
**OFFICE OF THE SPECIAL INSPECTOR GENERAL
FOR AFGHANISTAN RECONSTRUCTION**

**INSPECTION OF KOHI GIRLS' SCHOOL CONSTRUCTION
PROJECT IN KAPISA PROVINCE:
CONSTRUCTION DELAYS RESOLVED,
BUT SAFETY CONCERNS REMAIN**



October 26, 2009



SPECIAL INSPECTOR GENERAL FOR AFGHANISTAN RECONSTRUCTION
400 Army Navy Drive
Arlington, Virginia 22202

October 22, 2009

MEMORANDUM FOR: Commander, United States Forces-Afghanistan

Commander, Combined Joint Task Force-82

SUBJECT: SIGAR Inspection Report 10-4: Inspection of Kohi Girls' School Construction Project in Kapisa Province: Construction Delays Resolved, But Safety Concerns Remain

This report provides observations, findings, and recommendations of an inspection of a school construction project funded by the Commander's Emergency Response Program, and managed by the Kapisa Provincial Reconstruction Team (PRT). This inspection focused on the management, design, and construction work for the Kohi Girls' School located in the Nijrab District of Kapisa Province. This project cost the U.S. government approximately \$220,000 dollars. It is one of 12 school construction projects initiated by the Kapisa PRT during the past 18 months.

The Office of the Special Inspector General for Afghanistan Reconstruction (SIGAR) conducted the inspection between June and August 2009. A summary of our report is on page ii. When preparing the final report, we considered written comments submitted by United States Forces-Afghanistan and incorporated information provided from these comments, as appropriate, into the report. These comments are reprinted in Appendix C of this report.

The inspection was conducted under the authority of Public Law 110-181 and the Inspector General Act of 1978, as amended; and performed in accordance with the Quality Standards for Inspections issued by the Council of the Inspectors General on Integrity and Efficiency.

Very respectfully,

A handwritten signature in black ink, appearing to read "Guy Sands-Pingot".

Guy Sands-Pingot
Assistant Inspector General for Inspections
Office of the Special Inspector General for Afghanistan Reconstruction



SIGAR

Special Inspector General for Afghanistan Reconstruction

Summary of Report: SIGAR Inspection 10-4 October 26, 2009 Inspection of Kohi Girls' School Construction Project in Kapisa Province: Construction Delays Resolved, But Safety Concerns Remain

Why SIGAR Did This Inspection –

SIGAR conducts inspections of Afghanistan infrastructure reconstruction projects to determine whether U.S. funds are used appropriately, contract terms are met, adequate oversight is provided, and the project can be maintained upon turnover to Afghan authorities.

What SIGAR Inspected –

SIGAR inspected the Kohi Girls' School construction project in Nijrab District, Kapisa Province, Afghanistan in June and August, 2009. This project was originally proposed by the Kapisa Provincial Reconstruction Team (PRT) in the summer of 2008 and was approved for implementation in April 2009. Construction began in May 2009 and the project is scheduled for completion in November 2009. The project is funded through the Commander's Emergency Response Program (CERP), at a cost of approximately \$220,000. When completed, the 16 room, 2 story school will serve over 500 students in the ethnically polarized Afghaniya Valley area of Nijrab District.

What SIGAR Found –

- *Project is Meeting Contract Requirements Despite Earlier Construction Delays:* During SIGAR's original onsite visit to this project in June 2009, we noted that this project experienced significant construction delays because the contractor reduced his work force due to a shortage of operating capital during the early stages of construction. With an insufficient number of laborers working on the project, the contractor was unable to meet required tasks. Subsequent to SIGAR's follow-up visit in August, the contractor received the next scheduled payment following certification by the PRT that 40 percent of project work had been completed. This payment allowed the contractor to hire the additional workers needed to accelerate the pace of construction to acceptable levels. As a result, SIGAR verified that the project is generally compliant with contract schedule, cost, and performance requirements.
- *Presence of War-Related Debris Next to Construction Site:* SIGAR noted that the presence of potentially hazardous war-related debris on property that is shared by both the newly constructed girls' school and an adjoining boys' school. Based on discussions with PRT officials, SIGAR believes the debris should have been removed at the start of the project as part of the site preparation phase.

What SIGAR Recommends –

That the Commander, Kapisa PRT, in partnership with the Kapisa Provincial authorities, develop a plan for the removal of war-related debris from areas adjacent to the Kohi Girls' school construction project.

For more information, contact SIGAR Public Affairs at (703) 602-8742 or PublicAffairs@sigar.mil



Laborers working to complete the Kohi Girls' School in August 2009. (Photo provided by SIGAR)



The war-debris filled yard that the Kohi Girls' School shares with an existing boys' school presents hazards to students unless cleared. (Photo provided by SIGAR)

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Inspection Objectives

SIGAR conducts inspections of Afghanistan infrastructure reconstruction projects to determine whether U.S. funds are used appropriately, contract terms are met, adequate oversight is provided, and the project can be maintained upon turnover to Afghan authorities.

SIGAR inspected the Kohi Girls' School construction project managed by the Kapisa Provincial Reconstruction Team (PRT), which is a component of United States Forces-Afghanistan (USFOR-A), between June and August 2009 and conducted onsite inspections of the school construction work on June 21 and August 12, 2009.

Details on our inspection scope and methodology are provided in Appendix A.

Project Background

In support of Afghanistan's educational goals, the United States has sponsored the construction of hundreds of schools and educational facilities throughout Afghanistan since 2002. As part of this effort, the Kohi Girls' School construction project was proposed by the Kapisa PRT following a request from the provincial government in the summer of 2008 and approved for final implementation in April 2009. The school is being built in the Afghaniya part of the Nijrab District of Kapisa Province. The intent of this project was to build a school compound for girls residing in an area where they otherwise would not have access to formal education. The area where most of the potential students live is an ethnically divided, isolated community with a growing population of children for whom no adequate school existed. This project resulted from a specific request from provincial authorities to construct a school where children of the two predominant ethnic groups—Tajik and Pashtun—could interact and receive a basic education in a secure environment.

The construction site for the school is situated on land owned by the Provincial Ministry of

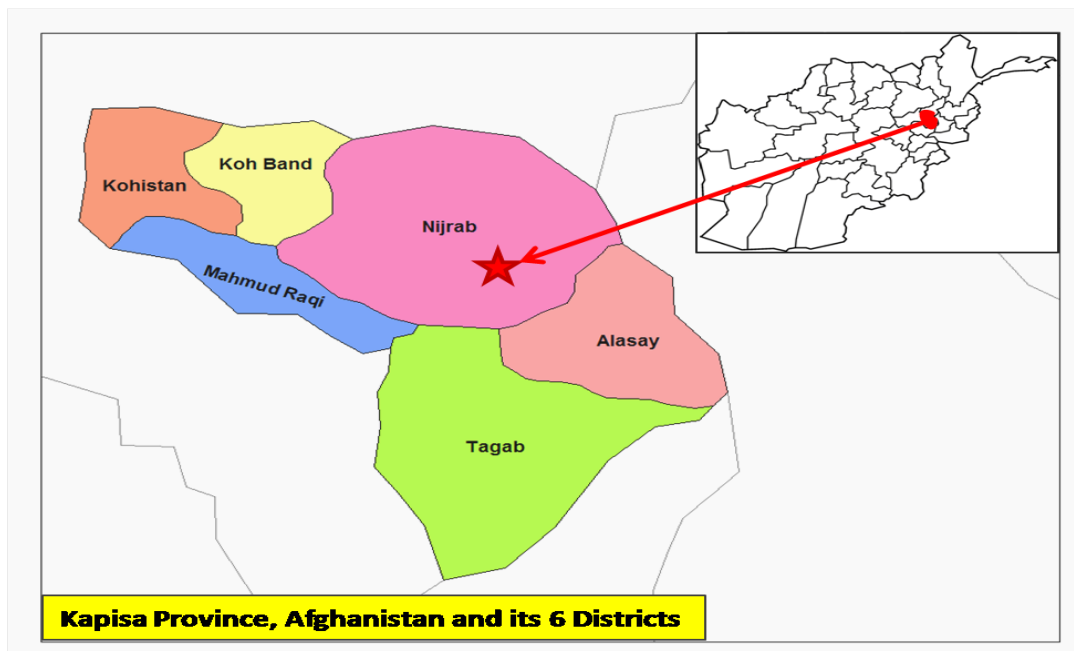


Figure 1: The Kohi Girls' School is located in the mountainous Nijrab District of Kapisa Province shown by the red star. (Map provided by the Afghanistan Information Management System)

Education where an earlier constructed boys' school is co-located. The project was added to a larger school construction initiative approved for implementation in August 2008 with funding provided by the Commander's Emergency Response Program (CERP).¹ As part of this initiative, 12 school construction projects have been initiated over the past 18 months in Kapisa Province.

Contract Timing, Costs, and Construction Requirements

Although the project was approved for implementation in the summer of 2008, a series of contract processing missteps forced the PRT to execute a revised bid process in January 2009. For example, a contract was awarded to the Provincial Director of Education. This action was subsequently found to be in conflict with revised CERP guidelines. This delayed the final awarding of a contract until February 2009. This contract was for a firm fixed price of approximately \$220,000 and stipulated a performance period of 270 days beginning April 17, 2009.

The contract calls for the construction of a two-story, 16 classroom school building capable of accommodating 500 students. Additionally, the contract specified that the contractor must prepare and develop the site to include grading and leveling of the compound; removal of rubble and debris; and the relocation or removal of existing structures following coordination with local authorities. The contractor is also responsible for the construction of associated structures including a power generation house with a 10 kilowatt diesel powered generator; a latrine; a guard house; a masonry perimeter security wall; a hand operated water pump well and reservoir; and concrete walkways. The contract also specifies that the contractor manufacture over 400 desks according to a standard design provided by the Ministry of Education.

The site, which is owned by the Provincial Ministry of Education, had a number of dilapidated structures that had to be demolished and removed in order to make room for the school compound. The site also shares access points and a school yard with an existing boys' school built several years earlier. At the time of SIGAR's second onsite inspection in August, it was estimated that the project was approximately 30 percent complete. (See Site Photos 1 and 2)



Site Photos 1 and 2: Views of the Kohi Girls' School site before construction (left) commenced in April 2009 and during the SIGAR inspection in August 2009 (right). (Photos provided by Kapisa PRT)

¹ This initiative was directed by Regional Command East, the higher headquarters of the Kapisa PRT and one of five regional commands that comprise the NATO-led International Security Assistance Force within Afghanistan. Regional Command East also serves as the headquarters for the Combined Joint Task Force located at Bagram Air Field which reports to USFOR-A.

SIGAR Inspection Findings

SIGAR inspectors found that after an initial series of contracting missteps, the project is now on schedule and within budget. SIGAR also found that the quality standards required by the statement of work were generally being met by the contractor. SIGAR believes increased attention and mentoring from the Kapisa PRT engineering staff have assisted the contractor to meet these standards.

SIGAR noted that the contractor did not have enough operating capital to hire an adequate number of workers until he met the required completion target that authorized further payment for work performed. As a result, construction delays occurred in part because of the timing of those payments.

SIGAR also noted the presence of war-related debris on the school lot shared by both schools at the construction site.

Construction Delays Resolved with Payment to Contractor for Work Accomplished

In discussions with both the contractor and PRT officials, SIGAR found that issues dealing with the timing of payments for construction work accomplished were a matter of concern for the contractor. Additionally, the PRT was concerned at the lack of progress being made by the contractor as a result of an inadequate number of workers on the construction site. The contractor indicated that he had been forced to slow down construction because his firm was a small company that had limited financial capacity to cover work crew salaries and other expenses. As a result, he could not pay all of his workers due to a lack of working capital. In his opinion this problem was caused by delays on the part of the PRT in paying him.

Kapisa PRT officials explained that, per CERP guidance, project payments were tied to construction progress and that Kapisa PRT engineers had determined that less than 40 percent of required work had been completed since their last on-site inspection. According to the contract, subsequent progress payments are to be made at the 40, 60, 80, and 100 percent completion levels.

SIGAR noted that based on the contract requirements and the progress made as of the date of the onsite inspection; the contractor was not technically eligible for another payment until at least another 10 percent of the project was completed. Following further discussions observed by the SIGAR inspection team, the PRT Quality Assurance Representative agreed to submit payment for work being accomplished by the contractor. However, PRT officials stated that delays in payment of up to 4-6 weeks were common and that the PRT was not able to accelerate payments which are processed through the finance office at Bagram Air Field. This is an issue that SIGAR will explore further during future inspections of CERP funded infrastructure projects to determine if a pattern of slow payments to contractors exists.

SIGAR believes that construction delays resulting from payment delays are detrimental to the reconstruction effort and that efforts should be made to avoid such delays. SIGAR believes that if the contractor is able to meet the current project task schedule, progress payments should be forthcoming in a timely and regular schedule that will allow him to reach the construction completion milestones specified in the contract.



Site Photo 3: Laborers working to complete the Kohi Girls' School in August 2009. Projects such as this one provide legitimate local employment while allowing workers to develop new skills. (Photo provided by SIGAR)



Site Photo 4: A destroyed armored military vehicle and other war-related debris raise concerns of hazardous objects being present on land adjacent to the school construction site. (Photo provided by SIGAR)

Presence of War Related Debris in Shared School Yard Area Raises Safety Concerns

SIGAR noted that the school is being built adjacent to an existing boys' secondary school that had been constructed several years earlier by the Afghan government with international donor funds. SIGAR observed extensive debris and rubble on the grounds of the boys' school that was apparently left over from fighting in the area which occurred years earlier and has never been cleared. This school yard will be a shared point of access to both the girls' school and the boys' School once construction is completed. SIGAR observed parts of several destroyed armored military vehicles on this school yard (see Site Photos 4 and 5).

Both the PRT engineer and school officials acknowledged that the presence of such war-related debris raises the possibility that hazards from unexploded ordnance exist and that such debris poses risks to users of both schools. SIGAR asked why such objects had not been cleared earlier as part of the site preparation phase of the project. The School Director stated that removal of such war debris is the responsibility of the Ministry of Defense. SIGAR believes the presence of war-related objects adjacent to the school grounds raises serious safety concerns that should be immediately addressed.



Site Photos 5 and 6: Views of the school yard that the Kohi Girls' School shares with the adjacent boys' school (left). SIGAR believes that the statement of work should have included removal of such hazards. (Photos provided by SIGAR)

Conclusions

While initially suffering from several contract and construction delays, SIGAR found that the Kohi Girls' School project appears to now be generally compliant with statement of work requirements.

SIGAR is concerned that the hazards relating to war-related debris in the vicinity of the school may not have been fully examined during the development phase of this project. SIGAR believes the presence of such war-related debris has created a safety hazard that needs to be addressed.

Recommendations

SIGAR recommends that the Commander, Kapisa PRT, in partnership with the Kapisa provincial authorities, develop a plan for the removal of war-related debris from areas adjacent to the Kohi Girls' School construction project.

Agency Comments and Response

USFOR-A and the Kapisa PRT provided written comments on a draft of this report which are included in Appendix C.

In the draft report sent for comment, SIGAR had recommended a review of CERP payment procedures with a view to ensure they are flexible enough to meet the commander's local development requirements. USFOR-A did not agree, stating the need to maintain existing procedures relating to "payment for work completed." However, the Kapisa PRT's response concurred with the information provided in the SIGAR report. The PRT response also agreed with SIGAR's original view, stating that even slight delays in progress payments can cause "work to cease on site." Because the problem this recommendation was intended to address was at least partly solved once the PRT verified that the contractor had reached the 40 percent project completion mark, SIGAR removed this recommendation from this report. SIGAR recognizes that uncompleted or substandard work should not be rewarded and payment milestones exist to ensure work that is paid for reflects actual work accomplished. However, payment procedures need to be responsive to the needs of both the PRT and the contractor in terms of paying for work accomplished in a timely manner.

USFOR-A's response to SIGAR's recommendation for addressing the removal of war debris and potential unexploded ordnance focused on the issue of whether or not this category of activity is approved under CERP guidelines. USFOR-A asserted that the removal of unexploded ordnance would not be approvable unless it was considered to be incidental to construction and stated that a legal review would be required prior to the removal of unexploded ordnance from "a non-CERP project site." In its response to this recommendation, the Kapisa PRT partially concurred with SIGAR's view concerning the need to clear potential hazards from the adjacent school yard. However, the PRT response also stated that the site might be considered to be "cleared by occupation" due to the evidence of site use "by young adults for many years."

SIGAR believes that the removal of potentially hazardous debris can be justified on humanitarian grounds under CERP guidelines since clearance and preparation of the area around a construction site is a normal part of any infrastructure project and is therefore "incidental to construction." In any event, SIGAR believes that the Kapisa PRT needs to work with the Kapisa Provincial authorities to develop a plan to remove this potentially serious hazard.

(This report was conducted under the SIGAR Inspection Project Code SIGAR-002e-I)

Appendix A- Scope and Methodology

SIGAR performed this project inspection during June 2009 and August 2009 in accordance with Quality Standards for Inspections issued by the Council of the Inspectors General on Integrity and Efficiency. The inspection team included the Assistant Inspector General for Inspections and an engineer inspector.

In performing this project inspection, SIGAR:

- Reviewed contract documentation to include the following:
 - Contract Kapisa-Nijrab-200806090807 issued by the Kapisa – Parwan PRT on February 11, 2008; relevant purchase orders, invoices, and vouchers dealing with the project; the Statement of Work with all required specifications and accompanying documentation.
 - Documentation prepared and presented by the contractor dealing with the construction of the school project.
 - The Survey and Assessment Plan including design drawings and specifications, Kapisa PRT quality assurance reports and records, construction progress photographs and other documentation brought to the inspection team’s attention.
- Interviewed the previous and current Kapisa PRT Commanders and other knowledgeable members of the Kapisa PRT staff; the contractor and work foreman who were present during the on-site visits to the school construction sites made in both June and August 2009; and the Kapisa Provincial Director of Education.
- Conducted an on-site inspection of the school project during inspection visits to other projects on June 19-21, and August 12, 2009. Personnel from the Kapisa PRT (that included the previous and current Kapisa PRT engineer and members of their staff) accompanied SIGAR inspectors during these inspection visits.

Appendix B – Abbreviations

CERP	Commander’s Emergency Response Program
PRT	Provincial Reconstruction Team
SIGAR	Special Inspector General for Afghanistan Reconstruction
USFOR-A	United States Forces-Afghanistan

Appendix C – Agency Comments



HEADQUARTERS
UNITED STATES FORCES-AFGHANISTAN
KABUL, AFGHANISTAN
APO AE 09356

USFOR-A DCDR-S

23 September 2009

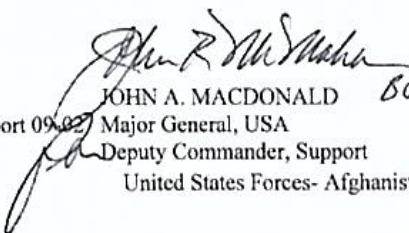
MEMORANDUM FOR Special Inspector General for Afghanistan Reconstruction, 400 Army
Navy Drive, Arlington, VA 22202

SUBJECT: USFOR-A Response to Draft Report: Inspection of Kohi Girl's School Construction
Project, Kapisa Province: Payment Delays and Safety Concerns Require Attention (SIGAR
Inspection 09-02)

1. Reference Final – Draft Report SIGAR Inspection-09-02, Special Inspector General for Afghanistan Reconstruction, subject same as above.
2. This memorandum formally responds to recommendations within the draft report.
3. Point of contact for this action is USFOR-A IG, Col Lawrence Brundidge, DSN: 318-237-1678.

Encl

USFOR-A Response to Draft Report 09-02


JOHN A. MACDONALD *BG, USA*
Major General, USA
Deputy Commander, Support
United States Forces- Afghanistan

[Note: When the draft of this report was sent for agency comment, it was tentatively designated as SIGAR Inspection 09-02. Since receiving agency comments, this report has been re-designated SIGAR Inspection 10-4 as it is being issued in FY 2010.]

SIGAR DRAFT – 09-02**“Inspection of Kobi Girl's School Construction Project in Kapisa Province: Payment Delays and Safety Concerns Require Attention”****USFOR-A COMMENTS
TO THE DRAFT REPORT**

RECOMMENDATION 1: SIGAR recommends that the Commander, US Forces-Afghanistan direct a review of CERP guidelines to ensure that they take into account the impact delays in payment to contractors and vendors have on wider US counter-insurgency effort. (Page 5 of SIGAR report)

USFOR-A RESPONSE: USFOR-A non-concurs with information provided in this SIGAR Report.

Notwithstanding the risk of unemployed local nationals becoming insurgents, CERP is not a charity program. Several external audit agencies, including the Commission on Wartime Contracting, have recommended withholds as a method to ensure that contract performance meets standards. Progress payments are standard business practice. If the contractor has not been paid because he has not met progress milestones that is not a delay in payment; that is a delay in construction. There have been CERP projects in the past that made larger initial payments for contractor mobilization and the contractor never showed again. Enabling poor business practices is contrary to our goal of capacity building.

KP PRT RESPONSE: Kapisa PRT concurs with the counter-insurgency information provided in this SIGAR Report. Throughout Kapisa province many of the contractors operate off such a tight financial threshold that even the slightest delays in progress payments can cause work to cease on site. This, in turn, can lead to anywhere from 20 to 200 able-bodied males unemployed in areas that are strategically critical for counter-insurgency efforts.

RECOMMENDATION 2: SIGAR further recommends that the Commander, Kapisa PRT initiate a land survey of properties adjacent to the Kobi Girls Secondary School to ensure no unexploded ordnance is located on or near school grounds, and develop a CERP project for the removal any war related debris from the various school grounds. (Page 5 of SIGAR report)

USFOR-A RESPONSE: USFOR-A non-concurs with information provided in this SIGAR Report.

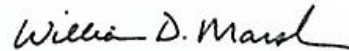
The report states that the debris and suspected unexploded ordinance is on the sight of a boy's school built by another donor. Per DoD FMR, removal of unexploded ordinance is an improper usage of CERP funds unless incidental to construction. A legal review would be required prior to removing unexploded ordnance from a non-CERP project site. Another source of funding may be required.

1

KP PRT RESPONSE: Kapisa PRT partially concurs with information provided in this SIGAR Report. The area immediately adjacent to the Kohi Girls School is next to an already existing boys school that was built by coalition forces. The area is also located next to the Afghanya Bazaar which is a population center of Nijrab District, Kapisa Province, Afghanistan. The area immediately behind the school has been occupied by young adults for many years and may be considered, "cleared by occupation." Currently, there is a Russian era tank behind the school that can and should be removed by GIRoA officials at the earliest convenience.



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SIGAR Mission and Contact Information

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

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

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