviewing Army designs for semi-permanent facilities, 2) ensuring that alterations to semi-permanent designs comply with code, 3) creating functional spaces for various missions with standard exteriors,

⁴⁰ Expeditionary structures are built in forward operating locations and are intended to be used in conflict environments during the period of operations. These structures include, but are not limited to, small and medium shelter systems, expandable shelter containers, and trailers.

⁴¹ U.S. Army Corps of Engineers, *Center of Standardization for Contingency Standard Designs*, Middle East District.

⁴² Ibid.

and 4) serving as the Army's design agent for all semi-permanent facilities. Additionally, the Center of Standardization has archived designs for temporary structures from Iraq and Afghanistan.

The physical security projects highlighted in this report are overhead, perimeter, and sidewall mitigation intended to provide protection to a variety of temporary structures in a conflict environment. These projects are similar to previous DoD efforts to develop standardized designs for expeditionary structures in contingency environments. As previously mentioned in Finding A of this report, OIG found that the Kabul RSO consulted with the U.S. Army Corps of Engineers' Research and Development Center on the construction of reinforced blast walls at Camp Eggers. Specifically, the Research Center helped conduct blast analyses of the walls, and the U.S. Army Corps of Engineers advised DS on the construction of the walls. This collaboration demonstrates the potential for future joint DoD-Department efforts to address physical security needs for temporary structures in contingency environments. However, despite previous collaborations, OIG found the Department had not taken steps to develop standardized designs for the types of physical security structures used to protect temporary facilities in Kabul or to document best practices from DoD and the U.S. Army Corps of Engineers. When asked why there have not been additional consultations with DoD regarding best practices for construction in contingency environments, OBO officials stated that they consider DS to be the subject matter experts and consulting with DoD is unnecessary.

OIG concludes, however, that having standardized designs similar to those developed by DoD would be a valuable tool to address urgent physical security projects as long as the Department continues to operate in conflict areas and other high-threat environments.

Recommendation 8: OIG recommends that the Bureau of Diplomatic Security, in coordination with the Bureau of Overseas Buildings Operations, take steps to develop standardized designs for physical security structures for use at volatile posts in high-threat, high-risk areas around the world.

Management Response: DS did not provide a written response to draft of this report in the timeframe allotted for comments.

OIG Reply: DS did not respond within the time allotted for official comments, even though OIG agreed to a request for an extension. As a result, OIG considers the recommendation unresolved. This recommendation will be considered resolved when DS, in coordination with OBO, has agreed to take steps to develop standardized designs for physical security structures for use at volatile posts in high-threat, high-risk areas around the world. The recommendation will be closed when OIG receives and accepts documentation demonstrating that DS has acted to fully implement the recommendation.

Finding C: The Department Needs a Comprehensive Master Plan To Govern the Development of Embassy Kabul and Surrounding Properties

According to OBO's 2015 Policy Directive on Master Planning, "Master plans are evolving, long-term planning documents."⁴³ They establish the framework and key elements of short-term and future development of a compound or a mission. In dynamic environments where information changes rapidly and unpredictably, master plans may need to be updated as country or mission conditions change." The FAM states that the responsibilities of OBO's Office of Master Planning and Evaluations include developing master plans that "provide a comprehensive overview of posts' facility needs, including optimum utilization of existing sites and assets, rehabilitation of existing facilities, and construction of new facilities."⁴⁴

Prior OIG and GAO reports have highlighted the importance of planning, noting that it "enhances coordination across stakeholders and seeks to address the ongoing facilities needs of a given mission." A 2014 OIG inspection of Embassy Kabul stated that "embassy projects, although managed by different entities, are interconnected and require coordination and effective communication between participants in the planning and execution processes."⁴⁵ GAO also described the importance of planning, stating in a May 2015 report that "a plan should comprehensively outline existing facilities, identify embassy needs, establish gaps between facilities and needs and document decisions on meeting those needs."⁴⁶

In this audit, OIG found that OBO has not established a comprehensive master plan for Embassy Kabul. According to an OBO official, however, the development of a master plan for Embassy Kabul is currently underway. Although OIG agrees that development of such a plan is prudent, OIG also notes that it must be undertaken with deliberation and an awareness of prior efforts, including prior weaknesses. OIG raises this point because, in this course of this audit, OIG found that the planning efforts undertaken at Embassy Kabul since 2010 have been inconsistent and the Department has no mechanism in place to discretely track all physical security projects and expenditures. These weaknesses limit the Department's means to measure the number or cost of security-related projects being executed in Kabul, which in turn, further limits the Department's overall planning efforts and its ability to effectively prioritize projects and properly allocate resources.

Previous Planning Efforts Have Been Ad Hoc

Although OBO's existing Policy Directive on Master Planning was not developed until 2015, OBO has undertaken a variety of planning efforts for Embassy Kabul and surrounding properties since 2010. However, these efforts were inconsistent and did not always include all relevant

⁴³ Bureau of Overseas Buildings Operations Policy Directive, *Planning Policy Directive 01: Master Planning Program*, June 30, 2015.

⁴⁴ 1 FAM 284.1, Office of Master Planning and Evaluations.

⁴⁵ OIG, *Inspection of Embassy Kabul, Afghanistan* 16 (ISP-I-14-22A, August 2014).

⁴⁶ *Afghanistan: Embassy Construction Cost and Schedule Have Increased, and Further Facilities Planning is Needed* 42 (GAO-15-410, May 2015).

properties. OBO officials acknowledged that previous planning efforts have been ad hoc. Examples of previous planning efforts include the following:

- In 2010, OBO developed a site plan for the embassy compound. The plan consisted of a series of diagrams of proposed new facilities and an overview of existing buildings. However, this plan did not consider the needs of off-compound facilities, nor did it include information about bed space, desk space, and the number of personnel the embassy could accommodate once construction was complete.
- In 2013, DS and OBO developed a plan entitled the “Physical Security Upgrade Master Plan for Embassy Kabul.” This plan consisted of two Department cables that listed planned security-related construction projects such as enhanced sidewall mitigation for temporary facilities and upgrades to safe havens, bunkers, and office buildings. OBO officials stated that the 2013 Physical Security Upgrade Master Plan was not truly a master plan, but rather a finite list of planned physical security upgrades following a Taliban attack.
- In 2014, OBO updated its 2010 site plan with a five-slide PowerPoint presentation that included a map of existing embassy facilities, a map of proposed relocation of key facilities, and a list of potential new infrastructure projects. This updated site plan did not consider off-compound facilities or contain information about bed space, desk space, or additional support facilities. OBO also developed an Interactive Site Plan tool intended to help embassy personnel stay informed about construction and renovation efforts. However, the embassy did not upload the tool on its internal website, and it was never used.
- In 2016, OBO established a list of planned and ongoing projects at Embassy Kabul. The list included projects that were underway at the time, projects subject to funding in FY 2016, and projects subject to funding in FY 2017 and out years.⁴⁷
- In 2017, OBO created an additional 10 PowerPoint slides that showed diagrams and lists of current facilities, planned facilities, proposed facilities, and the number of bed and desk spaces in both permanent and non-permanent structures.⁴⁸ This plan was more comprehensive than any other prepared by OBO to date. However, FMS and RSO personnel told OIG in 2018 that they were not aware of a current or recent master plan being used to inform ongoing construction, facilities management, or security efforts.

⁴⁷ This list was provided to OIG in order to close out a 2014 recommendation that OBO “develop, maintain, and execute a master plan—incorporating phasing and sequencing requirements—of all ongoing and planning projects, including those funded by the Bureau of Diplomatic Security.”

⁴⁸ The updated site plan was created in response to a 2015 GAO recommendation that the Department should “[d]evelop a Kabul strategic facilities plan. Such a plan should comprehensively outline existing facilities, identify embassy needs, establish gaps between facilities and needs, and document decisions on meeting those needs.” OBO concurred with the recommendation.

They stated that having access to an up-to-date master plan would be helpful to inform ongoing and future construction efforts.

- In 2017, OBO awarded a contract to an architect and engineering firm to develop a master plan for the embassy compound and Camp Alvarado. The contract requires the contractor to “develop and submit three Master Plan concept designs including a preliminary cost estimate and a preliminary project schedule of each plan for review and approval.”⁴⁹ An OBO official stated that the plan was initially put on hold so DS could provide the contractor with formal design clarifications and specifics, and in April 2018 OBO issued a contract modification incorporating this information into the master plan. According to OBO, the master plan, once completed, will address construction needs identified since 2009 and will be the “first comprehensive master plan for Kabul.” OBO officials further stated that the acquisition of a property in 2016 known as the U.S. Embassy Kabul Extended East Compound Development (also referred to as the “Garrison”) allowed them to pursue a comprehensive master plan in Kabul for the first time because they could now consider significant changes to the embassy compound, including building new facilities and moving staff from nearby properties onto the embassy compound. However, as of June 2019, the master plan initiated under the 2017 contract has not been completed.

OBO Established a 2015 Policy Directive Defining Master Planning

GAO’s 2015 report found that OBO was unable to provide any policy documentation governing master planning or any other long-range facility plans. As a result, GAO recommended that OBO “establish policy directives governing the definition, content and conduct of post-wide strategic facilities planning and master planning.”⁵⁰ OBO concurred with the recommendation and in June 2015 issued a Policy Directive on Master Planning. Specifically, OBO’s 2015 Policy Directive on Master Planning states that master plans should focus on:

- Large, prominent posts with complex real-estate portfolios.
- Posts and consulates that have overcrowding, substantial growth, or security deficiencies that are beyond the scope of typical tight-sizing or security upgrades.
- Posts that require major rehabs or new facilities.

On the basis of language in the directive, Embassy Kabul could be classified as meeting the criteria highlighted in OBO’s Policy Directive because it is one of the largest U.S. embassy footprints in the world, has a complex real estate portfolio, and has faced significant security deficiencies that must be addressed by projects that go beyond the typical security upgrades undertaken at other posts around the world. Furthermore, Embassy Kabul has had significant ongoing construction projects to add new residential and office facilities during the last 10 years.

⁴⁹ Contract Number SAQMMA17F1727.

⁵⁰ GAO-15-410, May 2015, 42.

However, according to OBO officials, a master plan has not been established because Embassy Kabul is an atypical post that does not fall within the parameters of the Policy Directive because of the challenges of managing ongoing construction projects in an active war zone. Furthermore, OBO officials stated that the Policy Directive is advisory and that OBO can accordingly exercise discretion on when and how it should be applied.

In addition, OBO officials stated that changing Department priorities, an evolving security situation, and limited funding have made prior planning efforts more difficult. For example, in February 2019, Secretary Pompeo directed the Department to review options to significantly reduce its diplomatic presence. Specifically, the spokesperson for the Department stated that “future staffing at Embassy Kabul will reflect the priorities outlined by the President.” To carry out the Secretary’s direction, the Department began the process of “rightsizing” the embassy. According to OBO, the master plan currently being developed will be adjusted to reflect the changing requirements at the embassy, including new policy goals and shifting administration priorities. Another challenge that OBO has cited as affecting planning efforts in Kabul is limited funding availability, which, according to OBO, has prevented them from acquiring new properties and proceeding with plans to consolidate staff from surrounding sites. According to OBO, it has only been since the acquisition of the Garrison property in 2016 that OBO has been able to pursue a comprehensive master plan for Embassy Kabul.

OIG acknowledges the difficulties of strategic planning in an environment as unique and challenging as Kabul. Nevertheless, a more coordinated and consistent approach to planning would be beneficial for Embassy Kabul. OIG concludes that the absence of a consistent approach to planning for facility needs at Embassy Kabul and off-compound properties has exacerbated coordination difficulties. Without a consistent planning approach, the Department’s planning efforts and its ability to effectively prioritize projects and properly allocate resources is hindered. As previously noted, stakeholders at Embassy Kabul reported that having access to an up-to-date master plan would be helpful in terms of informing ongoing construction efforts, addressing facilities management issues, and conducting assessments of security needs. Finally, the need for a comprehensive master plan for the Embassy Kabul compound and surrounding properties is underscored by the significant cost, complexity, and size of a post with major construction efforts on multiple properties occurring in a dynamic and dangerous environment. OIG is therefore making the following recommendations.

Recommendation 9: OIG recommends that the Bureau of Overseas Buildings Operations establish a policy requiring the dissemination of newly established master plans as well as updates to master plans to all relevant embassy staff to include the Facilities Management Office, the Financial Management Center, the Regional Security Office, and other key stakeholders.

Management Response: OBO stated that it concurred with the recommendation but that it “already has a process in place to meet [its] intent.” Specifically, OBO stated, “When there is a new master plan or update to a project, OBO disseminates this information to key stakeholders in person, including the Kabul Facility Management Team, Regional Security Officer, and Deputy General Services Officer.” OBO further stated that it “meets with these

stakeholders on a regular basis to discuss ongoing projects and upcoming agendas.” OBO provided OIG with examples of correspondence with Embassy Kabul stakeholders in which ongoing master planning efforts were discussed.

OIG Reply: Although OBO concurred with the recommendation and provided additional information on the steps it had taken to communicate with stakeholders about ongoing planning efforts, OIG considers this recommendation unresolved. OBO provided OIG documentation demonstrating that it had corresponded with Embassy Kabul stakeholders about ongoing planning efforts, including updates from stakeholders on facilities, maintenance, and construction issues that might affect ongoing planning efforts. In addition, OBO provided evidence of drawings of specific properties provided to Embassy Kabul stakeholders that were used to inform ongoing master planning efforts. These are positive steps, and OIG encourages OBO to continue to engage with relevant stakeholders throughout the planning process. However, as set forth in the report, documentation provided by OBO did not demonstrate that it provided stakeholders with completed copies of previous master plans, nor did it include evidence that a policy had been developed and implemented that required the dissemination of completed master plans to key stakeholders. This recommendation will be considered resolved when OBO agrees to fully implement it or provides an acceptable alternative that meets the intent of the recommendation. The recommendation will be closed when OIG receives and accepts documentation demonstrating that OBO has established a policy requiring the dissemination of newly established master plans, as well as updates to master plans to all relevant Embassy Kabul staff, including the FMO, the FMC, the RSO, and other key stakeholders.

Recommendation 10: OIG recommends that the Bureau of Overseas Buildings Operations develop and implement a process to update the Kabul master plan on a periodic basis in line with the established *Planning Policy Directive 01: Master Planning Program*, which states that, in dynamic environments where information changes rapidly and unpredictably, master plans should be updated as country or mission conditions change.

Management Response: OBO stated that it concurred with the recommendation but that it “already has a process in place to meet [its] intent.” OBO further stated, “As described in recommendation 9, OBO provides project updates to all key stakeholders on a periodic basis,” and that a master plan for Embassy Kabul was currently underway. OBO provided OIG with examples of correspondence with key stakeholders at Embassy Kabul regarding previous and ongoing master planning efforts and a copy of the Statement of Work for the current master planning effort, which was initiated in 2017 but is not yet complete.

OIG Reply: Although OBO concurred with the recommendation, OIG considers this recommendation unresolved. OBO provided examples of correspondence with Embassy Kabul stakeholders about ongoing planning efforts as well as a copy of the Statement of Work for the current contract to develop a master plan for Kabul. These are positive steps, and as noted previously, OIG encourages OBO to continue to engage with relevant stakeholders throughout the current master planning effort in Kabul. However, as set forth

in the report, documentation provided by OBO did not provide evidence of a process to update the Kabul master plan on a periodic basis. This recommendation will be considered resolved when OBO agrees to fully implement it or provides an acceptable alternative that meets the intent of the recommendation. The recommendation will be closed when OIG receives and accepts documentation demonstrating that OBO has developed and implemented a process to update the Kabul master plan on a periodic basis in line with the established *Planning Policy Directive 01: Master Planning Program*, which states that, in dynamic environments where information changes rapidly and unpredictably, master plans should be updated as country or mission conditions change.

OBO's Policy Directive on Master Planning Is Incomplete

Although OBO's 2015 Policy Directive on Master Planning clearly identifies the types of posts *where* master planning should be conducted, the Directive does not provide specific instructions on *how* master planning should be conducted. In the Directive, OBO lists eight standard operating procedures, including "Developing Master Plans for Diplomatic Facilities," "Developing Master Plans for Missions," and "Advanced Planning," among others, meant to accompany its general guidance. However, these standard operating procedures were never developed. Rather, each operating procedure listed in the Policy Directive is labeled as "forthcoming." According to OBO officials, development of the standard operating procedures was put on hold because OBO was short staffed and the bureau deprioritized development of the procedures after a change in directors. Without standard operating procedures to elaborate on the specifics of how master planning should be conducted, OBO's Policy Directive remains incomplete. Although OBO has not cited the lack of standard operating procedures as a hindrance in carrying out its current master planning effort at Embassy Kabul, the fact that OBO's current Policy Directive is incomplete raises questions about how OBO can implement a consistent approach to master planning at Embassy Kabul and other posts around the world.

Recommendation 11: OIG recommends that the Bureau of Overseas Buildings Operations complete the development and issuance of relevant standard operating procedures in support of the established Policy Directive on Master Planning.

Management Response: OBO stated that it "continues to work on" the standard operating procedures in relation to the established Policy Directive on Master Planning. However, OBO also stated that it is "not feasible to apply" standard operating procedures or a policy such as its Master Planning Policy Directive to "fluid environments" such as Kabul. Specifically, OBO stated that the 10-year-long construction project in Kabul to build office and residential facilities had "varying project requirements due to the unstable security environment, making it impractical to apply any policy or [standard operating procedure] to this type of environment."

OIG Reply: On the basis of OBO's statement that it is continuing to work on the standard operating procedures in support of its established Policy Directive on Master Planning, OIG considers this recommendation resolved, pending further action. OIG acknowledges that Kabul is an environment where applying a standardized approach to master planning may

be difficult. However, without procedures to provide details regarding how master planning should be conducted, OBO's Policy Directive remains incomplete. Regardless of the environment in question, developing such procedures can assist OBO in taking a more consistent approach to master planning, including making sound decisions about how, where, and when master planning should be conducted. The recommendation will be closed when OIG receives and accepts documentation demonstrating that OBO has completed the development and issuance of relevant standard operating procedures in support of its established Policy Directive on Master Planning.

Inability To Track Physical Security Projects at Embassy Kabul

OIG also found that the Department does not have an effective mechanism in place to track the total number and cost of physical security projects in Kabul. The absence of this information is important because, without it, Embassy Kabul's planning efforts are further limited, including its ability to effectively prioritize projects and properly allocate resources to address needed physical security upgrades.⁵¹ During this audit, OIG requested a list of all stand-alone physical security-related construction projects for Embassy Kabul and off-compound properties from 2013 to 2018. DS and Kabul GSO Procurement each provided OIG with separate datasets listing physical security-related projects completed at Embassy Kabul and its surrounding properties. After analyzing and comparing each of the datasets, OIG found that neither dataset listed all stand-alone physical security projects executed in Kabul during the time period in question. DS officials noted that a more comprehensive listing of physical security projects would have to come from the Department's financial tracking system. However, according to FMC officials, the Department's financial tracking system also has limitations when it comes to tracking physical security projects.

Specifically, according to FMC officials, Kabul procurement and finance staff only have access to the Regional Financial Management System (RFMS), which contains information on those physical security projects that were funded and initiated by the embassy. By contrast, information about physical security projects initiated and funded by either DS or OBO is recorded in the Global Financial Management System (GFMS).⁵² Embassy Kabul staff does not have access to GFMS, and DS and OBO officials in Washington, DC, do not have access to RFMS. As a result, neither staff in Embassy Kabul nor officials in Washington, DC, can provide a complete picture of the number and cost of physical security projects executed in Kabul.

Compounding the problem is the absence of a universal accounting code that is applied to all physical security projects. The Foreign Affairs Handbook requires the Department to use

⁵¹ As previously mentioned, DS created a "Deficiencies Database" in 2015 intended to identify and prioritize physical security deficiencies at posts worldwide, including Embassy Kabul. The purpose of the database is to help identify and ultimately mitigate physical security deficiencies.

⁵² RFMS is the Department's overseas accounting system. GFMS is the Department's accounting system of record. All domestic accounting is processed through GFMS and data from RFMS is interfaced into GFMS. However, Embassy Kabul procurement personnel do not have access to GFMS. GFMS only includes domestic transactions and a summary of overseas transactions. It does not pull detailed data from RFMS.

various accounting codes to classify and account for its financial transactions.⁵³ For example, function codes are used to show the purpose of and to account for all Department expenditures and program costs. A variety of function codes are used to track physical security upgrades, including minor physical security upgrades (7941), perimeter and internal security (5831), physical security – residential (5840), and non-ICASS residential security upgrades (5841) to name a few. However, neither GFMS nor RFMS uses a single common function code to track all stand-alone physical security projects. As a result, neither database can provide a complete picture of how much the Department has expended on physical security projects in Kabul.

Additionally, object codes developed by OMB identify the kinds of service, materials, and other resources used by the Department and serviced agencies and for which U.S. Government payments are made. The Department breaks these down even further with sub-object codes. Specifically, the Department requires detailed classifications and has developed a list of sub-object codes to provide more detailed information about obligations. However, there is no sub-object code specifically used to track physical security upgrades.

FMC officials explained that physical security projects are recorded in GFMS on the basis of their funding source and that DS and OBO each uses different codes to track their respective physical security projects. FMC officials stated that, without a single function code or sub-object code assigned to all physical security upgrades, it is impossible to reliably identify the full scope of physical security projects at Embassy Kabul or other high-threat posts. However, they stated that it may be possible to establish either a function code or a sub-object code for all physical security upgrade projects, regardless of whether they are funded by OBO or DS.

OBO officials stated that some physical security features constructed by OBO are included as part of a larger embassy construction project (e.g., blast-resistant doors and windows installed as part of a residential building). For these projects, OBO does not track the costs of these individual features, which are instead reflected in the overall cost of the project. OBO maintains that there is not a good business case nor is it feasible to create separate function codes to track the cost of physical security features that are part of larger OBO construction projects. OIG agrees with OBO's position that it is not feasible to track those features, such as windows or doors that are part of a larger building project. However, there is value in the Department establishing a mechanism to track stand-alone physical security upgrades as it is a critical component in providing the Department a means to measure the number and cost of security-related projects being executed at Embassy Kabul and other high-threat posts. This, in turn, will better inform the Department's planning efforts by effectively prioritizing projects and properly allocating resources.

Recommendation 12: OIG recommends that the Bureau of the Comptroller and Global Financial Services evaluate and report on the feasibility of establishing an appropriate function code or sub-object code in both the Global Financial Management System and

⁵³ 4 FAH-1 H-511-512 and 4 FAH-1 H-610.

Regional Financial Management System that will allow the Department to discretely track all physical security upgrade projects and expenditures and, if determined to be feasible, establish the appropriate function or sub-object code.

Management Response: The Bureau of the Comptroller and Global Financial Services (CGFS) stated that it concurred with the recommendation as written.

OIG Reply: On the basis of CGFS' concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that CGFS has evaluated and reported on the feasibility of establishing an appropriate function code or sub-object code in both GFMS and RFMS that will allow the Department to discretely track all physical security upgrade projects and expenditures and, if determined to be feasible, establish the appropriate function code or sub-object code.

Recommendation 13: OIG recommends that the Bureau of the Comptroller and Global Financial Services grant Financial Management Center staff at Embassy Kabul read-only access to the Global Financial Management System and that financial management staff at the Bureaus of Overseas Buildings Operations and Diplomatic Security be given read-only access to the Regional Financial Management System in order to facilitate the generation and reconciliation of data on physical security upgrade projects and expenditures.

Management Response: CGFS did not concur with the recommendation as written but suggested an alternative. Specifically, CGFS stated that it would be better to provide Kabul, OBO, and DS with access to the appropriate "reporting solutions" that are repositories of GFMS and RFMS data. CGFS further stated that it has reporting solutions that can "provide access to financial information in formatted reports on the status of obligations and expenditures that will better assist Kabul, OBO, and DS to monitor program costs."

OIG Reply: OIG determined that CGFS's suggested alternative to grant pertinent staff access to the appropriate reporting solutions meets the intent of the recommendation. Therefore, OIG accepts this alternative and considers the recommendation resolved, pending further action. The recommendation will be closed when OIG receives and accepts documentation demonstrating that CGFS has granted FMC Staff at Embassy Kabul access to the GFMS reporting solutions and has granted financial management staff at OBO and DS access to the RFMS reporting solutions. This documentation must include detailed steps and instruction that Embassy Kabul, OBO, and DS personnel can follow to generate and reconcile data on physical security upgrade projects and expenditures.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the Bureau of Overseas Buildings Operations work with the Bureau of Diplomatic Security and the Office of Acquisitions Management to determine which of the Department of State's existing indefinite delivery/indefinite quantity construction contracts could meet future needs for physical security upgrades in Kabul.

Recommendation 2: OIG recommends, in the event that the Department determines that one of the existing indefinite delivery/indefinite quantity contracts will not meet anticipated needs for physical security upgrades in Kabul, that the Bureau of Overseas Buildings Operations, in coordination with the Bureau of Diplomatic Security and the Office of Acquisitions Management, develop and execute a new indefinite delivery, indefinite quantity contract at Embassy Kabul to facilitate the timely execution of future physical security upgrades.

Recommendation 3: OIG recommends that the Bureau of Overseas Buildings Operations (a) evaluate its current approach to executing physical security construction projects, (b) identify potential mechanisms for further streamlining the execution of physical security upgrades designed to address urgent security threats, and (c) revise its process for executing physical security construction projects accordingly.

Recommendation 4: OIG recommends that Embassy Kabul take steps to ensure that a qualified Project Manager with relevant construction expertise is assigned to oversee the day-to-day management of each physical security project initiated at post to confirm that the project meets relevant construction standards, building codes, and physical security requirements.

Recommendation 5: OIG recommends that Embassy Kabul, in coordination with the Bureau of Diplomatic Security, (1) identify the circumstances in which it should request advice and support from the Bureau of Overseas Buildings Operations-Diplomatic Security Requirements Working Group in connection with challenges affecting post-initiated physical security projects and (2) establish and implement a process to request such advice and support.

Recommendation 6: OIG recommends that Embassy Kabul, in coordination with the Bureaus of Overseas Buildings Operations and Diplomatic Security, develop a technical working group charged with ensuring that all post-initiated physical security projects have adequate construction oversight, including ensuring that projects are properly planned, designed, and meet relevant construction standards, building codes, and physical security requirements.

Recommendation 7: OIG recommends that the Bureau of Diplomatic Security, in coordination with the Bureau of Overseas Buildings Operations, amend the 2015 Memorandum of Agreement Regarding Construction Services for Physical Security Upgrades in Kabul, Afghanistan, to more clearly define roles and responsibilities for physical security construction in Afghanistan with a specific focus on the types and locations of construction projects to be managed by each bureau as well as the Kabul Regional Security Office in Afghanistan.

Recommendation 8: OIG recommends that the Bureau of Diplomatic Security, in coordination with the Bureau of Overseas Buildings Operations, take steps to develop standardized designs

for physical security structures for use at volatile posts in high-threat, high-risk areas around the world.

Recommendation 9: OIG recommends that the Bureau of Overseas Buildings Operations establish a policy requiring the dissemination of newly established master plans as well as updates to master plans to all relevant embassy staff to include the Facilities Management Office, the Financial Management Center, the Regional Security Office, and other key stakeholders.

Recommendation 10: OIG recommends that the Bureau of Overseas Buildings Operations develop and implement a process to update the Kabul master plan on a periodic basis in line with the established *Planning Policy Directive 01: Master Planning Program*, which states that, in dynamic environments where information changes rapidly and unpredictably, master plans should be updated as country or mission conditions change.

Recommendation 11: OIG recommends that the Bureau of Overseas Buildings Operations complete the development and issuance of relevant standard operating procedures in support of the established Policy Directive on Master Planning.

Recommendation 12: OIG recommends that the Bureau of the Comptroller and Global Financial Services evaluate and report on the feasibility of establishing an appropriate function code or sub-object code in both the Global Financial Management System and Regional Financial Management System that will allow the Department to discretely track all physical security upgrade projects and expenditures and, if determined to be feasible, establish the appropriate function or sub-object code.

Recommendation 13: OIG recommends that the Bureau of the Comptroller and Global Financial Services grant Financial Management Center staff at Embassy Kabul read-only access to the Global Financial Management System and that financial management staff at the Bureaus of Overseas Buildings Operations and Diplomatic Security be given read-only access to the Regional Financial Management System in order to facilitate the generation and reconciliation of data on physical security upgrade projects and expenditures.

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

The Office of Inspector General (OIG) conducted this audit to determine whether the Bureaus of Overseas Buildings Operations (OBO) and Diplomatic Security (DS) had addressed previously identified limitations and challenges in executing security-related construction projects at U.S. Embassy Kabul, Afghanistan.

OIG conducted this audit from May 2018 to April 2019 in accordance with generally accepted government auditing standards. Those standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives. This report relates to Overseas Contingency Operation Freedom's Sentinel and was completed in accordance with OIG's oversight responsibilities described in Section 8L of the Inspector General Act of 1978, as amended. Issuance of this report was delayed because of the lapse in OIG's appropriations that occurred from 11:59 p.m. December 21, 2018, through January 25, 2019.

To answer the audit objective, OIG requested and reviewed documentation for six projects initiated between 2013 and 2018 at Embassy Kabul, Camp Alvarado, and Camp Eggers, according to data received from OBO and General Services Office (GSO). Additionally, OIG reviewed documentation provided by Embassy Kabul, the Office of Acquisitions Management (A/OPE/AQM), OBO, DS, and construction contractors in Kabul. The documentation included financial documents, organizational charts, planning documents, a policy directive, security reports, Department of State (Department) cables, working group agendas, and memorandums of agreement. OIG reviewed contract documentation, including contract modifications, concept drawings, and statements of work. In addition, OIG received anecdotal evidence from personnel at post about physical security projects that experienced long delays and construction deficiencies. OIG reviewed data from the Department's Integrated Logistics Management System in an attempt to identify the number and cost of all physical security projects completed in Kabul.¹ OIG interviewed personnel from the General Services' Procurement Office; the Financial Management Center; the Facilities Management Section; the Regional Security Office (RSO); contractors in Kabul, Afghanistan; and personnel from OBO, DS, and A/OPE/AQM in Washington, DC.

To obtain background information for the audit, OIG reviewed applicable Federal laws and regulations contained in the Federal Acquisition Regulations; Department guidance contained in the Department of State Acquisition Regulations, the Foreign Affairs Manual, and the Foreign Affairs Handbook; inter-Bureau Memorandums of Agreement; the Accountability Review Board for Benghazi; and internal policies and procedures within OBO, DS, and A/OPE/AQM. OIG also reviewed U.S. Department of Defense contracting guidance contained in the Defense Contingency Contracting Handbook and the Government Accountability Office's (GAO) Standards for Internal Control in the Federal Government.

¹ The Integrated Logistics Management System is a web-based system that the Department uses to procure, track, and manage assets.

Prior Reports

OIG reviewed prior OIG and GAO reports that identified limitations and challenges facing OBO and DS in executing physical security-related construction projects at Embassy Kabul. OIG's 2014 inspection report noted that OBO lacked a sufficient process to expedite urgent physical security construction projects at high-threat posts, and a subsequent 2016 compliance follow-up report recommended that OBO and DS collaborate to establish a process to respond to urgent security and construction needs at high-threat posts.² In addition, a 2014 OIG inspection report found that Embassy Kabul lacked a comprehensive master plan to oversee ongoing and planned construction projects.³ Furthermore, a 2015 GAO report recommended that the Department consider establishing guidance for the construction of temporary structures, especially those used in conflict environments.⁴ OIG summarized the findings and analysis from those reports, conducted interviews with OIG inspectors and GAO auditors, and reviewed documentation used to resolve and close the recommendations.

Use of Computer-Processed Data

To identify the total number of physical security projects executed at Embassy Kabul from 2013 to 2018, OIG obtained data on physical security-related construction projects in Kabul from both DS and Embassy Kabul's GSO. The procurement data from GSO was generated through the Integrated Logistics Management System, although the data from DS represented those projects tracked and managed by the DS High Threat Programs Directorate through its internal tracking mechanisms. To assess the data's reliability, accuracy, and completeness, OIG compared the GSO and DS datasets and interviewed DS, GSO, OBO, and contractor personnel to corroborate the data provided. OIG discovered inconsistencies between the datasets. Receipt of some requested data was delayed, and in some cases, OBO and A/OPE/AQM were unable to provide all the data requested, including detailed cost breakdowns, contractor performance documentation, bid evaluations, independent cost estimates, and final contract obligation documents. Disagreement about which office is responsible for providing the requested information contributed to delays and limitations in the data collected. These challenges limited the extent to which OIG was able to conduct an in-depth analysis of any of the physical security construction projects executed at Embassy Kabul. To overcome the challenges, OIG obtained information on project timelines, funding constraints, design issues, and construction deficiencies. OIG relied, in part, on corroborating testimony from contractors; contracting officers; contracting officer's representatives, as well as OBO, DS, RSO, and other embassy personnel. Although the data recorded on individual construction procurements in the Integrated Logistics Management System were deemed to be sufficiently reliable, OIG found

² OIG, *Inspection of the Bureau of Diplomatic Security, High Threat Programs Directorate* 11 (ISP-I-14-23, September 2014); *Compliance Follow-up Review of the Inspection of the Bureau of Diplomatic Security, High Threat Programs Directorate* (ISP-C-16-18, May 2016).

³ OIG, *Inspection of Embassy Kabul, Afghanistan* 17 (ISP-S-14-22A, August 2014).

⁴ GAO, *Afghanistan: Embassy Construction Cost and Schedule Have Increased, and Further Facilities Planning is Needed* 42 (GAO-15-410, May 2015).

that, because the Global Financial Management System⁵ has no function code for physical security-related projects, identifying the total number of stand-alone physical security projects or the total expenditures for those projects was not possible. The results of OIG's analysis are presented in Finding C in the Audit Results section of this report.

Work Related to Internal Controls

OIG performed steps to assess the adequacy of internal controls related to the oversight of physical security-related construction projects managed by OBO and DS, including reviewing policies, procedures, and processes applicable to the areas audited. As stated above, OIG determined that the inconsistencies in data received were due, in part, to deficiencies related to the internal tracking of physical security projects. Additional information regarding internal control deficiencies and weaknesses identified during the audit is presented in the Audit Results section of this report.

Detailed Sampling Methodology

OIG reviewed data provided by DS, GSO, and OBO. According to data provided by the DS Physical Security Programs Directorate, 186 physical security projects were completed by DS at Embassy Kabul between 2013 and 2018.⁶ OIG also obtained data regarding contract modifications to OBO's existing \$790 million contract with Caddell, which included at least six different physical security upgrade projects. As a result, the estimated universe of physical security projects executed at Embassy Kabul between 2013 and 2018 is 192 total projects. However, as noted above, OIG identified several challenges in the Department's ability to reliably track stand-alone physical security projects, making it impossible to definitively identify the total universe of projects executed in Kabul during the requested timeframe. The inability to produce a comprehensive list of the total number of projects prevented OIG from conducting any statistical sampling. Therefore, from the information provided, OIG used the following risk-based criteria to select six physical security-related construction projects:

- Projects initiated between 2013 and 2018.
- Projects defined as stand-alone security projects and not part of existing residential or office buildings.
- Projects incorporating unique physical security features (such as walls and enclosures) designed to keep embassy personnel safe.
- Projects managed by different bureaus and offices, including OBO, DS, and the RSO.
- Projects that involved local and U.S. contractors.

Specifically, OIG requested information on project timelines, design revisions, materials used, and corrective actions for the following projects:

⁵ The Global Financial Management System is the Department's accounting system of record.

⁶ The data provided by the DS Physical Security Programs Directorate did not include physical security projects funded by other DS Directorates. Therefore, this number may not be a reliable indicator of the total number of projects completed by DS.

- U.S. Embassy Compound East Physical Security Upgrade (A) Walls
- Camp Alvarado Sidewall Mitigation
- U.S. Embassy Compound Tunnel Enclosure
- Camp Eggers Perimeter Walls
- Northpoint – Phase 1 (Massoud Wall)
- Camp Alvarado Entry Control Point Upgrade

Additionally, OIG also collected anecdotal information on one additional project known as the West Side Villa Renovation.

Table A.1 shows the projects analyzed, including their location, description, and managing bureau.

Table A.1: Selected Physical Security-Related Construction Projects Analyzed by OIG

	Location	Project	Description	Contract Mechanism	Managing Bureau
1	U.S. Embassy Compound East	Physical Security Upgrade (A) Walls	Protective walls built around temporary housing structures on embassy compound.	Modification to Existing Caddell Contract	OBO
2	Camp Alvarado	Sidewall mitigation	Protective walls built around Camp Alvarado Dining Facility	IDIQ Contract with Framaco-Epik	OBO
3	U.S. Embassy Compound	Tunnel Enclosure	Reinforced enclosure over Embassy Kabul tunnel	Modification to Existing Caddell Contract	OBO
4	U.S. Embassy Compound	Northpoint – Massoud Circle T-Wall Project	Reinforced walls built at one of the embassy’s access points to mitigate the potential threat of a vehicle born improvised explosive device	Justification for Other than Full and Open Competition	DS/Kabul RSO
5	Camp Eggers	Perimeter Wall	Reinforced wall built at Camp Eggers following a 5/31/17 truck bomb in the diplomatic quarter of Kabul	Justification for Other than Full and Open Competition	DS/Kabul RSO
6	Camp Alvarado	Entry Control Point Upgrade	Project to build a new passenger and vehicle entry control facility at Camp Alvarado	Task Order to Existing Afghanistan Life Support Services Contract	DS/Kabul RSO

Source: OIG generated from information provided by OBO, DS, and A/OPE/AQM.

APPENDIX B: BUREAU OF OVERSEAS BUILDINGS OPERATIONS RESPONSE



United States Department of State

Washington, D.C. 20520

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September 4, 2019

MEMORANDUM FOR NORMAN BROWN – OIG/AUD

FROM: OBO/RM – Jeffrey C. Reba, Acting

SUBJECT: Draft Report *Audit of the Execution of Security-Related Construction
Projects at U.S. Embassy in Kabul, Afghanistan*;
AUD-MERO-19-XX, January 2019

As requested, attached is the Bureau of Overseas Buildings Operations' response to recommendation numbers 1-3, 9-11.

Attachment:

As stated.

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Office of Inspector General
*Audit of the Execution of Security-Related Construction Projects
at U.S. Embassy Kabul, Afghanistan*
(AUD-MERO-19-XX, August 2019)

OIG Recommendation 1: OIG recommends that the Bureau of Overseas Buildings Operations work with the Bureaus of Diplomatic Security and Acquisition Management to determine which of the Department's existing indefinite delivery/indefinite quantity construction contracts could meet future needs for physical security upgrades in Kabul.

OBO Response, September 2019: OBO concurs with this recommendation. OBO, DS, and A/OPE/AQM have determined that existing indefinite delivery/indefinite quantity (IDIQ) construction contract processes meet the anticipated needs for the physical security upgrades in Kabul. These contracts are available to provide construction solutions worldwide.

IDIQ contracts can be used for all temporary or modular construction requirements (contingency or non-contingency) anywhere in the world. If OBO needs to use an existing IDIQ, A/OPE/AQM issues a letter of interest, followed by a Task Order Request for Proposal (TOPR) for contractors' review and pricing, and then an award. If Kabul has a requirement, OBO submits the project-specific requirements for the work and funding, then A/OPE/AQM issues the TOPR to the interested contractors for review and pricing. A/OPE/AQM also requests and evaluates technical proposal submissions to assure the contractor has a full understanding of the performance requirements and challenges.

OIG Recommendation 2: OIG recommends, in the event that the Department determines that one of the existing indefinite delivery/indefinite quantity contracts will not meet anticipated needs for physical security upgrades in Kabul, that the Bureau of Overseas Buildings Operations, in conjunction with the Bureaus of Diplomatic Security and Acquisition Management, develop and execute a new indefinite delivery, indefinite quantity contract at Embassy Kabul to facilitate the timely execution of future physical security upgrades.

OBO Response, September 2019: OBO, in conjunction with DS and A/OPE/AQM, agrees that the current IDIQ construction contract process meets the intent of this recommendation.

The current General Construction IDIQ contracts can handle any requirement up to \$10 million. The new IDIQs, presently in Phase 1 of the acquisition process, will allow for projects up to \$15 million. Containerized Housing and Office Space IDIQs can provide solutions for modular and temporary construction solutions. The Regional Procurement Security Office is also an inexpensive procurement option for Post.

Please note that Post has a procurement mechanism expediting the execution of security-related projects through Task Order 15 of the Afghanistan Life Support Services (ALiSS) Contract. ALiSS serves as an appropriate mechanism to provide timely execution of security-related construction and physical security upgrades at Embassy Kabul.

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OIG Recommendation 3: OIG recommends that the Bureau of Overseas Buildings Operations (a) evaluate its current approach to executing physical security construction projects, (b) identify potential mechanisms for further streamlining the execution of physical security upgrades designed to address urgent security threats, and (c) revise its process for executing physical security construction projects accordingly.

OBO Response, September 2019: OBO concurs with the recommendation and is already meeting the intent. The Bureau has several working groups in place to address fluid environments such as Kabul. OBO and DS have regularly scheduled meetings, which are the weekly Risk Management meetings, biweekly OBO-DS Security Requirements Working Group, as-needed Security Standards Committee meetings, and numerous smaller discussions held on a daily basis. OBO has weekly Kabul-specific meetings with the OBO Director.

OIG Recommendation 9: OIG recommends that the Bureau of Overseas Buildings Operations establish a policy requiring the dissemination of newly established master plans as well as updates to master plans to all relevant embassy staff to include the Facilities Management Office, the Financial Management Center, the Regional Security Office, and other key stakeholders.

OBO Response, September 2019: OBO concurs with the recommendation and already has a process in place to meet the intent. When there is a new master plan or update to a project, OBO disseminates this information to key stakeholders in person, including the Kabul Facility Management Team, Regional Security Officer, and Deputy General Services Officer. OBO meets with these stakeholders on a regular basis to discuss ongoing projects and upcoming agendas. (Attachment No. 1).

OIG Recommendation 10: OIG recommends that the Bureau of Overseas Buildings Operations develop and implement a process to update the Kabul master plan on a periodic basis in line with established *Planning Policy Directive 01: Master Planning Program*, which states that, in dynamic environments where information changes rapidly and unpredictably, master plans should be updated as country or mission conditions change.

OBO Response, September 2019: OBO concurs with the recommendation and already has a process in place to meet the intent. As described in recommendation 9, OBO provides project updates to all key stakeholders on a periodic basis (Attachment No. 1). A master plan for Kabul is underway (Attachment No. 2).

OIG Recommendation 11: OIG recommends that the Bureau of Overseas Buildings Operations complete the development and issuance of relevant standard operating procedures in support of the established Policy Directive on Master Planning.

OBO Response, September 2019: OBO continues to work on the Standard Operating Procedures (SOP) in relation to PD 01. However, it is not feasible to apply SOPs and/or a policy, such as PD 01, to fluid environments such as Kabul. The 10-year long project had varying project requirements due to the unstable security environment, making it impractical to apply any policy or SOP to this type of environment.

APPENDIX C: BUREAU OF THE COMPTROLLER AND GLOBAL FINANCIAL SERVICES RESPONSE



United States Department of State

Washington, D.C. 20520

September 13, 2019

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MEMORANDUM

TO: OIG – Samantha P. Carter

FROM: CGFS/GFMS - Kevin R. Jankovits 

SUBJECT: Draft Report – Audit of the Execution of Security-Related Construction Projects at U.S. Embassy Kabul, Afghanistan

Thank you for the opportunity to comment on the Office of Inspector General's (OIG) Draft Report titled Audit of the Execution of Security-Related Construction Projects at U.S. Embassy Kabul, Afghanistan.

The Bureau of the Comptroller and Global Financial Services' Office of Global Financial Management Systems' (CGFS/GFMS) responses are as follows:

- For Recommendation 12, CGFS concurs with the recommendation as written.

- For Recommendation 13, CGFS does not concur with the recommendation as written. While read-only access for Kabul to the Global Financial management System and to OBO and DS for the Regional Financial Management System can be provided, CGFS feels that it would be better to provide access for Kabul, OBO and DS to the appropriate reporting solutions that are the repositories of GFMS and RFMS data. Our reporting solutions provide access to financial information in formatted reports on the status of obligations and expenditures that will better assist Kabul, OBO and DS to monitor program costs. CGFS recommends that the wording for Recommendation 13 be updated as follows:

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OIG recommends that the Bureau of the Comptroller and Global Financial Services grant Financial Management Center staff at Embassy Kabul access to the Global Financial Management System reporting solution, and that financial management staff at the Bureaus of Overseas Buildings Operations and Diplomatic Security be granted access to the Regional Financial Management System reporting solution in order to facilitate the generation and reconciliation of data on physical security upgrade projects and expenditures.

If you have any questions, please contact me at (703) 875-5697.

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ABBREVIATIONS

A/OPE/AQM	Office of Acquisitions Management
CGFS	Bureau of the Comptroller and Global Financial Services
DoD	Department of Defense
Department	Department of State
DS	Bureau of Diplomatic Security
HTP	High Threat Programs Directorate
FAM	Foreign Affairs Manual
FAR	Federal Acquisition Regulation
FMC	Financial Management Center
FMS	Facility Management Section
GAO	Government Accountability Office
GFMS	Global Financial Management System
GSO	General Services Office
IDIQ	Indefinite Delivery, Indefinite Quantity
JOFOC	Justification for Other than Full and Open Competition
OBO	Bureau of Overseas Buildings Operations
OIG	Office of Inspector General
RFMS	Regional Financial Management System
RSO	Regional Security Office

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