

# SIGAR

## Special Inspector General for Afghanistan Reconstruction

SIGAR 18-64 Inspection Report

### Afghan National Army's Ground Forces Complex: Construction Generally Met Contract Requirements, but More Than \$400,000 May Have Been Wasted



JULY  
2018

# SIGAR

## Special Inspector General for Afghanistan Reconstruction

### WHAT SIGAR REVIEWED

On February 18, 2012, at the direction of the Combined Security Transition Command–Afghanistan (CSTC-A), the U.S. Army Corps of Engineers (USACE) awarded a \$19.7 million firm-fixed-price contract to Innovative Technical Solutions, Inc. (ITSI), a U.S. company, to design and construct the ground forces complex for the Afghan National Army (ANA). Located at the Kabul International Airport, the complex was expected to house 1,600 ANA personnel coming from the ANA’s Ground Forces Command (GFC), Garrison Support Unit (GSU), and Army Support Command (ASC).

The contract for the ANA ground forces complex initially required ITSI to build 75 facilities and improve 17 pieces of infrastructure, for a total of 92 items, and had a 540-day period of performance extending from March 30, 2012 through September 20, 2013. However, USACE modified the contract 20 times, increasing the contract value by \$99,496 to \$19.8 million and extending the completion dates for the GFC and GSU construction to October 2, 2013, and February 11, 2014, respectively. USACE also de-scoped 37 facilities from the contract.

In March 2014, USACE turned over 24 GFC, GSU, and ASC facilities, and 17 infrastructure improvements to CSTC-A, starting the 1-year warranty period. CSTC-A transferred the facilities and infrastructure improvements to the ANA in the same month.

The objectives of this inspection were to assess whether the ANA ground forces complex (1) was constructed in accordance with contract requirements and applicable construction standards, and (2) is being used and maintained.

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July 2018

### Afghan National Army’s Ground Forces Complex: Construction Generally Met Contract Requirements, but More Than \$400,000 May Have Been Wasted

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#### SIGAR 18-64 INSPECTION REPORT

#### WHAT SIGAR FOUND

SIGAR found that ITSI generally constructed the ANA ground forces complex’s facilities and infrastructure according to the contract requirements and technical specifications. For example, the officers’ barracks provided dormitory style living with shared bedrooms and a common restroom and bath area. In addition, the vehicle maintenance building contained the required office, storage, and tool room space, and a covered one-bay work area to inspect, maintain, and repair all vehicles assigned to the complex.

SIGAR identified four instances of contract non-compliance. Most importantly, USACE authorized ITSI to install non-certified fire doors throughout the complex. The contract required ITSI to install 123 fire-rated doors that had been approved by one of three certifying agencies, such as the Underwriters Laboratories. SIGAR estimated that the cost difference between 123 certified fire-rated doors and local non-certified steel doors to be more than \$406,000. SIGAR could not estimate the costs associated with the three other instances of non-compliance. In commenting on a draft of this report, USACE stated that no action was possible to correct the instances of contract non-compliance or obtain a refund because the warranty period had expired.

SIGAR determined that USACE’s incomplete recordkeeping resulted in it not accepting and transferring 14 constructed facilities until February 2018. USACE accepted and transferred the facilities after SIGAR pointed out, during the course of the inspection, the discrepancy between the number of the facilities required by the contract and the number of facilities that USACE had accepted up to that time. After 20 modifications to the contract, ITSI was ultimately required to construct 58 facilities, but USACE only transferred 41 of those facilities to CSTC-A in March 2014. After SIGAR informed USACE of this, USACE visited the complex in December 2017, and, in January 2018, provided SIGAR with documentation verifying the location and transfer of 14 of the 17 unaccounted for facilities. Of the 3 remaining facilities, USACE confirmed that 2 were de-scoped from the contract and could not confirm the location of a \$26,982 personnel bunker. However, USACE did identify additional bunkers that were not on the site plan. Since bunkers are prefabricated and can be easily re-positioned, SIGAR could not determine whether the missing bunker was among the additional bunkers USACE identified.

In addition, USACE’s incomplete contract files and records did not include test results to allow them to determine whether the concrete and soil throughout the complex met compressive strength and density requirements, respectively. USACE provided SIGAR with only 9 of the 24 required monthly test reports for concrete, soil, and other items, stating that it could not locate the remaining 15 reports. Of the nine monthly test reports, SIGAR only identified a December 2012 report that had detailed information and results of the concrete and soil quality tests taken. The other eight reports had a transmittal page with no comments in the reports. In commenting on a draft of this report, USACE stated that the contracting officer’s representative would ensure that failed

tests are recorded and tracked until the work is completed in accordance with contract requirements, and maintain a copy of the test results in the files. In addition, USACE stated it would ensure that contracting personnel maintain contract documents for a minimum of 6 years after final contract payment as required by the Federal Acquisition Regulation.

SIGAR found that most of the complex's facilities were being used, except for three of the seven guard shacks and all four of the guard towers. ANA Facilities and Engineering Department personnel told SIGAR that the GFC and GSU guard shacks and towers were not being used because they were located in "undesired" areas. SIGAR determined that USACE spent \$251,000 to construct these unused guard shacks and towers. However, SIGAR does not consider this waste because the ANA could start using them if conditions at the complex change.

SIGAR also found maintenance issues within the complex, the most significant involving missing, discharged, and damaged fire extinguishers, and smoke detectors in one of the officers' barracks that were covered with dust and not working. These missing and damaged fire extinguishers and non-working smoke detectors could present a safety hazard in the event of a fire. SIGAR acknowledges that after the construction warranty period expired in March 2015, maintenance of the ANA complex became the responsibility of the Afghan Ministry of Defense and Kabul Garrison Engineering Department.

## WHAT SIGAR RECOMMENDS

SIGAR is not making any recommendations. CSTC-A and USACE provided comments on a draft of this report, which included five recommendations. CSTC-A did not concur with one of the recommendations and partially concurred with another. USACE concurred with the three other recommendations. Based on CSTC-A's and USACE's responses and actions taken, SIGAR closed all five recommendations as implemented and removed them from the final report.



**SIGAR**

Office of the Special Inspector General  
for Afghanistan Reconstruction

July 30, 2018

The Honorable James N. Mattis  
Secretary of Defense

General Joseph L. Votel  
Commander, U.S. Central Command

General John W. Nicholson, Jr.  
Commander, U.S. Forces–Afghanistan and  
Commander, Resolute Support

Lieutenant General Todd T. Semonite  
Commanding General and Chief of Engineers,  
U.S. Army Corps of Engineers

Major General Robin L. Fontes  
Commander, Combined Security Transition Command–Afghanistan

This report provides the results of SIGAR’s inspection of the construction for the Afghan National Army’s (ANA) ground forces complex located at the Kabul International Airport. On February 18, 2012, the U.S. Army Corps of Engineers (USACE) awarded a \$19.7 million firm-fixed-price contract to Innovative Technical Solutions, Inc. (ITSI) to design and construct the complex. The contract initially required ITSI to build 75 facilities and improve 17 pieces of infrastructure—a total of 92 items—to support 1,600 ANA personnel coming from the Ground Forces Command (GFC), Garrison Support Unit (GSU), and the Army Support Command (ASC), and had a 540-day period of performance from March 30, 2012, to September 20, 2013. However, USACE de-scoped 37 buildings and facilities from the contract through a series of modifications. These modifications also increased the contract value to \$19.8 million and extended the completion dates for the GFC and GSU construction to October 2, 2013, and February 11, 2014, respectively. Although we found that ITSI generally constructed the complex in accordance with contract and other requirements, we also noted four instances of contract non-compliance. We estimated that USACE may have wasted \$406,000 in U.S. taxpayer funds on this project by authorizing ITSI to install 123 non-certified steel doors throughout the complex instead of certified fire-rated doors, as required by the contract. We could not estimate the costs associated with the three other instances of non-compliance.

We are not making any recommendations in this report.

We received written comments on a draft of this report from CSTC-A and USACE, which are reproduced in appendices IV and V, respectively. The draft report included five recommendations. CSTC-A did not concur with one of the recommendations and partially concurred with another. USACE concurred with the three other recommendations. Based on CSTC-A’s and USACE’s responses and actions taken, we closed all five recommendations as implemented and removed them from the final report. USACE also provided technical comments, which we incorporated into this report, as appropriate.



**SIGAR**

Office of the Special Inspector General  
for Afghanistan Reconstruction

SIGAR conducted this work under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended; and in accordance with the *Quality Standards for Inspection and Evaluation*, published by the Council of the Inspectors General on Integrity and Efficiency.

John F. Sopko  
Special Inspector General  
for Afghanistan Reconstruction

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## ABBREVIATIONS

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ANA	Afghan National Army
ASC	Army Support Command
CSTC-A	Combined Security Transition Command–Afghanistan
GFC	Ground Forces Command
GSU	Garrison Support Unit
ITSI	Innovative Technical Solutions, Inc.
UL	Underwriters Laboratories
USACE	U.S. Army Corps of Engineers

In September 2011, the Combined Security Transition Command–Afghanistan (CSTC-A) directed the U.S. Army Corps of Engineers (USACE) to construct a ground forces complex for 1,600 Afghan National Army (ANA) personnel coming from the ANA’s Ground Forces Command (GFC), Garrison Support Unit (GSU), and the Army Support Command (ASC).<sup>1</sup> At that time, the ANA’s logistics system was at an emerging state of development, and it was recognized that an intensive effort would be needed to build an independent and sustainable ANA logistics capability. The complex was expected to provide the force with a means to move equipment and parts from the supply depots to the operational commanders more effectively.<sup>2</sup>

On February 18, 2012, USACE awarded a \$19.7 million firm-fixed-price contract to Innovative Technical Solutions Inc. (ITSI), an American company, to design and construct the ANA ground forces complex at the Kabul International Airport.<sup>3</sup> The contract had a 540-day period of performance extending from March 30, 2012, to September 20, 2013. However, USACE modified the contract 20 times. The resulting additions and deletions to the scope of work increased the net contract value by \$99,496.48 to \$19.8 million and extended the completion dates for the GFC and GSU construction to October 2, 2013, and February 11, 2014, respectively.<sup>4</sup>

The contract initially required ITSI to build 75 facilities and improve 17 pieces of infrastructure, for a total of 92 items. For example, the contract required ITSI to construct two administration buildings, a medical clinic, eight barracks, and seven guard shacks. Some of the infrastructure improvements included a stone perimeter wall; a main entry control point; and sanitary sewer collection, site communication, and storm water collection and management systems. However, through 20 contract modifications, USACE de-scoped 37 facilities from the contract, including the two administration buildings, four of the eight barracks, and a small arms storage building.<sup>5</sup> In March 2014, USACE turned over 24 GFC, GSU, and ASU facilities, and 17 infrastructure improvements to CSTC-A. According to CSTC-A officials, the command transferred the facilities and improvements to the ANA in the same month, starting the 1-year warranty period.

The objectives of this inspection were to determine whether the ANA ground forces complex (1) was constructed in accordance with contract requirements and applicable construction standards, and (2) is being used and maintained.

We conducted our work in Washington, D.C., and Kabul, Afghanistan, from September 2015 through July 2018, in accordance with the *Quality Standards for Inspection and Evaluation*, published by the Council of the Inspectors General on Integrity and Efficiency. The engineering assessment was conducted by our professional engineers in accordance with the National Society of Professional Engineers’ *Code of Ethics for Engineers*. Appendix I contains a detailed discussion of our scope and methodology. Appendix II lists the facilities and infrastructure required by the contract, their costs, and the number of items added or removed. Appendix III contains details of inspection test results provided for the initial facilities and infrastructures in quality assurance reports that included the supporting test details.

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<sup>1</sup> The GFC directs the five regional ground forces corps and the 111<sup>th</sup> Capital Division. The ASC is the headquarters logistics organization and directs subordinate ANA regional logistics support commands. GSUs provide installation and life support operations for the ANA brigades in which they are embedded.

<sup>2</sup> Further, in July 2011, CSTC-A began constructing supply depots across the regional commands closer to forward-deployed ANA corps and brigades, allowing supplies to be shipped more effectively to ANA combat troops.

<sup>3</sup> The contract number is W5J9JE-12-C-0053.

<sup>4</sup> USACE terminated most of the ASC portion of the contract for convenience on November 3, 2013.

<sup>5</sup> These modifications added three items to the contract: two generators and one latrine. Appendix II lists the facilities and infrastructure required by the contract, their costs, and the number of items added or removed.

## ITSI GENERALLY CONSTRUCTED THE GROUND FORCES COMPLEX AS REQUIRED, BUT SIGAR IDENTIFIED SEVERAL INSTANCES OF CONTRACT NON-COMPLIANCE AND INCOMPLETE CONTRACT RECORDS

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We made seven site visits to the ANA ground forces complex: a preliminary visit on October 21, 2015, and six visits from December 7 through 25, 2016. In addition, USACE conducted an inspection of the site in December 2017 to assess our preliminary findings and provided us with its photos and results. Based on our site visits and our review of the contract documents and USACE's inspection photos and results, we found that ITSI built most of the complex's facilities and infrastructure according to the contract requirements and technical specifications. For example, we found that the officers' barracks provided dormitory style living with shared bedrooms as well as a common restroom and bath area; the vehicle maintenance building contained the required office, storage, and tool room space, and a covered one-bay work area to inspect, maintain, and repair all vehicles assigned to the complex; and a medical clinic included office facilities and examination and treatment rooms for outpatient and emergency care.

However, we did find several instances of contract non-compliance. One such instance was the use of non-certified fire doors, which could put the safety and health of ANA personnel at risk. Further, USACE paid ITSI for items, such as fire-rated doors, native crushed stone, and piping insulation that the contractor did not install. We estimated that USACE may have wasted \$406,000 on the fire doors. We could not estimate the costs associated with the three other instances of non-compliance. However, during our February 2018 meeting with Department of Defense officials to discuss the results of our inspection, USACE officials stated that the contracting officer had determined that no action was possible to correct the instances of contract non-compliance or obtain a refund for those items because the construction was complete and had been accepted, and the warranty had expired.

### ITSI Did Not Install Certified Fire-Rated Doors, Which Could Result in a Safety Hazard in the Event of a Fire

During our December 2016 site visits, we found that USACE authorized ITSI to install non-certified fire doors throughout the ANA ground forces complex. The contract required ITSI to install 123 fire-rated steel doors and frames that were certified by one of three approved certifying agencies: Underwriters Laboratories (UL), Factory Mutual Engineering and Research, or Warnock Hersey International.<sup>6</sup> Fire-rated doors are designed to protect building occupants from the effects of fire and smoke, and to compartmentalize fires for specified time periods. To ensure that the fire door, frame, hardware, and other assembly components adhere to the specifications needed to withstand fire, one of the three certifying agencies tests them to National Fire Protection Agency standards. Once a manufacturer's product passes the tests, the certifying agency lists the product in its directory of certified fire-rated products. Products that have been certified and listed have a metal label affixed to the product during manufacture with the manufacturer's name, the certifying agency's logo, and the relevant fire-rating information.<sup>7</sup>

The USACE Engineer Regulations require USACE to perform a technical review of all product submittals to ensure that they adhere to contract requirements prior to the contracting officer's representative approving the contractor to purchase and install the product.<sup>8</sup> For the ANA ground forces complex, ITSI gave USACE two submittals requesting approval for fire doors manufactured by Vulcan Industries LLC and Omran Steel Tech. The first submittal included documentation stating that the Vulcan Industries-manufactured fire doors were UL

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<sup>6</sup> See contract technical specifications, Section 08 11 13, *Steel Doors and Frames*, and Subparagraph 3.2, *Fire-Rated Doors, Frames, and Hardware*.

<sup>7</sup> The contract design drawings and technical specifications required fire-rated doors to be labeled and attest to a specific fire-rating time interval of 30, 45, or 90 minutes of fire resistance, depending on the door's location and function.

<sup>8</sup> See USACE Engineer Regulation Number 415-1-10, *Contractor Submittal Procedures*, April 30, 2012.

compliant.<sup>9</sup> The second submittal included documentation showing that Omran Steel Tech did not manufacture or sell doors that were certified by any of the three approved certifying agencies. USACE approved both submittals, even though the information in the submittal for the Omran Steel Tech doors indicated that those doors would not have complied with the contract.

During our December 2016 site visits, we also discovered that none of the doors had manufacturer's labels attached. Because Vulcan Industries' fire doors were UL compliant and therefore would have had manufacturer's labels with the UL logo attached to them, we determined that ITSI did not install doors manufactured by that company. However, we could not confirm whether the installed doors were manufactured by Omran Steel Tech. Based on our review of the contract drawings, we found that ITSI installed 116 single and 7 double steel doors that were not certified in the medical clinic, Department of Public Works building, two officers' barracks, the post exchange building, the vehicle maintenance facility, and the very important personnel barrack. We also found that USACE and ITSI failed to identify that the installed doors did not comply with the contract during their quality assurance and quality control processes, respectively. As a result, this presents a safety hazard to the complex's residents in the event of fire.

In November 2017, USACE officials told us that when the contract was awarded in 2012, construction standards for Afghan National Defense and Security Forces projects were less strict than in 2013, when the construction standards were changed.<sup>10</sup> However, we did not identify any modification or other change in the contract that removed the requirement for certified fire-rated doors and replaced it with a provision allowing doors that aligned with the less strict construction standards. Further, USACE was unable to provide us with purchase order and invoice information for the installed doors.<sup>11</sup> We researched Emirati vendors that manufacture certified fire-rated doors and determined that the average cost of single and double certified fire-rated doors were \$3,600 to \$3,900 and \$4,300 to \$5,000, respectively, depending on the fire rating. We also found that the average cost of non-certified steel doors sold in Kabul, Afghanistan, was about \$150 for either a single-leaf or a double-leaf door.<sup>12</sup> As a result, we estimated that the cost difference between the 123 certified fire-rated doors required and the 123 non-certified steel doors installed was more than \$406,000.

## USACE Paid ITSI for Native Crushed Stone That It Did Not Deliver

The technical specifications for the ground forces complex's contract required ITSI to apply native crushed stone—about 6 inches deep and 10 feet wide—around all buildings to protect against erosion and control dust.<sup>13</sup> However, we found that ITSI did not provide a submittal for the native crushed stone or apply the stone around any of the buildings, as required. We reviewed USACE's quality assurance reports from March 27, 2012, through February 20, 2014, and found that a quality assurance inspector reported the missing native crushed stone as a deficiency in October 2013. In response, the USACE contracting officer's representative authorized ITSI to apply backfill soil around the GFC and GSU buildings instead of using the required material,

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<sup>9</sup> Material submittal number 08 11 13-1, *Fire Rated Doors*, states that Vulcan Industries' fire-rated doors are UL compliant. We confirmed that Vulcan Industries has UL certifications for fire doors.

<sup>10</sup> In September 2017, in response to SIGAR 18-35-IP, *Afghan Ministry of Interior Headquarters Project: Phases 1 and 3 Experienced Construction Deficiencies, Poor Oversight, and Increased Costs*, March 2018, USACE provided us with its July 4, 2017, letter stating that the *Continuum of Construction Standards for Afghanistan National Security Forces Construction Program* was the governing standard for Afghan construction projects from at least 2009. The standards state that doors and doorways do not need to meet fire boundary code requirements. CSTC-A, USACE, and the U.S. Central Command agreed to this letter.

<sup>11</sup> In July 2017, during our inspection of the Afghan Ministry of Interior headquarters support structures with the same non-certified fire doors issue, USACE stated that since it was a firm-fixed-priced contract, it could not say how the contractor factored the cost of the doors into the proposal.

<sup>12</sup> We identified two companies in Kabul that manufacture doors, and neither has been certified by any of the three certifying agencies to manufacture fire-rated doors.

<sup>13</sup> Native crushed stone is produced by mining and breaking down a rock deposit to a desired size using a crusher. It is distinct from gravel that is produced by natural processes of weathering and erosion.

stating that the backfill soil suited the purpose.<sup>14</sup> However, the Federal Acquisition Regulation (FAR) states that a contracting officer's representative "[h]as no authority to make any commitments or changes that affect price, quality, quantity, delivery, or other contract terms and conditions nor in any way direct the contractor or its subcontractors to operate in conflict with the contract terms and conditions."<sup>15</sup> Based on our review of the contract documents, we determined that USACE did not modify the contract to allow ITSI to apply a different material, and USACE did not provide us with any other documentation authorizing ITSI to deviate from the required native crushed stone. As a result, the U.S. government paid for native crushed stone that it did not receive. It is unclear how much USACE may have overpaid ITSI because officials could not tell us what it charged for the native crushed stone, despite our requests.

## ITSI Did Not Insulate the Hot Water Pipes in Seven Buildings, as Required

The ground forces complex contract required ITSI to insulate the hot water pipes. Although USACE disapproved ITSI's submittal for insulation material, the contractor did not provide for an alternative product. During our December 2016 site visits, we determined that hot water pipes in seven buildings required insulation; however, we found that the contractor did not insulate the pipes.<sup>16</sup> The contract stated that pipe insulation should be provided to protect the pipes from freezing. Insulation increases energy efficiency and reduces the likelihood that pipes will freeze and burst in the winter. Based on our review of the two years of USACE's quality assurance reports, we determined that USACE had no documentation that the hot water pipes in the seven buildings were insulated. Also, USACE's final inspection reports did not indicate that the lack of insulation was a deficiency, even though the insulation was still missing during our 2016 site visits. Because the contract file did not include any records detailing what the government was charged for the insulation or the length of the pipes that required insulation, we could not estimate the amount the government may have overpaid for this non-compliant work.

## ITSI Did Not Properly Slope the Bathroom Floors in Two Barracks

The ground forces complex contract required ITSI to install floor drains in all rooms containing a water source and required the floors to be sloped towards the drains.<sup>17</sup> During our December 2016 site visits, we found that the shower floors in two officers' barracks—numbers 317 and 318—were not sloped to allow water to flow towards the drain, resulting in standing water in the showers. The standing water increases a person's risk of injury due to slipping and falling. Further, the standing water has caused mold to grow in the showers, resulting in a possible health risk for the building occupants (see photo 1).

**Photo 1 - Improperly Sloped Shower Floor with Mold in One Officers' Barrack (Number 317)**



Source: SIGAR, December 18, 2016

<sup>14</sup> The deficiency was documented in USACE' October 8, 2013 quality assurance report number 558.

<sup>15</sup> FAR 1.602-2(d)(5), *Responsibilities*.

<sup>16</sup> Insulation was required in seven facilities: the small medical clinic (number 214), the vehicle maintenance building (number 303), the Department of Public Works building (number 305), the very important person barrack (number 315), two officers' barracks (numbers 317 and 318), and the post exchange building (number 322).

<sup>17</sup> See contract W5J9JE-12-C-0053, Subsection 3.9.1, *Finishing Uniformed Surfaces: General*.

## Incomplete Records Resulted in Facilities Being Unaccounted for and Concrete and Soil Quality that Could Not Be Determined

### USACE Did Not Initially Account for and Transfer All of the Complex's Facilities to CSTC-A

After a series of contract modifications, the number of facilities and pieces of infrastructure ITSI was required to construct or improve at the ANA ground forces complex decreased from 92 to 58. However, on March 1, 2014, the USACE administrative contracting officer only transferred 41 of the 58 facilities and infrastructure items to CSTC-A. Following our review of the contract records, we identified 17 facilities and infrastructure items that USACE had not accounted for and transferred to CSTC-A.<sup>18</sup> The contract value for the 17 unaccounted for items totaled almost \$837,000.<sup>19</sup>

In response to our inquiries about the unaccounted for facilities and infrastructure improvements, in December 2017, USACE visited the complex in an attempt to locate the 17 facilities and pieces of infrastructure not accepted and transferred to CSTC-A. In January 2018, USACE provided us with documentation verifying the location of 14 of the 17 facilities and pieces of infrastructure. They also provided justification for why two facilities, both latrines, were de-scoped instead of accepted and transferred. Although USACE was unable to provide justification for why the third missing facility, a \$26,982 personnel bunker, could not be located, USACE did identify additional bunkers that were not on the site plan. Since bunkers are prefabricated and can be easily re-positioned, we could not determine whether the missing bunker was among the additional bunkers. On February 8, 2018, USACE provided us with an additional acceptance and transfer report that indicated that USACE formally identified and accepted the 14 items, and transferred them to CSTC-A in February 2018.

### Incomplete Laboratory Inspections and Test Result Records Limited Our Ability to Assess the Quality of the Concrete and Soil

The contract required ITSI to perform all inspections and tests necessary to verify that the supplies and services furnished under the ground forces complex contract conformed to contract requirements and technical specifications. Further, according to USACE's quality assurance process, the contractor is required to keep records documenting all inspections, tests, and test results, and include them in its progress reports to USACE.<sup>20</sup> In addition, the USACE Construction Quality Management Regulation requires USACE's quality assurance personnel to verify the adequacy and application of specified test standards and computations of test results. This regulation also requires USACE's quality assurance reports to document the results of its inspections and tests. The FAR requires contracting agencies to retain quality assurance test records and reports for a minimum of 6 years after the final contract payment.<sup>21</sup> Because USACE made the final payment to ITSI on February 11, 2016, it should have maintained the monthly quality assurance test records and reports until at least February 10, 2022.

Based on our review of contract documents, we determined that USACE did not maintain complete test records and reports. The contract required testing for multiple items, such as concrete, soil, and water quality and pressure. USACE provided us with its daily quality assurance reports for the period of performance from March 27, 2012, to February 20, 2014; 9 of the 24 required monthly test reports for this time period; and a March 2013 water quality test report. USACE officials told us they could not locate the remaining 15 monthly

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<sup>18</sup> The 17 items were 9 personnel bunkers, 4 trash collection points, 2 latrines, 1 support generator for the dining facility, and 1 support generator for the medical clinic building.

<sup>19</sup> We were not able to determine the value of the missing generator for the dining facility because its cost was included as part of the total cost of the dining facility.

<sup>20</sup> See USACE Engineering Regulation 1180-1-6, *Construction Quality Management*, September 30, 1995.

<sup>21</sup> See FAR 4.805, *Storage, Handling, and Disposal of Contract Files*.

test reports.<sup>22</sup> The monthly test reports are supposed to consolidate the tests conducted or results reported during the month, and are expected to provide sufficient information for USACE to determine the quality of the item or material being tested. Of the nine monthly test reports, we only identified one report, December 2012, which had detailed information. The other eight reports had a transmittal page with no remarks. The December 2012 report summarized the tests conducted and the results of the concrete compressive strength and soil density compaction tests. The report showed that all concrete compressive strength and soil density compaction tests passed, but the report only covered 31 of the 37 GFC and GSU facilities and infrastructure turned over to CSTC-A.<sup>23</sup> The March 2013 water quality test report stated that the water was potable.

Because some of USACE's monthly reports were missing or did not include information needed to determine the concrete compressive strength, the soil density, or the water quality for all GFC and GSU facilities, we reviewed USACE's daily quality assurance reports to determine if the concrete, soil, and water quality were reported. We found that the reports included the results and supporting details of concrete compressive strength tests for only 13 of the 37 facilities. For the soil density compaction tests, we found results and supporting details for 30 of the 37 facilities.<sup>24</sup> We also found the water pressure tests, which determine the quality of the pipes, were conducted at only 8 of 37 facilities, and none of the tests provided supporting details.<sup>25</sup> All of the water pressure tests stated that no leaks were observed. We could not verify these results. USACE did not provide any test results for the 14 facilities it transferred to CSTC-A in February 2018.

## MOST OF THE GROUND FORCES COMPLEX IS BEING USED, BUT THERE ARE MAINTENANCE CONCERNS

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### Some of the Complex's Guard Shacks and Towers Are Not Being Used

We found that most of the GFC and GSU facilities and infrastructure at the ANA ground forces complex were being used. During our October 2015 site visit, we found that ANA personnel were occupying most buildings, the vehicle maintenance buildings were being used, the parking lots had vehicles parked in them, and patients were being treated in the medical clinic. However, we also found that three of the seven guard shacks and all four of the guard towers were not being used. According to ANA Facilities and Engineering Department personnel, these facilities were not being used because they are located in "undesired" areas of the complex.

The Kabul Garrison Engineering Department Chief told us that its Engineering Department was not consulted about the location of the guard shacks and towers during the project's design phase. When we met with CSTC-A and USACE officials to discuss our inspection results in February 2018, officials from both organizations told us that although they were not certain why the guard shacks and towers were not being used, it could be that there was a change in the staffing levels or in the security situation, resulting in the ANA not needing all of the guard shacks and towers. USACE stated that "the way security operates" is that they may build in anticipation of future growth, which might result in current construction that is not currently being used. Because we were not able to get any detailed documentation on the project's design or current usage, we could not corroborate the Kabul Garrison Engineering Department Chief's, USACE's, or CSTC-A's

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<sup>22</sup> The submittal register lists all of ITSI's requests to purchase material and conduct the activities required by the ground forces complex contract. The register only included nine monthly test reports for July, August, November, and December 2012, and February, March, April, May, and June 2013.

<sup>23</sup> USACE did not provide a soil density or concrete compressive strength test for (1) the volleyball court, (2) the motor pool (building number 308), (3) the guard tower (building number 327D), (4) a guard shack (building number 329A), (5) a guard shack (building number 333), or (6) the pedestrian gate area.

<sup>24</sup> See appendix III for a list of the facilities and infrastructure included in the quality assurance reports and whether they had test results for concrete compressive strength and soil density compaction with supporting details.

<sup>25</sup> Water pressure and pipe leakage tests were conducted at the water tank; medical clinic (number MS08); vehicle maintenance facility (number 303); Department of Public Works building (number 305); three barracks, including two officers' barracks (numbers 315, 317, and 318); and the post exchange (number 322).

statements. ITSI reported that it billed USACE \$21,000 for each guard shack and \$47,000 for each tower. As a result, we estimated that USACE spent \$251,000 on guard shacks and towers that the ANA was not using at the time of our 2015 visit or during USACE's December 2017 site inspection. However, we do not consider this waste because the ANA could start using them if conditions at the complex change.

## Maintenance Issues Exist throughout the Complex, Some Having Safety and Health Implications

Since CSTC-A transferred the ANA ground forces complex to the Afghan government, the Kabul Garrison Engineering Department has been responsible for maintaining the complex. During our December 12, 2016, site visit, we found a variety of maintenance deficiencies, the most significant involving missing, discharged, and damaged fire extinguishers. Specifically, we found that 9 of the 36 required fire extinguishers were missing. Of the 27 fire extinguishers that we located, only 12 were fully pressurized or had hoses or supporting attachments that were not damaged (see photo 2). The missing, not fully pressurized, and damaged fire extinguishers could present a safety hazard in the event of a fire.

We also found other maintenance deficiencies throughout the complex including:

- Smoke detectors in one of the officers' barracks (number 317) were covered with dust and not working.
- Ceiling lights or emergency lights in one of the officers' barracks (number 317) were not working.
- There was mold on the bathroom floor of one of the officers' barracks (number 317).
- The main entry-coiling door in the vehicle maintenance building (number 303) was not working.
- The hand pump in the well house building (number 103) was not working.
- Exhaust fans in the medical clinic (number 214) and morale welfare and recreation building (number 300) were not working.
- There was a chain link fence and entry gate at the Motor Pool parking (number 309) that was rusting and falling apart.

ANA officials told us that these maintenance deficiencies resulted from poor operation and maintenance management, and an insufficient number of operation and maintenance staff for the complex.

## CONCLUSION

Although ITSI built most of the facilities and infrastructure for the ANA ground forces complex according to contract requirements, four instances of contract non-compliance pose safety and health issues, resulted in USACE paying for items that it did not receive, or both. We estimated that USACE overpaid ITSI by \$406,000 by authorizing ITSI to install 123 non-certified steel doors throughout the complex instead of certified fire-rated doors, as required by the contract. We could not estimate the costs associated with the three other instances of non-compliance. However, since the contract's warranty expired in March 2015, USACE said it has no

**Photo 2 - Damaged Hose and Expired Fire Extinguisher in the Department of Public Works Building (number 305)**



Source: SIGAR, December 12, 2016

recourse to correct the deficiencies or recover funds for items not received. USACE also failed to maintain the required records, resulting in 14 facilities being unaccounted for and not transferred to CSTC-A until we discovered them during our inspection, and incomplete information that prevented us from determining whether the concrete and soil throughout the complex met compressive strength and density requirements, respectively.

Although the ANA is using most of the ground forces complex's facilities, it has never used three guard shacks and four guard towers, for which USACE paid ITSI \$251,000, due to the change in staff level after the design. However, they may be needed in the future. Further, the complex has multiple safety and maintenance issues, particularly with fire extinguishers and smoke detectors, which are critical in the event of a fire.

Based on CSTC-A's and USACE's comments on and actions taken in response to a draft of this report, we are not making any recommendations.

## AGENCY COMMENTS

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We provided a draft of this report to the Department of Defense for review and comment. CSTC-A and USACE provided written comments, which are reproduced in appendices IV and V, respectively. USACE also provided technical comments, which we incorporated into this report, as appropriate.

Our draft report included three recommendations for the CSTC-A Commander, in coordination with the USACE Commanding General and Chief of Engineers, to:

1. Inform Afghan Ministry of Defense officials and ANA officials at the ground forces complex of the locations and the safety risks of the non-certified fire doors installed throughout the complex.
2. Verify that ITSI transferred and USACE accepted the \$521,272 in unused ASC construction materials and supplies, and substantiate the \$681,000 in unsupported payments to ITSI for work intended for ASC construction.<sup>26</sup>
3. Advise Afghan Ministry of Defense officials and ANA officials at the ground forces complex that maintenance issues involving missing, discharged, and damaged fire extinguishers, and non-operational smoke detectors and other equipment need to be addressed to better protect building occupants in the event of a fire.

The draft report also included two recommendations for the USACE Commanding General and Chief of Engineers to:

4. Review, and if necessary, revise internal procedures to ensure that contractors submit monthly inspection reports and that those reports include detailed results of concrete, soil, water quality, and water pressure tests, and are retained for quality assurance purposes, in accordance with the Federal Acquisition Regulation requirements, and ensure contracting officials enforce these requirements.
5. Enforce the requirement for contracting personnel to maintain contract documents for a minimum of 6 years after the final contract payment.

CSTC-A did not concur with recommendation 1, partially concurred with recommendation 3, and deferred recommendation 2 to USACE. USACE concurred with recommendations 2, 4, and 5, and deferred recommendations 1 and 3 to CSTC-A.

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<sup>26</sup> In the draft of this report, we included a finding that USACE had paid ITSI \$1.95 million to construct facilities for the ASC at the time it turned the facilities over to CSTC-A. During the course of our inspection, USACE did not provide us with documentation showing that it authorized ITSI to transfer \$521,272 in unused ASC construction materials back to USACE for use on other contracts. In addition, USACE did not provide documentation supporting the remaining \$681,000 in ASC construction payments made to ITSI. We removed the finding from this final report because USACE sent us documentation substantiating these costs when it commented on the draft report.

CSTC did not concur with recommendation 1 and stated that it lacks the required resources to verify the location and number of non-compliant fire doors or the impact of non-certified doors on the integrity of the building. CSTC-A suggested that the recommendation be addressed to USACE because USACE has more technical knowledge and would be in the best position to notify the ministry of the potential deficiency. CSTC-A also suggested that we remove the requirement to notify the Ministry of Defense since neither USACE nor CSTC-A would take any further action. Despite this comment, CSTC-A did send a letter to the Ministry of Defense and the Ministry of Interior in June 2018, notifying officials of the fire doors. As a result, we closed this recommendation as implemented.

USACE concurred with recommendation 2 and performed detailed reviews of the circumstances surrounding its transfer of \$521,272 in unused ASC materials and supplies, and the payment of \$681,000 in unsupported expenditures. With its comments, USACE provided documentation to account for the transfer of the unused materials and supplies to another ANA construction project. The documentation also showed that the unsupported payments for the remaining ASC costs were associated with the medical clinic, utilities, and other infrastructure after the partial termination for convenience. We had requested this documentation multiple times during the course our inspection, but USACE was unable to provide it. Based on our review of the documentation, we determined that the unused materials and supplies had been transferred, and that the payments for the remaining ASC costs were supported. As a result, we removed the finding and recommendation 2 from this final report.

CSTC-A partially concurred with recommendation 3 and stated that it provides on- and off-budget contract, training, and material resource solutions to assist Ministry of Defense staff in taking ownership of facility maintenance management. CSTC-A stated that it would write a letter of concern to the Ministry of Defense and the Ministry of Interior about fire safety measures as a reminder to encourage better facility maintenance management. CSTC-A confirmed that it submitted these letters to the ministries on June 30, 2018. As a result, we closed this recommendation as implemented.

USACE concurred with recommendation 4 and stated that its personnel have reviewed internal procedures and applicable guidance to ensure that contractors submit monthly inspection reports containing required test information. USACE said that its contracting officials would emphasize at quality control kick-off meetings that the government expects the contractor to provide concrete, soil, and water quality and pressure tests in monthly submittals to ensure compliance with USACE construction quality management guidance. In addition, USACE said that the contracting officer's representative would review the submittals, ensure that failed tests are recorded and tracked until the work is completed in accordance with contract requirements, and maintain a copy of test results in the files. Based on USACE's response, we closed this recommendation as implemented.

USACE concurred with recommendation 5 and stated that it would ensure that contracting personnel maintain contract documents in accordance with Federal Acquisition Regulation Subpart 4.8, Government Contract Files. USACE added that its personnel would maintain complete, duplicate contract files in the Paperless Contract File system with post award technical documentation saved in both its Resident Management System and ProjectWise Explorer. Based on USACE's response, we closed this recommendation as implemented.

## APPENDIX I - SCOPE AND METHODOLOGY

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This report provides the results of SIGAR's inspection of the Afghan National Army's (ANA) ground forces complex constructed at the Kabul International Airport for the Ground Forces Command (GFC), Garrison Support Unit (GSU), and Army Support Command. The objectives of this inspection were to determine whether the complex (1) was constructed in accordance with contract requirements and applicable construction standards, and (2) is being used and maintained. Specifically, we:

- reviewed contract documents, design and engineering documents, quality assurance and quality control reports, and other relevant documentation;
- interviewed Combined Security Transition Command–Afghanistan, U.S. Army Corps of Engineers (USACE), and GFC and GSU officials concerning construction and maintenance of the complex;
- made seven site visits to the complex: a preliminary visit on October 21, 2015, and the remaining six visits from December 7 through 25, 2016; and
- assessed the photos and results of USACE's December 2017 inspection of the complex.

We did not rely on computer-processed data in conducting this inspection. However, we considered the impact of compliance with laws and fraud risk.

In December 2014, SIGAR entered into a cooperative agreement with Afghan civil society partners. Under this agreement, our Afghan partners conduct specific inspections, evaluations, and other analyses. In this regard, Afghan engineers inspected the ANA ground forces complex from December 7 through December 25, 2016, to evaluate the construction and maintenance. We developed a standardized engineering evaluation checklist covering items required by the contract and design/specification documents for the command. Our checklist required our partners to analyze the contract documents, scope of work, technical specifications, and design drawings.

We compared the information our Afghan civil society partners provided to accepted engineering practices and relevant standards, regulations, laws, and codes for quality and accuracy. In addition, as part of our monitoring and quality control process, we:

- met with the Afghan engineers to ensure that the approach and planning for the inspection were consistent with the objectives of our inspection and the terms of our cooperative agreement;
- attended periodic meetings with our partners, and conducted our normal entrance and exit conferences with agency officials;
- discussed significant inspection issues with them;
- monitored our partners' progress in meeting milestones and revised contract delivery dates as needed; and
- conducted oversight of them in accordance with SIGAR's policies and procedures to ensure that their work resulted in impartial, credible, and reliable information.

We conducted our inspection work in Washington, D.C., and Kabul, Afghanistan, from September 2015 through July 2018. This work was conducted in accordance with the *Quality Standards for Inspection and Evaluation*, published by the Council of the Inspectors General on Integrity and Efficiency. The engineering assessment was conducted by our professional engineers in accordance with the National Society of Professional Engineers' *Code of Ethics for Engineers*. We conducted this inspection under the authority of Public Law No. 110-181, as amended, and the Inspector General Act of 1978, as amended.

## APPENDIX II - FACILITIES AND INFRASTRUCTURE REQUIRED BY THE ANA GROUND FORCES COMPLEX CONTRACT

Table 1 lists the items required by the base contract for the ANA ground forces complex, along with their quantities and values, and changes made due to contract amendments or modifications. It also identifies the items the U.S. Army Corps of Engineers (USACE) initially transferred to the Combined Security Transition Command-Afghanistan (CSTC-A) in March 2014 and those that USACE did not transfer until February 2018, almost 4 years later.

**Table 1 - Facilities and Infrastructure Required by the ANA Ground Forces Complex Contract**

Description	Quantity	Base Contract Value	Quantity Added or Removed by Modification	Quantity USACE Transferred to CSTC-A in March 2014	Quantity USACE Transferred to CSTC-A in January 2018
<b>DESIGN</b>					
Site Survey/Master Planning/Architecture-Engineer Design		\$807,148			
Geotechnical Investigation		139,163			
As-Built Drawings		72,365			
<b>Total Design</b>		<b>\$1,018,676</b>			
<b>FACILITIES</b>					
Administration Building	2	\$728,546	-2		
Medical Clinic-Small	1	319,768		1	
Very Important Persons Barracks	3	919,335	-2	1	
Officer Barracks-Large	4	3,037,804	-2	2	
Combination Non-Commissioned Officers and Enlisted Barracks	1	529,617	-1		
Storage Building	1	998,978	-1		
Latrine-Large	2	797,032	-1		1
Department of Public Works Building	1	519,243		1	
Post Exchange	1	188,205		1	
Morale Welfare and Recreation Building	1	823,875		1	
Vehicle Maintenance Building	1	476,956		1	
Weapons Storage Facility	2	219,572	-1	1	
Small Arms Storage Facility	3	329,358	-1	2	
Petroleum Oil & Lubricants Building	1	28,007		1	
Parade Ground Review Stand	1	52,279		1	
Guard Shack	7	119,735		7	
Guard Tower	4	155,756		4	
Personnel Bunker	31	92,939	-22		9
Trash Collection Point	8	25,200	-4		4
<b>Total Facilities</b>	<b>75</b>	<b>\$10,362,205</b>	<b>-37</b>	<b>24</b>	<b>14</b>
<b>INFRASTRUCTURE IMPROVEMENTS</b>					
Mobilization/Demobilization	1	\$1,066,919		1	
Site Demolition and Grading	1	247,104		1	
Roads, Parking, and Sidewalks	1	1,342,511		1	
Motor Pools	1	911,364		1	
Yards and Work Areas	1	184,130		1	
Perimeter Stone Wall	1	146,817		1	
Reinforced Concrete Tee-Wall Barriers	1	864,934		1	
Entry Control Point, Main	1	164,881		1	
Entry Control Point, Secondary and Refueling	1	157,487		1	
Sports Field	1	145,439		1	
Volleyball Court	1	16,668		1	
Water Supply and Distribution System Connection	1	590,029		1	
Well House	1	28,508		1	
Sanitary Sewer Collection System	1	326,407		1	
Site Electrical Power Generation and Distribution Network	1	1,195,349		1	
Site Communication System	1	419,368		1	
Storm Water Collection and Management System	1	309,678		1	
<b>Total Infrastructure Improvements</b>	<b>17</b>	<b>\$8,117,593</b>	<b>0</b>	<b>17</b>	<b>0</b>
<b>INSURANCE</b>					
Insurance		\$235,947			
<b>Total Insurance</b>		<b>\$235,947</b>			
<b>Total Design, Facilities, Infrastructure Improvements, and Insurance</b>	<b>92</b>	<b>\$19,734,421</b>	<b>-37</b>	<b>41</b>	<b>14</b>

Source: SIGAR analysis of the ANA ground forces complex base contract W5J9JE-12-C-0053 and associated contract modifications.

## APPENDIX III - FACILITIES AND INFRASTRUCTURE WITH DOCUMENTED CONCRETE AND SOIL QUALITY TEST RESULTS AND SUPPORTING DETAILS

Table 2 lists the facilities and infrastructure at the Afghan National Army's (ANA) ground forces complex that the U.S. Army Corps of Engineers (USACE) transferred to the Combined Security Transition Command–Afghanistan (CSTC-A) in March 2014, and identifies whether the quality assurance reports included concrete compressive strength and soil density compaction test results with supporting details for each item.

**Table 2 - ANA Ground Forces Complex Facilities and Infrastructure with Documented Concrete and Soil Quality Test Results and Supporting Details**

Facility Number and Name		Concrete Compressive Strength Test	Soil Density Compaction Test
101	Pump House	X	X
	Water Tank		X
103	Well House		X
MS08	Medical Clinic	X	X
300	Morale Welfare and Recreation	X	X
301	Volleyball Court (outdoor)		
302	Petroleum Oil and Lubricant Storage Building	X	
303	Vehicle Maintenance Facility	X	X
305	Department of Public Works Building		X
307	Motor Pool		X
308	Motor Pool		
309	Garrison Support Unit Motor Pool	X	X
310	Motor Pool		X
313	Department of Public Works Motor Pool	X	X
315	Barracks	X	X
317	Officer Barracks		X
318	Officer Barracks	X	X
320a	Guard Shack		X
321	Weapon Storage Facility		X
322	Post Exchange		X
323	Parade Field		X
324	Viewing Stand		X
325	Small Arms Storage	X	X
326	Small Arms Storage		X
327B	Guard Tower		X
327C	Guard Tower	X	X
327D	Guard Tower		
327E	Guard Tower		X
328	Entry Control Point and Guard Shack		X
329	Entry Control Point and Guard Shack		X
329A	Guard Shack		
331	Refuel Entry Control Point		X
332	Guard Shack		X
333	Guard Shack		
335	Main Entry Control Point	X	X
390	Entry Control Point and Guard Shack	X	X
390A	Pedestrian Gate		
<b>Total Facilities/Infrastructure</b>		<b>13</b>	<b>30</b>

Note: The "X" indicates that USACE's quality assurance reports included both test results and supporting details for the facility or infrastructure item listed.

Source: SIGAR analysis of USACE quality assurance reports for the period from March 27, 2012 through February 20, 2014 that identified both inspection tests results and supporting details for the facilities and infrastructure initially transferred to CSTC-A in March 2014.

# APPENDIX IV - COMMENTS FROM THE COMBINED SECURITY TRANSITION COMMAND-AFGHANISTAN

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UNCLASSIFIED

DEPUTY CHIEF OF STAFF SECURITY ASSISTANCE  
COMBINED SECURITY TRANSITION COMMAND – AFGHANISTAN  
KABUL, AFGHANISTAN  
APO AE 09356

DCOS SA/CSTC-A

4 June 2018

MEMORANDUM THRU

United States Forces – Afghanistan, Audit Cell, APO AE 09356  
United States Central Command (CCIG), MacDill AFB, FL 33621

FOR Special Inspector General for Afghanistan Reconstruction, 2530 Crystal Drive, Arlington,  
VA 22202-3940

SUBJECT: SIGAR “Afghan National Army’s Ground Forces Complex: Construction Generally  
Met Contract Requirements, but about \$1.6 Million May Have Been Wasted on the Project”  
(SIGAR 18-XX Inspection Report)

1. SIGAR Draft Inspection Report 18-XX, “Afghan National Army’s Ground Forces Complex:  
Construction Generally Met Contract Requirements, but about \$1.6 Million May Have Been  
Wasted on the Project” provided CSTC-A the following recommendations to eliminate potential  
health and safety risk in Afghan National Army’s Ground Forces Complex facilities:

*To reduce the health and safety risks to ANA personnel at the ground forces complex, and to  
protect the U.S. government's investment in the complex, we recommend that the CSTC-A  
Commander, in coordination with the USACE Commanding General and Chief of Engineers:*

- a. *Inform Afghan Ministry of Defense officials and ANA officials at the ground forces  
complex of the locations and the safety risks of the non-certified fire doors installed  
throughout the complex.*
- b. *Verify that ITSI transferred and USACE accepted the \$521,272 in unused ASC  
construction materials and supplies, and substantiate the \$681,000 in unsupported  
payments to ITSI for work intended for ASC construction.*
- c. *Advise Afghan Ministry of Defense officials and ANA officials at the ground forces  
complex that maintenance issues involving missing, discharged, and damaged fire  
extinguishers, and non-operational smoke detectors and other equipment need to be  
addressed to better protect building occupants in the event of a fire*
  - a. **CSTC-A Management Response:** Non-concur - CSTC-A advises to the ministerial  
level, so it lacks required resources to verify the location and number of noncompliant  
fire doors or the impact of non-certified doors to the integrity of the building several  
years after its completion. If this notification is still recommended, USACE would be  
in the best position to notify the ministry of the potential deficiency since they have

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DCOS SA/CSTC-A

SUBJECT: Draft Report for Comment "Afghan National Army's Ground Forces Complex: Construction Generally Met Contract Requirements, but about \$1.6 Million May Have Been Wasted on the Project" (SIGAR 18-XX Inspection Report)

more technical knowledge. However, SIGAR made a similar recommendation in SIGAR 18-35, Ministry of Interior Phases 1 and 3. USACE non-concurred and SIGAR revised the recommendation and removed the MOI notification. We recommend the same action by SIGAR.

b. **CSTC-A Response:** Non-concur - CSTC-A defers to USACE for this action.

c. **CSTC-A Response:** Partially Concur - CSTC-A performs the TAA mission and provides on and off-budget solutions in the form of contracts, training programs, and material resources to assist the MoD staff in taking ownership of facility maintenance management. CSTC-A will write a letter of concern to both ministries about preventative fire safety measures as a reminder to encourage better practices.

3. CSTC-A appreciates SIGAR's continued efforts to ensure oversight and management of construction projects within Afghanistan is sufficient to ensure projects are built to contract specifications thereby ensuring health and safety risks are eliminated in these facilities. CSTC-A place a priority in working with SIGAR to safeguard and protect U.S. taxpayer and donor nation funds from waste, fraud and abuse.

4. The point of contact for this memorandum is Mr. Jeffrey Zielinski at DSN 318-449-9935 or via email at jeffrey.m.zielinski2.civ@mail.mil.

Encl  
CSTC-A CJ-ENG  
Draft Report Response ANA GFC

  
ROBIN L. FONTES  
MG, USA  
Commanding General, CSTC-A

## APPENDIX V - COMMENTS FROM THE U.S. ARMY CORPS OF ENGINEERS

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DEPARTMENT OF THE ARMY  
UNITED STATES ARMY CORPS OF ENGINEERS  
TRANSATLANTIC DIVISION  
201 PRINCE FREDERICK DRIVE  
WINCHESTER, VIRGINIA 22602-4373

12 JUN 2018

SUBJECT: Response to Special Inspector General for Afghanistan Reconstruction (SIGAR) Draft Report (Project Code SIGAR-I-034), Afghan National Army's Ground Forces Complex: Construction Generally Met Contract Requirements, but about \$1.6 Million May Have Been Wasted on the Project

Mr. John F. Sopko  
Special Inspector General for Afghanistan Reconstruction  
1550 Crystal Drive, Suite 900  
Arlington, VA 22202

Dear Mr. Sopko:

The purpose of this letter is to provide the U.S. Army Corps of Engineers (USACE) response to the subject report.

USACE concurs with recommendations 2, 4 and 5 and defers to the Combined Security Transition Command-Afghanistan (CSTC-A) for responses to recommendations 1, and 3.

Additional details are provided in the enclosures. My point of contact for this response is Mr. George Sullivan, TAD Internal Review Auditor. He may be reached by e-mail at [George.a.sullivan@usace.army.mil](mailto:George.a.sullivan@usace.army.mil) or by telephone at 202-761-4573.

Sincerely,

A handwritten signature in black ink, appearing to read "M.C. Quander".

MARK C. QUANDER  
Colonel, EN  
Commanding

Enclosures

SUBJECT: U.S. Army Corps of Engineers (USACE) Response to Special Inspector General for Afghanistan Reconstruction (SIGAR) Draft Report (Project Code SIGAR-I-034), Afghan National Army's Ground Forces Complex: Construction Generally Met Contract Requirements, but about \$1.6 Million May Have Been Wasted on the Project

**SIGAR RECOMMENDATIONS AND USACE COMMENTS:**

Recommendations 1, 2 and 3 were addressed to CSTC-A, in coordination with USACE. USACE defers to CSTC-A for responses to recommendations 1, and 3 and provides comments below regarding recommendation 2. Recommendations 4 and 5 were addressed to USACE and responses are provided below.

**To reduce the health and safety risks to ANA personnel at the ground forces complex, and to protect the U.S. government's investment in the complex, we recommend that the CSTC-A Commander, in coordination with the USACE Commanding General and Chief of Engineers:**

**Recommendation 2.** Verify that ITSI transferred and USACE accepted the \$521,272 in unused ASC construction materials, and substantiate the \$681,000 in unsupported payments to ITSI for work for ASC construction.

**USACE Response to Recommendation 2. Concur.** USACE has performed a detailed review of the circumstances surrounding the transfer of the \$521,272 in unused ASC construction materials. This review resulted in our positive verification that the materials were transferred to other projects and or the ANA. We found definitive records addressing SIGAR's concern that USACE had transferred the material, to include receipts with signatures as directed by CSTC-A. During SIGAR's audit we researched files to identify the material and track it as part of the terminated portion of the contract. We found evidence that the material was identified by the contractor to USACE and we formally transferred it to CSTC-A as stored material for ASC. CSTC-A then directed USACE to distribute the excess material to other contracts and to the ANA by a Letter of Direction. The confirmation of our completion action was found in an e-mail from the USACE Senior Program Manager. The contractor provided receipts for each item purchased prior to the de-scoping, each item was inventoried, the required ANA documentation was completed and signed, and all material moved to the appropriate location on 29 March 2014, (See enclosure 2 and the embedded attachments in enclosure 2). We conclude that the \$521,272 has been properly accounted for and transferred appropriately as directed by CSTC-A.

USACE's review of the \$1.95 million payments to construct ASC facilities, including the \$681,000 in alleged unsupported payments identified in SIGAR's draft report disclosed that the cost was incurred for the ASC work items remaining after the partial termination for convenience. These items included the Medical Clinic (with main building); all utilities, (including back-up generator); COR approved site grading and rock around buildings as defined in the contract. Additional items include: the front sidewalk, on east end of building, from the clinic entrance to the street, and 1.5 meter by 3 meter back stoop, on the west end of clinic for the back door; and entry control point (including all sub-facilities included in contract). The remaining additional items include: the roadway in front of the clinic from intersection to intersection, (with the end of pavement blending

SUBJECT: U.S. Army Corps of Engineers (USACE) Response to Special Inspector General for Afghanistan Reconstruction (SIGAR) Draft Report (Project Code SIGAR-I-034), Afghan National Army's Ground Forces Complex: Construction Generally Met Contract Requirements, but about \$1.6 Million May Have Been Wasted on the Project

into existing terrain); site clean-up and safety, (to include removal of construction debris piles and general site clean-up); fill in and level all open excavations from the ASC portion of the project and secure and make safe by cutting off or folding over all rebar protruding from the abandoned ASC foundations. This cost information was provided to SIGAR during the course of responding to this recommendation. We believe the questions surrounding the costs have been clarified and resolved. As a result, no funds, as alleged by SIGAR, have been wasted on the construction of the ASC.

**To enhance the administration and oversight of its ongoing and future construction contracts in Afghanistan, we recommend that the USACE Commanding General and Chief of Engineers:**

**Recommendation 4.** Review, and if necessary, revise internal procedures to ensure that contractors submit monthly inspection reports and that those reports include detailed results of concrete, soil, water quality and water pressure tests, and are retained in accordance with the Federal Acquisition Regulation, and ensure contracting officials enforce these requirements.

**USACE Response to Recommendation 4. Concur.** USACE personnel have reviewed internal procedures to ensure that contractors submit monthly inspection reports and that those reports contain the required information. Corps of Engineers Guide Specification 01450 specifies that "Results of all tests taken, both passing and failing test, shall be recorded on the Quality Control report for the date taken. Specification paragraph/item reference, location where tests were taken, and the sequential control number identifying the test will be given. Actual test reports may be submitted later, if approved by the Contracting Officer, with a reference to the test number and date taken. An information copy of tests performed by an off-site or commercial test facility will be provided directly to the Contracting Officer. Failure to submit timely test reports, as stated, may result in nonpayment for related work performed and disapproval of the test facility for this contract."

In an effort to ensure compliance with these procedures USACE contracting officials will emphasize at the Quality Control Kick-Off meeting that the Government expects that the contractor will provide the test result for any concrete, soil, water quality and water pressure tests as a monthly submittal to satisfy the requirement of this paragraph. The Government Contracting Officer's Representative (COR) will review the submittal and keep a copy of the test results in the official files. Any failure of the contractor to provide the submittal in a timely manner may result in nonpayment as specified. Also, any failing tests will be recorded and tracked until re-tests show work is completed in accordance with the contract requirements.

Enclosure 1

Page 2 of 3

SUBJECT: U.S. Army Corps of Engineers (USACE) Response to Special Inspector General for Afghanistan Reconstruction (SIGAR) Draft Report (Project Code SIGAR-I-034), Afghan National Army's Ground Forces Complex: Construction Generally Met Contract Requirements, but about \$1.6 Million May Have Been Wasted on the Project

**Recommendation 5.** Enforce the requirement for contracting personnel to maintain contract documents for a minimum of 6 years after the final contract payment.

**USACE Response to Recommendation 5. Concur.** USACE will ensure that contracting personnel maintain contract documents in accordance with FAR 4.8, Government Contract Files. USACE personnel will maintain a complete contract file in the Paperless Contract File system with post award technical documentation in both the Resident Management System (RMS) and in ProjectWise Explorer. These duplicative record files will help ensure that contract documents are maintained IAW FAR 4.8

Enclosure 1

Page 3 of 3

## APPENDIX VI - ACKNOWLEDGMENTS

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Steven Haughton, Senior Inspection Manager

Warren Anthony, Inspector-in-Charge

Wilhelmina Pierce, General Engineer

Abdul Rashidi, Program Analyst

Yogin Rawal, General Engineer

Aziz Zaki, Engineer

This inspection was conducted  
under project code SIGAR-I-034.

## SIGAR's Mission

The mission of the Special Inspector General for Afghanistan Reconstruction (SIGAR) is to enhance oversight of programs for the reconstruction of Afghanistan by conducting independent and objective audits, inspections, and investigations on the use of taxpayer dollars and related funds. SIGAR works to provide accurate and balanced information, evaluations, analysis, and recommendations to help the U.S. Congress, U.S. agencies, and other decision-makers to make informed oversight, policy, and funding decisions to:

- improve effectiveness of the overall reconstruction strategy and its component programs;
- improve management and accountability over funds administered by U.S. and Afghan agencies and their contractors;
- improve contracting and contract management processes;
- prevent fraud, waste, and abuse; and
- advance U.S. interests in reconstructing Afghanistan.

## Obtaining Copies of SIGAR Reports and Testimonies

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## To Report Fraud, Waste, and Abuse in Afghanistan Reconstruction Programs

To help prevent fraud, waste, and abuse by reporting allegations of fraud, waste, abuse, mismanagement, and reprisal, contact SIGAR's hotline:

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- Phone Afghanistan: +93 (0) 700-10-7300
- Phone DSN Afghanistan: 318-237-3912 ext. 7303
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## Public Affairs

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