



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-MERO-20-39

What OIG Audited

Since the start of the Department of State's (Department) Capital Security Construction Program in 1999, the Bureau of Overseas Buildings Operations (OBO) has completed 162 new diplomatic facilities and has an additional 51 projects in design or under construction. Successful execution of embassy construction projects plays a critical role in enabling the Department to meet its strategic objective of providing safe and secure facilities for U.S. personnel at embassies around the world. OBO recently completed a \$164 million construction project in Amman, Jordan, that included the construction of a New Office Annex (NOX) along with building renovations. The Amman construction project is generally considered a success and may offer best practices and lessons that can be replicated.

The Office of Inspector General (OIG) conducted this audit to determine the extent to which OBO is evaluating completed construction projects, including Embassy Amman, to identify and communicate best practices and lessons learned that can be applied to future OBO construction projects. For this audit, OIG reviewed and considered construction practices applied in Amman, Jordan; Kabul, Afghanistan; Ashgabat, Turkmenistan; Islamabad, Pakistan; and London, United Kingdom.

What OIG Recommends

OIG offered four recommendations: three to OBO and one to the Office of Acquisitions Management. Based on management's response to a draft of this report, OIG considers one recommendation closed and three resolved pending further action. Management's response to a draft of this report is reprinted in Appendices C and D.

September 2020

OFFICE OF AUDITS

MIDDLE EAST REGION OPERATIONS

Audit of Bureau of Overseas Buildings Operations Process To Identify and Apply Best Practices and Lessons Learned to Future Construction Projects

What OIG Found

OBO has a process to identify, disseminate, and apply lessons learned that are associated with technical design standards and criteria. Specifically, in 2004 OBO established a lessons learned program to update design criteria, guidance, and processes in support of the planning, design, construction, operation, and maintenance of OBO facilities overseas. OIG found that the current process does not capture broader best practices or lessons learned that are critical to OBO's construction work, including strengthening collaboration among stakeholders, facilitating building maintenance, and improving program and construction management. These important activities have been overlooked in the lessons learned process because OBO has devoted attention and resources solely to collecting and addressing technical design challenges encountered during its construction projects. Although improving design issues is critical to successfully completing future projects, OBO is missing opportunities to apply best practices and lessons learned identified from other important aspects of its work. Taking advantage of these opportunities could improve OBO operations and help achieve its stated goal of completing construction projects on time and within budget.

Additionally, in examining OBO's internal reporting for construction projects in Amman, Kabul, Ashgabat, and London, OIG found errors and inconsistencies in 33 percent of 125 reports produced between 2013 and 2019 addressing those projects. To address this deficiency, greater attention is needed to validate the data recorded so that OBO senior leaders will be informed of the true status of construction projects. Finally, OIG found that, when executing award modifications for the Amman construction contract, the Contracting Officer did not include the estimated total time necessary to accomplish the required work. This deviation is contrary to guidance and occurred, in part, to expedite the issuance of the contract modifications. However, this practice makes it difficult for OBO to hold the contractor accountable for completing the project on time.