

SARWARAN PRIMARY SCHOOL
UNDER THE COMMANDER'S EMERGENCY RESPONSE PROGRAM
ERBIL, IRAQ

SIGIR PA-08-120
APRIL 21, 2008

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SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

April 21, 2008

MEMORANDUM FOR COMMANDING GENERAL, UNITED STATES CENTRAL
COMMAND
COMMANDING GENERAL, MULTI-NATIONAL FORCES-IRAQ
COMMANDING GENERAL, MULTI-NATIONAL CORP-IRAQ
COMMANDING GENERAL, JOINT CONTRACTING COMMAND-
IRAQ/AFGHANISTAN
COMMANDER, GULF REGION DIVISION, U.S. ARMY CORPS OF
ENGINEERS
DIRECTOR, IRAQ TRANSITION ASSISTANCE OFFICE

SUBJECT: Report on Project Assessment of the Sarwaran Primary School, Erbil, Iraq (Report Number SIGIR PA-08-120)

The Office of the Special Inspector General for Iraq Reconstruction is assessing projects funded by the Commander's Emergency Response Program to provide real-time relief and reconstruction information to interested parties to enable appropriate action, when warranted.

This report is being provided for your action. It addresses the current status of construction of the Sarwaran Primary School, Erbil, Iraq, and whether the intended objectives will be achieved.

This report contains findings and recommendations for corrective action addressed to the Multi-National Corps-Iraq. Management comments on a draft of this report were requested from Multi-National Corps-Iraq but were not provided. DoD Directive 7650.3 requires that all recommendations be resolved promptly. The Special Inspector General for Iraq Reconstruction requests that the Multi-National Corps-Iraq or Multi-National Force-Iraq provide comments on the four recommendations in this report.

We appreciate the courtesies extended to our staff. If you have any questions please contact Mr. Brian Flynn at brian.flynn@iraq.centcom.mil or at DSN 318-343-9244. For public or congressional queries concerning this report, please contact SIGIR Congressional and Public Affairs at publicaffairs@sigir.mil or at 703-428-1100.

Stuart W. Bowen, Jr.
Inspector General

Special Inspector General for Iraq Reconstruction

SIGIR PA-08-120

April 21, 2008

Sarwaran Primary School Erbil, Iraq

Synopsis

Introduction. This project assessment was initiated as part of the Special Inspector General for Iraq Reconstruction's continuing assessments of projects funded under the Commander's Emergency Response Program. The overall objectives were to determine whether Commander's Emergency Response Program-funded projects were complying with the terms of their contracts or task orders and to evaluate the effectiveness of the monitoring and controls exercised by administrative quality assurance and contract officers.

Project Objective. The objective of the Sarwaran Primary School construction project is to support the Kurdistan Regional Government's emphasis on education by meeting the heightened demand for schools, caused by an increased population in the area. The school is to meet the demand for a new village of 600 families that were relocated from the city's old citadel area.

Project Assessment Objectives. The objective of this project assessment was to provide real-time relief and reconstruction project information to interested parties to enable appropriate action, when warranted. This limited scope assessment was conducted in accordance with the Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency. The assessment team included an engineer/inspector and an auditor/inspector. Specifically, SIGIR determined:

1. Were the project components adequately designed before construction or installation?
2. Did the construction or rehabilitation meet the standards of the design?
3. Were the contractor's quality control plan and the United States government's quality assurance program adequate?
4. Was the sustainability of the project addressed?
5. Were the project results consistent with the original objectives?

Conclusions. The assessment determined that:

1. Project components were adequately designed prior to construction or installation. The contract Bill of Quantities and drawings, combined with dialogue between the Multi-National Division-Northeast, the Kurdistan Regional Government, and the contractor provided sufficient details for the contractor to develop the project and perform all necessary work.
2. Contract execution and construction management have not been optimal because project management left quality issues unresolved. As a result, the inspection team concluded that the work is closer to 90% complete, rather than the 99%

estimate made by the contractor and project management team. This conclusion is based on the amount of additional work necessary to finish the project and to correct deficiencies identified during the site visit.

A month after the site visit on 5 March 2008, the inspection team conducted a briefing of this draft report with representatives of the Multi-National Corps-Iraq and Multi-National Division – Northeast representatives. At this briefing, photographs were provided to the inspection team documenting that corrective action had been taken on the deficiencies observed, except for the two items not covered in the contract—the fire-alarm system and the securing of the septic tank and cesspool area.

3. The contract did not require a quality control plan. However, adequate contractor management and government quality assurance oversight by the site supervisor compensated for the missing quality control plan.
4. Sustainment planning was not apparent. The inspection team found no evidence in the contract documentation that completion documents, operation and maintenance manuals, user training, and warranties were required by the contract. Without a contractual requirement for these necessary elements, the burden of ensuring availability in sufficient detail and quality to support an effective sustainment effort shifts to the Kurdistan Regional Government.
5. If the site supervisor continues the current level of oversight, the Sarwaran Primary School construction project, when completed, should meet the original contract objectives. The completed project should result in a functioning primary school.

Other Matters of Interest. The assessment produced the following ancillary concerns about the process that Multi-National Division-Northeast used to award contracts and manage the construction.

1. Authority to award contracts:

Under Commander's Emergency Response Program's Standard Operating Procedures (paragraph 4.e.), contracts for United States-appropriated and Iraqi-funded Commander's Emergency Response Program projects exceeding \$500,000 must be negotiated by a warranted contracting officer. The contracting officer for Coalition Forces of the Republic of Korea awarded the contract for the Sarwaran Primary School construction project. The contracting officer for the Coalition Forces said that the delegation process for his authority started with the Multi-National Corps-Iraq Commanding General and continued through the Multi-National Division – Northeast Commanding General and Chief of Finance to him. However, the Republic of Korea contracting officer could not provide any documentation showing that he was a warranted contracting officer authorized to award contracts on behalf of the United States.

2. Contract content:

The contract awarded by Multi-National Division – Northeast was not consistent with United States procurement standards and may have impeded effective management and oversight of the work. The contract contains detailed requirements, Bills of Quantity, and drawings that provide a reasonable design for the contractor to build the school; nevertheless, requirements for a quality control plan, daily site reports,

documented test results, and material/equipment approvals were not included. Also, the contract did not require a documented turnover process. Finally, the contract required that the bathroom fixtures be produced in Iran, which is currently under United States trade sanctions.

Recommendations. SIGIR makes these recommendations:

1. Multi-National Corps-Iraq should coordinate with the Multi-National Division – Northeast to ensure that a sufficient sustainment turnover package is developed before the Sarwaran Primary School construction project is transferred to the Kurdistan Regional Government.
2. Multi-National Corps-I should coordinate with Multi-National Division – Northeast to ensure that the deficiencies identified by the SIGIR inspection, but not corrected by the completion of this report, are corrected before the project is transferred to the Kurdistan Regional Government:
 - Adequate fire-sensing, alarm, and fire-fighting systems are installed.
 - The septic tank and cesspool area are secured to prevent access by students.
3. Multi-National Corps-Iraq should conduct a legal review to determine if coalition partners can be authorized to award contracts funded with United States appropriations. If this practice is authorized, Multi-National Corps-Iraq should take these actions:
 - Ensure that coalition partners that award United States-funded contracts are properly warranted.
 - Review the content of Multi-National Division – Northeast’s contracts to ensure they are consistent with United States procurement policies and standards for the same contract type.
 - Remove from all contracts the requirement for Multi-National Division – Northeast contractors to buy Iranian products.
4. If Multi-National Corps-Iraq concludes that the legal authority to award contracts funded with United States appropriations cannot be delegated to coalition partners, it should take the necessary action to transfer contract management to the appropriate United States contracting authority.

Management Comments. Management comments on a draft of this report were requested from Multi-National Corps-Iraq but not provided. Multi-National Corps-Iraq informed the Special Inspector General for Iraq Reconstruction that requests for comments from them must be made through Multi-National Force-Iraq and United States Central Command. Department of Defense Directive 7650.3 requires that all recommendations be resolved promptly. The Special Inspector General for Iraq Reconstruction requests that Multi-National Force-Iraq and United States Central Command authorize Multi-National Corps-Iraq to provide comments on the four recommendations in this report.

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Introduction

Objective of the Project Assessment

The objective of this project assessment was to provide real-time relief and reconstruction project information to interested parties to enable appropriate action, when warranted. We conducted this limited scope assessment in accordance with the Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency. The assessment team included an engineer/inspector and an auditor/inspector. Specifically, SIGIR determined whether:

1. Project components were adequately designed prior to construction or installation;
2. Construction or rehabilitation met the standards of the design;
3. The contractor's quality control (QC) plan and the U.S. government's quality assurance (QA) program were adequate;
4. Project sustainability was addressed; and
5. Project results were consistent with original objectives.

Background

In May 2003, the Coalition Provisional Authority formalized the Commander's Emergency Response Program (CERP) in Iraq. The program authorized U.S. field commanders to use available funds to respond to urgent humanitarian, relief, and reconstruction requirements within a commander's area of responsibility by executing programs that immediately assist indigenous populations and achieve "focused effects." CERP guidance directs commanders to focus funds on projects that improve water and sanitation, electricity, and civic cleanup, and that employ the most Iraqis over an extended period of time.

Initial funding for CERP came from seized Iraqi assets and the Development Fund for Iraq. In August 2004 the United States began to appropriate U.S. dollars to CERP and by the end of December 2007, Congress had appropriated over \$2.6 billion for the CERP program in Iraq.

The Multi-National Corps-Iraq (MNC-I) is the overall program coordinator for CERP. MNC-I publishes *Money as a Weapon System* (MAAWS), a policies and procedures manual that directs program execution and establishes the goals for CERP funding. MNC-I currently consists of seven Major Subordinate Commands (MSC) headquartered throughout Iraq. The MSCs' purpose is to initiate and execute both reconstruction and non-construction projects in their areas of responsibility. In fiscal year 2007, the individual MSC areas of responsibilities were the following:

- Multi-National Division-Baghdad – U.S. Army forces
- Multi-National Division-Center South – Coalition forces (Poland)
- Multi-National Division-Center – U.S. Army forces
- Multi-National Division-North – U.S. Army forces
- Multi-National Division-Northeast – Coalition forces (Republic of Korea)
- Multi-National Division-Southeast – Coalition forces (British and Australian)
- Multi-National Force-West – U.S. Marine Corps forces

Incorporated in the MAAWS are the *Commander's Emergency Response Program Family of Funds Standard Operating Procedures* that provide operating guidelines identifying allowable uses for CERP funds, proposing projects, awarding contracts and managing projects.

Project Objectives

The objective of the Sarwaran Primary School construction project is to support the Kurdistan Regional Government's (KRG's) emphasis on education by meeting the heightened demand for schools caused by an increased population in the area. The school is to meet the demand for a new village of 600 families that were relocated from the city's old citadel area.

The Sarwaran Primary School project was proposed and managed by the Multi-National Division-Northeast (MND-NE) which is commanded by Coalition Forces from the Republic of Korea. The request for MNC-I to fund the project was submitted by the MND-NE Commander on 15 November 2006. The project was approved by the Commanding General MNC-I on 21 November 2006 for \$826,469.

Contract, Costs and Payments

The contract, written in both English and Korean, was awarded by MND-NE on 1 June 2007 to a local contractor for \$676,741. The period of performance was 1 June 2007 to 1 June 2008. A \$338,300 advance payment equal to 50 percent of the contract value was made to the contractor after a performance bond was posted by the contractor. A \$16,889 contract modification was executed on 16 August 2007 for additional ceiling work, reinforcement of glass doors, and installation of metal handrails.

A cost breakdown by major element is shown below:

Summary of Contract Costs			
	Original	Mod	Revised
Civil	\$ 557,559.00	\$ 16,889.60	\$ 574,448.60
Electrical	70,156.00	—	70,156.00
Mechanical	49,026.00	—	49,026.00
Total	\$ 676,741.00	\$16,889.60	\$ 693,630.60

Scope of Work

MND-NE coordinated the project with the KRG. The KRG provided an initial list of competitors from which the MND-NE contracting organization selected the winning bidder. Based on comments from the MND-NE contracting officer, the bidders were invited to a site visit and were provided a requirements statement/Bill of Quantities (BOQ) and drawings to prepare their bids. Meetings were held with bidders at the MND-NE compound to screen proposals and award the contract.

The BOQ and drawings, combined with the dialogue between the MND-NE and the bidders provided a sufficient roadmap for the contractor to develop the project and perform the work.

Site Assessment

A SIGIR inspection team consisting of an engineer/inspector and an auditor/inspector visited the construction site on 4 February 2008 to determine the current status and quality of construction. SIGIR was accompanied by representatives from MND-NE, the KRG site supervisor, and the contractor.

Work Completed

SIGIR was told by the MND-NE project manager that the project was approximately 99 percent complete; however, based on our inspection we estimate that the project was closer to 90 percent complete. Our inspection concluded that the work completed as of our site visit on 4 February 2008 will likely meet the contract objectives provided the following deficiencies were corrected:

- The grounds need to be re-graded to insure they are properly sloped to channel water offsite and to make them level with walkways.
- Uncovered electrical receptacles installed in the computer room floor are easily filled with dirt making them inoperable. They should be replaced with higher quality covered receptacles.
- The electrical connection from the generator to the school was jury-rigged and needs to be properly connected through a control box. Also, the generator exhaust was not routed outside the enclosed building posing a health and fire risk.
- Cracks developed in the cement covering a building expansion joint.
- Fire alarms and fire fighting systems were not installed in the facility or required by the contract.
- The septic tank and cesspool area were not properly graded nor was access secured to prevent students from entering the area.
- The water tank fill pump was uncovered and exposed to the elements.
- The heating/air conditioning split units installed on the roof were not anchored.

During a briefing of this draft report to MNC-I and MND-NE representatives on 5 March 2008, photographs were provided to SIGIR documenting that corrective action had been taken on the above noted deficiencies except for the two items not covered in the contract: the fire alarm system and securing the septic tank and cesspool area.

Work In Progress

External work consisted of grading and leveling the lot, constructing a playground, perimeter fence, walkways, drainage, sewage disposal, backup generator with a shelter, and a water tank.

Although the contractor indicated that the current grading was complete, SIGIR recommended that it be expanded to ensure the grounds were sloped so that water would drain away from the buildings. SIGIR also recommended that the grading be made level with the walkways. The grading at the time of the site visit posed a

safety hazard because it was about one meter lower than the sidewalk. Site Photo 1 shows the drop from the sidewalk to the ground. Site Photo 2 shows the corrective action taken as a result of SIGIR's recommendation.



Site Photo 1. Safety hazard at the time of the site visit presented by grading one meter lower than sidewalk



Site Photo 2. Correction of grading and grading level subsequent to site visit (Photo courtesy MND-NE).

The perimeter fence is made from a concrete block foundation and has pillars spaced approximately five meters apart and filled with vertical steel pipe fencing. The outside of the two-story building was being finished at the time of the visit. The entrance doors were made of tempered glass and were installed properly. Materials and workmanship for these items were adequate. Site Photos 3 through 5 show the perimeter fence, external finishing, and glass doors.



Site Photo 3. Perimeter fence



Site Photo 4. Outside building finish



Site Photo 5. Tempered glass entry door

The hallways and classrooms were completed with tiled floors, plaster walls, and incandescent lighting. Two split air conditioning/heating units were installed in each room. We tested a sample unit and it functioned properly. Site Photos 6 and 7 show the hallway and a split air conditioning unit.



Site Photo 6. Hallway on bottom floor



Site Photo 7. Split air conditioning unit

Electrical receptacles installed in the computer room floor were not covered, making them susceptible to being filled with dirt and stepped on. The MND-NE project engineer said that they were contracting for a five centimeter (cm) false floor to cover the receptacles. Site Photo 8 shows an uncovered receptacle at Sarwaran filled with dirt at the time of the site visit.

We observed that the same design was being used at the Binaslawas School, which we inspected later that day (SIGIR PA-08-121). The Binaslawas contractor was using a higher quality receptacle with a plastic cover. We recommended the receptacles be replaced with better quality coverings similar to those used at Binaslawas. Site Photo 9 shows the corrective action taken to recess the receptacle subsequent to SIGIR's site visit.



Site Photo 8. Computer room uncovered receptacle filled with dirt.



Site Photo 9. Corrective actions subsequent to site visit to recess and cover receptacle. Portion of receptacle obscured. (Photo courtesy of MND-NE).

Each of the four bathrooms contained three eastern toilets, one western toilet, and three sinks. The quality and workmanship appeared adequate. The contract required the wash basins and water closet fixtures be Iranian-made products. Although we could not conclusively verify that the products were made in Iran,

we noted that a web site for the sink brand (www.chininam.ir) was an Iranian site. Site Photos 10 through 13 show the bathroom fixtures and ceiling.

Sink label with Iranian website address



Site Photo 10. Bathroom sink



Site Photo 11. Bathroom ceiling



Site Photo 12. Eastern toilet



Site Photo 13. Western toilet

Windows were installed and functioned properly. Tiled stairways were guarded with stainless-steel railings that were adequately secured. The slope and step dimensions were adequate. Classroom title signs were installed on the outside of each classroom. Site Photo 14 shows the stairway and railing.



Site Photo 14. Stairway and railing

The generator building and fuel tank installations were finished and the workmanship and materials were adequate. The generator was functioning and provided adequate electrical power to the school. The connections to the school's main lines were temporary—connecting the cable terminals through loose wires covered with black tape. SIGIR commented that the connections should be made through an insulated power supply box. SIGIR did not observe an automatic turnover box that would supply continuous power from the generator when the city electrical grid shuts down. Site Photo 15 shows the backup generator connection at the time of the site visit. Site Photo 16 shows the corrective action subsequent to SIGIR's site visit to install the automatic turnover box and properly connect to the school's main lines.



Site Photo 15. Backup generator connection to the school



Site Photo 16. Corrective action subsequent to site visit to install automatic turnover box and properly connect to the main line. (Photo courtesy of MND-NE).

The generator exhaust was not routed outside the generator building and created a significant fire and health hazard to anyone inside while the generator was operating. Site Photo 17 shows the exhaust inside the generator building at the time of the site visit. Site Photo 18 show the corrective action taken subsequent to the site visit to vent the exhaust out of the generator building.



Site Photo 17. Generator exhaust inside the school



Site Photo 18. Corrective action subsequent to site visit to vent the exhaust out of the building. (Photo courtesy of MND-NE).

Expansion joints were installed to prevent stress cracks in the structural walls as the concrete expands and contracts during temperature changes. One expansion

joint on the roof was covered with concrete and experienced a stress crack about 8 cm long. SIGIR recommended that the parapet and the expansion joint be reconstructed. Site Photo 19 shows the stress crack along the roof. Site Photo 20 shows the corrective action taken subsequent to the site visit.



Site Photo 19. Stress crack in concrete covering an expansion joint.



Site Photo 20. Corrective action subsequent to site visit to reconstruct parapet and expansion joint. (Photo courtesy of MND-NE).

There were no fire sensors, alarms, or extinguishers in the building and we could find no requirement in the contract for these systems. The only fire safety equipment on site were bucket racks at the rear of the building shown in Site Photo 21. Site Photo 22 shows corrective action subsequent to the site visit.



Site Photo 21. Fire bucket racks, the only fire safety equipment observed at the time of the site visit.



Site Photo 22. Corrective action subsequent to site visit to provide interior fire fighting equipment (Photo courtesy of MND-NE).

The septic tank and cesspool access covers were made of cast concrete approximately three feet square and four inches thick. The work appeared adequate; however the grading in the area was rough and uneven. Additionally, the area was not secured to prevent children from accessing it. Site Photo 23 shows the condition of the grading in the unsecured area. Site Photo 24 shows the corrective action subsequent to the SIGIR site visit to properly grade the area.



Site Photo 23. Unsecured septic tank and cesspool area with rough and uneven grading.



**Site Photo 24. Corrective action subsequent to site visit to properly grade the area.
(Photo courtesy of MND-NE).**

The water tank, mounted on a stand approximately five meters high, connects to the city water main and to the building. The tank was filled by a pump connected to the city main line. The pump was inadequately protected from the elements by a sheet of plastic and a cardboard box as shown in Site Photo 25. Site Photo 26 shows the corrective action subsequent to the SIGIR site visit to provide a cover for the pump.



Site Photo 25. Exposed water pump used to fill the main water tower from the city water supply.



**Site Photo 26. Corrective action subsequent to site visit to provide a cover for the pump.
(Photo courtesy of MND-NE).**

The split heating/air conditioning units on the roof were not yet anchored to the roof. Site Photo 27 shows unanchored heating/air conditioning units on the roof. Site Photo 28 shows the corrective action subsequent to the SIGIR site visit to anchor the heating/air conditioning units to the roof.



Site Photo 27. Split heating/air conditioning units not anchored.



Site Photo 28. Corrective action subsequent to site visit to anchor air conditioning unit .
(Photo courtesy of MND-NE).

Work Pending

At the time of our site visit, SIGIR estimated that approximately 10 percent of the work required at the Sarwaran Primary School construction project remained to be completed. For the most part this involved the deficiencies noted in our site assessment and finish work such as painting, fixture installation, and landscaping.

Project Quality Management

Contractor Quality Control

Our review of available contract data and discussions with MND-NE officers produced no evidence that the contract required a QC plan nor was there any indication that a plan was prepared by the contractor and approved by MND-NE. The contract contained the following general clauses, however there is no requirement for the contractor to demonstrate how it intended to implement the requirements:

- All of the work should be according to Iraq General Technical Specifications, Arabic edition 1982 and instructions of the site engineer.
- All materials must be new from the best type approved by the site engineer.
- All construction materials should be tested according to construction works specifications by National Committee for Clinical Laboratory Standards.
- All new electrical, sanitary, and drinking water installation should be tested and approved by the site supervisor after completion of the work.
- The quality and design should be checked by the company engineer before starting the work.

There is no evidence that the contractor was required to submit a record of daily activity, photographs, test results, or materials for review and approval by MND-NE.

When queried by SIGIR during the site visit, the KRG site supervisor noted that the contractor performed tests which he reviewed. For example, when the ground floor slab was constructed, he ensured that the contractor used the appropriate material to fill the

substructure to damp proof course level and the material was compacted in appropriate layers. He also verified that damp proof material was placed before the concrete was poured for the ground floor slab. Although concrete compressive strength tests failed repeatedly, they eventually passed with a successful core sample after 28 days of curing. Neither the contractor nor MND-NE project management team could provide documentation showing that tests were conducted.

The contractor, KRG site supervisor, and the MND-NE project manager were unable to provide documentation showing that product and construction material data was reviewed and approved by the project management team. Without a requirement for a quality control plan, responsibility for ensuring the contractor meets contractual requirements and industry standards shifts to the customer.

Government Quality Assurance

MND-NE is responsible for QA oversight. MND-NE uses a KRG assigned site supervisor to provide the daily management oversight on the project. The site supervisor is expected to visit the site daily and record construction activity in a log which is the basis for weekly status meetings with MND-NE. The log contains the following information:

- project period of performance
- percent complete
- date/weather
- number of contractor employees on site
- brief description of work underway that day
- brief description of problems encountered and solutions

The log does not elicit information about tests performed or materials and supplies submitted to the site supervisor for review and approval. Neither the MND-NE project manager nor the site supervisor could provide documentation that indicated test results or materials and equipment were approved.

Photographs of construction activity were not required from the contractor or site supervisor. The MND-NE project manager visited the site on an unspecified date and took numerous photographs showing construction deficiencies, many of which remained at the time of our site inspection. Since we could not determine the amount of time that elapsed between the MND-NE project manager's inspection and ours, we could not determine if the contractor had sufficient time to correct the deficiencies.

We were informed by the MND-NE project manager that they are constrained by the number of times they can leave the compound and visit a project during their six month tour of duty in Iraq. The project manager indicated that a MND-NE representative would visit a project site no more than three times in a given year.

MND-NE's informal quality assurance program does not elicit and record important construction data on a timely basis. Failure to effectively monitor on-going construction activity data could result in accepting defective workmanship and materials leading to latent defects discovered after warranties expire.

Sustainability

The contract does not contain a detailed requirement for delivering turnover documents including:

- operations and maintenance manuals, spare parts, and post construction guides
- as-built drawings that are signed by the recipient acknowledging their receipt and acceptance
- final “punch list” that includes a notice that all deficiencies have been corrected and accepted
- contractor final invoice
- contractor release of claims
- acceptance memorandum signed by representatives from the KRG, USACE and contractor
- final inspection and completion letter

The absence of a formal turnover requirement in the contract imposes an unnecessary burden on the KRG to insure the work is completed and appropriate information, documents, staffing, supplies, etc. are available to operate the facility. The danger that the KRG would be unable to sustain the new school is, however, mitigated by the KRG’s demonstrated capacity to maintain its government infrastructure. Nevertheless, operating and maintaining the new school would be less difficult if the contractor were required to provide sufficient turnover documentation and warranty data.

Conclusions

Based upon the results of our site visit, we reached the following conclusions for assessment objectives 1, 2, 3, 4, and 5. Appendix A provides details pertaining to Scope and Methodology.

1. Project components were adequately designed prior to construction or installation. The contract Bill of Quantities and drawings, combined with dialogue between the Multi-National Division – Northeast, the Kurdistan Regional Government, and the contractor provided sufficient details for the contractor to design the project and perform the work.
2. Contract execution and construction management had not been optimal at the time of our site visit leaving quality issues unresolved. As a result, SIGIR concluded that the work at that time was closer to 90 percent complete rather than the 99 percent estimate made by the contractor and project management team. Our conclusion was based on the amount of additional work necessary to finish the project and to correct the following deficiencies identified during our assessment:
 - The grounds needed to be re-graded to insure they were properly sloped to channel water offsite and to make them level with walkways.
 - Uncovered electrical receptacles installed in the computer room floor were easily filled with dirt affecting their operability. They should be replaced with higher quality covered receptacles.
 - The electrical connection from the generator to the school was unsafe and needed to be properly connected through a control box. Also, the generator exhaust was not routed outside the enclosed building posing a health and fire risk.

- Cracks developed in the cement covering a building expansion joint.
- Fire sensing, fire alarm, and fire fighting systems were not installed in the facility and were not required by the contract.
- The septic tank and cesspool area were not properly graded or secured to prevent students from entering the area.
- The water tank fill pump was uncovered and exposed to the elements.
- The split heating/air conditioning units installed on the roof were not yet anchored.

During a briefing of this draft report to MNC-I and MND-NE representatives, a month after the SIGIR site visit on 5 March 2008, photographs were provided to the inspection team documenting that corrective action had been taken on the above noted deficiencies except for the two items not covered in the contract: the fire alarm system and the securing of the septic tank and cesspool area.

3. A QC plan was not required by the contract. However, adequate contractor management and government QA oversight by the site supervisor compensated for the missing QC plan.
4. Sustainment planning was not apparent. SIGIR found no evidence that the contract required completion documents, operation and maintenance manuals, user training, and warranties. Without a contractual requirement for these necessary elements, the burden of ensuring sustainment shifts to the KRG.
5. If the current level of oversight continues by the site supervisor, the Sarwaran Primary School construction project, when completed, should meet and be consistent with the original contract objectives. The completed project should result in a functioning primary school.

Other Matters of Interest

The assessment produced the following ancillary concerns about the process that Multi-National Division-Northeast used to award contracts and manage the construction.

1. Authority to award contracts:

Under Commander's Emergency Response Program's Standard Operating Procedures (paragraph 4.e.), contracts for United States-appropriated and Iraqi-funded Commander's Emergency Response Program projects exceeding \$500,000 must be negotiated by a warranted contracting officer. The contracting officer for Coalition Forces of the Republic of Korea awarded the contract for the Sarwaran Primary School construction project. The contracting officer for the Coalition Forces said that the delegation process for his authority started with the Multi-National Corps-Iraq Commanding General and continued through the Multi-National Division – Northeast Commanding General and Chief of Finance to him. However, the Republic of Korea contracting officer could not provide any documentation showing that he was a warranted contracting officer authorized to award contracts on behalf of the United States.

2. Contract content:

The contract awarded by Multi-National Division – Northeast was not consistent with United States procurement standards and may have impeded effective management and oversight of the work. The contract contains detailed requirements, Bills of Quantity, and drawings that provide a reasonable design for the contractor to build the school; nevertheless, requirements for a quality control plan, daily site reports, documented test results, and material/equipment approvals were not included. Also, the contract did not require a documented turnover process. Finally, the contract required that the bathroom fixtures be produced in Iran, which is currently under United States trade sanctions.

Recommendations

SIGIR recommends that:

1. Multi-National Corps-Iraq should coordinate with the Multi-National Division – Northeast to ensure that a sufficient sustainment turnover package is developed before the Sarwaran Primary School construction project is transferred to the Kurdistan Regional Government.
2. Multi-National Corps-I should coordinate with Multi-National Division – Northeast to ensure that the deficiencies identified by the SIGIR inspection, but not corrected by the completion of this report, are corrected before the project is transferred to the Kurdistan Regional Government:
 - Adequate fire-sensing, alarm, and fire-fighting systems are installed.
 - The septic tank and cesspool area are secured to prevent access by students.
3. Multi-National Corps-Iraq should conduct a legal review to determine if coalition partners can be authorized to award contracts funded with United States appropriations. If this practice is authorized, Multi-National Corps-Iraq should take these actions:
 - Ensure that coalition partners that award United States-funded contracts are properly warranted.
 - Review the content of Multi-National Division – Northeast’s contracts to ensure they are consistent with United States procurement policies and standards for the same contract type.
 - Remove from all contracts the requirement for Multi-National Division – Northeast contractors to buy Iranian products.
4. If Multi-National Corps-Iraq concludes that the legal authority to award contracts funded with United States appropriations cannot be delegated to coalition partners, it should take the necessary action to transfer contract management to the appropriate United States contracting authority.

Management Comments

Management comments on a draft of this report were requested from Multi-National Corps-Iraq but not provided. Multi-National Corps-Iraq informed the Special Inspector General for Iraq Reconstruction that requests for comments from them must be made through Multi-National Force-Iraq and U.S. Central Command. DoD Directive 7650.3 requires that all recommendations be resolved promptly. The Special Inspector General for Iraq Reconstruction requests that Multi-National Force-Iraq and U.S. Central Command authorize Multi-National Corps-Iraq to provide comments on the four recommendations in this report.

The results of this assessment were discussed in detail with the MND-NE project manager on 6 February 2008 and MNC-I on 14 February 2008. An exit conference was held with MNC-I on 5 March 2008. We would like to express our appreciation for the courtesies offered by personnel from the USACE, MND-NE and MNC-I. Their assistance with logistics, travel, and access to information made for an effective and efficient project assessment and site visit.

Appendix A. Scope and Methodology

This project assessment was announced on 18 January 2008 and our fieldwork concluded on 7 February 2008. The project was performed in accordance with the Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency.

In performing this Project Assessment SIGIR:

- Reviewed contract documentation to include the following: the contract, Scope of Work, and Bill of Quantity;
- Reviewed the available design package (drawings and specifications) and available QC and QA documentation;
- Conducted discussions with the KRG on-site supervisor officials, MNC-I officers, and MND-NE project management and contracting officers;
- Conducted an on-site assessment on 4 February 2008;
- Briefed the results of fieldwork to the MND-NE and MNC-I officers upon completion of fieldwork; and
- Briefed this report to MNC-I officials on 5 March 2008.

Appendix B. Acronyms

BOQ	Bill of Quantities
CERP	Commander's Emergency Response Program
DoD	Department of Defense
IGTS	Iraqi General Technical Specifications
KRG	Kurdistan Regional Government
MAAWS	Money as a Weapon System
MNC-I	Multi-National Corps-Iraq
MND-NE	Multi-National Division-Northeast
MSC	Major Subordinate Command
QA	Quality Assurance
QC	Quality Control
SIGIR	Special Inspector General for Iraq Reconstruction
USACE	United States Army Corps of Engineers

Appendix C. Report Distribution

Department of State

Secretary of State

Senior Advisor to the Secretary and Coordinator for Iraq

Director of U.S. Foreign Assistance/Administrator, U.S. Agency for
International Development

Director, Office of Iraq Reconstruction

Assistant Secretary for Resource Management/Chief Financial Officer,
Bureau of Resource Management

U.S. Ambassador to Iraq

Director, Iraq Transition Assistance Office

Mission Director-Iraq, U.S. Agency for International Development

Inspector General, Department of State

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Secretary of Defense

Deputy Secretary of Defense

Under Secretary of Defense (Comptroller)/Chief Financial Officer

Deputy Chief Financial Officer

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Deputy Assistant Secretary of Defense-Middle East, Office of Policy/International
Security Affairs

Inspector General, Department of Defense

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Assistant Secretary of the Army for Acquisition, Logistics, and Technology

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Chief of Engineers and Commander, U.S. Army Corps of Engineers

Commanding General, Gulf Region Division

Chief Financial Officer, U.S. Army Corps of Engineers

Auditor General of the Army

U.S. Central Command

Commanding General, U.S. Central Command

Commanding General, Multi-National Force-Iraq

Commanding General, Multi-National Corps-Iraq

Commanding General, Multi-National Security Transition Command-Iraq

Commander, Joint Area Support Group-Central

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Comptroller General of the United States
Inspector General, Department of the Treasury
Inspector General, Department of Commerce
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U.S. Senate

Senate Committee on Appropriations
 Subcommittee on Defense
 Subcommittee on State, Foreign Operations, and Related Programs
Senate Committee on Armed Services
Senate Committee on Foreign Relations
 Subcommittee on International Development and Foreign Assistance, Economic Affairs, and International Environmental Protection
 Subcommittee on International Operations and Organizations, Democracy and Human Rights
 Subcommittee on Near Eastern and South and Central Asian Affairs
Senate Committee on Homeland Security and Governmental Affairs
 Subcommittee on Federal Financial Management, Government Information, Federal Services, and International Security
 Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia
Permanent Subcommittee on Investigations

U.S. House of Representatives

House Committee on Appropriations
 Subcommittee on Defense
 Subcommittee on State, Foreign Operations, and Related Programs
House Committee on Armed Services
 Subcommittee on Oversight and Investigations
House Committee on Oversight and Government Reform
 Subcommittee on Government Management, Organization, and Procurement
 Subcommittee on National Security and Foreign Affairs
House Committee on Foreign Affairs
 Subcommittee on International Organizations, Human Rights, and Oversight
 Subcommittee on the Middle East and South Asia

Appendix D. Project Assessment Team Members

The Office of the Assistant Inspector General for Inspections, Office of the Special Inspector General for Iraq Reconstruction, prepared this report. The principal staff members who contributed to the report were:

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