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Office of Inspector General
United States Department of State

AUD-MERO-20-46

Office of Audits

September 2020

Audit of Food Services Under the Afghanistan Life Support Services Contract

MIDDLE EAST REGION OPERATIONS

UNCLASSIFIED



HIGHLIGHTS

Office of Inspector General
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What OIG Audited

The Department of State (Department) provides life support services to personnel working in Kabul through the Afghanistan Life Support Service (ALiSS) contract. Services such as the provision of food, fire protection, medical, and security support are provided through a series of individual task orders. In 2015, the Department awarded a 5-year (1 base year and 4 option years) ALiSS food services task order (SAQMMA15F0686) to DynCorp International (DynCorp). The contract task order requires DynCorp to provide 3 meals a day, 7 days a week, across multiple dining facilities on the embassy compound, as well as other outlying Government facilities. As of May 2020, DynCorp is in its last year of the ALiSS task order and has been paid approximately \$353 million.

The Office of Inspector General (OIG) conducted this audit to determine whether the Department administered the ALiSS food services task order in accordance with Federal regulations, Department policies, and contract terms and conditions.

What OIG Recommends

OIG made five recommendations to the Bureau of Administration, Embassy Kabul, and the Bureau of South and Central Asian Affairs to improve the administration and oversight of future food services task orders. Based on management's response to a draft of this report, OIG considers all five recommendations resolved pending further action. Management's comments to the recommendations offered follow each recommendation in the Results section of this report. Management's written response to a draft of this report is reprinted in its entirety in Appendices B, C, and D, respectively.

September 2020

OFFICE OF AUDITS

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Audit of Food Services Under the Afghanistan Life Support Services Contract

What OIG Found

The Department did not administer the ALiSS food services task order in accordance with all applicable Federal regulations, Department policies, and contract terms and conditions. For example, although the Contracting Officer's Representatives (COR) developed an oversight checklist that included items to monitor, the checklist was insufficient and did not include almost half of the performance standards the COR was required to monitor. Specifically, the checklist the CORs used contained items that corresponded to 15 of 29 (52 percent) of the standards and requirements outlined in the task order. Moreover, the oversight checklists were not maintained properly and the CORs could not provide completed oversight checklists for 33 of 35 (94 percent) of the months reviewed for this audit. Similarly, DynCorp could not provide 148 of 555 (27 percent) of the required food service and health inspector assessments, inspections, and audits. Additionally, DynCorp never established and implemented a cost control plan, as it had indicated in its bid proposal for the task order. Finally, the Department did not consider the declining number of personnel living and working at the embassy compound and outlying U.S. Government facilities when it decided to exercise option year 4. As a result, the number of meals estimated in the task order for option year 4 was higher than it should have been, resulting in the Department paying almost \$8.4 million for meals it did not need and that were not provided.

These deficiencies occurred, in part, because the CORs and the Contracting Officer did not sufficiently monitor and implement internal controls to properly guide and document oversight activities. In addition, the effectiveness of the monitoring and oversight of the task order was impacted by the insufficient number of CORs assigned in Kabul to oversee the food service task order. As a result, the Department cannot have reasonable assurance that DynCorp fulfilled all contract terms and conditions in the ALiSS food services task order. Nevertheless, valuable lessons can be learned from the shortcomings identified in this audit and applied during the execution of the future food services task orders.

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OBJECTIVE

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) administered the Afghanistan Life Support Services (ALiSS) food services task order (SAQMMA15F0686) in accordance with Federal regulations, Department policies, and contract terms and conditions.

BACKGROUND

At a typical overseas post, personnel are responsible for obtaining life support services—such as water, health care services, and food—from the local marketplace at their own expense. In Afghanistan, however, the Department must provide these life support services personnel stationed there because the Department requires that all personnel reside either on the embassy compound or at outlying U.S. Government facilities or camps given the volatile security situation.¹

In 2014, the Bureau of Administration, Office of Acquisition Management, on behalf of the Bureau of South and Central Asian Affairs (SCA), awarded two Indefinite-Delivery, Indefinite-Quantity contracts to provide these services: one to DynCorp International (DynCorp) and the other to Global Development Support Services.² These two ALiSS contracts had a combined value of more than \$1 billion to be executed over a 5-year period, with 1 base year and 4 additional option years. The life support services provided under these contracts included fire protection, vehicular maintenance services, laundry services, medical services, security support, warehouse operations, food services, and other logistics support. Each life support service was administered under an individual task order.

ALiSS Food Services Task Order

The ALiSS food services task order, SAQMMA15F0686, was awarded to DynCorp.³ The ALiSS food services task order required DynCorp to provide 3 meals a day, 7 days a week, across multiple dining facilities on the embassy compound and outlying Government facilities. Like the base contract, this task order had a period of performance of 5 years (1 base year and 4 option years). The base year began in February 2015, and the final option year was scheduled to end in February 2020. However, the Department exercised a 6-month extension in February 2020.

¹ These outlying camps included Camps Alvarado, Seitz, Sullivan, and Eggers. These camps housed personnel that supported U.S. Mission Afghanistan and included U.S. Government civilians, local nationals, and contractors (American nationals, third-country nationals, and local nationals). In 2019, the Mission closed Camps Seitz, Sullivan and Eggers as part of an effort to consolidate its footprint.

² Contract SAQMMA14D0151, awarded to DynCorp, included task orders for food services, waste management services, and program executive office. Contract SAQMMA14D0152, awarded to Global Development Support Services, included task orders for program executive office, medical services, and fire protection services.

³ Prior to the ALiSS contract, the Department relied on a contract managed by the Defense Logistics Agency for food services. In 2015, the U.S. Government's mission in Afghanistan changed from military-led to civilian-led, resulting in the need for the Department to award its own life support contracts rather than rely on the Department of Defense.

When the extension period ends, the Department plans to transition the ALiSS food services task order to continue services using a short-term contract. After that contract expires, the requirement will be transitioned to the Diplomatic Platform Support Services contract.

For the base year and option year 1 of SAQMMA14D0151, the ALiSS food services task order was structured as a cost-reimbursable contract under which DynCorp was repaid the costs it incurred in executing the contract to the extent prescribed in the contract. For option years 2, 3, and 4, the contract was structured as a firm-fixed price contract under which DynCorp was paid a pre-negotiated amount with the possibility of an equitable adjustment if the provided quantities varied significantly from estimated quantities. As of May 2020, the Department had paid \$353 million to DynCorp under this task order.

The ALiSS food services task order has undergone several modifications since it was awarded to DynCorp in 2015. During the first year of the contract, DynCorp transitioned from the Defense Logistics Agency's supply chain, contractors, and supplies to its own operation. This included providing food services at three dining facilities that were operating at the time: two on the embassy compound and one at nearby Camp Seitz. Subsequent modifications required DynCorp to provide additional food services at a third dining facility on the embassy compound, as well as at Camp Sullivan and Camp Alvarado. In 2019, the U.S. Mission Afghanistan reduced its footprint and closed Camp Sullivan, Camp Seitz, and Camp Eggers. The ALiSS food services task order was subsequently modified to end food services at Camp Sullivan and Camp Seitz.⁴ Table 1 shows the dining facilities that received services under the ALiSS food services task order from FY 2015 to FY 2020.

Table 1: Mission Afghanistan Operational Dining Facilities, FY 2015 through FY 2020

Dining Facility Location	2015	2016	2017	2018	2019	2020
Embassy East	✓	✓	✓	✓	✓	✓
Embassy West	✓	✓	✓	✓	✓	✓
Embassy New Office Annex	✓	✓	✓	✓	✓	✓
Embassy Staff Diplomatic Apartments 2/3					✓	✓
Camp Seitz	✓	✓	✓	✓	✓	
Camp Alvarado		✓	✓	✓	✓	✓
Camp Sullivan		✓	✓	✓	✓	
Total Dining Facilities	4	6	6	6	7	5

Source: OIG generated from contract documentation provided by the CORs.

Contract Administration and Oversight Responsibilities

The Office of Acquisition Management is responsible for the award and administration of the ALiSS base contract and task orders, including appointing the Contracting Officer (CO).⁵

⁴ Camp Eggers did not have a dining facility and, accordingly, did not receive food services under the ALiSS contract.

⁵ The Office of Acquisition Management is a part of the Bureau of Administration, Office of the Procurement Executive.

According to the Federal Acquisition Regulation (FAR), Contracting Officers are responsible for awarding, negotiating, administering, modifying, terminating, and making related contract determinations and findings on behalf of the U.S. Government.⁶ SCA has a leading role in determining the ALiSS contract requirements, funding the contract, and performing oversight of contracted services.

To assist with contract oversight, the CO appoints Contracting Officer's Representatives (CORs) and alternate CORs. For the ALiSS contract and task orders, these individuals are personal services contractors who report to the Supervisory General Services Officer within Embassy Kabul's Management Section and work under the direction of the Contracting Officer. COR oversight duties include performing inspections to ensure that goods and services are delivered and performed in accordance with contractual requirements, conducting invoice reviews, and advising the CO on occurrences of unsatisfactory performance or factors that may cause a delay in performance. CORs can also serve as alternate CORs for one another so that oversight efforts continue during rest and recuperation leave, home leave, or other transition periods. Collectively, CORs and alternate CORs serve as the eyes and ears for the CO to ensure that the Department receives high-quality supplies and services on time, at the agreed-upon price, and in accordance with all contract requirements. SCA currently has three full-time CORs at Embassy Kabul who perform the various oversight duties for the ALiSS contract task orders.

Guidance on Oversight of the ALiSS Food Services Task Order

The FAR establishes uniform acquisition policies and procedures for the Federal Government and describes the roles and responsibilities of Government personnel who are responsible for awarding, administering and overseeing contracts. For example, the FAR requires that Contracting Officers purchase services at fair and reasonable prices, and it outlines the different types of acceptable analyses that Contracting Officers may use to establish a fair and reasonable price, including price analysis, cost analysis, or cost-realism analysis.⁷

The Department supplements the FAR with the Department of State Acquisition Regulation (DOSAR), Foreign Affairs Manual (FAM), and Foreign Affairs Handbook (FAH). For example, DOSAR Part 642 outlines contract administration requirements and the FAH's Contracting Officer's Representative Handbook describes the actions required of CORs, the "separate but interconnecting responsibilities" of the COR and the Contracting Officer, and the limits of a COR's authority.⁸ Specifically, the FAH states that the CORs are responsible for "monitoring the contractor's technical progress and the expenditures of resources relating to the contract," "performing inspection and accepting the work on behalf of the U.S. Government," and "maintaining a COR file for each assigned contract."⁹

⁶ FAR 1.602, Contracting Officers.

⁷ FAR 15.402.

⁸ 14 FAH-2 H-111, Purpose.

⁹ 14 FAH-2 H-142, Responsibilities of the Contracting Officer's Representative (COR) (8), (9), and (16).

AUDIT RESULTS

The Administration of Food Service Task Orders Can Be Improved

The Department did not administer the ALiSS food services task order in accordance with all applicable Federal regulations, Department policies, and contract terms and conditions. For example, although the CORs developed an oversight checklist that included items to monitor, the checklist was insufficient because it did not include almost half of the performance standards that the CORs were required to monitor. Moreover, the oversight checklists were not maintained properly and the CORs could not provide completed oversight checklists for 33 of 35 (94 percent) of the months reviewed for this audit. Similarly, DynCorp could not provide 148 of 555 (27 percent) of the required food service and health inspector assessments, inspections, and audits. Additionally, DynCorp never established and implemented a cost control plan, as it had indicated that it would in its bid proposal for the task order. Finally, the Department did not consider the declining number of personnel living and working at the embassy and at nearby U.S. Government facilities when it decided to exercise option year 4. As a result, the number of meals estimated in the contract for option year 4 was higher than it should have been, resulting in the Department paying \$8.4 million for meals it did not need and that were not provided.

These deficiencies occurred, in part, because the CORs and the CO did not sufficiently monitor and implement internal controls to properly guide and document oversight activities. In addition, the effectiveness of the monitoring and oversight of the task order was impacted by the insufficient number of CORs assigned in Kabul to oversee the food service task order. As a result, the Department cannot have reasonable assurance that DynCorp fulfilled all contract terms and conditions of the ALiSS food services task order. Nevertheless, valuable lessons can be learned from the shortcomings identified and applied during the execution of the future food services task orders.

CORs and DynCorp Did Not Adequately Monitor and Maintain Records of DynCorp's Performance

The FAR requires that CORs and contractors maintain sufficient records to demonstrate that performance standards are monitored and met. With respect to the CORs' responsibilities, the FAR states that CORs must "perform all actions necessary to verify whether the supplies or services conform to contract quality requirements"¹⁰ and that they "maintain, as part of the performance records of the contract, suitable records reflecting (1) the nature of Government contract quality assurance actions, including when appropriate, the number of observations made and the number and types of defects; and (2) decisions regarding the acceptability of the products, the processes, and the requirements, as well as action to correct defects."¹¹ In addition, the FAH requires CORs to develop a plan to monitor a contractor's performance¹² and

¹⁰ FAR 46.104(b), "Contract administration office responsibilities."

¹¹ FAR 46.104(c), "Contract administration office responsibilities."

¹² 14 FAH-2 H-521 (b), "Elements of Contract Administration."

states that “the best method for monitoring the contractor’s work is through actual inspection.”¹³

The ALiSS food services task order’s statement of work identifies applicable performance standards and outlines the requirements that the CORs and DynCorp are required to monitor and assess. In total, the statement of work lists 29 standards and requirements divided among the following categories: code, regulation, guidance, and standards; food services operations; food provisions and warehousing; supplies, utensils, dishware, and consumables; equipment and facilities; staffing; and key performance indicators.

COR Monitoring and Recordkeeping

As outlined in the FAH,¹⁴ the CORs developed a contract monitoring plan that included conducting monthly inspections of DynCorp’s performance. To document the inspections, the CORs developed an oversight checklist that required them to inspect the quality of food, the cleanliness and organization of dining facilities, and the appropriateness of temperature levels in refrigerated and frozen storage areas, among other things. Figure 1 shows the ALiSS CORs inspecting goods during a food delivery prior to acceptance.



Figure 1: ALiSS CORs inspect fresh fruit and vegetable deliveries alongside public health inspectors. (OIG photo taken in January 2020 in Kabul, Afghanistan)

Although the COR oversight checklist contained 28 items to be inspected, those 28 items corresponded to only 15 of 29 (52 percent) standards and requirements listed in the statement

¹³ 14 FAH-2-H522.1 (b), “Monitoring Methods Available to the Contracting Officer’s Representative.”

¹⁴ 14 FAH-2 H-521 (b), “Elements of Contract Administration.”

of work. As shown in Table 2, OIG found that the other 14 standards and requirements were not covered in the COR oversight checklist.

Table 2: ALiSS Food Services Task Order Performance Standards and Requirements

Standards and Requirements	Included in COR Oversight Checklist
Code, Regulations, Guidance, and Standards	
1. Follow the Food and Drug Administration Food Code, U.S. Department of Agriculture (USDA) Grades and Standards, and Codex Alimentarius; ensure Afghanistan licensing and approvals are in place; prevent black-market items; comply with U.S. trade requirements.	✓
Food Service Operations	
2. Follow Department established hours.	
3. Assess and report variations in quantity.	
4. Ensure that the cost of food is greater than \$50,000 but less than \$60,000,000.	
5. Establish a Food Service Advisory Board to advise on menu options, quality, and affordability. ^a	✓
6. Create 28-day menus that reflect variety in-line with diner dietary requirements.	✓
7. Request, in writing, menu adjustments to the Contracting Officer's Representative 1 week in advance.	✓
8. Develop, use, and report menu-acceptance metrics such as food acceptance rates and food waste; and provide the information to the Food Service Advisory Board.	✓
9. Allow patrons to carry out food and beverages and make as many trips as they choose from self-serve stations; ensure that food is delicious, replenished, and served at appropriate temperatures.	
10. Cook traditional short order foods to order using fresh ingredients and present as more upscale with items such as gourmet breads and organic ingredients.	
11. Prepare meals, that are generally local or Nepalese cuisine, twice daily for the guard force.	
12. Staff and supply snack bars with 18-hour availability; include snacks, hot and cold beverages, and a limited menu of sandwiches, salads, and soups.	
13. Arrange equipment, furnishings, and fixtures in a manner to ensure efficient and effective operations; ensure Department objectives of accountability are met; limit access to authorized patrons; introduce cost controls; ensure that food take-out is available; ensure that designated sites for turn-in or disposal are available and include efforts to recycle; ensure that the contractor performs janitorial services.	
14. Use appropriate industry food preparation standards; ensure that recipe standards are consistent; ensure that food is not over or undercooked or over or underseasoned.	✓
15. Use environmentally friendly cleaning products; minimize waste through tracking, forecasting, and progressive cooking; ^b and establish and maintain a sustainability program to benefit patrons, workers, the Department, and host country.	
16. Ensure food service workers are knowledgeable, pleasant, and comply with U.S. food worker health standards.	✓

17. Follow Codex Alimentarius food standards and the Hazard Analysis and Critical Control Point plan.	✓
18. Use professional food labels with nutritional content and allergens.	
19. Follow standard commercial cleaning practices for janitorial services; clean and sanitize dining facilities to the highest U.S. standards.	✓
20. Use a point-of-sale, food service management system to maintain accountability, limit access to authorized patrons, and introduce cost controls.	✓
Food Provisioning and Warehousing	
21. Use the established catalog of acceptable food items; Contracting Officer's Representative must approve changes and substitutions.	
22. Ensure that food quality is equivalent to or higher than the following USDA standards: Beef - USDA Choice, Dairy - USDA Grade AA, Eggs - Grade A, Fruits - USDA standard No. 3, and Vegetables - USDA standard No. 2.	
23. Ensure that the food catalog has "no-substitutions or equal without prior approval" designation for certain brand name products. ^c	
24. Ensure sources are competitively contracted and illegal, untaxed and uninspected goods are not procured; ensure that goods are recorded in a log maintained on site and available to the Government on request; maintain a 30-day supply of provisions; and procure at least 60 percent of supplies regionally.	✓
25. Ensure warehousing requirements are met; maintain containerized refrigeration units required for 21 days of provisions; monitor all units to ensure proper temperature is maintained and report on preventative maintenance quarterly.	
Supplies, Utensils, Dishware, and Consumables	
26. Maintain 30 days of supplies, utensils, dishware, and consumables.	✓
Equipment and Facilities	
27. Establish and operate fully furnished food service facilities provided by the Department; have an adequate supply of replacement equipment and parts to ensure continuous operation.	✓
Staffing	
28. Hire qualified staff with proficiency in English; provide continuous, progressive, on the job training; staff has clean uniforms with name tags/badges; staffing levels at or above 85 percent, 95 percent of the time.	✓
Key Performance Indicators	
29. Monitor key performance indicators and report to the Contracting Officer's Representative on a monthly basis.	✓

^a The Food Service Advisory Board comprises volunteers from the embassy community.

^b Progressive cooking is a technique requiring continuous preparation of food in successive steps during the entire serving period. The technique is used to minimize food waste, reduce costs, and ensure fresh, high-quality cooked food is available to patrons on a continuous basis.

^c The marking accompanies certain brand name products that patrons have expressed a strong preference for.

Note: The statement of work did not number these standards and requirements as presented. OIG included the numbering for ease of understanding.

Source: OIG generated based on information obtained from ALiSS statement of work.

During fieldwork for this audit, the CORs stated that they monitored DynCorp's adherence to some of the standards and requirements through deliverables such as the Menu Acceptability

and Waste Report or Variation in Quantity Report.¹⁵ The CORs further stated that some standards and requirements were excluded from the oversight checklist because they were no longer applicable and would be removed through a task order modification. While these explanations address some of the missing items from the checklist, the CORs could not explain why other standards and requirements were missing. Specifically, the CORs could not explain how concept of operations (numbers 9, 10, 11, and 12), establishment of facilities (number 13), signage and labels (number 18), and food quality standards (number 22) were monitored. The CORs stated they would update the checklist to address these gaps in response to OIG's finding. However, OIG reviewed the updated checklist on May 1, 2020, and found that the CORs had added only one new item—providing and maintaining all warehousing requirements (number 25)—to the checklist.

Aside from the issue of the thoroughness of the checklists, OIG found that most of the checklists were not maintained. From February 2017 to December 2019, the CORs should have maintained a minimum of 35 monthly oversight checklists. However, the CORs could not provide oversight checklists for 33 of the 35 months (94 percent). The CORs stated that the files were previously maintained on individual computers, but after a computer upgrade at the embassy the COR oversight checklists were lost.

In March 2020, the Department updated the COR File Maintenance standard operating procedures to provide a framework for COR contract recordkeeping. Additionally, the CORs stated that they took additional training on maintaining and organizing COR files after OIG informed them of the deficiency. As a result, OIG is not offering a recommendation related to COR file maintenance at this time.

DynCorp Monitoring and Recordkeeping

With respect to DynCorp's responsibilities, the FAR states that a contractor is responsible for "maintaining substantiating evidence, when required by the contract, that the supplies or services conform to contract quality requirements, and furnishing such information to the Government as required."¹⁶ The statement of work of the contract outlined performance standards and the requirements for maintaining additional evidence, as required by the FAR. Based on OIG's analysis of records provided by DynCorp, OIG found that 27 of 29 (93 percent) performance standards and requirements outlined in the statement of work were being monitored.

Documentation that the other two performance standards and requirements were being monitored were lacking. For example, DynCorp could not provide evidence that the standard and requirement related to the establishment of facilities (number 13) and food quality (number 22) were being routinely monitored and recorded. With respect to the establishment of dining facilities, DynCorp officials stated that that performance standard was monitored "via

¹⁵ The Menu Acceptability and Waste Report tracks patron's food preferences through food consumption and waste. The Variation in Quantity report tracks the number of meals served by meal type and location.

¹⁶ FAR 46.105(a)(4) "Contractor responsibilities."

observation by [DynCorp] food service leadership during meal hours” and that “fine tunings are generally not recorded” due to the “fluid” nature of this performance standard. While this form of monitoring may be effective, the failure to document the monitoring is nevertheless inconsistent with the FAR.

With respect to the food quality standard, DynCorp officials provided OIG a copy of an inventory report of food items and a completed comprehensive receipt of goods and deliveries inspection report for review. OIG reviewed these documents and found that they did not address some key requirements. For example, in the inventory report of food items, DynCorp marked some U.S.-sourced foods with the required U.S. Department of Agriculture food grades, but not others. Furthermore, there was no clear grading equivalent for non-U.S. sourced foods required to meet a specific quality standard according to the food quality standards performance standard. In the comprehensive receipt of goods and deliveries inspection report, DynCorp officials stated that all of the delivered food products were “of good quality and accepted” but did not address whether the accepted goods met the specified U.S. Department of Agriculture grading standard or equivalent.

Per the Task Order’s statement of work, DynCorp officials were also required to inspect dining facilities and food storage warehouses to ensure that food preparation, handling, and safety was done in accordance with U.S. Food and Drug Administration and U.S. Department of Agriculture food service guidelines; janitorial and cleanliness standards are met; and supply chain management requirements are maintained, among other things. Specifically, the ALiSS food services task order statement of work states that DynCorp “will inspect all facilities serving food and/or beverages on a regular basis (but not less than once per month) using their [Department] approved standards and checklists.” DynCorp is then required to provide copies of these checklists to the CORs. Figure 2 shows public health inspectors¹⁷ and DynCorp officials conducting food inspections and sanitation assessments of dining facilities.

¹⁷ DynCorp subcontracts to Comprehensive Health Services, a U.S. company, to perform public health inspections.



Figure 2: Public health inspectors and DynCorp officials conduct food inspections and sanitation assessments at the Staff Diplomatic Apartments 2/3 dining facility. (OIG photo taken in January 2020 Kabul, Afghanistan)

Based on the task order's statement of work, OIG determined that DynCorp was required to complete at least 555 checklists during the 35 months from February 2017 to December 2019.¹⁸ However, similar to the COR oversight checklists, many of DynCorp's checklists were missing. As shown in Table 3, DynCorp could not provide documentation for 40 of 210 (19 percent) required Food Establishment Sanitation Assessment checklists, 68 of 135 (50 percent) required Comprehensive Receipt of Goods/Deliveries Inspection checklists, and 40 of 210 (19 percent) Quality Control – Food Service Operations checklists. In total, 148 of 555 (27 percent) required oversight checklists were missing.

Table 3: Types of Checklists Required From February 2017 Through December 2019

Checklist	No. of Required Checklists	No. of Checklists Missing	Percent Missing
Food Establishment Sanitation Assessment Checklist	210	40	19.0
Comprehensive Receipt of Goods/Deliveries Inspection Checklist	135	68	50.4
Quality Control – Food Service Operations Checklist	210	40	19.0
Total	555	148	26.7

Source: OIG generated based on analysis of checklists required to be completed by DynCorp officials.

¹⁸ OIG's calculation is based on 35 months between February 2017 to December 2019 and the number of dining facilities and food storage warehouses DynCorp operates per the ALISS food services task order.

The checklists that OIG was able to obtain generally resided in DynCorp's contract management system, called SeeSOR, which DynCorp began using in January 2018. Before then, DynCorp officials stated that they retained electronic copies of the inspection checklists on a local computer. DynCorp officials stated that these documents were not migrated to SeeSOR and they were unable to locate copies of many of the checklists from this period. The CORs also could not locate copies of these documents, which should have been maintained in the COR files. Ultimately, OIG was unable to determine with certainty whether DynCorp's checklist had not been completed, or whether they had been completed and not maintained.

DynCorp Did Not Establish a Cost Control Plan or a Cost Control Team

The ALiSS food services task order requires DynCorp to "implement a [Department]-approved food services support program to standardize food operations, meet mission requirements, control costs and provide good service to the [Department] communities." In its response to the Department's request for proposals for the ALiSS food services task order, DynCorp stated that it "will implement effective cost control processes to introduce cost efficiencies, prevent cost overruns, preclude unauthorized and unbillable costs, and seek ways to reduce Government costs." DynCorp explained that they would develop a cost control plan with the following objectives:

- transparently monitor and control cost reimbursement items and services,
- establish an ALiSS cost control team to reduce expenses over time, while maintaining quality of life support services, and
- cost-effectively position a viable, long-term [local nationals] workforce.

DynCorp stated that its cost control plan would define how its personnel would monitor and control costs and the processes and procedures to meet Department cost control requirements. DynCorp also stated that a cost control team comprising the Food Services Manager, the Project Control Supervisor, and the Property Control Supervisor would execute the plan and that the Project Manager would have overall responsibility for this plan.

During the audit, OIG found no evidence that DynCorp established the cost control plan or cost control team referenced in its proposal. DynCorp officials confirmed that they did not develop a cost control plan, but emphasized that the ALiSS food services task order was a firm-fixed price contract. Similarly, the CORs and the CO stated that the conversion to a firm-fixed price contract at the start of option year 2 was a major cost control. The DynCorp Project Manager and the CO added that to control costs, DynCorp submitted monthly reports that tracked costs, used approved accounting systems, procured goods and services based upon competitive bids, and documented any alternative determinations of fair and reasonable pricing. However, for the reasons explained in the following section, notwithstanding the conversion to a firm-fixed price contract and other steps taken to control costs, the Department paid millions of dollars for goods and services it never received.

The CO Did Not Adjust the Estimates of Meals Served When Exercising Option Years

For contracts that include option years, the FAR states that, before exercising an option, the CO must determine that the option is the “most advantageous method of fulfilling the Government’s need, price and other factors considered.”¹⁹ OIG found that the CO did not sufficiently take into account the declining number of personnel at the embassy compound and outlying U.S. Government facilities when deciding to exercise option year 4. Because of this, the estimate for the number of meals that would be served at the dining facilities turned out to be much higher than the number of meals that were actually served.

To determine the cost of food for option year 2 (when the task order was converted from a cost-reimbursable contract to a firm-fixed price contract), the Department relied on two variables: the actual cost of food from option year 1 and the number of meals estimated to be served in option year 2.²⁰ According to the Contracting Officer, the number of meals estimated to be served was based on a headcount recorded in the previous year plus new services, including catering and brunch, that were added in option year 2. Using this method, the CO estimated that 2,888,850 meals would be served in option year 2. When option year 2 concluded, the actual number of meals served was 67,316 below the estimate, or 2.3 percent.

When considering exercising option year 3, the CO reduced the estimated number of meals to 2,888,585 meals, a reduction of 265 meals, or less than 0.01 percent, from the prior year’s estimate—but 67,051 more meals than had actually been served in option year 2. When option year 3 ended, the actual number of meals served was 250,590 lower than the estimate, or 8.7 percent. Even though the actual number of meals served in option year 3 was significantly below the estimate, the CO used the same estimate for option year 4. Because the number of meals served continued to decline during option year 4, the difference between the estimated and actual number of meals served became even greater: 585,491, or 20.3 percent, fewer meals than estimated were served. Table 4 summarizes the differences in the number of meals estimated and served in the three option years.

¹⁹ FAR 17.207, “Exercise of Options.”

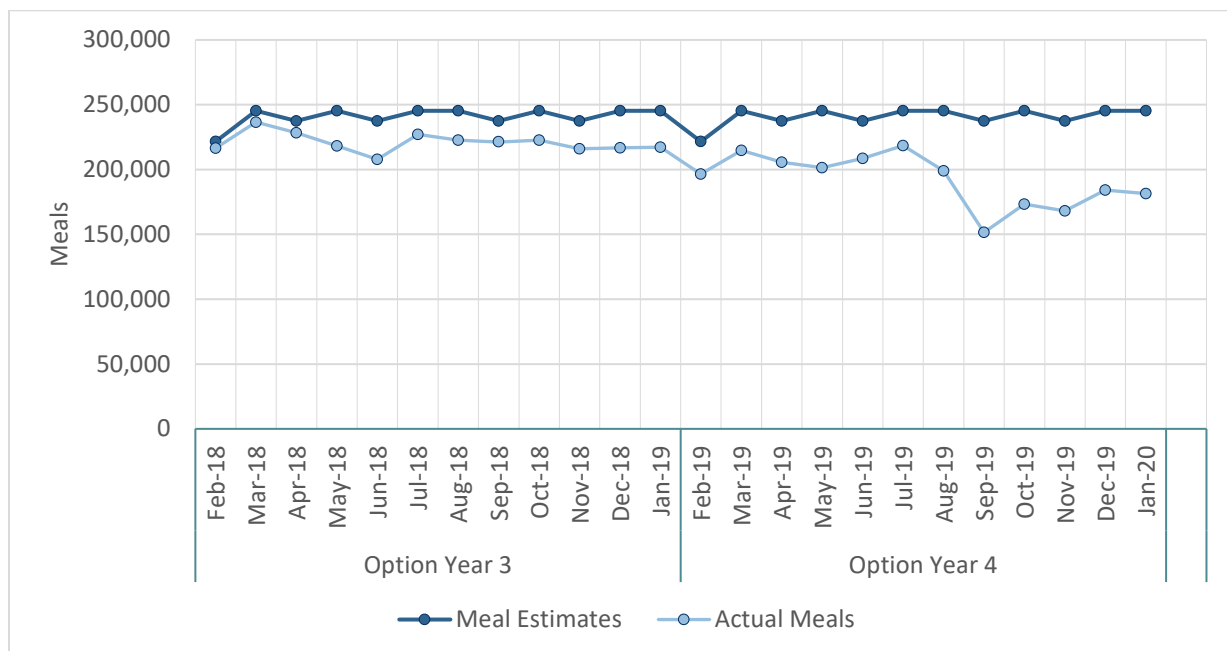
²⁰ For option year 2, the per meal rate was established to be \$20.76 (based on the actual cost of food from option year 1). The number of meals estimated to be served in option year 2 was 2,888,850, for a total value of \$59,972,526.

Table 2: Meal Estimates and Actual Meals Served for Option Years 2, 3, and 4

Option Year	No. of Meals Estimate	Actual Meals Served	Difference	Percentage
2	2,888,850	2,821,534	-67,316	-2.3%
3	2,888,585	2,637,995	-250,590	-8.7%
4	2,888,585	2,303,094	-585,491	-20.3%
Total	8,666,020	7,762,623	-903,397	-10.4%

Source: OIG generated based on information obtained from the CORs and DynCorp officials about estimated and actual meals served during option years 2, 3, and 4.

When the CO decided to exercise option year 4, he stated in a Determination of Findings document that “the option was evaluated prior to award and determined to be fair and reasonable. During the interim period between award and exercise, relevant market and price conditions have remained stable with no unexpected fluctuations.” Despite this determination, signs of declining usage throughout option year 3 should have alerted the CO to consider lowering the meal estimate for option year 4. Specifically, as part of the task order requirement, DynCorp was required to submit to the CO and the CORs quarterly Variations in Quantity reports documenting the actual number of meals served. The reports show the number of meals served by both meal type (breakfast, lunch, dinner, and midnight) and location. OIG reviewed the reports and charted the number of actual meals served each month against the estimates. As Figure 3 shows, the number of actual meals served was lower than the estimate for every month in option years 3 and 4. Table 5 shows the variance each month during those two years.

Figure 3: Estimated Versus Actual Meals Served Per Month in Option Years 3 and 4

Source: OIG generated based on information obtained from the CORs and DynCorp officials about estimated versus actual meals served in option years 3 and 4.

Table 3: Percentage Variance Between Estimated and Actual Meals Served Per Month in Option Years 3 and 4

Option Year 3			Option Year 4		
Month	Variance	Difference	Month	Variance	Difference
February 2018	-2.2%	\$104,271	February 2019	-11.3%	\$538,223
March 2018	-3.6%	\$182,883	March 2019	-12.5%	\$657,035
April 2018	-3.8%	\$190,498	April 2019	-13.4%	\$683,333
May 2018	-11.0%	\$566,019	May 2019	-17.9%	\$940,068
June 2018	-12.5%	\$621,302	June 2019	-12.1%	\$616,709
July 2018	-7.4%	\$381,165	July 2019	-11.0%	\$576,812
August 2018	-9.2%	\$475,512	August 2019	-18.9%	\$995,473
September 2018	-6.8%	\$339,037	September 2019	-36.2%	\$1,842,426
October 2018	-9.2%	\$473,183	October 2019	-29.4%	\$1,545,172
November 2018	-9.0%	\$449,014	November 2019*	-29.2%	-
December 2018	-11.7%	\$601,077	December 2019	-24.9%	-
January 2019	-11.5%	\$591,552	January 2020	-26.0%	-
Total		\$4,975,513	Total		\$8,395,251

* In November 2019, the Department agreed upon a reduction in the rate paid to DynCorp for food provisions.

Source: OIG generated based on information obtained from the CORs and DynCorp officials about estimated and actual meals served during option years 3 and 4.

The ALISS food services task order includes a “Variation in Quantity” clause that provides a mechanism for requesting equitable price adjustments. Per the Variation in Quantity contract clause, if the “actual quantity of the unit-priced meal varies more than 10 percent above or below the estimated quantity, an equitable adjustment in the contract price shall be made upon demand of either party.”²¹ Because the variance for the year was less than 10 percent in option years 2 and 3 (see Table 4), the CO did not have sufficient justification for requesting an equitable price adjustment for those years. The CO told OIG that personnel numbers in Kabul are difficult to predict and that, regardless of monthly totals, the Department was still paying less than it would have under the previous Department of Defense contract and under the cost-reimbursable structure in place during the base year and option year 1.

Even though the number of meals served continued to decline in the last half of option year 3 and the variance was more than 11 percent in the final 2 months, the CO did not request an equitable adjustment for option year 4 until September 2019. The adjustment became effective in November 2019 and reduced the total cost of food provisions by 29 percent for the final 3 months of option year 4. As shown in Table 5, had the CO requested an equitable adjustment earlier, the Department could have saved \$8.4 million. In May 2020, the CO stated that the Department was developing a tiered payment system that would pay DynCorp a percentage

²¹ Contract SAQMMA15F0686, task order modification M015, Variation in Quantity clause 4.1.2.1.

rate based partially upon the number of personnel accessing the dining facilities, increasing in busy months and decreasing in slower months.

CORs and CO Did Not Sufficiently Monitor and Implement Internal Controls

The deficiencies uncovered in this audit occurred, in part, because the CORs and the CO did not sufficiently monitor and implement internal controls to properly guide and document oversight activities. As explained in the audit findings, the CORs developed an oversight checklist that contained 28 items to be inspected. However, those 28 items corresponded to only 15 of 29 (52 percent) standards and requirements listed in the statement of work. In addition, the effectiveness of the monitoring and oversight of the task order was impacted by the insufficient number of CORs assigned in Kabul to oversee the food service task order, along with the other task orders under the ALiSS contract. Specifically, the CO awarded 14 task orders (with a combined value of more than \$600 million) under the two ALiSS base contracts executed by DynCorp and Global Development Support Services. According to the Contract Management and Oversight Plan for the ALiSS base contracts, the Department believes that “maintaining three CORs in Kabul is essential for continued ALiSS contract administration and oversight.” However, except for the months of November and December 2019, there were never three CORs in Kabul at the same time overseeing the 14 ALiSS contract task orders. In fact, from June through September 2017, and again from December 2017 through March 2018, there was only one COR in Kabul. During that time, this single COR not only oversaw the food services task order but also the other 13 ALiSS task orders as well.²² Furthermore, all the CORs OIG spoke with stated that the magnitude of the ALiSS contracts required at least four CORs and a contract specialist or officer to provide adequate oversight.

As a result of not sufficiently monitoring and implementing internal controls to properly guide and document oversight activities, the Department cannot have reasonable assurance that DynCorp fulfilled all contract terms and conditions of the ALiSS food services task order, nor can it recover the \$8.4 million paid for unserved meals. Nevertheless, valuable lessons can be learned from these shortcomings and applied during the execution of the future food services task orders. As previously mentioned, when the 6-month extension of the ALiSS food services task order ends in August 2020, the Department plans to transition the ALiSS contract to a “bridge” contract with 1 base year and two 6-month options. After that, the contract will be transitioned to the Diplomatic Platform Support Services contract. As such, there will be opportunities to improve the administration of food service task orders by ensuring there are a sufficient number of CORs available to provide oversight, updating the COR oversight checklist to ensure all standards and requirements listed in the statement of work are included, and by taking steps to ensure all contract terms and conditions are honored in the “bridge” contract and the upcoming Diplomatic Platform Support Services contract. Accordingly, OIG offers the following recommendations.

²² In addition to the task order for food services, the CO issued other task orders to obtain necessary life support services including waste management, vehicle maintenance services, emergency support services, security support, and other services.

Recommendation 1: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, determine whether additional Contracting Officer's Representatives are required to oversee the Afghanistan Life Support Services contract during the "bridge" year and when it is transitioned to the Diplomatic Platform Support Services contract. If so, take actions to appoint those Contracting Officer's Representatives.

Management Response: The Bureau of Administration, Office of the Procurement Executive, concurred with the recommendation. Embassy Kabul and the Bureau of South and Central Asian Affairs also stated that they support the increase in COR positions at post from three to four.

OIG Reply: On the basis of the Office of the Procurement Executive's concurrence with the recommendation and actions planned, OIG considers the recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that the Office of the Procurement Executive has determined whether additional CORs are required to oversee the Afghanistan Life Support Services contract during the "bridge" year. Also, if transitioned to the Diplomatic Support Services contract, OPE should take actions to appoint those CORs.

Recommendation 2: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, update the COR oversight checklist to include all performance standards and requirements outlined in the ALiSS food services task order (SAQMMA15F0686).

Management Response: The Office of the Procurement Executive concurred with the recommendation. Embassy Kabul and the Bureau of South and Central Asian Affairs also stated that they support updating the COR oversight checklist.

OIG Reply: On the basis of the Office of the Procurement Executive concurrence with the recommendation and actions planned, OIG considers the recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that the Office of the Procurement Executive has updated the COR oversight checklist to include all performance standards and requirements outlined in the ALiSS food services task order.

Recommendation 3: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, develop a mechanism to ensure that the CO is routinely monitoring COR performance for the ALiSS food services task order.

Management Response: The Office of the Procurement Executive concurred with the recommendation. Embassy Kabul and the Bureau of South and Central Asian Affairs also stated that they support the CO oversight of the CORs, including on-site visits by the CO as necessary.

OIG Reply: On the basis of the Office of the Procurement Executive's concurrence with the recommendation and actions planned, OIG considers the recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that the Office of the Procurement Executive has developed a mechanism to ensure that the CO is routinely monitoring COR performance for the ALISS food services task order.

Recommendation 4: OIG recommends that the Bureau of South and Central Asian Affairs, in coordination with the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management incorporate a requirement for the contractor to develop a cost control plan into the Diplomatic Platform Support Services contract's request for task order proposals for food services in Afghanistan.

Management Response: The Bureau of South and Central Asian Affairs and Embassy Kabul concurred with the recommendation, stating that they support the development of a cost control plan into the Diplomatic Platform Support Services contract and will work in coordination as required.

OIG Reply: On the basis of SCA's concurrence with the recommendation and actions planned, OIG considers the recommendation resolved, pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that SCA has incorporated a requirement for the contractor to develop a cost control plan into the Diplomatic Platform Support Services contract's request for task order proposals for food services in Afghanistan.

Recommendation 5: OIG recommends that the Bureau of South and Central Asian Affairs, in coordination with the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management take appropriate steps to ensure a cost control plan is executed under the Diplomatic Platform Support Services contract's food services task order in Afghanistan.

Management Response: The Bureau of South and Central Asian Affairs and Embassy Kabul concur with the recommendation, stating that they support the recommendation and will work in coordination, as required.

OIG Reply: On the basis of SCA's concurrence with the recommendation and actions planned, OIG considers the recommendation resolved pending further action. This recommendation will be closed when OIG receives and accepts documentation demonstrating that SCA has taken appropriate steps to ensure a cost control plan is executed under the Diplomatic Platform Support Services contract's food services task order in Afghanistan.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, determine whether additional Contracting Officer's Representatives are required to oversee the Afghanistan Life Support Services contract during the "bridge" year and when it is transitioned to the Diplomatic Platform Support Services contract. If so, take actions to appoint those Contracting Officer's Representatives.

Recommendation 2: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, update the COR oversight checklist to include all performance standards and requirements outlined in the ALiSS food services task order (SAQMMA15F0686).

Recommendation 3: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, develop a mechanism to ensure that the CO is routinely monitoring COR performance for the ALiSS food services task order.

Recommendation 4: OIG recommends that the Bureau of South and Central Asian Affairs, in coordination with the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management incorporate a requirement for the contractor to develop a cost control plan into the Diplomatic Platform Support Services contract's request for task order proposals for food services in Afghanistan.

Recommendation 5: OIG recommends that the Bureau of South and Central Asian Affairs, in coordination with the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management take appropriate steps to ensure a cost control plan is executed under the Diplomatic Platform Support Services contract's food services task order in Afghanistan.

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) administered the Afghanistan Life Support Services (ALiSS) food services task order (SAQMMA15F0686) in accordance with Federal regulations, Department policies, and contract terms and conditions.

OIG conducted this audit from December 2019 to June 2020 in Kabul, Afghanistan, and in the Washington, DC, metropolitan area. To answer the audit objectives, OIG reviewed information obtained from the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, U.S. Embassy Kabul, Afghanistan, and DynCorp International (DynCorp). OIG interviewed the CO based in Washington, DC; the Contracting Officer's Representatives (CORs) based at U.S. Embassy Kabul, Afghanistan; and DynCorp officials based in Kabul, Afghanistan. OIG reviewed and analyzed the Federal Acquisition Regulations, the Foreign Affairs Manual, Foreign Affairs Handbook, internal Department policies, and ALiSS contract terms and conditions. In addition, OIG reviewed contract documentation including contract modifications, statements of work, price negotiation memoranda, contractor proposals, inspection results, performance reports, and invoices. OIG also observed food inspections and food deliveries conducted by DynCorp officials and the CORs.

OIG conducted this audit in accordance with generally accepted government auditing standards. These standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. OIG faced challenges in completing this work because of the COVID-19 pandemic. These challenges included limitations on in-person meetings, difficulty accessing information, prohibitions on travel, and related difficulties within the Department which affected its ability to respond to OIG requests for information in a timely manner. Despite the challenges, OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions presented in this report. This report relates to Overseas Contingency Operation Freedom's Sentinel and was completed in accordance with OIG's oversight responsibilities described in Section 8L of the Inspector General Act of 1978, as amended.

Data Reliability

OIG obtained contract documentation from the Contracting Officer, the CORs, and from the COR working files. OIG also obtained and reviewed electronic data from the Federal Procurement Data System (FPDS), SeeSOR, and Transact systems.¹ Specifically, from FPDS, OIG obtained and reviewed contract documentation, including scopes of work and contract modifications. A data reliability assessment was not required since this system is a file storage

¹The Federal Procurement Data System is a federal system used to collect and store data on all federal procurements. SeeSOR is commercial contract monitoring software used by DynCorp to track and store compliance documents, including inspections, checklists, and other documentation. Transact is also a commercial software used by DynCorp to manage and track meal cards and headcount, among other things.

tool, however the completeness of the data was checked by confirming the absence and presence of required documents. From SeeSOR, OIG obtained and reviewed dining facility inspection checklists, public health inspection checklists and inspection results, and receipt of goods checklists. A data reliability assessment was not required since this system is a file storage tool, however the completeness of the data was checked by confirming the absence and presence of required documents. From the Transact system, OIG obtained, and reviewed data provided by the CORs and DynCorp officials on the number of meals served (headcount), dining facility usage, and internal control processes applied on meal card usage. To assess the completeness and accuracy of the data, OIG reviewed the Transact system by observing its functionality and the internal controls governing its use. OIG determined that, for headcount data, there was no human interaction in the computation of the total. Instead, meal swipes at the dining facility entry point were fed directly into the Blackboard system, which produced an automatic daily total. OIG worked with the CORs and DynCorp officials to retrieve information from within the system. OIG believes that the data obtained and reviewed are sufficiently reliable to answer the audit objective.

Work Related to Internal Control

OIG considered several factors to determine whether internal control was significant to the audit objective. Based on its consideration, OIG determined that internal control was significant for this audit. OIG then considered the components of internal control and the underlying principles included in the *Standards for Internal Control in the Federal Government*² to identify internal controls that were significant to the audit objective. Considering internal control in the context of a comprehensive internal control framework can help auditors to determine whether underlying internal control deficiencies exist.

OIG concluded that four of five internal control components from the *Standards for Internal Control in the Federal Government*—Control Environment, Risk Assessment, Control Activities, and Monitoring—were significant to the audit objective. The Control Environment component is the foundation for an internal control system; it provides the discipline and structure to help an entity achieve its objectives. The Risk Assessment component assesses the risks facing the entity as it seeks to achieve its objectives. The assessment provides the basis for developing appropriate risk responses. The Control Activities component includes the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system. The Monitoring component relates to activities management establishes and operates to assess the quality of performance over time. OIG also concluded that nine principles related to the selected components were significant to the audit objective, as described in Table A.1.

² Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

Table A.1: Internal Control Components and Principles Identified as Significant

Components	Principles
Control Environment	<ul style="list-style-type: none"> • Exercise Oversight Responsibility - the oversight body should oversee the entity's internal control system. • Enforce Accountability - Management should evaluate performance and hold individuals accountable for their internal control responsibilities.
Risk Assessment	<ul style="list-style-type: none"> • Define Objectives and Risk Tolerances - Management should define objectives clearly to enable the identification of risks and define risk tolerances. • Identify, Analyze, and Respond to Risk - Management should identify, analyze, and respond to risks related to achieving the defined objectives. • Assess Fraud Risk - Management should consider the potential for fraud when identifying, analyzing, and responding to risks.
Control Activities	<ul style="list-style-type: none"> • Design Control Activities - Management should design control activities to achieve objectives and respond to risks. • Implement Control Activities - Management should implement control activities through policies.
Monitoring	<ul style="list-style-type: none"> • Perform Monitoring Activities - Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results. • Remediate Deficiencies - Management should remediate identified internal control deficiencies on a timely basis.

Source: OIG generated from an analysis of internal control components and principles from the Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

OIG interviewed Department and DynCorp officials, reviewed documentation, performed walkthroughs, and observed inspections of dining facilities to obtain an understanding of the internal controls related to the components and principles identified as significant for this audit. OIG performed procedures to assess the design and implementation of key internal controls. Specifically, OIG:

- interviewed personnel involved in administering and overseeing the ALISS food services task order including the Contracting Officer, the CORs, and DynCorp officials;
- reviewed documentation including contract proposals, scopes of work, and performance evaluations;
- observed inspections at dining facilities and the delivery and receipt of goods;
- interviewed the COR to discuss instances of fraud that have occurred relating to the food services task order and controls put in place to prevent fraud;
- gained an understanding of the Transact system used by DynCorp to record data on dining facility usage and to implement internal controls on meal access.; and
- reviewed information contained in SeeSOR, a DynCorp database that contains records and results of dining facility inspections.

Internal control deficiencies identified during the audit that are significant within the context of the audit objective are presented in the Audit Results section of this report.

Sampling Methodology

OIG reviewed checklists that DynCorp and the ALiSS CORs used to monitor the progress of the ALiSS food services task order. These checklists are used to ensure that sanitation, deliveries, and food service operations are completed as required by the task order statement of work. OIG concluded that a minimum of 555 assessment, inspection, and audit checklists were required to be completed by DynCorp and 35 checklists were required to be completed by the CORs between February 2017 and December 2019. Table A.2 shows the type and number of checklists required.

Table A.2: Types of Checklists Required Between February 2017 and December 2019

Checklist	No. of Required Checklists
Food Establishment Sanitation Assessment Checklist	210
Comprehensive Receipt of Goods/Deliveries Inspection Checklist	135
Quality Control – Food Service Operations Checklist	210
DynCorp Checklists Subtotal	555
COR Monthly Food Service Checklist	35
COR and DynCorp Checklists Total	590

Source: OIG analysis of quality assurance and quality control assessments, inspections, and audit checklists required to be completed by ALiSS CORs and DynCorp officials.

OIG determined the minimum number of required checklists based on DynCorp's statement of work which requires it to complete several inspections on a monthly basis for all dining facilities it operates.³ Specifically, the statement of work states the contractor should inspect all facilities serving food and beverages on a regular basis, but not less than once a month. Additionally, the task order requires DynCorp to complete and submit monthly facility inspections and trend results to the CORs. OIG performed a 100 percent review of checklists required during this time period to determine whether DynCorp and the ALiSS CORs performed, recorded, and maintained the minimum required number of checklists.

Prior Office of Inspector General Reports

In August 2018, *Audit of Cost Controls Within the Baghdad Life Support Services Contract Food Services Task Order SAQMMA14F0721* (AUD-MERO-18-55), OIG reported that the Bureau of Near Eastern Affairs did not hold the contractor accountable for complying with its cost control plan, particularly its failure to establish sufficient inspection checklists. OIG also reported that the CO did not definitize the contract option years within the contractually prescribed time period, thus increasing cost and performance risk to the Government. OIG

³ DynCorp International, LLC. *Task Order 001 – Food Service (SAQMMA15F0686): Statement of Work*, “Facility Inspections.”

offered four recommendations. As of June 2020, three had been implemented and closed and one is considered resolved, pending further action.

In April 2018, *Audit of Costs Invoiced Under the Afghanistan Life Support Services Contracts* (AUD-MERO-18-35), OIG reported that SCA CORs for the ALiSS contract generally reviewed and approved invoices in accordance with Federal regulations, Department guidance, and contract requirements. OIG questioned \$822,243, or about 1 percent, of the total dollar amount of invoices reviewed. OIG offered three recommendations and, as of June 2020, all three had been implemented and closed.

In March 2018, *Management Assistance Report: Cost Controls for Food Services Supporting Department of State Operations in Iraq Require Attention* (AUD-MERO 18-31), OIG reported that the Office of Acquisitions Management did not effectively implement cost controls of the food services task order, resulting in financial cost and risk to the Department. Specifically, OIG reported that the CORs approved invoices for payments that exceeded the approved allowance during the base year by \$3.25 per day and increased the allowance in preceding option years without performing required analysis. In addition, the CO did not convert the task order from a cost-reimbursement to a fixed price task order, implement a “Point of Sale” cafeteria system, or limit the number of Department subsidized meals for individuals who did not live on the embassy. OIG identified \$45 million in questioned costs. OIG offered 14 recommendations. As of June 2020, 10 had been implemented and closed, 2 were not implemented but closed based on management decision, and 2 were considered resolved, pending further action.

In June 2017, *Audit of the Bureau of South and Central Asian Affairs Invoice Review Process for the Afghanistan Life Support Services (ALiSS) Contract* (AUD-MERO-17-47), OIG reported SCA’s oversight was effective and allowed the bureau to identify and resolve performance issues. However, OIG also found that even though the CORs prepared and submitted quality assurance reports as required, those reports did not address each of the individual performance standards contained in the food services quality assurance plan. OIG offered two recommendations, and as of June 2020, both recommendations had been implemented and closed.

APPENDIX B: RESPONSE FROM THE BUREAU OF ADMINISTRATION, OFFICE OF THE PROCUREMENT EXECUTIVE



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

September 11, 2020

MEMORANDUM

TO: OIG/AUD – Norman P. Brown

FROM: A/OPE – Vincent J. Chaverini, *VJC* Acting

SUBJECT: Draft Report on *Audit of Food Services Under the Afghanistan Life Support Services Contract*

Thank you for the opportunity to provide a response to the subject draft report. The point of contact for this report is the A/OPE Front Office (A-OPEFrontOfficeAssistants@state.gov).

Recommendation 1: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, determine whether additional Contracting Officer's Representatives are required to oversee the Afghanistan Life Support Services contract during the "bridge" year and when it is transitioned to the Diplomatic Platform Support Services contract. If so, take actions to appoint those Contracting Officer's Representatives.

Management Response to Draft Report (09/10/2020): The Office of the Procurement Executive (A/OPE) concurs.

Recommendation 2: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, update the COR oversight checklist to include all performance standards and requirements outlined in the ALiSS food services task order (SAQMMA15F0686).

Management Response to Draft Report (09/10/2020): A/OPE concurs.

Recommendation 3: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, develop a mechanism to ensure that the CO is routinely monitoring COR performance for the ALiSS food services task order.

Management Response to Draft Report (09/10/2020): A/OPE concurs.

UNCLASSIFIED

APPENDIX C: RESPONSE FROM U.S. EMBASSY KABUL



Embassy of the United States of America

Kabul, Afghanistan

September 13, 2020

Ms. Tinh T. Nguyen
Deputy Assistant Inspector General
Office of the Inspector General

Dear Ms. Nguyen:

Thank you for the opportunity to review the draft report for the Audit of Food Services Under the Afghanistan Life Support Services Contract. We, the U.S. Embassy in Afghanistan, have reviewed the draft report and have no recommended redactions.

I must note that post believes that some of the assertions in the draft report, for example the observation that the USG could have saved \$8.4 million by revising Option Year 4 earlier, do not consider the complex realities on the ground.

Post agrees that adding an additional COR position to the staffing profile will permit us to monitor strategic changes more closely, with the precision the OIG report requests. Attached to this letter please find some specific comments on sections of the report.

Post is prepared to comply with the recommendations laid out in the draft report and will respond formally to the recommendations when the report is published.

Sincerely,

A handwritten signature in black ink, appearing to read 'RLW'.

Ross L. Wilson
Chargé d'Affaires

OIG Recommendation 1: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, determine whether additional Contracting Officer's Representatives are required to oversee the Afghanistan Life Support Services contract during the "bridge" year and when it is transitioned to the Diplomatic Platform Support Services contract. If so, take actions to appoint those Contracting Officer's Representatives.

- **U.S. Mission Kabul Response:** Management supports the increase in COR positions at post from three to four. With three R&Rs per year, Post operates with two CORs for more weeks/months than we function with all three. Additionally, when the U.S. Mission faces long-term staffing gaps, we would like TDY support to keep the workloads manageable.

OIG Recommendation 2: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, update the COR oversight checklist to include all performance standards and requirements outlined in the ALiSS food services task order (SAQMMA15F0686).

- **U.S. Mission Kabul Response:** Management supports updating the COR oversight checklist. We can adopt checklist provided in the OIG's audit.

OIG Recommendation 3: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, develop a mechanism to ensure that the CO is routinely monitoring COR performance for the ALiSS food services task order.

- **U.S. Mission Kabul Response:** Management supports CO oversight of the CORs. Post supports on-site visits as necessary to ensure oversight is acceptable.

OIG Recommendation 4: OIG recommends that the Bureau of South and Central Asian Affairs, in coordination with the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management incorporate a requirement for the contractor to develop a cost control plan into the Diplomatic Platform Support Services contract's request for task order proposals for food services in Afghanistan.

- **U.S. Mission Kabul Response:** Management supports the development of a cost control plan by the contractor into the Diplomatic Platform Support Services contract and stands ready to assist in the implementation in any way that we can.

OIG Recommendation 5: OIG recommends that the Bureau of South and Central Asian Affairs, in coordination with the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management take appropriate steps to ensure a cost control plan is executed under the Diplomatic Platform Support Services contract's food services task order in Afghanistan.

- **U.S. Mission Kabul Response:** Management supports and will assist as required.

APPENDIX D: RESPONSE FROM THE BUREAU OF SOUTH AND CENTRAL ASIAN AFFAIRS



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

September 15, 2020

MEMORANDUM

TO: Tinh Nguyen
Deputy Assistant Inspector General, Middle East Region Operations
Office of the Inspector General

FROM: Rachna Korhonen 
NEA-SCA/EX Executive Director

SUBJECT: Draft Report on *Audit of Food Services Under the Afghanistan Life Support Services Contract*

Thank you for the opportunity to provide a response to the subject draft report. The points of contact for this report are the NEA-SCA/EX Post Management Officers for Afghanistan (NEA-SCA/EX_PMO_Afghanistan-DL@state.gov).

NEA/SCA-EX notes that Embassy Kabul operates under very complex and challenging conditions. This was particularly the case during the December 2019 to June 2020 audit period, which included Post's staffing drawdown in response to a severe COVID-19 outbreak in Afghanistan. Furthermore, NEA/SCA-EX notes that the CO issued ALiSS option year 4 in February 2019 before Post downsizing decisions were made in March 2019 and before particular housing facilities were closed later in the summer of 2019.

Recommendation 1: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, determine whether additional Contracting Officer's Representatives are required to oversee the Afghanistan Life Support Services contract during the "bridge" year and when it is transitioned to the Diplomatic Platform Support Services contract. If so, take actions to appoint those Contracting Officer's Representatives.

NEA-SCA/EX Response to Draft Report (09/15/2020): NEA-SCA/EX concurs with Embassy Kabul Management regarding an increase in COR positions and notes the difficulty faced overseeing the ALiSS contract when CORs take three R&Rs per year and no TDY support is available to manage these and other long-term staffing gaps.

Recommendation 2: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy

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Kabul and the Bureau of South and Central Asian Affairs, update the COR oversight checklist to include all performance standards and requirements outlined in the ALiSS food services task order (SAQMMA15F0686).

NEA-SCA/EX Response to Draft Report (09/15/2020): NEA-SCA/EX concurs with Embassy Kabul Management and supports updating the COR oversight checklist.

Recommendation 3: OIG recommends that the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management, in coordination with U.S. Embassy Kabul and the Bureau of South and Central Asian Affairs, develop a mechanism to ensure that the CO is routinely monitoring COR performance for the ALiSS food services task order.

NEA-SCA/EX Response to Draft Report (09/15/2020): NEA-SCA/EX concurs with Embassy Kabul Management and supports CO oversight of the ALiSS CORs including on-site visits by the CO as necessary.

Recommendation 4: OIG recommends that the Bureau of South and Central Asian Affairs, in coordination with the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management incorporate a requirement for the contractor to develop a cost control plan into the Diplomatic Platform Support Services contract's request for task order proposals for food services in Afghanistan.

NEA-SCA/EX Response to Draft Report (09/15/2020): NEA-SCA/EX concurs with Embassy Kabul Management and supports the development of a cost control plan in the Diplomatic Platform Support Services contract.

Recommendation 5: OIG recommends that the Bureau of South and Central Asian Affairs, in coordination with the Bureau of Administration, Office of the Procurement Executive, Office of Acquisitions Management take appropriate steps to ensure a cost control plan is executed under the Diplomatic Platform Support Services contract's food services task order in Afghanistan.

NEA-SCA/EX Response to Draft Report (09/15/2020): NEA-SCA/EX concurs and will work with Embassy Kabul Management as required.

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Approved: NEA-SCA/EX Director Rachna Korhonen (RSK)

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ABBREVIATIONS

ALiSS	Afghanistan Life Support Services
CO	Contracting Officer
COR	Contracting Officer's Representative
Department	Department of State
DynCorp	DynCorp International
FAH	Foreign Affairs Handbook
FAM	Foreign Affairs Manual
FAR	Federal Acquisition Regulation
OIG	Office of Inspector General
SCA	Bureau of South and Central Asian Affairs

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