OFFICE OF THE SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

ANP Compound at Kandahar Generally Met Contract Terms but Has Project Planning, Oversight, and Sustainability Issues

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OFFICE OF THE SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION

July 22, 2010

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Commanding General, NATO Training Mission-Afghanistan/
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This report discusses the results of a performance audit of a contract and three task orders funded by the Combined Security Transition Command-Afghanistan and implemented by the U.S. Army Corps of Engineers (USACE) to complete four co-located projects referred to as the Joint Regional Afghan Security Forces Compound (JRAC). This report includes one recommendation to enhance compliance with USACE quality assurance and control procedures and two recommendations to improve guidance on implementing austere construction standards that will increase the likelihood that the Afghans will be able to maintain facilities, such as JRAC, without assistance from the United States.

A summary of this report is on page ii. This performance audit was conducted by the Office of the Special Inspector General for Afghanistan Reconstruction under the authority of Public Law No. 110-181 and the Inspector General Act of 1978, as amended. When preparing the final report, we considered comments from the Combined Security Transition Command-Afghanistan and the U.S. Army Corps of Engineers. Both concurred with the report's recommendations. These comments are reproduced in appendices II and III, respectively.

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Assistant Inspector General for Audits
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SIGAR

Special Inspector General for Afghanistan Reconstruction

SIGAR Audit-10-12 **July 2010**

ANP Compound at Kandahar Generally Met Contract Terms but Has Project Planning, Oversight, and Sustainability Issues

What SIGAR Reviewed

One objective of coalition efforts in Afghanistan is to build the country's capacity to provide for its own security by housing, training, and equipping up to 134,000 Afghanistan National Police (ANP) by October 2011. The Combined Security Transition Command-Afghanistan (CSTC-A) provided $45 million to the U.S. Army Corps of Engineers (USACE) to fund a firm fixed-price contract and three firm fixed-price task orders to construct a compound consisting of a regional logistics center, a National Civil Order Police battalion, a Uniform Police regional headquarters, and a Border Police command center. Referred to as the Joint Regional Afghanistan Security Forces Compound (JRAC), the compound is located outside the Kandahar Airfield in Kandahar Province. USACE's Afghanistan Engineer District (AED)-South has primary oversight responsibilities for construction activities. This report addresses the contract's and each task order's cost, outcome, and oversight; and the sustainment of JRAC. To accomplish these objectives, SIGAR reviewed relevant contract documents such as statements of work, contract modifications, and quality assurance and quality control records in light of applicable criteria described in the Federal Acquisition Regulation and USACE quality assurance guidance. SIGAR interviewed officials from CSTC-A, AED-South, AED-North, and performed a site inspection in November 2009 and follow-up fieldwork in March 2010. SIGAR conducted work in Kabul and Kandahar, Afghanistan, from October 2009 to July 2010 in accordance with generally accepted government auditing standards.

What SIGAR Found

Three of the four JRAC projects experienced delays ranging from 6 to 12 months. The fourth project was delayed 2 years due in part to a land dispute between CSTC-A and the U.S. Drug Enforcement Administration that led to its re-location at the JRAC site. In addition to nearly $280,000 in USACE expenses related to the project's re-location, the prime contractor has filed a request for equitable adjustment for $665,000 in additional costs. AED-South noted that all four JRAC projects are scheduled to be turned over to Afghan authorities by the end of July 2010. SIGAR's inspection of completed work revealed no apparent construction issues.

Inadequate project planning and oversight affected all four projects. USACE staff did not prepare a master plan for JRAC that fully integrated the four projects. As a result, JRAC had some redundant power, water, and sewer systems and varying heating and cooling systems. In addition, an armory for one project was constructed adjacent to a barracks for another project. In terms of project oversight, AED-South did not fully adhere to USACE quality assurance procedures, which raises the risk that non-visible construction problems could decrease the useful life of the project, increase operations and maintenance (O&M) costs, and possibly compromise occupant safety. SIGAR found that AED-South and the four prime contractors did not adequately document the results of site inspections, whether required quality assurance and control testing had taken place, or whether mandatory three-phase inspections occurred.

CSTC-A officials stated that the government of Afghanistan does not have the financial or technical capacity to sustain Afghanistan National Security Forces (ANSF) facilities in the near term once they are completed. To address sustainment, USACE intends to award two, 5-year contracts for operation and maintenance of the ANSF facilities throughout Afghanistan at an estimated cost of $800 million. These contracts include provisions for developing ANSF's sustainment capabilities. Finally, SIGAR noted that CSTC-A guidelines on "austere" construction standards do not include several items that could help promote the long-term sustainability of U.S.-constructed facilities such as JRAC, including further details on heating and cooling options and electrical and plumbing fixtures.

What SIGAR Recommends

SIGAR is making one recommendation to enhance compliance with USACE's quality assurance and control procedures and two recommendations to increase the likelihood that the Afghans will be able to sustain the facilities without assistance from the United States. (1) SIGAR recommends that the Commanding General, USACE, direct AED-South to ensure that future projects adhere to USACE quality assurance and quality control procedures. (2) SIGAR recommends that the Commanding General, CSTC-A, update current austere construction guidance to include more detailed instructions regarding heating and cooling systems. (3) SIGAR further recommends that the Commanding General, CSTC-A, provide additional austere construction guidance regarding appropriate electical, plumbing, and other fixtures for facilities. In commenting on a draft of this report, USACE and CSTC-A concurred with the recommendations.

For more information contact: SIGAR Public affairs at (703) 602-8742 *or* PublicAffairs@sigar.mil

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ACRONYMS

AED-North/South	Afghanistan Engineer District-North/South
ANCOP	Afghanistan National Civil Order Police
ANP	Afghanistan National Police
ANSF	Afghanistan National Security Forces
BP	Border Police
CSTC-A	Combined Security Transition Command-Afghanistan
DFOW	Definable Feature of Work
DLQAP	District Level Quality Assurance Plan
JRAC	Joint Regional Afghanistan National Security Forces Compound
O&M	Operations and Maintenance
RLC	Regional Logistics Center
SIGAR	Special Inspector General for Afghanistan Reconstruction
UP	Uniformed Police
USACE	U.S. Army Corps of Engineers

ANP Compound at Kandahar Generally Met Contract Terms but Has Project Planning, Oversight, and Sustainability Issues

One objective of coalition efforts in Afghanistan is to ensure the successful design and construction of facilities supporting the fielding of Afghanistan National Police (ANP) forces throughout Afghanistan.[1] From a reported size of 95,000 personnel in December 2009, the ANP is expected to rise to 134,000 personnel by October 2011. To meet the infrastructure needs of this growing force, the Combined Security Transition Command-Afghanistan (CSTC-A) has helped fund a country-wide building program to support the national, regional, and district-level operations of the ANP.[2] CSTC-A relies extensively on the U.S. Army Corps of Engineers (USACE) to provide contract award and monitoring services through its two district offices: Afghanistan Engineer District (AED)-South,[3] based in Kandahar, and AED-North, based in Kabul.

Funded at a total cost of approximately $45 million by CSTC-A and built under the direction of USACE, the Joint Regional Afghanistan Security Forces Compound (JRAC) encompasses four separate ANP projects: a Regional Logistics Center (RLC), an Afghanistan National Civil Order Police's (ANCOP) battalion, the Uniform Police's (UP) regional headquarters, and the Border Police's (BP) zone command.[4] USACE awarded a firm fixed-price contract[5] for the RLC project and firm fixed-price task orders for construction of the ANCOP, UP, and BP projects.[6]

[1] Under the Afghan Ministry of the Interior, the ANP consists of the Afghan Uniformed Police, Afghan National Civil Order Police, Afghan Border Police, the Counternarcotics Police of Afghanistan, and additional specialized police with responsibilities that include criminal investigation, counterterrorism, and customs.

[2] The NATO Training Mission-Afghanistan and CSTC-A is a joint command under a single commander. However, because CSTC-A distributes and manages all U.S.-provided funding to support ANSF, this report refers to CSTC-A.

[3] AED-South was created in August 2009, in response to a growing workload that could not be managed by AED's single district office in Afghanistan. Due to the timing of the split, project oversight for the JRAC project has involved both AED-South and AED-North personnel.

[4] In September 2009, AED-North awarded a contract to Technologists, Inc., to construct a regional office building for the Ministry of Interior on land within the compound. At the time we completed our fieldwork in March 2010, only site preparation activities had been initiated. For the purpose of this report, we limited analysis to the four projects originally designated for inclusion in the compound.

[5] Firm fixed-price contracts and task orders provide for a price that is not subject to any adjustment on the basis of the contractor's cost experience in performing the contract. This contract type places upon the contractor maximum risk and full responsibility for all costs and resulting profit or loss.

[6] These task orders were awarded under two indefinite delivery/indefinite quantity contracts managed by USACE. An indefinite delivery/indefinite quantity contract may be used when the government cannot predetermine, above a specified minimum, the precise quantities of supplies or services that the government will require during a fixed contract period, and it is inadvisable for the government to commit itself to more than a minimum quantity.

This report is one in a series of Special Inspector General for Afghanistan Reconstruction (SIGAR) performance audits that examine contract outcomes, costs,[7] and oversight. This report addresses (1) whether the JRAC was constructed within the terms of the contracts, including schedule and cost; (2) whether USACE oversight of construction was conducted in accordance with the Federal Acquisition Regulation (FAR), USACE requirements, and oversight provisions of the contract; and (3) what plans are in place to sustain these facilities once they are turned over to the Afghan government.

To accomplish these objectives, we reviewed relevant contract and task order files, including statements of work, modifications, and quality assurance/quality control records. We examined criteria and guidance in the FAR and the AED-South's District-Level Quality Assurance Plan (DLQAP) dated August 3, 2009.[8] We interviewed officials from CSTC-A, AED-South, and AED-North, and conducted a full site inspection of the compound on November 5, 2009, and follow-up fieldwork in Kandahar in March 2010, including a drive through review of construction progress. We conducted our work in Kabul and Kandahar, Afghanistan, from October 2009 to July 2010 in accordance with generally accepted government auditing standards. Appendix I presents a more detailed discussion of our scope and methodology.

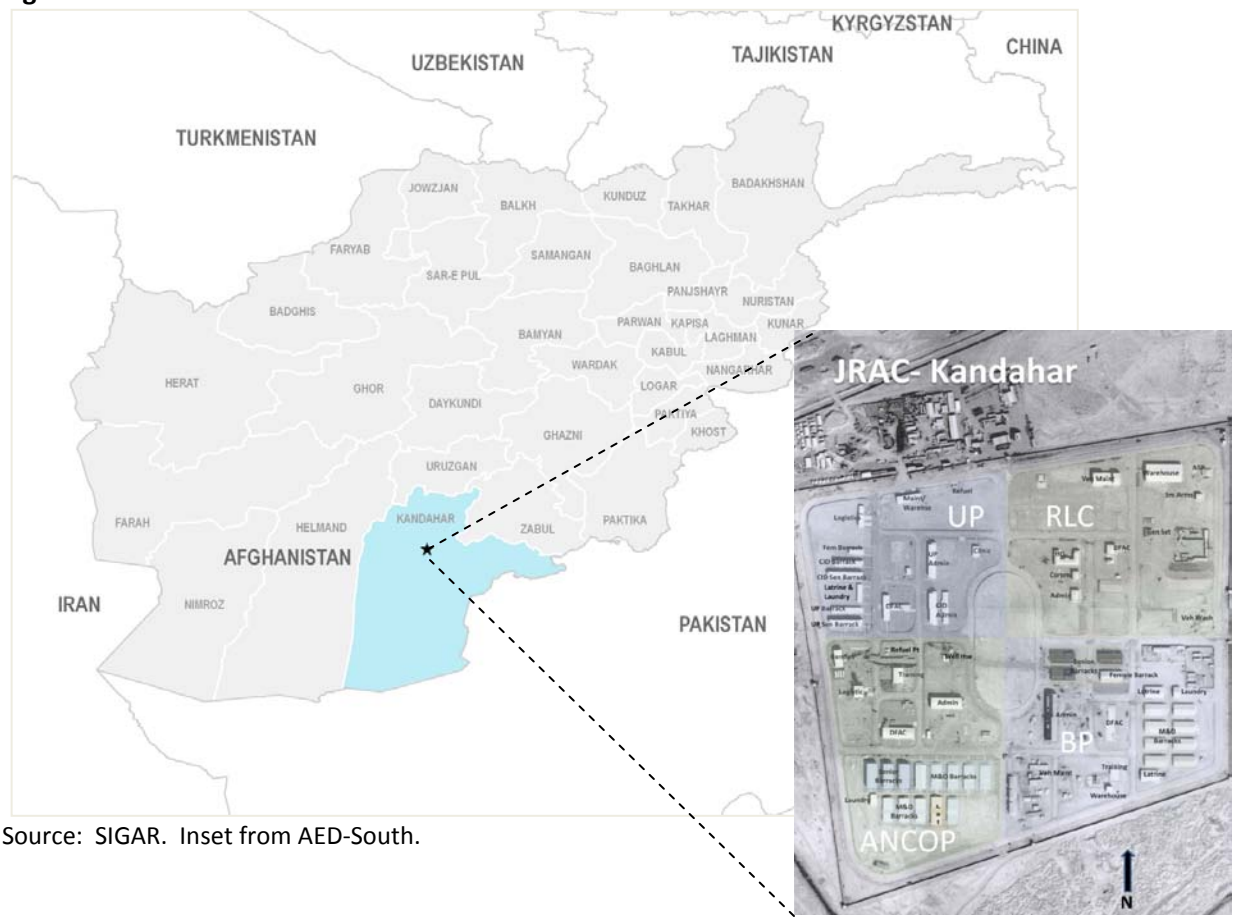
BACKGROUND

Located in a walled facility outside the Kandahar Airfield, which is used by the United States and coalition forces, the compound is expected to support about 1,150 police personnel. Construction started in May 2008 and all four JRAC projects are expected to be turned over to Afghan authorities by the end of July 2010. See figure 1 for a map showing the location of JRAC.

[7] Throughout this report, we use "cost" to refer to the total funding CSTC-A provided for this compound.

[8] Although JRAC construction was initiated prior to the publication of this plan, the plan is modeled on the AED plan that applied to JRAC construction activity before August 2009.

Figure 1: Location of JRAC



Source: SIGAR. Inset from AED-South.

As shown in table 1, with the exception of RLC, which serves as a logistics center, each JRAC project provides the same basic set of buildings and support services but for different elements of the ANP.

Table 1: JRAC Project Descriptions

Project	Description
RLC	The RLC project includes a building to repair, service, and maintain vehicles and other equipment and a warehouse to receive, store, and issue all necessary supplies and equipment. Other project elements include headquarters and administrative buildings, dining facilities, and independent power, water, and sanitary systems. The facility can house about 40 personnel.
ANCOP	This project includes construction of enlisted and senior officer barracks, administration and training buildings, a dining facility, and power, water, and sewer systems to be shared with the UP and BP facilities. The facility can house about 325 personnel.
UP	This project includes construction of enlisted and senior officer barracks, administation buildings, a dining facility, and logistics and maintenance buildings. The facility can house about 210 personnel.
BP	This project includes construction of enlisted and senior officer barracks, administation buildings, an armory, a dining facility, and training and warehouse buildings. The facility can house about 575 personnel.

Source: SIGAR analysis of project documents.

Based in Kabul, a USACE ANP program manager with broad oversight responsibility for ANP projects and a USACE project manager worked with CSTC-A staff to define JRAC project requirements.[9] One key input for this process was a facilities development plan for the ANP prepared by a contractor working for CSTC-A.[10] This plan linked the ANP's operational needs to a comprehensive plan for facilities development. A USACE contracting officer incorporated the project requirements into a scope of work, issued the requests for proposals, and managed the selection process for each procurement. After contract award, contract/task order modifications were overseen by an Administrative Contracting Officer and Contracting Officers' Representatives who approved modifications and payment invoices based on their warrant authorities.[11] A Resident Engineer/Project Engineer and Quality Assurance Representatives located in AED-South's nearby Kandahar Area Office provided day-to-day project oversight.

[9] The program manager and project manager continue to provide general project oversight and customer interface.

[10] See *ANP: ANSF Comprehensive Plan for Facilities Development,* dated October 31, 2007, and, according to CSTC-A officials, updated periodically since then.

[11] A Resident Engineer, Project Engineer, or Quality Assurance Representative can serve as a Contracting Officer's Representative if they receive the required training.

JRAC EXPERIENCED CONSTRUCTION DELAYS BUT NO APPARENT CONSTRUCTION QUALITY ISSUES

The JRAC projects experienced significant construction delays compared to the original completion dates due to a range of factors, including a land dispute and customs delays. The most significant delay occurred on the RLC project, which was completed 2 years after its original completion date due, in part, to a land dispute between CSTC-A and the U.S. Drug Enforcement Administration. CSTC-A's project costs increased for three of the four projects; however, these cost increases were attributable to USACE-initiated scope changes. Table 2 shows the status of schedule and cost for JRAC's four projects.

Table 2: JRAC Project Completion Dates and Award Amounts

Project	Original Completion Date	Scheduled /Actual Completion Date	Original Award Amount	Current Award Amount	Percentage Complete[a]
RLC	Sept. 3, 2007	Oct. 22, 2009 (act.)[b]	$5.4 million	$6.4 million[c]	97
ANCOP	Nov. 16, 2009	June 30, 2010 (act.)	$15.2 million	$15.6 million[d]	99
UP	Aug. 16, 2009	Mar. 28, 2010 (act.)	$10.2 million	$10.2 million	100
BP	July 29, 2009	July 15, 2010[f]	$13.7 million	$13.7 million[e]	82

Source: SIGAR analysis of contract and task order modifications, notices to proceed, and Resident Management System Reports dated March 8, 2010, and May 17, 2010.

Notes:
[a] Percentages are as of May 17, 2010.
[b] Project completed 2 months before an extended completion date of December 3, 2009.
[c] Original award amount increased by $1 million to provide additional life support services, de-mining and topography services at a new construction site, and expected costs to cover a request for equitable adjustment filed by the prime contractor for costs associated with a change in construction sites.
[d] Original award amount increased by $421,000 to add security perimeter lighting and changes related to site drainage and sewage.
[e] Original award amount increased by $12,000 to add a road to the project.
[f] All four JRAC projects are planned for transfer to Afghan authorities by the end of July 2010.

RLC Project Costs Increased Due to Site Re-Location

According to USACE records, the project was completed in October 2009 or over 2 years after the original completion date. The total projected cost to CSTC-A was $6.4 million or nearly $1 million higher than the original contract amount of $5.4 million because of a land dispute that led to the project's re-location to JRAC. This re-location led to associated scope changes initiated by AED-South and a request for equitable adjustment filed by the prime contractor. According to an AED-South document, as of May 17, 2010, the project was 99 percent complete and AED-South had made payments of more than $5.5 million toward the total cost of the contract.

This competitively bid firm-fixed price contract was awarded May 27, 2006, to an Afghan construction firm (Farham Construction) on a lowest-price basis with a notice-to-proceed date of June 10, 2006, and an original scheduled completion date of September 3, 2007. Work initially started in 2006 at a site

located near the Kandahar Airfield; however, a land rights dispute with the U.S. Drug Enforcement Administration led to RLC's addition to JRAC in July 2008.[12]

AED-South issued five contract modifications after May 2006 that raised total construction costs to CSTC-A by more than $279,000. The modifications provided additional contractor housing at the outset of the contract and adjusted the original scope of work to accommodate the re-location of the RLC project to the JRAC site. In addition to these costs, the prime contractor has filed a request for equitable adjustment for more than $665,000 as compensation for additional road work and utility modifications required to adapt the RLC project to the JRAC site. These modifications were in addition to the required modifications identified by USACE as summarized in table 3. CSTC-A and USACE officials noted that the contractor's request has been approved and should be paid once funds have been located.

Table 3: Modifications to Contract W917PM-06-C-0007

Modification	Date Signed	Purpose	Cost/Schedule Change
P0001	Aug. 22, 2006	Provide additional life support housing	Costs increased by more than $175,000
P0002	May 3, 2007	Change to appropriations data description	No change
P0003	Jan. 8, 2008	Change to incorporate a Defense Federal Acquisition Regulation provision	No change
P0004	July 16, 2008	Lift suspension of work caused by land rights issue, extend completion date, and increase number of required parts	Costs increased by over $10,000 and extended the scheduled completion date to Dec. 12, 2009
P0005	July 24, 2008	Demine and provide topography services at the JRAC site	Costs increased nearly $94,000

Source: SIGAR analysis of contract, modifications, notices to proceed, and Resident Management System reports.

Based on the criteria described in the contract's statement of work and related technical specifications, we made a visual inspection of the scope and completeness of site preparation and grading; the road network, parking, and street lighting; water systems; sanitary systems; power station; general purpose warehouse; vehicle maintenance building; vehicle refueling station; small arms maintenance building;

[12] Details on the nature and scope of the RLC land dispute case were not available because the case dates back to 2006 and the staff involved have left Afghanistan; the contract files we reviewed did not address the matter. USACE officials noted that the dispute was likely caused by confusion over whether CSTC-A or USACE was responsible for determining land rights before beginning construction. USACE officials noted that responsibility for determining land rights was resolved in November 2009 when U.S. Forces-Afghanistan issued a Fragmentary Order that made USACE responsible for verifying/confirming with the Afghan Ministry of Interior that appropriate land rights are obtained prior to initiating construction activities.

and ammunition supply point. We found no indications of poor construction or non-conformance with the statement of work and related technical specifications. Photos 1 and 2 provide examples of completed RLC construction.

Photo 1: Interior View of the RLC Warehouse

Source: SIGAR, November 5, 2009.

Photo 2: RLC Kitchen Stove and Exhaust Fan

Source: SIGAR, November 5, 2009.

ANCOP Project Is Behind Schedule

According to USACE officials, the ANCOP project was completed on June 30, or over 7 months past its original completion date at a total cost to CSTC-A of $15.6 million—nearly $421,000 higher than the original task order amount due to work scope changes initiated by AED-South. This competitively bid task order was awarded on April 27, 2008, to a Turkish construction firm (Metag Construction) on a lowest-price basis with a notice-to-proceed date of May 25, 2008, and an original completion date of November 16, 2009. According to an AED-South document, as of May 17, 2010, AED-South had made payments of more than $15.4 million toward the cost of the task order.

The project's original contract price was $15.2 million. AED-South issued three task order modifications that raised total construction costs by nearly $421,000 to pay for additional work outside the scope of the original task order and moved the completion date to March 1, 2010. Table 4 shows the modifications to the task order.

Table 4: Modifications to Task Order W917PM-07-D-0017 0001

Modification	Date Signed	Purpose	Cost/Schedule Change
1A	June 25, 2009	Road and perimeter wall modifications	No change
02	Nov. 9, 2009	Add security perimeter lighting	Costs increased by nearly $337,000
P00003	Jan. 3, 2010	Change site drainage and sewage	Costs increased by $84,000 and completion date extended to Mar. 1, 2010

Source: SIGAR analysis of contract, modifications, notices to proceed, and Resident Management System reports.

Based on the criteria described in the contract's statement of work and related technical specifications, we made a visual inspection of the site's preparation, water system, sewer treatment plant, electric power plant, fuel tanks, electric distribution system, trash point, and road network and parking. We found no indications of poor construction or non-conformance with the statement of work and related technical specifications. Photo 3 shows a completed ANCOP barracks; photo 4 shows the power plant generators installed to support the ANCOP, UP, and BP projects.

Photo 3: Completed ANCOP Barracks

Source: SIGAR, November 5, 2009.

Photo 4: ANCOP Power Plant Generators

Source: SIGAR, November 5, 2009.

UP Project Completed Behind Schedule

According to USACE officials, the UP project was completed on March 28, 2010, or 7 months after the original completion date at a total cost to CSTC-A of $10.2 million. This competitively bid task order was awarded on June 5, 2008, to a Turkish construction firm (Metag Construction) on a lowest-cost basis with a notice to proceed date of August 21, 2008, and an original completion date of August 16, 2009. According to an AED-South document, as of May 17, 2010, the project was 100 percent complete and AED-South had made payments of more than $10.1 million toward the total cost of the task order.

AED-South issued two contract modifications that moved the scheduled completion date to March 1, 2010, but did not change the contract price. A task order modification was not filed to extend the construction completion date to March 28. Table 5 summarizes the modifications to the task order.

Table 5: Modifications to Task Order W917PM-07-D-0017 0003

Modification	Date Signed	Purpose	Cost/Schedule Change
1A	Aug. 18, 2009	Change construction completion date	Scheduled completion date changed to Nov. 16, 2009
2A	Feb. 7, 2010	Change construction completion date	Scheduled completion date changed to Mar. 1, 2010

Source: SIGAR analysis of contract, modifications, notices to proceed, and Resident Management System reports.

Using the criteria described in the contract's statement of work and related technical specifications, we made a visual inspection of the booster pump house, sanitary system, electrical distribution system, re-fueling point and fuel storage areas, dining facility and trash point, road network and parking, barracks and shower/toilet facility/laundry room, small arms maintenance facility, and ammunitions supply point. We found no indications of poor construction or non-conformance with the statement of work and related technical specifications. Photos 5 and 6 provide examples of completed construction.

Photo 5: UP Dining Facility

Source: SIGAR, November 5, 2009.

Photo 6: UP Administrative Buildings

Source: SIGAR, November 5, 2009.

BP Project Is Behind Schedule

According to USACE officials, the BP should be completed by July 26, 2010, or almost 1 year past the original completion date. The total cost to CSTC-A for the project is $13.7 million, $12,000 higher than the original task order due to work scope changes initiated by AED-South. This competitively bid task order was awarded on May 29, 2008, to a U.S. construction firm (ICC International) on a lowest-cost basis with a notice-to-proceed date of August 3, 2008, and an original completion date of July 29, 2009. According to an AED-South document, as of May 17, 2010, the project was 82 percent complete and AED-South had made payments of more than $11.7 million toward the total cost of the contract.

AED-South issued four contract modifications that raised total construction costs by $12,000 to pay for additional work beyond the scope of the original task order and moved the scheduled completion date to July 15, 2010. Table 6 summarizes the modifications to the contract.

Table 6: Modifications to Task Order W917PM-07-D-0015 0006

Modification	Date Signed	Purpose	Cost/Schedule Change
1A	Feb. 18, 2009	Add additional road	Costs increased by $12,000
2A	Oct. 9, 2009	Change construction completion date	Completion date changed to Nov. 16, 2009
3	Jan. 24, 2010	Change construction completion date	Completion date changed to Mar. 1, 2010
1E	April 14, 2010	Change in construction completion date	Completion date changed to July 15, 2010

Source: SIGAR analysis of contract, modifications, notices to proceed, and Resident Management System reports.

Compared with other JRAC projects, the BP project was further behind due, in part, to problems getting construction materials through Afghan customs that were not experienced by AED-South's other contractors. For example, AED-South officials stated that pre-fabricated building components were held at the Pakistan border for 17 weeks due to the contractor's unwillingness to pay bribes to Afghanistan customs officials. USACE officials noted that they typically respond to such cases by appealing to both CSTC-A and the U.S. Embassy in the hope that pressure from these sources will resolve the issue. As a result of these and other delays, the BP project was not as far along as the other projects at the time of our inspection. Based on the criteria described in the contract's statement of work and related technical specifications, we made a visual inspection of the partially completed buildings. We found no indications of poor construction or non-conformance with the statement of work and related technical specifications. Photo 7 shows construction progress at a BP barracks.

Photo 7: Construction Outside BP Barracks

Source: SIGAR, November 5, 2009.

A MASTER PLAN WAS NOT PREPARED AND PROJECT OVERSIGHT DID NOT COMPLY WITH USACE STANDARDS

A master plan to integrate the four JRAC projects into a joint compound with shared power, water, and sewer systems, or a common approach to meeting heating and cooling needs, was not developed.[13] In the absence of such a plan, JRAC had some redundant power, water, and sewer systems; various heating and cooling systems; and other construction issues. Although we found no visible construction deficiencies, ineffective project oversight raises the risk that non-visible problems could exist. Although project-specific quality assurance and quality control plans were developed, we found numerous deficiencies with AED-South's quality assurance reports and a general lack of documentation regarding required quality assurance and control testing and three-phase inspections.[14] AED-South and AED-North officials noted that these oversight deficiencies occurred during a time when staff resources in

[13] As noted earlier, a facility-level analysis of JRAC's operational requirements along with a detailed site plan were prepared by a CSTC-A contractor in October 2007 and updated through February 28, 2010. This analysis, however, did not include a master plan that integrated the operations of four projects.

[14] The three-phase (preparatory, initial, and final) inspection process provides a means for ensuring that all construction activities, including those involving subcontractors, suppliers, and testing laboratories, comply with the latest applicable contract drawings, specifications, certified or approved submittals, and authorized changes to the contract.

AED-South were particularly short and a hand-off of project oversight responsibilities occurred between AED-North and AED-South.[15]

A Master Plan to Integrate the Four Projects Was Not Developed

A master plan for a compound such as JRAC should include a comprehensive review of all four projects, including the identification of possible efficiencies to be gained from project interdependence. These efficiencies would include shared infrastructure such as water, sanitation, and power that benefit from "economies of scale." Planning would also identify the advantages of similar construction types and building systems that would simplify operations and maintenance and provide lower life-cycle costs for the facilities.

Due to the lack of a master plan, the RLC project was built with its own water, sanitation, and power systems.[16] In addition, the compound includes multiple heating and cooling systems that are more difficult to maintain and stock with replacement parts. For example, the RLC has unit heaters; ANCOP has an evaporative cooling system; and UP will use wood burning stoves, ceiling fans, and self-contained heating and cooling systems in various locations. The BP project is scheduled to have ceiling fans, unit heaters, self-contained heating and cooling systems, and a forced-air, evaporative cooling system in its dining facility. Finally, we noted that BP's armory is adjacent to an ANCOP barracks.[17] AED-South officials noted that a blast wall would need to be constructed to correct this oversight.

Quality Assurance and Quality Control Oversight Deficient in Several Respects

The implementation of USACE's key quality assurance and quality control oversight requirements were not properly documented, raising concerns that these steps were not adequately performed or were not performed at all. AED-South and AED-North officials noted that these documentation and oversight deficiencies occurred during a period of inadequate staffing levels and the creation of a new district-level office.

USACE's quality assurance system centers on the district-level quality assurance plan (DLQAP) for construction that each of the Corps' district offices prepares using a common model. AED-South issued its DLQAP on August 3, 2009, to mark its creation as a separate district office. Prior to the creation of AED-South, the plan developed by USACE's district office in Kabul was in effect. Key oversight requirements described in these plans include the need for (1) supplemental quality assurance and quality control plans for each construction project prepared by USACE and contractor staff,

[15] AED-South was established as a separate district on August 3, 2009, in response to a growing workload that AED headquarters in Kabul could not manage alone. This likely slowed construction progress because certain oversight responsibilities and program files had to be transferred from AED-North to AED-South. AED-South staffing in August 2009 was about 40 individuals compared with an authorized staffing of 299. Currently, AED-South has approximately 235 staff, and USACE officials noted that contract management and oversight has improved as a result.

[16] The ANCOP task order, however, required that this project provide for a common power, water, and sewer system to support the UP and BP projects.

[17] Generally, an armory is a building where arms and military equipment is stored.

respectively;[18] (2) quality assurance and quality control reports that are typically prepared on a daily basis by USACE and contractor staff; (3) quality assurance and quality control testing; and (4) three-phase inspections conducted by contractor staff and overseen by USACE quality assurance staff to ensure that each project's definable features of work (DFOW)[19] meet all statement-of-work and technical requirements.[20] Quality assurance reports, quality control reports, and USACE's Resident Management System database provide the key means for determining whether planned oversight actions, as detailed in the supplemental quality assurance plans and quality control plans, were actually carried out.

Supplemental Quality Assurance Plans Met Requirements but Did Not Provide Testing Details

The DLQAP notes that a unique quality assurance plan must be developed for every construction project. These plans serve as "supplements" to the DLQAP and are referred to as supplemental quality assurance plans. These plans should include information on (1) quality assurance staffing, (2) DFOWs, (3) milestone dates for the project , and (4) quality assurance surveillance responsibilities and quality assurance testing to include type and frequency. We reviewed the supplemental quality assurance plans for each JRAC project and found that they met all DLQAP requirements with the exception that they did not include details on the number and nature of planned quality assurance tests needed to ensure that the contractor's quality control testing was accurate and reliable. In the absence of testing plans, AED-South lacked reasonable assurance that contractor-conducted quality control tests were adequate.

Quality Control Plans Generally Adhered to Standards

We reviewed the quality control plan developed for each JRAC project and found that they generally adhered to DLQAP standards. These plans should describe how the contractor will implement a quality control system to guide construction activities throughout the life of the project. Their main purpose is to ensure all construction activities comply with the requirements of the scope of work and technical specifications. The DLQAP says that the USACE resident office must review and approve the quality control plan before construction work is initiated. The plan should include (1) the contractor's quality control organization, (2) personnel listing, (3) details on the submittal process, (4) testing plan, (5) three-phase inspection plan, (6) details on the construction and design deficiencies tracking system, (7) reporting procedures, and (8) a list of DFOWs.

[18] The purpose of a quality assurance system and plans is to verify the effectiveness and accuracy of the contractor's control over the quality of work required by the contract. The project engineer has the responsibility for proper implementation of the quality assurance program, which ensures that the quality control system is effectively serving this purpose.

[19] A DFOW is a task that is separate and distinct from other tasks and has separate control requirements. For example, concrete slabs would require separate tasks for formwork, reinforcement, embedded items, placement, finishing, and curing.

[20] Other elements of USACE's quality assurance system include contractor work order submittals, contractor invoice submissions, payment requests based on percentage of work completed, contractor performance assessments, and a "lessons learned" tracking system.

Quality Assurance Reports Were Perfunctory and Lacked Detail

In our review of the quality assurance reports prepared for the RLC, ANCOP, UP, and BP projects (for the 8 weeks from April 15, 2009, to June 15, 2009),[21] only about 10 percent of these required data fields were addressed, on average. As described in the DLQAP, USACE quality assurance representatives should visit the construction sites as often as practical. Each visit must be documented with a quality assurance report following a prescribed "checklist" format to ensure that a series of data fields are addressed even if the answer is "not applicable." Key data fields that should be addressed include the contractor's quality control activities, developments that may lead to a change order, disagreements with the quality control report, progress of work and the cause/extent of delays, results of quality assurance inspections and testing, and Quality Assurance Representative comments relating to specific DFOWs.

Quality Control Reports Were Incomplete or Not Detailed

Compared with the quality assurance reports we reviewed, the quality control reports for all four JRAC projects for the same 8-week period addressed substantially more required data fields. We found that, on average, 60 percent of the required data fields (such as work performed each day, quality control tests performed and results, and three-phase inspection activities conducted) were completed or were listed as "not applicable." This does not suggest, however, that completed fields always included accurate information. For example, we noted that even basic information such as the recorded temperature was not always consistent for quality assurance and quality control reports filed for the same day.

Evidence of Quality Assurance and Control Testing Was Lacking

AED-South failed to adequately document the extent, nature, and results of required quality assurance and quality control tests conducted for each of JRAC's four projects. We found no specific references in quality assurance reports that any quality assurance testing had taken place during the 8-week period we reviewed.[22] Furthermore, we found that AED-South did not systematically capture information on quality assurance tests; therefore, the option to review a related Resident Management System report did not exist.

We found no specific references to quality control tests in the quality control reports filed for the 8-week period we reviewed. Additionally, we received updated Resident Management System listings of quality control tests conducted for each JRAC project; however, these March 9, 2010, data reports showed quality control tests as "awaiting results," or "not performed," or "quality assurance verification pending." These reports also showed that the recorded number of quality control tests varied widely among projects. For example, RLC recorded 44 quality control tests, ANCOP recorded 14, UP recorded 3, and BP recorded 193.

[21] We selected this time period because it was the mid-point of JRAC construction activities.

[22] We reviewed (1) a sample of quality assurance reports, (2) a sample of quality control reports, and (3) Resident Management System reports, current through March 9, 2010.

Documentation of Three-Phase Inspections Lacking

AED-South did not document its three-phase inspections as required by the DLQAP. As described in the DLQAP, the three-phase system provides a means for ensuring that all construction activities, including those involving subcontractors, suppliers, and testing laboratories, comply with the latest applicable contract drawings, specifications, certified or approved submittals, as well as authorized changes to the contract. Table 7 provides a summary of each step in the three-phase inspection process.

Table 7: Description of the Three-Phase Inspection Process

Phase	Description
Preparatory	This phase is performed before beginning work on each feature of work. It includes a review of contract requirements to ensure materials, sample panels, and equipment conform to contract requirements, and so control testing, including procedures, is finalized. This phase also includes an examination of the new work area to verify that already completed work conforms to contract requirements and that all required materials are already approved, on hand, and properly stored. The Quality Assurance Representative should be notified at least 48 hours in advance of each preparatory activity. Preparatory inspections should be documented in the daily quality assurance report.
Initial	This phase is performed at the beginning of each DFOW, once a representative sample of work is completed. The initial phase provides a check of preliminary work to ensure compliance with contract requirements. The initial phase should be repeated for each new crew working on-site, or for any item that does not meet acceptable specified quality standards. The Quality Assurance Representative should be notified at least 48 hours in advance of each initial activity.
Follow-up	This phase is performed continuously, until the activity is completed, to verify that control procedures provide a product in compliance with contract requirements. Adjustments to procedures may be required based on the findings and testing. The Quality Assurance Representative will perform spot checks and enter the results into quality assurance reports.

Source: District Level Quality Assurance Plan, AED-South.

As described in table 8, we found no documented evidence of a preparatory inspection for at least 80 percent of the DFOWs we reviewed. With regard to initial inspections, we found no documented evidence that an inspection had been conducted for at least 95 percent of all DFOW's. We did not analyze the third phase of the inspection process because DLQAP guidance notes that this phase should be continuous and documented in quality assurance and quality control reports over long periods of time. However, we noted that RMS data updated through March 9, 2010, showed the "number of final follow-ups held" as zero for all DFOWs for all JRAC projects.

Table 8: Documented Preparatory and Initial Inspections

Project (Number of DFOWs)	Documented Preparatory Inspections		Documented Initial Inspections	
	Number of Inspections	Percentage of DFOWs	Number of Inspections	Percentage of DFOWs
RLC (61)	12	20	2	3
ANCOP (77)	7	9	4	5
UP (75)	0	0	0	0
BP (120)	20	17	5	4

Source: SIGAR analysis of AED-South paper records and reports from the Resident Manager System.

JRAC IS NOT SUSTAINABLE WITHOUT CONTINUED U.S. ASSISTANCE

CSTC-A officials stated that the government of Afghanistan does not have the financial or technical capacity to sustain Afghanistan National Security Forces facilities once they are completed. According to the AED program manager for operations and maintenance, two new operations and maintenance contracts for ANSF facilities will be awarded by July 29, 2010. These contracts will cover ANA and ANP facilities in northern and southern Afghanistan for up to $450 million and $350 million, respectively. According to the program manager, these contracts will be for 1 base year plus 4 optional years. These indefinite delivery/indefinite quantity contracts will have task orders for operations and maintenance activities written against the contracts at specific locations. According to the program manager for operations and maintenance, a total of 663 ANSF sites will be covered over the life of these contracts. For those sites that are not completed, they will be added to the contract with task orders as warranted.

According to the AED official program manager for operations and maintenance, the new contracts will require a training program for Afghan workers in all aspects of operations and maintenance. The program will be expanded with each additional year to include all regions in Afghanistan. According to the program manager, CSTC-A plans to transfer responsibility for all operations and maintenance for the ANSF facilities to the government of Afghanistan by 2013. The contractor will train Afghans to support these functions. The Ministry of Defense will begin taking responsibility in selected locations beginning in 2010 with all locations phased in over time. The additional option years for the contracts are included if all of the ANSF facilities are not turned over by 2013.

A key development that will influence the ability of ANP personnel to provide operations and maintenance support without U.S. assistance is the country-wide move toward "austere" construction standards for ANSF facilities as embodied in an August 16, 2009, memorandum issued by CSTC-A.[23] Examples of austere standards in the memo include plain concrete floors instead of tiled floors, metal trusses and metal covering for roofs instead of structural steel trusses, surface-mounted interior

[23] JRAC construction was initiated before the standards were issued; however, efforts were made to incorporate the standards into on-going construction.

electrical wiring to increase ease of access for repairs and upgrades, surface-mounted interior plumbing to increase ease of access, dedicated areas for hand-washing laundry with clothes lines for drying, and the use of ceiling fans and electrical heaters.

According to CSTC-A, these standards are an attempt to provide uniform guidance to help ensure the long-term sustainability of U.S.-funded construction in Afghanistan. However, our analysis of related documents and recommendations by AED-South staff indicated that current guidance could be improved by including further details on heating and cooling options and other decisions relating to electrical and plumbing fixtures. For example,

- Current guidance suggests that ceiling fans and electrical heaters should be used in enlisted soldiers barracks while combination heating/cooling units (commonly described as "split-packs") should be used for flag officer and visiting officer quarters. The memo is silent or ambigious in regard to standard heating and cooling solutions for special cases such as dining facilities, communication units with sensitive equipment, and hospitals and clinics that may have unique requirements.

- Current guidance does not address other refinements such as whether fire-heated stoves are an approriate alternative, whether baseboard heating is more efficient than stand-alone electrical heaters, or whether ceiling fans provide sufficient cooling given regional variations in weather.[24]

- Current guidance also does not address a number of issues relating to the use of fixtures such as:
    - Trough-style, metal wash basins rather than individual porcelain sinks.
    - Positive-stop faucets with non-moveable neck or rubber hose necks as opposed to moveable- neck type faucets.
    - Externally mounted, solid-tube, short shower heads instead of flexible-neck systems that can be easily torn off.
    - Chain and spring door closers instead of pneumatic door closers.
    - Elimination of window screens or the use of hinged or magnetic attachment screens to prevent cutting of screens to throw out garbage or run television cables to antennas.
    - Improved and sturdier mounting of light fixtures to prevent abuse by Afghan police who may hang items from them.

[24] For example, summer tempartures in Kandahar can exceed 120 degrees Fahrenheit while summer highs in Kabul are generally 30 degrees lower.

CONCLUSION

All four JRAC projects experienced delays. More important, however, was the lack of a master plan for the compound, which contributed to redundant life support systems, different heating and cooling solutions that will be more difficult to operate and maintain than a common system, and the construction of an armory opposite a police barracks raising significant safety concerns if the building is used for its intended purpose. Further, lax enforcement and documentation of key USACE quality assurance and quality control requirements raise the risk that non-visible construction problems could exist that may decrease the useful life of the project, increase long-term operations and maintenance costs, and possibly compromise occupant safety.

With regard to future operations and maintenance costs, the United States has already committed to pay an estimated $800 million to support all ANSF facilities over the next 5 years. These support contracts include provisions for training Afghans to take over these responsibilities by 2013. The adoption of more austere building standards would reduce operations and maintenance costs and improve the chances that the Afghans will be able to assume full responsibility for operations and maintenance sometime in the near future. CSTC-A's current guidance on austere standards represents an excellent start, but is incomplete and could be improved.

RECOMMENDATIONS

We are making three recommendations to enhance compliance with USACE's quality assurance and control procedures and increase the likelihood that the Afghans will be able to sustain the facilities without assistance from the United States.

To help ensure that contractors deliver current and future construction projects in compliance with all contract specifications, we recommend that the Commanding General, USACE:

(1) direct AED-South to ensure that future projects adhere to USACE's established quality assurance and quality control procedures.

To reduce operations and maintenance costs and improve the long-term sustainability of U.S.-funded ANSF projects in Afghanistan, we recommend that the Commanding General, CSTC-A, in consultation with AED-South, AED-North, and other applicable implementing partners:

(2) review and update current guidance on austere construction standards to include more detailed guidance regarding heating and cooling options for various types of facilities, with the option to allow for appropriate regional differences.

Based on our review of CSTC-A's austere construction guidance, we further recommend that the Commanding General, CSTC-A:

(3) include additional guidance regarding appropriate electrical, plumbing, and other fixtures for facilities.

COMMENTS

CSTC-A and USACE provided written comments on a draft of this report. These comments are reproduced in appendices II and III, respectively. CSTC-A concurred with our two report recommendations related to updating existing guidance on austere construction standards in Afghanistan. USACE concurred with our recommendation that greater focus be placed on adhering to established USACE quality assurance and quality control procedures. CSTC-A and USACE also provided technical comments, which we incorporated into the report as appropriate.

Both CSTC-A and USACE commented on our observations on the construction of an armory next to a barracks. CSTC-A indicated that the armory was constructed for "securing weapons and not ammunition," implying no safety concern. In contrast, USACE stated that they identified this concern prior to our site inspection and that discussions are on-going with CSTC-A regarding the option of installing 20-foot high concrete ("Alaskan type") barriers between the two areas. We note that this matter needs to be resolved soon because AED-South officials said the facilities will be transferred to Afghan authorities by the end of July 2010.

APPENDIX I: SCOPE AND METHODOLOGY

This report provides the results of the Office of the Special Inspector General for Afghanistan Reconstruction's review of a contract and three task orders funded by the Combined Security Transition Command-Afghanistan (CSTC-A) and implemented by the U.S. Army Corps of Engineers (USACE) to complete four co-located projects collectively referred to as the Joint Regional Afghanistan National Security Forces Compound (JRAC). This report addresses (1) whether JRAC was constructed within the terms of the contract, including schedule and cost; (2) whether USACE oversight of construction was conducted in accordance with the Federal Acquisition Regulation (FAR), USACE requirements, and oversight provisions of the contract; and (3) what plans are in place to sustain these facilities once they are turned over to the Afghan government.

To examine project outcomes, including schedule and cost, we met with officials from CSTC-A and the Afghanistan Engineer District (AED)-South and AED-North. We reviewed the final contract and task order award documents including statements of work, notices to proceed, and modifications. We conducted a site inspection of JRAC on November 5, 2009 and follow-up fieldwork in Kandahar in March 2010, including a drive through review of construction progress. We used computer-processed data from the U.S. Army Corps of Engineers' Resident Management System to determine the progress and payments made to date for each contract we reviewed. In addition, the Resident Management System provided information on issues and challenges for each contract. We verified information in the system with hard-copy contract files.

To examine the contracting process, project oversight, and relevant internal controls, we met with officials from CSTC-A, AED-South, and AED-North. We reviewed criteria and guidance in the FAR and the AED-South District Level Quality Assurance Plan (DLQAP) for construction, dated August 3, 2009, to determine if the contracting process and oversight of the contract met requirements. This August 2009 guidance replicates the district-level plan in place when USACE had only one district office in Afghanistan. Additionally, we reviewed the AED guidance to determine the roles and responsibilities for AED personnel. For each JRAC project, we reviewed the quality assurance and quality control plans and compared them to DLQAP guidance for compliance with USACE standards. We reviewed related quality assurance and quality control reports for an 8-week period (April 15 through June 15, 2009) for adherence with standards. We selected this time period because it approximates the mid-point in JRAC construction activities. Our reviews of quality assurance/quality control plans and quality assurance/quality control reports were performed independently by two SIGAR engineers who discussed and reconciled any assessment differences. Finally, we reviewed whether three-phase inspections were conducted for each definable feature of work listed for each project.

To examine U.S. government efforts to transfer the project to the government of Afghanistan and provide for its sustainment, we met with officials from CSTC-A, AED-North, and AED-South to determine what sustainment plans the government of Afghanistan has in place and updated information provided in earlier SIGAR reports relating to operations and maintenance contracts for Afghanistan National Security Forces throughout the country.

This report is one in a series of SIGAR performance audits focused on reconstruction contract outcomes, costs, and oversight. We conducted work in Kabul and Kandahar, Afghanistan, from October 2009 to July 2010 in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a

reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit was conducted by the Office of the Special Inspector General for Afghanistan Reconstruction under the authority of Public Law No. 110-181, and the Inspector General Act of 1978, as amended.

APPENDIX II: COMMENTS FROM THE COMBINED SECURITY TRANSITION COMMAND-AFGHANISTAN

HEADQUARTERS
NATO TRAINING MISSION - AFGHANISTAN
COMBINED SECURITY TRANSITION COMMAND - AFGHANISTAN
KABUL AFGHANISTAN
APO AE 09356

REPLY TO
ATTENTION OF

NTM-A/CSTC-A-CJIG 09 July 2010

MEMORANDUM FOR MEMORANDUM THRU

United States Forces - Afghanistan (CJIG), APO AE 09356
United States Central Command (CCIG), MacDill AFB, FL 33621

FOR Office of the Special Inspector General for Afghanistan Reconstruction, 400 Army Navy Drive, Arlington, VA 22202

SUBJECT: NTM-A/CSTC-A Response to the Draft Report "ANP Compound at Kandahar Generally Met Contract Terms But Has Project Planning, Oversight and Sustainability Issues" (SIGAR Audit 10-12, Contract Performance and Oversight)

1. Reference: Draft Report, dated X July 2010, Special Inspector General for Afghanistan Reconstruction (SIGAR), subject as above.

2. The purpose of this memorandum is to concur with the SIGAR's draft report with comments.

3. Point of contact for this action is Mr James Minic, IG Senior Auditor at DSN (318) 237-1553, email: james.p.minic@afghan.swa.army.mil.

Encl
As

JEFFREY L. KENT
COL, SF, USA
Senior ANSF IG Advisor/Command IG

DRAFT REPORT - SIGAR 10-12
"ANP Compound at Kandahar Generally Met Contract Terms But Has Project Planning, Oversight, and Sustainability Issues" (SIGAR Audit No. 008A)

NTM-A/CSTC-A
GENERAL COMMENTS ON THE REPORT

1. Page i. Should read:

Lieutenant General John R. Allen, Acting Commander, US Central Command

General David Petraeus, Commander, U.S. Forces-Afghanistan, and Commander International Security Assistance Force.

2. Page ii. Section "What SIGAR Found". The report states:

"SIGAR's inspection of completed work revealed no apparent construction."

NTM-A/CSTC-A Comment: This statement is confusing in the context of the report, because each of the four compounds with the Joint Regional Afghan National Security Forces Compound (JRAC) shows significant construction as shown on the aerial map on Page 3. Recommend expanding the sentence to better convey meaning. As written, the sentence can be taken to mean you found an empty lot or that the construction was complete and the buildings were ready for occupancy.

3. Page ii, Section "What SIGAR Found". The report states:

"In addition, an armory for one project was constructed adjacent to a barracks for another project."

NTM-A/CSTC-A Comment: The issue was raised initially by AED-S to SIGAR and CSTC-A CJ-ENGINEER (CJ-EN). Although we cannot guarantee how the Afghan's use the facility in question, the building was constructed as an armory for securing weapons and not ammunition. Advisors to the Afghan National Police are reinforcing the appropriate use of the facility.

4. Page 8, Section "ANCOP Project Behind Schedule" the Report states:

"as of the date of the report, a task order modification has not been filed to address this extension."

NTM-A/CSTC-A Comment: The ANCOP Task Order Modification has been filed as of 03JAN10.

DRAFT REPORT - SIGAR 10-12
"ANP Compound at Kandahar Generally Met Contract Terms But Has Project Planning, Oversight, and Sustainability Issues" (SIGAR Audit No. 008A)

NTM-A/CSTC-A
GENERAL COMMENTS ON THE REPORT

5. Page 12, Section "BP Project Behind Schedule" the Report states:

"As of the date of this report, a task order modification has not been filed to extend the construction completion date to July 15, 2010."

NTM-A/CSTC-A Comment: The BP Task Order Modification has been filed as of 15APR10.

6. Page 12. Section "BP Project Behind Schedule" the Report states:

"the BP project was further behind due, in part, to problems getting construction materials through Afghan customs that were not experienced by AED-South's other contractors. For example, AED-South officials stated the pre-fabricated building components were held at the Pakistan border for 17 weeks due to the contractor's unwillingness to pay bribes to Afghan customs officials."

NTM-A/CSTC-A Comment: This is a "good news story" related to anti-corruption efforts and is an example the contractor refused to pay bribes.

7. Page 14. Section "A Master Plan to Integrate the Four Projects was not Developed" the Report states:

"Despite inquiries, we could not determine what the armory will be used for or where the Afghan Border Police will store its weapons and ammunition."

NTM-A/CSTC-A Comment: The issue was raised initially by AED-S to SIGAR and CJ-EN. Although we cannot guarantee how the Afghan's use the facility in question, the building was constructed as an armory for securing weapons and not ammunition.

8. Page 17. Section "Quality Assurance and Quality Control Oversight Deficient in Several Respects" the Report states:

"We found no specific reference to quality control tests (for) the quality control reports filed for the 8-week period reviewed."

NTM-A/CSTC-A Comment: Inspections and oversight were performed and as indicated in the report, the site is well constructed. The pace of operations and the environment dictated that documentation held a lower priority to physical oversight and everyday construction site demands. Documentation will be caught up as time and resources allow.

9. Page 18, *"We found that no documented evidence of a preparatory inspection for at least 80 percent of the DFOWs we reviewed".*

DRAFT REPORT - SIGAR 10-12
"ANP Compound at Kandahar Generally Met Contract Terms But Has Project Planning, Oversight, and Sustainability Issues" (SIGAR Audit No. 008A)

NTM-A/CSTC-A
GENERAL COMMENTS ON THE REPORT

NTM-A/CSTC-A Comment: Inspections and oversight were performed and as indicated in the report, the site is well constructed. The pace of operations and the environment dictated that documentation held a lower priority to physical oversight and everyday construction site demands. Documentation will be caught up as time and resources allow.

10. Page 22, Section "Recommendations" the Report states:

To reduce operations and maintenance costs and improve the long-term sustainability of U.S.-funded ANSF projects in Afghanistan, we recommend that the Commanding General, CSTC-A, in consultation with AED-South, AED-North, and other applicable implementing partners:

(2) review and update current guidance on austere construction standards to include more detailed guidance regarding heating and cooling options for various types of facilities, with the option of allowing appropriate regional differences."

Based on our review of CSTC-A's austere construction guidance, we further recommend that the Commanding General, CSTC-A:

(3) include additional guidance regarding appropriate electrical, plumbing, and other fixtures for facilities.

NTM-A/CSTC-A Response: NTM-A/CSTC-A concurs with the recommendations and is currently reviewing and revising regional austere construction standards, and will publish guidance accordingly.

APPROVED BY:
JEFFREY L. KENT
COL, USA
Senior ANSF IG Advisor/Command IG

PREPARED BY:
RICHARD A. LOVE JR.
Auditor / Audit Advisor
NTM-A/CSTC-A
(318) 237-1166

Page 3 of 3

APPENDIX III: COMMENTS FROM THE U.S. ARMY CORPS OF ENGINEERS

DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
AFGHANISTAN ENGINEER DISTRICT-SOUTH
APO AE 09356

REPLY TO ATTENTION OF

CETAS-DE

12 July 2010

MEMORANDUM THRU USACE Commanding General, LTG Robert L. Van Antwerp

FOR Office of the Special Inspector General for Afghanistan Reconstruction, 400 Army Navy Drive, Arlington, VA 22202

SUBJECT: U.S. Army Corps of Engineers (USACE) Response to the Draft Report "ANP Compound at Kandahar generally met contract terms but has project planning, oversight and sustainability issues" (SIGAR Audit 10-12, Contract Performance and Oversight)

1. References:

a. Draft Report, dated X July 2010, Special Inspector General for Afghanistan Reconstruction (SIGAR), subject as above.
b. AES Quality Assurance Plan, 3 Aug 2009
c. Austere Standard Memo, dated 16 Aug 2009, CSTC-A, CJ-ENG
d. Contingency Standard Designs Program, SD FY10 Standard Designs – Full Tech Criteria, dated 24 Nov 2009, ARCENT/AED

2. The purpose of this memorandum is to concur in principle but with clarifying comments to the SIGAR's draft report.

3. Point of contact for this action is Denise K. Mason, Chief Internal Review, DSN (312) 265-6630, email denise.k.mason@usace.army.mil.

ANTHONY C. FUNKHOUSER
COL, EN
Commanding

Enclosure 1

SIGAR DRAFT REPORT
SIGAR 10-12
"ANP Compound at Kandahar Generally Met Contract Terms but has Project Planning, Oversight, and Sustainability Issues" (SIGAR Audit No. 008A)

USACE Response to Draft Report

SIGAR RECOMMENDATION:

(1) Direct AED-South to ensure that future projects adhere to USACE's established quality assurance and quality control procedures.

AED-S Response:

AES concurs that there were quality control issues, and lack of documentation entered into Resident Management System (RMS). This was a result of staffing shortfalls with the JRAC project. USACE recognized and took steps to mitigate these issues by standing up a 2nd USACE District in August 2009, Afghanistan Engineer District to provide appropriate oversight of projects in Southern Afghanistan. Immediately upon AES's activation the Quality Assurance Branch (QAB) was stood up and has been developing and refining QA processes and procedures. In addition, as the district has grown there has been a concentrated effort to ensure that all documentation is entered into RMS. The Commander will continue to place command emphasis on improving our RMS program.

USACE General Comment

1. "What SIGAR Found" (U) Page II, Section. The report states:

"In addition, an armory for one project was constructed adjacent to a barracks for another project."

AED-S Response:

The proximity of the armory to the barracks was identified by AES personnel prior to the SIGAR field site visit and efforts were already underway with the ANCOP, the RST and CSTC-A to resolve the issue. The current plan AES is discussing with CSTC-A is the potential for funding the placement of Alaskan type barriers between the two areas. It is currently not an issue because the site has not yet been turned over to the Afghans.

(This report was conducted under the audit project code SIGAR-08I).

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- improve management and accountability over funds administered by U.S. and Afghan agencies and their contractors;
- improve contracting and contract management processes;
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- advance U.S. interests in reconstructing Afghanistan.

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