

Lawmakers question whether the new U.S. Embassy in Baghdad, shown here under construction in October, is safe for occupation. It was certified as "substantially complete" in December.



AGENCE FRANCE-PRESSE

## House committee questions readiness of embassy in Iraq

By **TIM KAUFFMAN**

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The House Oversight and Government Reform Committee is questioning conflicting reports on the U.S. Embassy in Iraq's readiness for occupancy.

The State Department official overseeing the embassy construction, Mary French, certified the building as move-in ready in December, despite critical defects in the complex's fire protection systems, audit reports show.

The department's Bureau of Overseas Buildings Operations, which heads embassy construction, said the embassy compound should not have been certified as "substantially complete" because of the deficiencies.

"Critical issues and ongoing work were noted that would not be expected at a point where substantial completion has been met," bureau inspectors said in a Feb. 13 report.

Rep. Henry Waxman, D-Calif., said the bureau report, along with separate reports by the inspection firm hired by the building contractor, raise serious questions about the status of the embassy project and the December decision to certify the complex as substantially complete.

"These inspection reports raise many questions about whether the embassy is safe for occupation and why the State Department certified the project as substantially complete in December," Waxman said in a Feb. 29 letter to Secretary of State Condoleezza Rice.

Waxman will set a hearing before his committee after the Easter recess to address the issues. Richard Shinnick, acting director for the Bureau of Overseas Build-

ings Operations, has agreed to testify.

In a March 6 interview, Shinnick said he decided in early January to send a team of bureau employees to Iraq to inspect the embassy after learning that routine inspections of fire protection and other systems had not been completed prior to French certifying the building as substantially complete. Shinnick, who became acting director Jan. 2, said he made the discovery while attempting to respond to a media inquiry regarding the embassy.

"It came to my attention that our fire prevention engineers and fire marshals had never done a certification or an acceptance of the fire systems," Shinnick said. "I immediately ordered that that be done."

The bureau and contract inspectors identified operational defaults in the fire alarms, sprinklers and water supply system, including:

- The fire alarm system doesn't talk to other building systems, such as elevators and automatic door locks, that must be activated or deactivated in the event of a fire.

- The fire pump, housed within a water treatment plant building, isn't monitored as required to ensure the system is working as designed.

- Sprinklers in a few locations are missing or are too far apart.

- Kitchen hoods and exhaust systems had numerous installation and material violations.

Despite these ongoing problems, the embassy was certified Dec. 16 as substantially complete by French, the embassy project coordinator based in Baghdad. This certification kicked off a 45-day period for maintenance and operation of the embassy to transfer to PAE Government Services, the

contractor that will assume day-to-day oversight of the complex.

However, State inspectors said the embassy can't be turned over to PAE until all of the fire protection systems and supporting infrastructure have been tested and are fully functional.

Shinnick said the building contractor is working to address the issues raised by the inspectors. Teams of bureau inspectors will be at the embassy compound through the end of the month to review those efforts and will report back to Shinnick on what remains to be done.

While he wants employees to move into the new embassy compound as quickly as possible, Shinnick said he will not rush the project to completion until he's satisfied the building is safe.

"I am unwilling to even set a projected date for completion because that's not the management message I want to send, particularly to the fire people who are certifying what are life safety systems. I don't want to have a completion date that would drive their inspection process," he said.

Unlike every other embassy compound that has been built by the bureau this decade, construction of the Iraq embassy was overseen by a special office reporting directly to the former bureau director, Charles Williams, instead of by the normal project management office within the bureau. The head of the special office, James Golden, is a contract employee based in Washington. He and French, a civilian employee, are both under investigation by the Justice Department for possible criminal misconduct related to the embassy construction. No criminal charges have been filed. ■

## Defense's evaluations of contractors are useless, IG finds

By **ELISE CASTELLI**

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The Defense Department is doing a bad job tracking which of its contractors are doing bad jobs, according to a new report.

Defense officials are supposed to evaluate the performance of their contractors soon after they complete their work and file those so-called past performance reports into a central database. If a company does poorly, then others at the department could look at the database to find out about it and avoid that company in future contract projects.

But Defense contracting officials are filing many reports late or filing evaluations so vague that they're useless, the Defense inspector general said in a report released Feb. 29. Furthermore, in many cases, contracting officials are not reading the reports when it comes time to make contract award decisions.

"The DoD IG sunk the idea that the government buys goods and services from the best and most responsible contractors," said Scott Amey, general counsel for the Project on Government Oversight.

POGO has argued the government should establish a database devoted to contractor misconduct, so bad actors can be easily identified. POGO maintains its own database on its Web site. That database not only captures waste, fraud and abuse in contracting, but violations of environmental, tax and other laws, leading some in industry to say it is not a fair way to determine how a company will perform on a contract.

"Uncle Sam might be the largest consumer in the world, but he has a long way to go before he is the most well informed," Amey said.

Nearly 82 percent of the 66 contractor performance reports reviewed by the IG lacked details and facts that would aid a manager in choosing a vendor, according to the report. Most reports gave overall performance ratings, but added little or no detail to justify the rating.

The IG found that 1,785 past performance reports were overdue, the audit said. Reports must be filed into the central database within 120 days of a contract's completion.

The timeliness and quality of reports is a function of how much time contracting officers have to spend on them, said Neal Couture, executive director of the National

Contract Management Association.

Across government, there simply isn't enough contracting staff to handle the growing workload, he said.

"Project managers expect requirements to be filled immediately, so contracting officers are focusing their attention on placing new contracts," Couture said. "If anything slips, it's the administration requirements like contract close-outs and past performance information."

The IG also found the little performance information that is in the past performance reports often isn't read. The IG investigated 60 contracts in which past performance information was listed as an evaluation factor in the award. But contracting personnel looked up past performance reports in only 31 cases, the audit said.

This could be because the information is old and not terribly useful, said Stan Soloway, president of the Professional Services Council.

Because past performance is the best indicator of how a contractor will do similar work in the future, "it should be the single most important piece of information in the selection process," said Soloway, who developed past performance information guidelines when he was deputy undersecretary for Defense for acquisition reform in the 1990s.

More than a matter of training, writing past performance reports needs to become part of a contracting officer's routine, Soloway said.

The IG recommended the department enforce reporting deadlines and require formal training for those required to submit reports into the system. Shay Assad, Defense procurement policy chief, agreed with the recommendations.

Defense will issue a policy letter March 31 defining contracting officers' past performance responsibilities, Assad wrote in a Jan. 17 response to the report.

In November, Assad issued a memo urging acquisition personnel to capture performance ratings, good or bad, into the Defense database. He also provided a link to the current guide on using and collecting past performance information.

"There is an expectation of noticeable performance improvements and greater efficiency and effectiveness of operations when past performance information is used effectively," he wrote in November. ■