

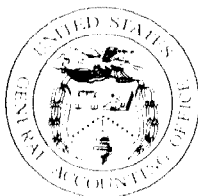
GAO

Briefing Report to the Chairman,  
Committee on the Budget, U.S. Senate

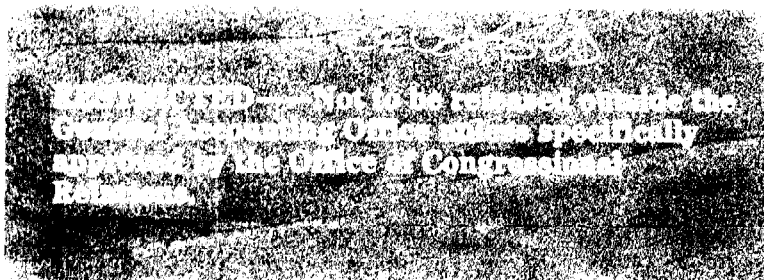
February 1991

STATE  
DEPARTMENT

Status of the  
Diplomatic Security  
Construction Program



143350



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**National Security and  
International Affairs Division**

B-242888

February 20, 1991

The Honorable Jim Sasser  
Chairman, Committee on the Budget  
United States Senate

Dear Mr. Chairman:

In response to your request, we examined the Department of State's implementation of its Diplomatic Security Construction Program. As agreed with your staff during our briefing on December 18, 1990, we addressed program funding, project status, and planning issues. Appendixes I through III provide a summary on the status of construction projects that the Department of State initially planned to include in the program after receiving congressional authorization in 1986. We plan to provide you another report on the program at a later date, addressing management and construction security problems that have contributed to program delays and cost increases.

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**Results in Brief**

Our analysis indicates that limited progress has been made in program execution. Of the 57 projects the Department of State planned to include in the program,

- seven projects had been completed, five were under construction, and one was out for construction contract bid as of November 1990;
- 16 were either under design, out for architectural and engineering selection, or in site acquisition status; and
- 28 were on hold, deferred, or cancelled.

The State Department's Office of Foreign Buildings Operations (FBO), which is responsible for program implementation, does not identify the Diplomatic Security Construction Program as a separate program in its 5-year program plan, nor does it indicate whether it plans to complete the program or what the costs will be. FBO's operations plan also does not identify how security threats at overseas posts affect future construction priorities.

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**Background**

In the early 1970s and continuing into the 1980s, U.S. personnel assigned to overseas embassies and other facilities became increasingly subject to terrorist bombings, kidnappings, and other acts of violence. In response to this threat, the Secretary of State convened the Advisory

Panel on Overseas Security. The panel recommended in its June 1985 report that the State Department begin a substantial construction program to physically protect U.S. personnel and reduce the threat of technical penetration of U.S. diplomatic facilities. The panel concluded that priorities for construction needed to be carefully established based on a number of criteria, including threat levels, existing building conditions and locations, and comparative costs.

In its initial plans, the State Department believed that the building program could be accomplished within 7 years from the date of funding. In its fiscal year 1986 security supplemental budget request, the State Department estimated that acquisition, development, and construction costs would total nearly \$3 billion. Taking into consideration anticipated property sales proceeds, \$2.65 billion in authorization was requested. Most of the funding was requested for 70 capital construction projects, security improvement projects at 6 posts, and 2 land purchase projects.

The Diplomatic Security Construction Program was subsequently authorized under the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (P.L. 99-399). Congress authorized \$2.1 billion for program execution, but the authorization was not project specific. In 1987, FBO estimated that 57 new office building and other capital projects could be accomplished under the program authorization. Through fiscal year 1990, appropriated funds available for program implementation totaled \$1.01 billion.

## Program Funding

Table 1 provides key authorization, appropriation, and obligation data for the Diplomatic Security Construction Program.

**Table 1: Status of Authorizations, Appropriations, and Obligations** (as of Sept. 30, 1990)

Dollars in millions	
<b>Status of funds</b>	<b>Amount</b>
Authorized	\$2,112
Appropriated	1,013 <sup>a</sup>
Obligated	539
Unobligated	474
Unused program authorization	1,189 <sup>b</sup>

<sup>a</sup>FBO data indicates that \$687 million was appropriated under the diplomatic security construction authorization, and \$326 million was appropriated or reprogrammed under the Department of State's regular biennial authorization.

<sup>b</sup>FBO calculation based on the original program authorization, less (1) \$687 million in funds appropriated under the authorization and (2) the expiration of authority for \$236 million in fiscal years 1986-87.

FBO officials believe that their overall efforts to implement more projects have been hindered by the lack of appropriations. They noted that most of the funding was provided in the initial stages of program implementation. For example, FBO data indicates that \$889 million in appropriations was provided prior to fiscal year 1988. However, the unobligated balance of \$474 million in appropriations at the end of fiscal year 1990 indicates that significant problems were encountered in project management and implementation when funding was available. FBO data indicate that as of September 30, 1990, 11 projects funded through construction had unobligated balances exceeding \$10 million.

## Project Status

The State Department's fiscal year 1986 supplemental budget request included estimates for project costs but did not include an implementation schedule indicating when individual projects could be completed. Beginning in 1988, FBO established initial baseline target completion dates for projects that had received funding.

Of the original 57 projects, 24 had received funding through construction as of September 30, 1990. Our analysis indicates that (1) over one-half of the projects' schedules had been delayed more than 1 year and (2) in many cases, project delays directly contributed to actual or estimated cost increases. Our comparison of the initial project cost estimates contained in the fiscal year 1986 supplemental budget request and FBO's working estimates as of November 1990 indicates that cost increases have averaged about 21 percent. Costs for some of the completed projects, which typically had received substantial funding prior to the supplemental, were consistent with initial estimates in the supplemental. However, many of the projects experiencing significant increases in projected costs have not reached the construction phase. For example:

- The cost estimate for the new office building under design for La Paz, Bolivia, was \$63.3 million as of November 1990, compared to its original cost estimate of \$39.3 million.
- The cost estimate for the new office building under design for Bogota, Colombia, was \$77.4 million as of November 1990, compared to its initial planned cost of \$57.6 million.

Reasons for delays and cost increases have varied by project and have included inaccurate cost and post requirements estimates in the fiscal year 1986 security supplemental budget request, problems in acquiring sites, changes in project design, revised post requirements, changes in

security requirements, and contractor performance problems. Some of the identifiable security factors contributing to delays and cost increases have included (1) upgraded construction site security requirements and (2) the addition of secure logistics and transit procedures for the shipment and storage of construction equipment and material. Also, FBO estimates that inflationary costs of project delays have averaged 6 percent annually.

FBO data also indicates that in some countries, host country policies have interfered with FBO's efforts to implement projects. One example cited by FBO includes problems in acquiring or negotiating lease terms in Korea, Sudan, Morocco, and Qatar. In Bulgaria, a change in government has made it necessary to find a new building site. Some difficulties in importing certain types of construction material have been experienced in Jordan and Yemen. Two projects, site acquisition in Kuwait and a new office building under construction in Amman, Jordan, have been suspended due to the war in the Middle East.

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## FBO Planning Issues

FBO's December 1990, 5-year program plan identifies \$552.9 million in estimated obligations for its capital program in fiscal years 1992-96. The plan indicates an urgent and continuing need to improve the security and physical integrity of overseas posts. However, the FBO plan does not identify the Diplomatic Security Construction Program as a separate program, nor does it indicate if it will be completed or what the costs will be. The plan also does not (1) identify the criteria used to establish priorities for project funding or (2) indicate how security threats affect priorities. There is no obvious correlation between the project funding priorities in the plan and security threats at individual posts.

FBO officials said that although the plan does not contain written criteria for establishing project priorities, their basis for establishing priorities included a combination of the security threat, the practicality of successfully executing a project in a given situation, and current building conditions and the need for replacement or renovation. They agreed that the program had lost its identity for planning and accountability purposes, and in the future, they plan to charge all funding for new office buildings to the unused diplomatic security construction authorization.

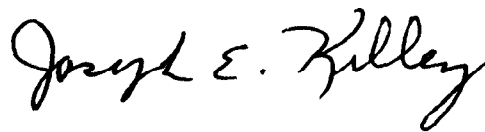
As requested, we did not obtain written agency comments on this report. Unless you publicly announce its contents earlier, no further distribution of this report will be made until 30 days from its issue date. At that

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time, copies will be sent to the Secretary of State and appropriate congressional committees. We will also make copies available to others on request.

If you have any questions concerning this report, please call me at (202) 275-4128. Major contributors to this report are listed in appendix V.

Sincerely yours,

A handwritten signature in black ink that reads "Joseph E. Kelley". The signature is written in a cursive style with a large initial 'J' and 'K'.

Joseph E. Kelley  
Director, Security and International  
Relations Issues

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**Abbreviations**

FBO Office of Foreign Buildings Operations  
AID Agency for International Development



# Overview of Projects Completed, Under Construction, or Under Construction Contract Bid

## Completed Projects

**Table I.1: Office Building Chancery Project in Dhaka, Bangladesh**

Dollars in millions

Scope	Fiscal year 1986	
	supplemental baseline	Current
<b>Phase: Completed</b>		
Cost estimate	\$20.1	\$20.1
Gross square footage	75,000	82,000
Number of personnel	202	202
Construction completion date	April 1988 <sup>a</sup>	October 1988

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

## Project History and Current Status

Construction on this project was initially slow because the contractor had difficulties beginning operations on site. Although the contractor was able to make up for some of the lost time, severe weather and political unrest caused disruptions in work. A contract claim for delays of 202 days was settled at a cost of \$1.86 million. Major milestones for this completed project included award of the design contract in December 1983, award of the construction contract in March 1986, and completion in 1988. Other issues that emerged during construction involved concerns about working conditions at the construction site, the adequacy of contractor management, and difficulties in procuring a fire alarm system. Funding prior to the fiscal year 1986 supplemental totaled \$12.8 million.

**Table I.2: Office Building Chancery Project in Georgetown, Guyana**

Dollars in millions

Scope	Fiscal year 1986	
	supplemental baseline	Current
<b>Phase: Completed</b>		
Cost estimate	\$17.4	\$18.2
Gross square footage	40,000	40,000
Number of personnel	71	52
Construction completion date	February 1990 <sup>a</sup>	November 1990

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

**Appendix I  
Overview of Projects Completed, Under  
Construction, or Under Construction  
Contract Bid**

**Project History and  
Current Status**

Planning for the new office building in Georgetown started in the early 1980s. Prior to the fiscal year 1986 supplemental, the funding for the project was \$11.3 million. Construction was delayed due to several factors, including (1) the contractor's lack of supervisory continuity, (2) unforeseen problems with supply of construction materials in Guyana, (3) late delivery of materials, and (4) introduction of secure logistics and transit procedures for construction materials and equipment.

**Table I.3: Office Building Chancery  
Project in Manama, Bahrain**

Dollars in millions

<b>Scope</b>	<b>Fiscal year 1986 supplemental baseline</b>	<b>Current</b>
<b>Phase: Completed</b>		
Cost estimate	\$16.5	\$27.2
Gross square footage	43,000	60,000
Number of personnel	86	111
Construction completion date	May 1989 <sup>a</sup>	July 1990

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

**Project History and  
Current Status**

Plans for the new office building in Manama date back to the early 1980s. Prior to the fiscal year 1986 supplemental, the Manama project had received funding totaling \$14.3 million. According to an FBO construction manager, the increase in the cost of this project was primarily due to design changes and the addition of new security requirements.

**Table I.4: Office Building Chancery  
Project in Mogadishu, Somalia**

Dollars in millions

<b>Scope</b>	<b>Fiscal year 1986 supplemental baseline</b>	<b>Current</b>
<b>Phase: Completed</b>		
Cost estimate	\$35.1	\$33.2
Gross square footage	27,000	106,000
Number of personnel	172	148
Construction completion date	September 1987 <sup>a</sup>	July 1989

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental.

**Appendix I  
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**Project History and  
Current Status**

The chancery compound in Mogadishu was completed in 1989. The fiscal year 1986 supplemental mistakenly gave the total project scope as 27,000 gross square feet instead of 110,000 gross square feet. Delays in implementation have been attributed by FBO to design changes to meet the latest security standards and port delays resulting from actions taken by the Somali government. Funding prior to the fiscal year 1986 supplemental totaled \$14.3 million.

**Table I.5: Embassy Compound Project in  
Muscat, Oman**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Completed</b>		
Cost estimate	\$33.3	\$33.5
Gross square footage	99,000	99,000
Number of personnel	68	58
Construction completion date	June 1988 <sup>a</sup>	May 1989

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental.

**Project History and  
Current Status**

Plans for the project in Muscat date back to the early 1980s. Funds provided prior to the fiscal year 1986 supplemental totaled \$31 million. Design changes associated with new security requirements and office reconfigurations contributed to delays in construction. Also, the addition of new security requirements after the contract commenced contributed to project delays.

**Table I.6: Office Building Chancery  
Project in Sanaa, Yemen**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Completed</b>		
Cost estimate	\$31.2	\$37.6
Gross square footage	38,000	97,454
Number of personnel	194	106
Construction completion date	January 1989 <sup>a</sup>	November 1989

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

**Appendix I  
Overview of Projects Completed, Under  
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Contract Bid**

**Project History and  
Current Status**

In 1990, the chancery project was completed and occupied by the post. Construction delays occurred primarily due to the political situation in the region. Cost increases have been attributed by FBO to added secure logistics and transit security requirements, the use of cleared American contractors, post recommendations for the contractor to ship material by air because of unique import regulations imposed by the Yemeni government, and the use of cleared American laborers to install all finished technical security systems. Funding provided prior to the fiscal year 1986 supplemental totaled \$22.2 million.

**Table I.7: Chancery Annex Project in Tegucigalpa, Honduras**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Completed</b>		
Cost estimate	\$17.4	\$19.6
Gross square footage	66,000	66,000
Number of personnel	194	194
Construction completion date	January 1990 <sup>a</sup>	May 1990

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

**Project History and  
Current Status**

The Tegucigalpa annex was originally designed primarily for the Agency for International Development (AID). AID subsequently was granted a collocation waiver by the State Department allowing it to stay in a separate leased facility. The annex will now be occupied by consular, budget and finance, medical, U.S. Information Service, community liaison office, and other mission elements. The cost of reconfiguring the building to accommodate outlying mission elements was approximately \$750,000. Funding prior to the fiscal year 1986 supplemental was \$11.4 million.

**Appendix I  
Overview of Projects Completed, Under  
Construction, or Under Construction  
Contract Bid**

**Projects Under  
Construction**

**Table I.8: Embassy Compound Project in  
Amman, Jordan**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Under construction (suspended)</b>		
Cost estimate	\$47.3	\$48.4
Gross square footage	71,000	213,163
Number of personnel	205	274
Construction completion date	November 1989 <sup>a</sup>	March 1991 (suspended)

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

**Project History and  
Current Status**

The original project design called for constructing a chancery, ambassador's residence, and Marine security guard post in Amman. However, the figure of 71,000 gross square feet in the supplemental was in error and understated actual requirements. Factors that slowed construction were design revisions and addition of secure logistics and transit procedures. Funding totaled \$48.8 million as of November 1990. Funding prior to the fiscal year 1986 supplemental totaled \$19.9 million.

As of January 1991, the Amman construction project was suspended due to the war in the Middle East.

**Table I.9: Office Building Annex Project  
in Djibouti, Djibouti**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Under construction</b>		
Cost estimate	\$2.6	\$6.8
Gross square footage	14,908	5,800
Number of personnel	36	36
Construction completion date	October 1991 <sup>a</sup>	October 1992

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.



**Appendix I  
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Construction, or Under Construction  
Contract Bid**

**Project History and  
Current Status**

An office building annex is no longer planned for Djibouti because of escalating costs and the competing priorities of other projects. The current project includes building a new perimeter wall, public access control, a new post communication center and renovation of the existing center for administrative facilities. Funding totaled \$5.8 million as of November 1990, including \$1.8 million provided prior to the fiscal year 1986 supplemental.

**Table I.10: Office Building Chancery  
Project in Nicosia, Cyprus**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Under construction</b>		
Cost estimate	\$18.7	\$30.2
Gross square footage	46,000	90,209
Number of personnel	65	65
Construction completion date	March 1990 <sup>a</sup>	January 1992

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

**Project History and  
Current Status**

The scope and size for this new office building changed significantly during the design phase. FBO documents indicate that initial FBO plans for the project did not include square footage estimates for the ambassador's residence or a service annex. FBO documents state that cost increases have been due to a number of reasons, including (1) increases in gross square footage requirements; (2) a change in architects; (3) revised site security requirements not in effect during the design period; (4) additional expenses for construction, project supervision, and furniture and furnishings; and (5) operations and maintenance start-up costs. The funding level for this project was \$29.1 million as of November 1990, including \$12.3 million provided prior to the fiscal year 1986 supplemental.

**Appendix I  
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Contract Bid**

**Table I.11: Office Building Chancery  
Project in Pretoria, South Africa**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Under construction</b>		
Cost estimate	\$34.1	\$51.5
Gross square footage	65,000	103,000
Number of personnel	130	175
Construction completion date	June 1991 <sup>a</sup>	January 1992

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental.

**Project History and  
Current Status**

FBO initiated the project design in 1985 and planned for the project to be completed by June 1988. However, redesigns became necessary because of post staff increases and additional security requirements due to an elevation in threat level. Redesign efforts delayed the initiation of construction until January 1990, and costs have increased because of the increased building size, new security requirements, and inflation due to construction delays. Also, significant delays occurred during the initial stages of construction. For example, not all of the contractor's management personnel had obtained the necessary security clearances. Those personnel were denied site access. FBO documents indicate that the contractor's compliance with the security provisions of the construction contract had been an initial problem at this site.

Funding for the project totaled \$51.8 million as of November 1990, including \$837,000 provided prior to the fiscal year 1986 supplemental.

**Table I.12: Office Building Chancery  
Project in Santiago, Chile**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Under construction</b>		
Cost estimate	\$50.7	\$51.3
Gross square footage	100,000	122,700
Number of personnel	185	176
Construction completion date	December 1991 <sup>a</sup>	October 1992

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

**Project History and  
Current Status**

In April 1990, the construction contract was awarded for this project. In October 1990, contractor deficiencies were formally noted by FBO. Deficiencies included the contractor's failure to (1) submit an acceptable construction schedule, (2) maintain adequate progress, and (3) provide temporary facilities and a secure site. During the design phase, project milestones slipped due primarily to a security-related design modification. Although delays were incurred, the savings are expected to be substantial because of implementation of the modified design during construction. Another major design change was the conversion of "atrium" space to regular office space, increasing the gross square footage by over 22,000. Funding for the project was \$50.9 million as of November 1990, including \$6.1 million provided prior to the fiscal year 1986 supplemental.

**Project Under  
Construction Bid**

**Table I.13: Office Building Chancery  
Project in Caracas, Venezuela**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Under construction contract bid</b>		
Cost estimate	\$48.5	\$53.8
Gross square footage	90,000	96,500
Number of personnel	192	240
Construction completion date	April 1992 <sup>a</sup>	August 1993

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

**Project History and  
Current Status**

The new office building in Caracas was envisioned as a replacement for the current chancery and chancery annex, which do not meet security requirements. The primary reasons for the delay and the projected cost increase include (1) difficulty in agreeing on a site that met both post diplomatic needs and security requirements and (2) discovery after purchase of the site that the foundation rock was of poor quality. Cost increases have been attributed to increased site work, additional post space requirements, additional secure logistics and transit procedures, and inflation. The funding level was \$46.5 million as of November 1990,

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**Appendix I  
Overview of Projects Completed, Under  
Construction, or Under Construction  
Contract Bid**

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including \$24.2 million provided prior to the fiscal year 1986 supplemental. According to an FBO program manager, the construction contract was awarded on January 23, 1991.

# Overview of Projects Under Design, Architectural and Engineering Selection, or Site Acquisition

**Table II.1: Office Building Chancery  
Project in Abu Dhabi, United Arab  
Emirates**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Site acquisition/ architectural and engineering selection</b>		
Cost estimate	\$29.1	\$43.6
Gross square footage	30,000	57,100
Number of personnel	59	66
Construction completion date	Unknown	January 1999

## Project History and Current Status

The project planned for Abu Dhabi includes an office building and quarters for Marine security guards. Project delays have largely been due to site acquisition issues. In 1978, the host government offered a site at Abu Dhabi's diplomatic enclave for a new U.S. embassy complex. However, due to new security standards, a larger site was requested by the State Department in 1986. In 1987, the host government offered a new site, contingent on the acquisition of a diplomatic site by the United Arab Emirates at the International Center in Washington, D.C. A site land-lease agreement has since been signed for the planned U.S. facility. Projected cost increases for the project were attributed by FBO officials to differences in the methodologies used for estimating costs. FBO officials characterized the original square footage and cost estimates in the supplemental for this project as being "conceptual." New and more valid estimates were subsequently developed based on an actual site visit to Abu Dhabi. Funding for the project totaled \$1 million as of November 1990.

**Table II.2: Chancery Compound Project  
in Algiers, Algeria**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Design</b>		
Cost estimate	\$39.3	\$54.5
Gross square footage	106,000	116,716
Number of personnel	74	125
Construction completion date	September 1992 <sup>a</sup>	July 1993

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

## Project History and Current Status

The project planned for Algiers involves a new office building and staff housing. The project was initiated with a feasibility study in 1985, and a design contract was signed in 1989. FBO officials attributed the increases in projected costs to (1) inflation estimated to equal 20 to 25 percent a year in Algeria and (2) programming changes to accommodate an increased post population. They believe that limited project funding has contributed to the schedule delays. Funding for the project totaled \$2.2 million as of November 1990, including \$1.6 million provided prior to the fiscal year 1986 supplemental.

**Table II.3: Office Building Chancery Project in Bangkok, Thailand**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Design</b>		
Cost estimate	\$61.2	\$80.6
Gross square footage	389,000	146,000
Number of personnel	777	343
Construction completion date 1995	May 1993 <sup>a</sup>	September 1995

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

## Project History and Current Status

FBO's plans for a new office building in Bangkok have changed significantly since the fiscal year 1986 supplemental budget request. The budget request was based on statistical planning criteria and the assumption that the existing embassy would be demolished. However, subsequent FBO reviews of actual conditions in Bangkok indicated that (1) the costs to build a new facility for 777 personnel would be much higher than originally proposed and (2) portions of the existing embassy could be saved. FBO's current plans are to build a smaller new office building for 343 desk personnel on a separate site near the existing embassy and to renovate a portion of the existing embassy for other post needs. FBO is considering a tunnel to connect both facilities, to be constructed under Wireless Road, a major street in Bangkok. Cost estimates were not available for the proposed tunnel as of November 1990. FBO's current cost estimates for the new office building and renovation of the existing embassy are \$69 million and \$11.6 million, respectively. Funding for the Bangkok project totaled \$39.8 million as of November 1990.

**Appendix II  
Overview of Projects Under Design,  
Architectural and Engineering Selection, or  
Site Acquisition**

**Table II.4: Office Building Chancery  
Project in Bogota, Colombia**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Architectural and engineering selection</b>		
Cost estimate	\$57.6	\$77.4
Gross square footage	85,000	124,242
Number of personnel	261	331
Construction completion date	January 1993 <sup>a</sup>	October 1994

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

**Project History and  
Current Status**

FBO's plans to build a new office building in Bogota have been delayed due primarily to disagreements between the State Department and the post over site selection. Efforts to locate and purchase a site, which began in 1987, were not completed until 1990. Efforts to locate a site became protracted because the site initially selected by the State Department generated opposition from the post because it was not readily accessible to host government offices. Projected cost increases are due primarily to (1) the inflationary costs of delays in site selection; (2) an increased facility size to accommodate revised post requirements; (3) additional requirements for secure logistics procedures, post communication center equipment, and operation and maintenance; and (4) additional costs for utility infrastructure and poor geotechnical site soil conditions. Funding for the new office building totaled \$57.5 million as of November 1990. Because the project will not be completed for several years, a \$4.4 million secure annex was constructed at the existing embassy to relieve overcrowding.

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**Table II.5: Office Building Chancery  
Project in Budapest, Hungary**

Dollars in millions

Scope	Fiscal year 1986 supplemental baseline	Current	
<b>Phase: Site acquisition/ architectural &amp; engineering selection</b>			
Cost estimate	\$51.9	\$56.1 19.9	Chancery Annex
Gross square footage	68,000	46,070 69,000	Chancery Annex
Number of personnel	102	40 97	Chancery Annex
Construction completion date	Unknown	Unknown February 1995	Chancery Annex

**Project History and  
Current Status**

Plans to implement the new office building project in Budapest have been hampered by site acquisition problems. However, FBO officials expect to have access to all properties for the project by March 1992. Building plans in Budapest have been significantly altered since the fiscal year 1986 supplemental request and now include (1) a new office building project for 40 desk personnel and (2) an annex to the existing embassy for 97 desk personnel, principally foreign service nationals and U.S. personnel engaged in public activities. Both projects are also in the architectural and engineering procurement phase. Cost estimates for both projects totaled \$76 million as of November 1990. Funding for both projects totaled \$5.5 million as of November 1990.

**Table II.6: New Office Building Project in  
Cairo, Egypt**

Dollars in millions

Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Design</b>		
Cost estimate	\$54.6	\$53.4
Gross square footage	220,000	129,500
Number of personnel	1,064	343
Construction completion date	June 1992 <sup>a</sup>	March 1994

<sup>a</sup>The FBO construction baseline schedule was not established in the fiscal year 1986 supplemental baseline.



## Project History and Current Status

The original objective of the Cairo project was to provide enhanced security for all embassy employees who were not on the embassy compound. To meet this objective several of the existing embassy annex buildings, which did not meet security requirements, were to be razed, and employees were to be moved to the new office building. According to an FBO program manager, in 1987, it was decided that the parking area in the basement of the existing embassy could also be converted and renovated into office space. As a result, many of the employees who would have moved to the new office building could work in the renovated basement facilities, thereby reducing the new office building's size. Later, the project was expanded to include a new ambassador's residence. According to an FBO program manager, the decision and the design of the new ambassador's residence delayed the project. Funding was \$47.1 million as of November 1990.

**Table II.7: Office Building Chancery Project in Doha, Qatar**

Dollars in millions

Scope	Fiscal year 1986	
	supplemental baseline	Current
<b>Phase: Design</b>		
Cost estimate	\$17.6	\$21.2
Gross square footage	20,000	25,000
Number of personnel	26	21
Construction completion date	September 1991 <sup>a</sup>	March 1996

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

## Project History and Current Status

According to FBO officials, initial designs for the Doha project began in the mid-1980s. Design efforts, however, were put on hold in 1987 because the Doha project was selected for the State Department's special embassy program. The special embassy program is part of the Department's effort to reduce the scope of diplomatic activities and the number of personnel at smaller posts. Redesign efforts began again in 1989 but were subsequently put on hold because of the high square footage per person and cost per person ratios. A redesign is currently underway for a smaller project. Funding totaled \$18.9 million as of November 1990, including \$10.5 million provided prior to the fiscal year 1986 supplemental.

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**Table II.8: Office Building Compound  
Project in Istanbul, Turkey**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Site acquisition</b>		
Cost estimate	\$46	\$56.7
Gross square footage	86,000	88,370
Number of personnel	156	146
Construction completion date	May 1993 <sup>a</sup>	Unknown

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental.

## Project History and Current Status

The project planned for Istanbul has been delayed due to difficulties encountered during site acquisition. A Turkish city official has required that the selected site be sold at open auction, causing a delay in completing the purchase. The projected construction completion date is now unknown because of continuing site acquisition problems. The design firm is under a suspension-of-work order while awaiting clarification of the land acquisition problems. Increases in the cost estimate have occurred because initial budgeted costs did not include the design costs for furnishings, communication and security equipment, additional site requirements, and inflation. Funding for the project was \$34.9 million as of November 1990. Funding prior to the fiscal year 1986 supplemental was \$1.3 million.

**Table II.9: Office Building Chancery  
Project in Kampala, Uganda**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Site acquisition</b>		
Cost estimate	\$28.9	\$14
Gross square footage	20,000	11,000
Number of personnel	40	25
Construction completion date	Unknown	Unknown

## Project History and Current Status

A pre-engineered office building is planned for Kampala. A site has been selected; however, problems exist in obtaining title to the property because of host country restrictions on ownership of land. The current baseline data is conceptual because FBO has not yet visited the site for a

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detailed program plan. FBO plans to visit the site this spring, and base-line figures may vary as a result. Funding had not been provided as of September 1990.

**Table II.10: Office Building Chancery  
Project in Khartoum, Sudan**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Site acquisition/ design</b>		
Cost estimate	\$36.4	\$52.2
Gross square footage	66,000	69,292
Number of personnel	138	158
Construction completion date	March 1993 <sup>a</sup>	Unknown

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental.

**Project History and  
Current Status**

Construction implementation dates for this project are unknown because FBO has not been able to procure a site since October 1986. A site has been identified, but negotiations with the Sudanese government have not been concluded on the lease hold agreement for the land. The negotiations have been delayed primarily because of frequent government changes. The projected cost increase has stemmed primarily from (1) inflation; (2) the addition of operations and maintenance responsibility and furniture and furnishings requirements; (3) security and communication requirements; and (4) unforeseen development needs to install sewer and water service, construct off-site roads, and connect off-site power and telephone lines to the site. Funding for the project totaled \$35.6 million as of November 1990, including \$2.4 million prior to the fiscal year 1986 supplemental.

**Table II.11: Office Building Chancery  
Project in La Paz, Bolivia**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Design</b>		
Cost estimate	\$39.3	\$63.3
Gross square footage	79,000	91,000
Number of personnel	180	209
Construction completion date	June 1991 <sup>a</sup>	June 1994

<sup>a</sup>The construction completion date was not established in fiscal year 1986 supplemental baseline.

## Project History and Current Status

Efforts to build a new office building in La Paz began in 1979 with the purchase of a site. Delays in planning and designing the project occurred in the early 1980s due to a lack of funding and the political climate in La Paz. In 1985, design work resumed but was subsequently delayed because the building designs did not meet Department of State set-back requirements for new office buildings. Additional property was subsequently purchased adjacent to the existing site, and to expedite the project, FBO awarded a design/build contract in 1989. The contract was suspended in May 1990 because of the contractor's excessive cost proposal for construction. New contract proposals are now being considered. Additional estimated costs for the La Paz project have been attributed by FBO officials to the inflationary costs of delays, the increased size of the facility, and security-related additions to the design. Funding for this project totaled \$53.3 million as of November 1990, including \$24.4 million provided prior to the fiscal year 1986 supplemental.

**Table II.12: Office Building Chancery Project in Lima, Peru**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Design</b>		
Cost estimate	\$68.8	\$61.7
Gross square footage	120,000	143,570
Number of personnel	225	322
Construction completion date	June 1992 <sup>a</sup>	January 1994

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental.

## Project History and Current Status

According to FBO officials, the Lima project has not met original implementation milestones because of site acquisition problems and design delays. Initial planning for this project began in early 1987. Prolonged negotiations occurred between the design firm and FBO to implement a physical security modification. The number of desk personnel has increased as a result of the Department of State's response to the current political, economic, and social conditions in Peru. Furthermore, an off-site power generator plant and feeder will need to be constructed. FBO was able to reduce the projected costs from \$68.6 million to \$61.6 million by purchasing a less expensive site. Funding was \$62 million as of November 1990.

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**Table II.13: Office Building Chancery  
Project in Panama City, Panama**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Site acquisition</b>		
Cost estimate	\$65.2	Unknown
Gross square footage	150,000	Unknown
Number of personnel	377	Unknown
Construction completion date	Unknown	1995

**Project History and  
Current Status**

Due to higher priorities, plans to construct a new embassy in Panama were deferred by FBO in the late 1980s. However, the project received a renewed priority with the end of the Noriega regime. Site selection is underway.

**Table II.14: Office Building Chancery  
Project in Seoul, Korea**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Site acquisition</b>		
Cost estimate	\$50.1	\$83.8
Gross square footage	223,000	254,200
Number of personnel	435	406
Construction completion date	June 1993 <sup>a</sup>	January 1993

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

**Project History and  
Current Status**

FBO's efforts to implement the new office building project in Korea have been delayed since 1983 due to (1) drawn out negotiations with the Korean government over site acquisition and (2) the related unresolved status of U.S. rights to other properties in Korea. According to FBO documents, the Korean government has questioned the right of the United States to continue occupancy of fee simple and lease hold properties. Site negotiations for the new office building, which began in 1983, resulted in a site agreement in 1990. Because loss of property rights could necessitate replacement of significant office, residential, and recreational facilities and affect new chancery requirements, resolution of the property rights issue is considered necessary to successfully implement the project. FBO officials attribute the projected cost increases to the inflationary costs of years of delays and the deterioration of the

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exchange rate between U.S. and Korean currencies. Funding totaled \$7.7 million as of November 1990, including \$1.7 million provided prior to the fiscal year 1986 supplemental.

**Table II.15: Office Building Chancery Project in Sofia, Bulgaria**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Site acquisition/ architectural &amp; engineering selection</b>		
Cost estimate	\$38	\$46.1
Gross square footage	27,000	43,647
Number of personnel	53	46
Construction completion date	Unknown	March 1996

**Project History and Current Status**

Delays in the project planned for Sofia have been largely due to site acquisition problems. In July 1989, a site had been selected; however, it subsequently became unavailable due to a change in Bulgarian governments. Currently, FBO is trying to find a new site and select an architectural and engineering firm. FBO officials attribute the increase in projected costs to inflation and an increase in square footage requirements for the post. The project had not been funded as of November 1990.

**Table II.16: Chancery Compound Project in Tunis, Tunisia**

Dollars in millions		
Scope	Fiscal year 1986 supplemental baseline	Current
<b>Phase: Site acquisition</b>		
Cost estimate	\$33.3	\$50.8
Gross square footage	90,000	91,879
Number of personnel	257	184
Construction completion date	September 1992 <sup>a</sup>	Unknown

<sup>a</sup>The construction completion date was not established in the fiscal year 1986 supplemental baseline.

**Project History and Current Status**

According to the program manager, this project has been in site acquisition for 5 years because of major security concerns about every location considered. The increased cost estimate is due to the delay in obtaining a site and the associated inflation. The change in the number of personnel

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is due to the exclusion of foreign service nationals in the general services office and Peace Corps personnel. Funding for the project was \$32.6 million as of November 1990. Funding prior to the fiscal year 1986 supplemental was \$3.1 million.

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# Location of Projects Cancelled, Deferred, or on Hold

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For several reasons, including competing priorities and changed conditions, FBO has cancelled, deferred, or put on hold 28 of the original 57 projects planned for the Diplomatic Security Construction Program. The following is a list of the locations where projects were cancelled, deferred, or on hold as of November 1990.

Ankara, Turkey  
Antananarivo, Madagascar  
Athens, Greece  
Berlin, Germany  
Bern, Switzerland  
Bombay, India  
Brussels, Belgium  
Capetown, South Africa  
Copenhagen, Denmark  
Geneva, Switzerland  
The Hague, Netherlands  
Izmir, Turkey  
Jakarta, Indonesia  
Johannesburg, South Africa  
Kingston, Jamaica  
Kinshasa, Zaire  
Kuala Lumpur, Malaysia  
Kuwait, Kuwait  
London, England  
Madrid, Spain  
Moscow, USSR<sup>1</sup>  
Prague, Czechoslovakia  
Quito, Ecuador  
Rabat, Morocco  
Rangoon, Burma  
Valletta, Malta  
Vienna, Austria  
Zagreb, Yugoslavia

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<sup>1</sup> According to FBO documents, the project in Moscow was originally requested as a technical security improvement project and funds appropriated were applied to the ongoing new office building project, which was on hold as of November 1990. Improvements to the existing office building have been made through reprogrammed funds.



# Objectives, Scope, and Methodology

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At the request of the Chairman of the Senate Budget Committee, we reviewed the Department of State's implementation of the Diplomatic Security Construction Program. This initial report responds to the request, which addresses program funding and project status issues.

To determine project status and identify program funding and planning issues, we interviewed Department of State officials responsible for the program and reviewed pertinent documents on program activities. We conducted our review at FBO headquarters in Washington, D.C., and at project sites in Nicosia, Cyprus; Pretoria, South Africa; and Georgetown, Guyana. We analyzed key program documents, including the fiscal year 1986 security supplemental estimates and FBO's long-range operations plan. We did not verify the accuracy of FBO data used in this report.

We conducted our review from July 1990 to January 1991 in accordance with generally accepted government auditing standards.

As requested, we did not obtain written agency comments on a draft of this report.

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