

SIGAR

**Special Inspector General for
Afghanistan Reconstruction**

SIGAR 14-24 Inspection Report

**BALKH EDUCATION FACILITY: BUILDING
REMAINS UNFINISHED AND UNSAFE TO
OCCUPY AFTER NEARLY 5 YEARS**



**JANUARY
2014**

SIGAR

Special Inspector General for Afghanistan Reconstruction

WHAT SIGAR REVIEWED

In May 2008, the U.S. Agency for International Development (USAID) entered into a Participating Agency Program Agreement (PAPA) with the U.S. Army Corps of Engineers (USACE) to award and oversee the construction of a number of “Faculties of Higher Education” to serve as teacher training facilities in Afghanistan. Beginning in February 2009, USACE awarded three contracts under the PAPA for the construction of facilities in three northern provinces, including a facility in Mazar-e-Sharif in Balkh province. In January 2013, USAID terminated the PAPA and took over responsibility for completing these facilities.

For this inspection, we assessed the project site in Balkh province to determine whether (1) construction was completed in accordance with contract requirements and applicable construction standards, and (2) the facilities were being used as intended and maintained.

SIGAR conducted its work in Kabul, Afghanistan, and at the Balkh site from March through November 2013, in accordance with the *Quality Standards for Inspection and Evaluation* published by the Council of the Inspectors General on Integrity and Efficiency.

WHAT SIGAR RECOMMENDS

To help ensure that the Balkh education facility meets the needs of faculty and students and all applicable safety requirements, and to protect the U.S. government’s investment, we recommend that the USAID Mission Director (1) expand the scope of work for the pending procurement action to address the deficiencies identified by SIGAR; and (2) develop roof and septic tank structural calculations based on the construction documents, progress photos, and quality assurance reports, to determine whether these building components comply with the required 2003 International Building Code and adequately protect life and property, and report back to SIGAR within 90 days with the results of this analysis and any planned corrective actions. In commenting on a draft of this report, USAID concurred with the first recommendation. USAID did not concur with the second recommendation, citing, in part, the receipt of new information from USACE not previously provided to SIGAR. SIGAR will obtain and review this new information to determine whether it satisfies the intent of the second recommendation. USAID’s complete comments and SIGAR’s responses to them are reproduced in appendix II.

January 2014

Balkh Education Facility: Building Remains Unfinished and Unsafe to Occupy after Nearly 5 Years

SIGAR Inspection 14-24-IP

WHAT SIGAR FOUND

The Balkh education facility has not been completed or constructed in accordance with contract requirements and technical specifications. As a result, nearly 5 years after construction began, the U.S. Agency for International Development (USAID) is unable to transfer the facility to Afghan authorities. USAID and the U.S. Army Corps of Engineers identified a number of repairs that need to be made to address, among other things, a leaking roof, defective electrical wiring, and an improperly sloped terrace roof. USAID technical office and contracting staff have developed a revised procurement strategy to contract out this remaining construction and repair work, which they expect to be completed by mid-2014.

SIGAR identified some additional deficiencies requiring repair that are not currently part of USAID’s expected procurement action. For example, sewer lines crossing above water lines are not encased in concrete and exterior stairway dimensions are not compliant with required International Building Code specifications. SIGAR also found that USAID lacks building roof and septic tank structural calculations, an analysis of which is critical to ensure that the roof and septic tank as constructed will support the loads imposed on them. The absence of such calculations raises potential health and safety concerns because USAID lacks adequate assurance that these structures will not collapse at some point in time.

SIGAR also found that, although the Balkh facility was not approved for occupancy, Afghan faculty and students had been using the facility. Following a briefing on SIGAR’s inspection, USAID instructed the Afghan Ministry of Higher Education to vacate the facility pending final repairs and the building’s official transfer to Afghan authorities. According to USAID officials, they intend to issue an Implementation Letter to the Afghan Government at project turnover, which will describe the level of operation and maintenance support for the facility that the government is expected to provide. Correspondence from the Ministry of Higher Education shows it has committed to providing financial support for the Faculties of Higher Education.



SIGAR

Office of the Special Inspector General
for Afghanistan Reconstruction

January 22, 2014

General Lloyd J. Austin III
Commander, U.S. Central Command

Lieutenant General Thomas P. Bostick
Commanding General and Chief of Engineers
U.S. Army Corps of Engineers

Dr. Rajiv Shah
Administrator
U.S. Agency for International Development

Mr. William Hammink
USAID Mission Director to Afghanistan

This report discusses the results of SIGAR's inspection of the USAID-funded Faculty of Higher Education facility in Mazar-e-Sharif, Balkh province. This report recommends that the USAID Mission Director (1) expand the scope of work for the pending procurement action to address the deficiencies identified by SIGAR; and (2) develop roof and septic tank structural calculations based on construction documents, progress photos, and quality assurance reports, to determine whether these building components comply with the required 2003 International Building Code and adequately protect life and property, and report back to SIGAR within 90 days with the results of this analysis and any planned corrective actions.

In commenting on a draft of this report, USAID concurred with our first recommendation, but did not concur with our second recommendation. USAID stated that it received new information on January 9, 2014, from USACE regarding approved structural calculations not previously provided to SIGAR, despite numerous requests for this information during the course of our inspection. USAID also noted that its professional engineer found no compelling reason to conclude that new structural calculations should be performed—a task USAID believes would be very time consuming and costly. Finally, USAID stated that SIGAR had not presented sufficient evidence to suggest that the Balkh facility has shown any signs that it lacks structural integrity. We request that USAID provide us the new information it received from USACE, which we will review to determine whether it fully satisfies the intent of our second recommendation. USAID's complete comments and our responses are in appendix II.

SIGAR conducted this inspection under the authority of Public Law No. 110-181, as amended, 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.

A handwritten signature in black ink, appearing to read "John F. Sopko".

John F. Sopko
Special Inspector General
for Afghanistan Reconstruction

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ABBREVIATIONS & ACRONYMS

PAPA	Participating Agency Program Agreement
RFTOP	Request for Task Order Proposal
USACE	U.S. Army Corps of Engineers
USAID	U.S. Agency for International Development

In 2008, the U.S. Agency for International Development (USAID) began planning the construction of what it calls “Faculties of Higher Education”¹ as part of the agency’s support for higher education efforts in Afghanistan. To that end, USAID provided approximately \$17.1 million to the U.S. Army Corps of Engineers (USACE) under a May 2008 Participating Agency Program Agreement (PAPA)² to construct 16 facilities across Afghanistan to prepare students to become teachers at the secondary education level in a variety of disciplines. Each facility was to be built from a standard design consisting of a two-story building with 10 classrooms, 4 laboratories, a library, and an administration room.

For this inspection, we focused on the Mazar-e-Sharif facility in Balkh province (see photo 1). Specifically, we assessed whether (1) construction was completed in accordance with contract requirements and applicable construction standards, and (2) the facility was being used as intended and maintained.

We conducted our work in Kabul, Afghanistan, and at the Balkh site from March through November 2013, 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 a professional engineer in accordance with the National Society of Professional Engineers’ *Code of Ethics for Engineers*. We made visits to the Balkh site in March and October 2013 to conduct our inspection. We also interviewed USAID, USACE, and Ministry of Higher Education officials in Kabul and Mazar-e-Sharif and examined program documents in both locations. Appendix I provides more detail on our scope and methodology.

Photo 1 - Balkh Education Facility



Source: SIGAR, March 4, 2013.

BACKGROUND

In February 2009, USACE awarded a \$2.9 million firm fixed-price contract to Mercury Development (Mercury), an Iraqi company, to build the higher education facilities in Mazar-e-Sharif (Balkh province), Sheberghan (Jawzjan province), and Meymaneh (Faryab province).³ USACE experienced a number of performance issues with this contractor, as detailed in SIGAR’s July 2013 report on the Jawzjan site in Sheberghan.⁴ As noted in our report, USACE issued 62 deficiency and performance notices to Mercury beginning in July 2009 involving

¹ USAID uses the term “Faculties of Higher Education” for these projects. For purposes of this report, we refer to these construction projects as “facilities.”

² A Participating Agency Program Agreement is a type of interagency agreement that USAID uses when another federal agency is expected to implement a program with relatively little day-to-day oversight or direct supervision by USAID. One of the stipulations of this type of agreement is that program functions will be primarily performed at a place other than USAID.

³ We reported on the status of construction at the Sheberghan facility in July 2013. See *Sheberghan Teacher Training Facility: U.S. Army Corps of Engineers Paid Contractors and Released Them from Contractual Obligations before Construction was Completed and without Resolving Serious Health and Safety Hazards*, SIGAR Inspection 13-9, July 17, 2013. We will not report on the status of the facility in Faryab province because security conditions prevent a visit to this location.

⁴ SIGAR Inspection 13-9, July 17, 2013.

work at all three facilities. Among other items, these letters covered such problems as electrical deficiencies, non-payment to subcontractors, reporting more workers than were actually on site, safety violations, and lack of qualified and trained safety managers to oversee on-site activities. In addition, quality assurance reports during September of 2011 showed the contractor's workforce had been reduced significantly, and on many days had no presence on the site at all. Because of these as well as other issues, USACE chose to de-scope the remaining work from the contract. It terminated the contract on November 19, 2011. The contract close-out document stated that all work associated with the contract was physically completed and all issues had been resolved.

After Mercury's departure, USACE awarded a set of contracts to Zafarkhaliq Construction Company (Zafarkhaliq), an Afghan firm, to finish the work at each facility.⁵ However, after beginning work, Zafarkhaliq identified additional electrical deficiencies, which prompted a request to increase the project scope significantly.⁶ Zafarkhaliq reportedly had difficulties completing the required repairs due to security problems. In response, USACE de-scoped the remaining work from its contract with Zafarkhaliq on December 1, 2012, and released the company from any further contractual obligations.⁷

On December 30, 2012, USACE awarded a third contract for \$631,956 to Gharany Group, an Afghan firm, to make final repairs at all three facilities. However, based on a January 8, 2013, decision memorandum, which outlined USAID's frustration with project delays, USAID decided to de-scope the PAPA with USACE and instructed USACE to cancel the award to Gharany Group and refund any unused funds to the agency.⁸ At the time the PAPA was terminated, USAID officials estimated the three facilities were 95 percent completed and they each required additional electrical, plumbing, and construction repairs before turnover to Afghan authorities.

USAID has made two attempts to award a contract for repairs for the three facilities under its Vertical Structures Indefinite Quantity Contract.⁹ USAID received no response to its first Request for Task Order Proposals (RFTOP), so it amended and reissued the RFTOP with a revised scope of work and a due date of April 18, 2013. USAID received one response, which was evaluated by a technical evaluation committee and deemed insufficient on price and technical grounds. USAID issued its second RFTOP on July 1, 2013, and

⁵ The January 2012 contract for repairs at the Balkh facility was valued at \$98,000.

⁶ Zafarkhaliq identified needed electrical repairs at the Fayrab site and brought this to USACE's attention. USACE responded by issuing a Request for Proposal to Zafarkhaliq to submit a bid for making needed repairs at all three sites. Zafarkhaliq's bid was deemed too costly by USACE and the decision was made to de-scope the remaining work from Zafarkhaliq's contracts and issue a new contract to include a more complete scope of electrical repairs.

⁷ In our July 2013 report, we recommended that USACE determine, and report the results to SIGAR, the reasons why the two contractors (Mercury and Zafarkhaliq) were released from their contractual obligations despite poor performance, unfinished construction, and electrical problems and determine appropriate actions, if any, against the contracting officer(s) responsible for making these decisions. In October 2013, USACE responded to these recommendations in a letter to SIGAR, stating that the "Mercury contract termination took into account all known deficiencies, but did not take into account any unknown deficiencies." USACE added that the contract with Mercury was terminated through a contract modification, which descope the remaining contract work, included a credit to the government for this descope work, and assessed liquidated damages against the contractor in accordance with contract terms. USACE also stated in its letter that, during performance of the follow-on contract, Zafarkhaliq submitted a proposal to correct deficiencies in the facility wiring, but proposed a price that was unreasonably high. According to USACE, Zafarkhaliq completed most of the other work required under its contract and, therefore, its contract with USACE was "appropriately terminated...for convenience." Finally, USACE wrote that "based on the information known at the time, taking into consideration guidance from [project delivery team members], and exercising business judgment; [sic] Contracting Officers made appropriate decisions in administering the Sheberghan contracts." As such, USACE determined that "no disciplinary action is required."

⁸ USAID reported that it recouped about \$1.4 million from USACE as a result of this action.

⁹ USAID's Vertical Structures Indefinite Quantity Contract is a standing contract vehicle the agency established to facilitate rapid turnaround awards for certain classes of procurements, which tend to be of limited duration, dollar value, and scope. This contracting vehicle, in place since November 2012, has five pre-qualified contractors—both Afghan and non-Afghan contractors—who can provide a range of construction services on relatively short notice.

received two responses, which were deemed unacceptable by a technical evaluation committee on the grounds of price.

USAID revised its procurement strategy to pursue a sole source award with one of five pre-qualified firms under its Vertical Structures Indefinite Quantity Contract to help expedite completion of the facilities. On November 2, 2013, USAID's contracting officer issued an RFTOP to one of the pre-qualified firms. This firm was to submit a bid based on site inspections, contract documents from the previous USACE contracts, and recent inspection reports prepared by USAID's quality assurance contractor. The RFTOP requested that the pre-qualified firm bring all three sites into 100 percent compliance with all design and contract requirements. USAID's RFTOP also provided estimates of \$1 million-\$2 million as a target range for a final negotiated price.¹⁰ Per the Federal Acquisition Regulation (FAR 15.404-1), USAID's contracting officer noted that a price analysis of the proposed contractor's offer would be made as part of the contract negotiations process to ensure that any final negotiated price is both fair and reasonable. On November 17, 2013, the proposed contractor reportedly responded with an initial bid within the target range. USAID expects to conclude contract negotiations by the end of 2013, and have all work completed within 6 months of the contract award.

BALKH FACILITY WAS NOT CONSTRUCTED IN ACCORDANCE WITH CONTRACT REQUIREMENTS, AND DEFICIENCIES REMAIN TO BE CORRECTED

Nearly 5 years after construction began, a number of major and minor repairs remain to be made at the Balkh facility. USACE and USAID identified a number of significant deficiencies, which we also found during our inspection. These deficiencies include, among others:

- Numerous leaks in the existing flat roof¹¹ that have become evident, exhibited by paint peeling off the ceiling in most of the second floor classrooms (see photo 2).
- An incomplete electrical system,¹² which has numerous deficiencies and code violations.
- A second floor terrace that slopes toward the classroom door, requiring an improvised dam to stop rainwater from flowing into the classroom (see photo 3). A roof downspout that empties onto the terrace worsens the problem by adding roof runoff.

¹⁰ USAID's contracting officer noted that this price range significantly exceeds the value of USACE's last award for repairs due to a number of factors. First, the scope of work has been expanded from specific repair items to 100 percent compliance with all contract terms and design requirements. Second, the range is more in line with bids received on USAID's two earlier RFTOPs. Third, the proposed contractor is a U.S. based firm and is expected to have higher mobilization and operating costs than an Afghan firm.

¹¹ USACE approved a roofing system consisting of bitumen fabric adhered to the flat concrete roof, eight inches of rigid styrofoam insulation, a single layer of thin clear polyethylene plastic sheeting, a graded sand layer sloped to drain water to the downspouts, and a top layer of ceramic tiles.

¹² The electrical system remains incomplete because the facility has not yet been connected to the local power grid, as required under the contract's original scope of work. This will require a significant amount of work and materials, including a transfer switch, transformer, power/utility poles, and overhead transmission lines. After the facility is connected to the local power grid, Afghan authorities will have the option to obtain electricity from the local utility at a lower cost than using diesel fuel to power the facility's generator, while having the flexibility to use the generator should local power not be available on a particular day or a given time of day.

Photo 2 - Paint Peeling off Classroom Ceiling



Source: SIGAR, October 19, 2013.

Photo 3 - Improvised Dam on Sloping Roof Terrace



Source: SIGAR, October 19, 2013.

Correction of the deficiencies described above is expected to be included in USAID's anticipated procurement action for completion of the facility. However, our October 2013 site inspection also revealed several additional deficiencies, which are not included in USAID's pending procurement action. For example, we found that:

- Sewer lines crossing over the top of water lines could contaminate the water supply and are not consistent with contract requirements.
- Irregular riser heights on the exterior stairs pose a safety hazard and do not comply with the contract's technical requirements.¹³
- Magnetic ballasts,¹⁴ which maintain current flow within acceptable limits, were installed with all fluorescent light fixtures, rather than more efficient electronic ballasts required by the contract's technical requirements.
- Neither of the access points to the septic tank has a solid cast iron cover or permanent ladder, as required by the contract (see photo 4).

Photo 4 - Access Point to Septic Tank



Source: SIGAR, October 19, 2013

¹³ Ingress and egress requirements dictate that riser heights should not exceed seven inches, and the variation between riser heights should not exceed 3/8 of an inch. We found that the exterior stairs at the facility exceed both requirements.

¹⁴ A ballast regulates, or limits, current through the lamp by impeding the current flow to the lamp. Electronic ballasts are more efficient, start more quickly, run cooler, are lighter, and cause less flickering of light than magnetic ballasts.

- No access road to the front of the building exists, as required in the contract. The facility also does not have a gravel road to allow heavy trucks to access the fuel tanks, generator, and septic tank, as required by the contract.

Complete Structural Calculations for Roof and Septic Tank Could Not be Located

USACE did not provide any documentation during the course of our inspection to demonstrate that complete and accurate structural calculations for the roof or septic tank were developed to show that these structures can sustain expected loads. The absence of such calculations raises potential health and safety concerns because USAID lacks adequate assurance that these structures will not collapse at some point in time. Original design plans called for a pitched roof using steel trusses with standing seam metal roofing, rather than a flat reinforced concrete roof. USACE and USAID officials were unable to explain the basis or rationale for this design change. USAID's current scope of work for repairs calls for the ceramic tile roof surface to be sealed with a two-ply bituminous sheeting system, referred to as a built-up roof.

USACE officials assured us they have provided all of the design documents related to the structures to USAID. However, our review of available records revealed that, as of the last correspondence regarding structural designs on May 8, 2011, USACE's original contractor had not submitted, and USACE had not reviewed, complete structural calculations for the roof or the septic tank. By May of 2011, work on both of these structures had progressed beyond the point at which a design, if found inadequate, could have been easily modified. Because complete structural calculations were never developed or provided by USACE, USAID has taken over a project that may not comply with code requirements and for which the risk to life and property is still unknown.

Although USACE did ensure that detailed plans were developed for structural work on the building, the plans had numerous errors and inconsistencies and complete calculations for the building were never provided or approved by USACE. Calculations were provided by the contractor at the 35-percent submittal stage; however, our professional engineer determined the calculations were inaccurate and incomplete. Specifically, the loads used to represent the reinforced concrete roof slab were less than required based on the design drawings, and there were no calculations showing that the roof slab could safely span the 19 feet called for in the plans.

Similarly, no structural calculations for the septic tank were ever provided or approved by USACE. The septic tank is a significant concrete structure with inside dimensions of 23 feet wide by 46 feet long, with 8-foot high walls. An efficient design for an underground structure of this size would likely result in one-three feet of soil cover rather than the seven feet of cover as constructed. Without structural calculations it is impossible to determine whether the septic tank can withstand the combination of loads imposed on it.¹⁵

In commenting on our draft report, USAID disagreed with our comments that the roof and septic tank may be structurally unsound based on the lack of complete and accurate calculations demonstrating the ability to withstand expected loads. USAID noted that it received and evaluated new information from USACE following the release of our draft report showing that USACE had approved final structural calculations, and USAID's engineer had found no reason to conclude that the structures were unsound. We will follow up with USAID to obtain and review the new information provided by USACE to determine its implications for our findings and related recommendation.

BALKH FACILITY IS CURRENTLY UNUSED DUE TO ITS UNFINISHED CONDITION

We found that the Balkh facility had been partially occupied since March 2013. The Director of Education Faculty—the senior Afghan official with oversight responsibility for the facility—informed us that he had made

¹⁵ These loads would include the weight of a truck, the soil, and the concrete itself.

repeated requests to USAID officials to expeditiously complete the facility and that he was never informed by a U.S. government official that the facility should not or could not be occupied pending final repairs.¹⁶ In our briefing to USAID officials on the results of our October 2013 inspection, we informed them that the director told us the facility had been partially occupied. USAID subsequently issued a notice to the Ministry of Higher Education on November 16, 2013, to vacate the facility pending final repairs and the official transfer of the building to Afghan authorities.¹⁷

A commitment by Afghan authorities to maintain the facility after project turnover is key to the long-term sustainability of the facility. USAID officials noted that the Ministry of Higher Education confirmed in writing on January 9, 2008, that it would be responsible for maintenance of these facilities.¹⁸ USAID officials noted that an Implementation Letter will also be provided to Afghan authorities when the Balkh facility is completed and official transfer takes place. This letter will include USAID's estimate of what it will cost to operate and maintain the facility, and the letter will note the agency's expectation that Afghan authorities will provide a sufficient budget to cover these expenses.

The director of the Balkh facility indicated he would like to run three shifts of students each day—a morning, afternoon, and evening session. In addition, the director noted that if a portion of the facility is not equipped with air conditioning, it will be impossible, in his opinion, to hold classes during the hottest months of the year. USAID officials explained that they do not consider air conditioning a necessity and will not include this expense in their upcoming scope of work. However, the USAID officials noted that Afghan authorities could later decide to consider this idea and its cost implications.

USAID's decision to not provide air conditioning is consistent with the "austere" standards approach to construction used by the NATO Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan for Afghanistan National Security Forces buildings.¹⁹ As discussed in earlier SIGAR reports,²⁰ this standard endorses the use of construction standards and systems that are best adapted to conditions in Afghanistan and the reality of how completed facilities will be used and maintained. One USACE official familiar with the Faculties of Higher Education project told us that the Corps advised USAID, after construction had begun, to consider constructing the facilities to more austere standards by using, for example, easier to maintain wood burning stoves instead of electric heating units and increasing the window size to allow the use of natural light instead of overhead fluorescent lightening. USAID officials noted that while such ideas may or may not have had merit in this particular case, it was USACE that developed and implemented the project on USAID's behalf and that once construction began, it would have been too late to introduce such concepts into each building's design.

¹⁶ USAID officials dispute this claim. According to them, during a May 2013 site inspection conducted by the agency, one of their representatives informed the director that no one should be using the buildings and instructed that the buildings be vacated until they were completed and officially turned over to the Afghan government.

¹⁷ This letter also requested that the Ministry of Higher Education vacate the Faryab facility, which was also being used by faculty and students.

¹⁸ This certification is required by the Foreign Affairs Assistance Act, Section 611(e).

¹⁹ See NATO Training Mission-Afghanistan/Combined Security Transition Command-Afghanistan guidance on the Small Facility Sustainable Design Program, issued October 31, 2013.

²⁰ For example, see *ANA Facilities at Mazar-e-Sharif and Herat Generally Met Construction Requirements, but Contractor Oversight Should Be Strengthened*, SIGAR Audit-11-9, April 25, 2011.

CONCLUSION

Nearly 5 years after construction began, the Balkh facility for USAID's Faculty of Higher Education project is still not complete and remains unusable. The facility needs multiple repairs and its transfer to Afghan authorities will not occur until July 2014, at the earliest. Frustrated by the delays, Afghan authorities occupied the facility without authorization in March 2013, but USAID has since taken steps to secure the facility and ensure it is not occupied until it is officially transferred to the Afghan government. USAID acknowledged that repairs are needed at the Balkh facility and is currently working to secure a contract to correct them. SIGAR has identified additional repairs—encasing sewer lines in concrete, adjusting non-code compliant exterior steps, installing required cast iron covers and permanent ladder steps for the septic tank, and installing the required access road to the front of the building—that we believe should be addressed in USAID's pending procurement action. Further, critical structural calculations could not be located during our audit for the roof and septic tank systems—a significant oversight given the potential catastrophic consequences of a roof collapse or a collapse of the septic tank system.

RECOMMENDATIONS

To help ensure that the facility meets the needs of faculty and students and all applicable safety requirements, and to protect the U.S. government's investment, we recommend that the USAID Mission Director,

1. Expand the scope of work for the pending procurement action to address the deficiencies identified by SIGAR.
2. Develop roof and septic tank structural calculations based on the construction documents, progress photos, and quality assurance reports, to determine whether these building components comply with the required 2003 International Building Code and whether they adequately protect life and property. We further requested that USAID report back to SIGAR within 90 days with the results of this analysis and any planned corrective actions.

AGENCY COMMENTS

USAID provided written comments on a draft of this report, which, along with our responses, are reproduced in appendix II. USACE did not provide comments.

USAID concurred with our first recommendation that it expand the scope of work for the pending procurement action to include the construction deficiencies identified by SIGAR.

USAID did not concur with our second report recommendation. USAID stated that it received new information from USACE on January 9, 2014, after we released our draft report, indicating that final structural calculations were included in the 35-percent design submittal and that these calculations were approved by USACE at that time. USAID also noted that the agency had assigned a professional engineer to review these structural calculations and design drawings. While USAID's engineer acknowledged that USACE's plans and calculations did appear to contain some conflicts and discrepancies, he could find no compelling reason to conclude that new structural calculations should be performed—a task USAID believes would be very time consuming and costly. Finally, USAID stated that we had not presented sufficient evidence to suggest that the Balkh Education Facility has shown any signs that it lacks structural integrity. We request that USAID provide a copy of the new information it received from USACE, which we will carefully review to determine the extent to which it satisfies the intent of our second recommendation.

APPENDIX I - SCOPE AND METHODOLOGY

This report provides the results of an inspection of the Mazar-e-Sharif Faculty of Higher Education facility in Balkh province. To determine whether (1) the construction was completed in accordance with contract requirements and applicable construction standards, and (2) the facility is was being used as intended and maintained, we:

- reviewed contract documents, design submittals, and other relevant project documentation;
- interviewed cognizant U.S. and Afghan government officials concerning the facility's construction; and
- conducted a physical inspection and photographed the project site to observe the current status and the quality of construction.

We conducted this inspection at Kabul and the Balkh facility from March through November 2013. 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 a professional engineer in accordance with the National Society of Professional Engineers' *Code of Ethics for Engineers*. We did not rely on computer-processed data in conducting this inspection. However, we considered the impact of compliance with laws and fraud risk.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our inspection objectives. We conducted this inspection 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.

APPENDIX II - COMMENTS FROM THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT



MEMORANDUM

January 15, 2014

TO: John F. Sopko
Special Inspector General for
Afghanistan Reconstruction (SIGAR)

FROM: William Hammink, Mission Director 

SUBJECT: Draft SIGAR Report entitled "Balkh Education Facility:
Building Remains Unfinished and Unsafe to Occupy after
Nearly 5 Years" (SIGAR Inspection 14-XX-IP)

REF: SIGAR Transmittal email dated 01/01/2014

Thank you for providing USAID with the opportunity to review the SIGAR draft Inspection Report titled, "Balkh Education Facility: Building Remains Unfinished and Unsafe to Occupy after Nearly 5 Years." USAID expresses appreciation to SIGAR for working collaboratively and cooperatively with USAID personnel. The technical meetings and exchange of information were helpful in increasing understanding of the repairs needed for the unfinished Balkh facility. Discussed below are our comments on the findings and recommendations in the report.

COMMENTS ON SIGAR'S FINDINGS

USAID agrees with the Introduction and Background sections and appreciates that SIGAR was thorough in the description of the history of the facility involving project implementation by the United States Army Corps of Engineers (USACE) and USAID plans for completion of the three unfinished facilities. USAID also appreciates the acknowledgement that it was able to recoup a substantial amount of funding as a result of its actions, as identified in footnote 8 in the SIGAR's draft report.

As SIGAR stated in the Draft Report, the Balkh Education Facility is unfinished. USAID will address the deficiencies identified in the report in the contract for final repair work, which is expected to be awarded within

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two months. SIGAR's Draft Report also identified additional items that may point to other deficiencies. USAID will review the noted items and address them in the final repair work, as appropriate.

USAID disagrees with SIGAR's comments that the building is structurally unsafe based on the absence of final approved structural design calculations. USACE provided USAID with the final approved structural design calculations. The construction of the project was supervised by USACE, which has rigorous procedures and requirements for the design and construction of its building projects. USACE verified that it is standard practice to ensure adequate designs and calculations are prepared for all its projects. USAID requests that any reference to health and safety concerns related to the lack of approved structural design calculations be removed from the final SIGAR report, as this statement is inaccurate.

See SIGAR comment 1.

USAID also acknowledges that, although the facility was incomplete and, therefore, had not been turned over to Afghan authorities, the university has been using the facility to conduct classes. Once USAID became aware of this situation, USAID issued a notice to the Ministry of Higher Education on November 16, 2013, to vacate the facility, pending final repairs and the official transfer of the building to Afghan authorities. USAID verified that the building was vacated and ready for construction on December 24, 2013.

COMMENTS ON SIGAR'S RECOMMENDATIONS

1. Expand the scope of work for the pending procurement action to address the deficiencies identified by SIGAR.

USAID Comments: USAID concurs with this recommendation and will address the items in the contract for final repair, which is expected to be awarded shortly.

2. Develop roof and septic tank structural calculations based on the construction documents, progress photos, and quality assurance reports, to determine whether these building components comply with the required 2003 International Building Code and whether they adequately protect life and property. Report back to SIGAR within 90 days with the results of this analysis and any planned corrective actions.

USAID Comments: USAID does not concur with this recommendation. USAID officially requested 100% approved design drawings from USACE. USACE provided approved supporting structural calculations. USACE provided the latest set of information to USAID on January 9, 2014, indicating final structural calculations were included in the 35% design submittal and were approved by USACE at that time. A USAID licensed Professional Engineer¹ reviewed these structural calculations and the 100% design submittal drawings produced by Mercury Development. The engineer determined that, although the plans and calculations appear to contain some conflicts and discrepancies, he could find no compelling reason to conclude a new structural analysis and design should be performed or that the existing structure was deficient. Subsequent inspections have not yielded reports of structural distress at the existing facility.

See SIGAR
comment 2.

Please note that the Sheberghan (Jawzjan) Education Facility building used the same design and contractor as for the Balkh Education Facility building. Based on SIGAR Inspection 13-9 of the Jawzjan building, there were no signs of structural distress, indicating satisfactory structural performance.

Based on: 1) the USAID review of the USACE approved structural calculations and design drawings, 2) the current adequate structural performance of the facility, 3) the absence of any signs of structural distress, and 4) SIGAR has not adequately demonstrated any structural integrity issues in the existing facilities, USAID believes that development of “after-the-fact” structural calculations for the existing Balkh facility would be very time-consuming, very costly and unnecessary.

¹ Licensed in New York, Texas, Florida and Georgia

SIGAR's Response to Comments from the U.S. Agency for International Development

1. We believe this language is accurate based on information made available to SIGAR during the course of our inspection.
2. We request that USAID provide a copy of the new information it received from USACE. We will review this information to assess the extent to which it satisfies our second recommendation.

APPENDIX III - ACKNOWLEDGEMENTS

Scott Harmon, Senior Inspections Manager

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Ron Riach, Professional Engineer

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