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EXAMINING NEW EMBASSY CONSTRUCTION: ARE NEW ADMINISTRATION POLICIES PUTTING AMERICANS OVERSEAS IN DANGER?

HEARING

OF THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

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EXAMINING NEW EMBASSY CONSTRUCTION: ARE NEW ADMINISTRATION POLICIES PUTTING AMERICANS OVERSEAS IN DANGER?

Thursday, July 10, 2014

HOUSE OF REPRESENTATIVES,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
WASHINGTON, DC.

The committee met, pursuant to notice, at 10:02 a.m., in room 2154, Rayburn House Office Building, Hon. Darrell E. Issa (chairman of the committee) presiding.

Present: Representatives Issa, Mica, Turner, Jordan, Chaffetz, Walberg, Lankford, Amash, Fartenthold, Woodall, Meadows, Bentivolio, DeSantis, Cummings, Maloney, Norton, Tierney, Lynch, Connolly, Duckworth, Kelly, Welch, Horsford and Grisham.

Staff present: Alexa Armstrong, Legislative Assistant; Brien Beattie, Professional Staff Member; Melissa Beaumont, Assistant Clerk; Richard Beutel, Senior Counsel; Molly Boyl, Deputy General Counsel and Parliamentarian; Sharon Casey, Senior Assistant Clerk; John Cuaderes, Deputy Staff Director; Adam Fromm, Director of Member Services and Committee Operations; Linda Good, Chief Clerk; Tyler Grimm, Senior Professional Staff Member; Frederick Hill, Deputy Staff Director for Communications and Strategy; Caroline Ingram, Counsel; Jim Lewis, Senior Policy Advisor; Mark Marin, Deputy Staff Director for Oversight; Laura Rush, Deputy Chief Clerk; Andrew Shult, Deputy Digital Director; Rebecca Watkins, Communications Director; Sang Yi, Professional Staff Member; Jennifer Hoffman, Minority Communications Director; Chris Knauer, Minority Senior Investigator; Julia Krieger, Minority New Media Press Secretary; Juan McCullum, Minority Clerk; Dave Rapallo, Minority Staff Director; and Valerie Shen, Minority Counsel.

Chairman ISSA. The committee will come to order.

Today's hearing, Examining New Embassy Construction, questioning, Are New Administration Policies Putting Americans Overseas in Danger?

The Committee on Oversight and Government Reform exists to secure two fundamental principles. First, Americans have a right to know that the money Washington takes from them is well spent, and second, Americans deserve an efficient, effective Government that works for them.

Our duty on the Oversight and Government Reform Committee is to protect these rights. Our solemn responsibility is to hold Government accountable to taxpayers, because taxpayers have a right to know what they get from their Government. It's our job to work

tirelessly in partnership with citizen watchdogs to protect these rights and to deliver the facts to the American people and bring genuine reform to the Federal bureaucracy. This is our mission Statement.

Today we are examining the results of a Department of State 2011 decision to transition from a successful program of standard embassy design, which stressed security, functionality, to a new undefined, loosely defined design excellence program, which has led to untimely delays in construction as well as increased cost. These delays put American diplomats and their staff in an unnecessary risk. Keeping them safe should be our primary priority.

In response to the 1998 East Africa embassy bombings, the State Department implemented sweeping reforms in the way it constructed new embassies and consulates overseas. Among these reforms are the development of a standard embassy design that could easily adapt for size and location, the use of design built contract delivery method, the implementation of performance management and strategic planning principles. These reforms produced an impressive record of successful overseas facilities construction, leading to embassies and consulates being well built on time and on budget and offering superior security.

In 2001, the Government was only building an average of one new embassy per year. One new embassy means 200 years to replace all our embassies and consulates. By comparison, in 2006, following the implementation of the new reforms, the State Department Bureau of Overseas Building Operations, known as OBO, opened an unprecedented 14 new facilities. That same year, the independent Government Accountability Office, known as GAO, found that the construction time for embassy projects had been reduced from 69 months, basically 6 years nearly, to 36 months, 3 years. In addition to reducing the amount of time required to build new embassies, GAO also found that the majority of standard embassy design projects it reviewed ended up costing significantly less than State Department cost estimates.

The embassy construction program with standard embassy design at its core, went on to move a total of 32,000 overseas employees into secure facilities by 2013. Starting in 2011, however, the State Department decided that a working and efficient program wasn't good enough, and although they will report that they maintained these tools in their toolbox, they have gone to a program known internally as Design Excellence. State maintains that the new initiative will incorporate the successes of standard embassy design while also allowing for more flexibility to adapt its buildings to unique environments.

In reality, however, the committee has learned that under the current management, OBO has decided to transition away from standard embassy design programs in favor of a unique, architecturally sophisticated and more expensive embassies. Embassies look better and cost more.

Through this move, this may be visually attractive. The new design process does not prioritize security, it prioritizes appearance. The new standards view security and safety as something that must be designed around and disguised rather than the first priority.

I am now going to play a short video featuring architects that was produced by the State Department about the Design Excellence Program.

Please play the clip.

[Video shown.]

Chairman ISSA. I am sorry to have to say this, but were our diplomats in Benghazi murdered because their building felt hostile in its context and didn't welcome the population there? They were vulnerable because they were in a non-standard, non-secure building, a building in which the refuge point was not designed safely, and Chris Stevens died likely of asphyxiation as a result of buying, renting an off-the-shelf facility by exception to the requirements for a consulate safety facilities.

Did Americans die in the African embassy bombings because the buildings didn't do enough, to have enough openness and balance of security? Are disguising security measures really a good strategy to deter terrorist attacks? In the post-September 11th world, is it disconcerting to hear State Department pushing these arguments? And the answer is yes.

In May 2013, an internal State Department panel on Diplomatic Security organization and management, which arose out of Benghazi's Accountability Review Board's recommendations, issued a final report. In the report, the panel, which was chaired by former Under Secretary for Management, here today, Grant Green, raised concerns about Design Excellence Program. The panel found no evidence for a business case or cost-benefit analysis supporting Design Excellence Program. The panel also expressed concern that under Design Excellence, fewer facilities can be built over the same timeframe, which could leave U.S. Government personnel exposed to inadequate facilities for longer periods of time.

Losing momentum in construction of new or more secured facilities on time and at a reasonable cost would leave U.S. Government employees in harm's way and expose taxpayers to unnecessary fiscal risk.

OBO received $2.65 billion in Fiscal Year 2014 for embassy security and construction and maintenance, a significant increase over prior years, but how many embassies you build is how many you—large a figure you divide into that amount.

When the department requested and Congress granted a budget increase, it was based on Stated need to construct new secure facilities, not to produce more architecturally pleasing ones.

Today, we are conducting oversight of the State Department's Design Excellence Program. Though we have made meaningful and very specific document requests to the State Department, to date the department has delivered a—has not delivered a single document, and this is unprecedented.

Today, we are today here to examine whether OBO has proper management and program in place to preserve the tremendous gains made under the standard embassy design Program in securing U.S. Diplomats and their families overseas at a reasonable cost.

In closing, you are not the people responsible, but people who are listening today and watching today at the State Department understand they have stonewalled our request, they have even used mail to disguise—ordinary mail to disguise and delay responses, and

this is contemptible. This is serious oversight of the Congress, over the very lives and safety of State Department employees. This committee is reaching the end of its rope with State Department stalling.

You stalled on Benghazi, and 2 years after the tragic death, we only learned that, in fact, State Department was complicit with the White House in attempting to disguise a false narrative as to how and why the consulate was attacked.

You are not the messengers that will be shot, but understand, you may very well be back again and again as the documents that were requested finally come in. For that, I am truly sorry that you may come back here again and again, but if we do not receive documents that were requested in plenty of time, then much of your testimony today will be a first round and not, in fact, the definitive oversight that we expected do have.

With that, I recognize the ranking member for his opening Statement.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

Thank you for holding this very important hearing. And I thank you, all of our witnesses, for being with us today.

The horrific bombings of our embassies in Kenya and Tanzania in 1998 were a watershed moment for our Nation. Following those attacks, the State Department reported that 80 percent of its overseas facilities did not, I repeat, did not meet security standards. Congress authorized billions of dollars to expedite embassy construction around the world. As part of this effort, the State Department's Bureau of Overseas Building Operations launched the standard embassy design Initiative to promote the use of standardized designs of small, medium and large embassies. This program has been very successful in achieving its goals. Since the year 2000, the State Department has constructed 111 new buildings and more than 30,000 U.S. personnel—and moved more than 30,000 U.S. personnel into safer facilities.

The program also has its limitations. The program, for example, typically requires large parcels of land, which sometimes result in buildings being constructed further from urban centers. Critics contend that this impairs U.S. diplomatic efforts overseas, it makes it harder for officials to conduct their work. As one commentator noted, the standard embassy design Initiative was, "an expedient solution to an urgent problem, but one that narrowly defined an embassy as a protected workplace and overlooked its larger representational role."

So we commend the tremendous progress made under the standard embassy design Initiative, but we must always ask whether we can do more. We must ask the question whether we can do better. On this committee in particular, we must ask how to make this program run even more efficiently and even more effectively. To me, there are three basic factors we must consider: one, security; two, cost; and three, function.

In 2011, the Department launched a new embassy construction effort called Design Excellence. As I understand it, this effort aims to provide the same or better security at the same or lower cost while improving the ability of American officials overseas to do their jobs. This new program seeks to achieve these goals by being

more flexible than the current program. For example, by incorporating more customized designs rather than standard designs, the Department may be able to build on smaller or irregular lots. This may allow more embassies to be located in urban centers to improve the effectiveness and efficiency of our missions.

These more flexible designs also may reduce costs, lower initial construction costs and lower long-term maintenance and operating costs. For example, the new U.S. embassy in London, although not constructed entirely under this new Design Excellence concept, shares many of its principles. According to the State Department, this new facility will be more secure than the existing embassy, it will be more functional and effective for our diplomatic missions, it will be completed on time, and it will be built at no cost to the United States taxpayer. This entire project is being funded through the proceeds of sales from existing U.S. properties there.

The challenge with this program, however, is the lack of data. No embassies have been constructed to date based entirely on this new concept. The new embassy in Mexico City will be the first facility constructed from start to finish under this initiative, but it will not be completed until 2019 and according to Mr. Green, who's testifying here today, the Department has not put together a comprehensive business case that analyzes the potential costs and benefits of this new program in detail.

We all know what can happen with the lack of adequate planning. Under the previous administration, the new embassy constructed in Iraq went wildly over budget, came in well after the deadline, and was plagued with corrupt contractors. It ended up costing the American taxpayers hundreds of millions of dollars more than it should have, and that money could have been used to secure other U.S. facilities and American personnel throughout the world.

So as we evaluate the merits and drawbacks of this new effort, we must keep one goal at the top of our list: the security of our diplomatic officials serving overseas.

Mr. Chaffetz, who serves as the chairman of our National Security subcommittee has asked whether this new initiative to customize diplomatic facilities could delay their completion; in other words, if customizing is slower than using standard designs? Does that keep our people in harms way longer as they wait for new secure buildings? I believe that this is a legitimate question and a legitimate concern, and I want to know from the Department what their answer is.

Our diplomatic officials deserve the safest embassies in the world and they also deserve facilities that help them conduct U.S. foreign policy in the most effective and efficient manner possible. I truly believe that every member of this panel feels the same way.

And with that, Mr. Chairman, I anxiously look forward to the testimony of our witnesses, and I yield back.

Mr. MICA [presiding]. Thank you, Mr. Cummings.

I am pleased to recognize the chair of the National——

Mr. CHAFFETZ. Mr. Chairman? Mr. Chairman?

Mr. MICA. Yes.

Mr. CHAFFETZ. Prior to that, can I ask unanimous consent to introduce into the record a number of items?

Mr. MICA. Without objection, at this point, do you want to go ahead and State your——

Mr. CHAFFETZ. I would. I would like to introduce into the record, the GAO report on embassy construction dated January 2001, another GAO report from November 2004, regarding embassy construction, an additional GAO report from June 2006 about embassy construction, the July 2010 GAO report, new embassy compounds.

I would also like to enter into the record a letter that Chairman Issa and myself sent on June 23d, 2014, to Secretary Kerry requesting a series of documents that we have not yet received. I would also like to enter into the record the response from the State Department dated July 3d, which we actually received on July 8th of this year.

And then the final document is the U.S. Department of State Bureau of Overseas Building Operations fact sheet: CBS News, Are Modern U.S. Embassies Becoming Too Costly to Build? They had issued a response to a couple news programs. I would like to enter that fact sheet back into the record as well. I would ask unanimous consent to do so.

Mr. MICA. Without objection, the request is agreed to.

Mr. MICA. And now I would like to recognize the gentleman from Utah for an opening Statement.

Mr. CHAFFETZ. Thank you, Mr. Chairman.

I want to be clear. This is the beginning of a series of hearings that I think are essential to figure out and get to the bottom of the truth of a situation that is—that thousands of Americans are facing with their mission and their service overseas.

The Bureau of Overseas Buildings Operations' core mission is to place American officials located overseas into safe, secure facilities as fast as possible. I would note for the record that the State Department budget, overall State Department budget since Fiscal Year 2008 has increased more than 58 percent, going from $17 billion to over $27 billion, and that security funding from Fiscal Year 2008 to Fiscal Year 2014 has increased more than 100 percent.

Prior to 2011 and Design Excellence, the Bureau seemed to be fulfilling its core mission, constructing secure overseas facilities both quickly and effectively; not only that, they were doing it on time and on budget, yet in 2011, OBO decided to take this rare government success story and replace it. The new program focuses instead on constructing fancy buildings to enhance the U.S. reputation around the world, all the while, many Americans are still waiting for their new secure facilities.

Hailed as Design Excellence, the Bureau has subscribed to a view that fancy buildings equal successful diplomacy, that officials serving overseas and those whom they serve care first and foremost about aesthetics and that aesthetics alone can further U.S. diplomatic relations.

Since the Bureau initiated the major overhaul of its overseas construction program 3 years ago, embassy construction has slowed significantly while construction costs have sky rocketed to millions over initial price tags. Long awaited facilities in less secure cities have been delayed for years, while American officials overseas, who devote their lives to furthering U.S. interests abroad must remain

in unsecured, dated structures awaiting State to construct safer facilities.

Earlier this year I traveled to Port Moresby, Papua New Guinea, where I saw firsthand the ill effects of the Bureau's new Design Initiative. There I saw an embassy construction project that was originally slated to cost $50 million, yet this has ballooned to a price tag of more than $200 million, all in the name of aesthetics.

During my short visit, there was an attempted carjacking of an embassy staffer. This event, along with my conversations with foreign service officials stationed at Port Moresby, allowed me to see firsthand that having a fancy building is not high on their list of concerns. No one told me, "what we really need is a building that represents innovation, humanity and openness," as Design Excellence purports. They wanted a facility that offered safety and security for themselves, their families and many visitors.

Why the Department is allowing foreign service officials to remain in unsecured, dilapidated facilities at the price of aesthetics is beyond me. We had a chief of mission there who has tried to secure his people. They are in an old bank building. It is not secure. Those poor people, they work in an office, they have to have an armed guard take them from their living facilities to the embassy itself, that facility that by any standard is not properly secure.

In a May 2013 internal State Department panel on Diplomatic Security organization and management, which was chaired by former Under Secretary for Management, Grant Green, issued its final report. The panel found no evidence of a business case or cost-benefit analysis supporting Design Excellence. In short, the program has yet to produce results, but introduces significant risks to constructing facilities on time, on budget while moving officials overseas into secure facilities.

Despite requesting—and to my ranking member and my colleagues on the other side of the aisle, we cannot do the work on either side of this aisle unless we get the documents and operate from the same set of facts. We issued a letter the third week of July—I am sorry, third week of June asking for a series of things in preparation for this meeting. I have been working with the State Department for months. They have known that I've been curious about this. I have traveled overseas. I have visited a number of facilities. Yet despite that, we have not received a single document. I got one page that said, we will get this to you as soon as possible. And if you look at the document request, to have nothing coming into this hearing is inexcusable.

How can you provide us nothing? We don't have documents that Mr. Lynch or Mr. Welch or myself or Mr. Walberg can look at. How can you do that to the Congress? It is a waste of time and money and effort. And we will bring you back, we will do it again, but you cannot come to the U.S. Congress when we ask you for these basic documents and provide us nothing. Our staff worked with you and said, if you have problems with, you know, one or two or three of the documents, whatever, just give us on a rolling basis what you have, and we got nothing.

And I think on both sides of the aisle, this is a fair criticism. I hope my colleagues will, on the other side of the aisle, also, please, help us with that.

Mr. CUMMINGS. Will the gentleman yield for just 1 second?

Mr. CHAFFETZ. Sure.

Mr. CUMMINGS. I agree that, and I am hoping, Mr. Chaffetz, that the witnesses will provide us with reasons as to why we have not gotten what we need. You are absolutely right, in order to do oversight, we have to have documents.

And so I yield back.

Mr. CHAFFETZ. And I thank the gentleman.

Let me give you an example. One of the documents we asked is this report on Diplomatic Security organization and management. It is on the Al Jazeera website, and yet our own State Department won't give it to us, so I printed it out on the Al Jazeera website. Why do I have to go to Al Jazeera to get the information that you have and that you are withholding from Congress?

I will yield back.

Mr. MICA. Thank the gentleman.

Mr. MICA. Let me recognize the gentleman from Massachusetts, Mr. Tierney. I am sorry. Mr. Lynch.

Mr. LYNCH. Yes. We all look alike.

Mr. MICA. Mr. Tierney is the ranking member, he is not here, of the subcommittee, but Mr. Lynch is here. And you are given 5 minutes.

Mr. LYNCH. I'm sure Mr. Tierney would take offense.

Mr. MICA. I'm sure he would not. You're much better looking.

Mr. LYNCH. Thank you, sir. I appreciate the gentleman's courtesy.

Let me just say to begin with, we really do need to have prompt, accurate response as an oversight committee regarding these matters. It helps no one to have the allegation of obstructionism cast back and forth here.

So, I think that some of the gentleman's from Utah's complaints are well founded about the responsiveness of the State Department to our requests. So we need to do better. OK? And that's from everybody up here. There's just—this committee is coming up on too many instances where there has been a long delay in providing information. Things blow up and then it looks like you're being less than honest and less than forthcoming, at least with respect to the conduct of this committee.

I will say that like the gentleman from Utah and many members on this committee, I've spent a lot of time at embassies in some of the tougher spots around the world, and we've had an ongoing debate about how to secure the personnel at our embassies.

And it's a difficult problem, and I don't think there's any cookie cutter approach to this and I know that there's an earlier—before the more creative design initiative was adopted, we also had during the 110th Congress, this was during the Bush Administration, we conducted an extensive investigation into the reports of the rampant waste, fraud and abuse around the construction of the new embassy compound in Baghdad, Iraq, and I've spent many nights there at the old embassy, the new embassy.

That was a huge expense. It's going to be very difficult to staff. It's got more staffing requirements than the White House, to be honest with you; I think 3,400 people as opposed to, you know,

1,700 at the White House. It's just, you know, it's just unreasonable to expect that that is suitable to our requirements in Baghdad.

You know, we've had situations in Yemen. I'm happy to hear that—and when I was there, we had, you know, reconstruction efforts and strengthening efforts there in Yemen, with good cause. We had fruitful discussions, up to a point, with the Syrian Bashar al-Assad about relocating our embassy there in Damascus. We don't have it there anymore. I know it's not staffed, but we're going to have to get around to relocating that. It's far too vulnerable to car bombs. We're right on a main street. We've got to look at that again.

And I do support having a more remote, not necessarily remote, but a little bit of a setback for our embassies in and around the world, so, and that goes for not only Damascus when we eventually get back in there, but also Beirut, but there has been a profound lack of oversight in the construction process.

One of the things I used to do, you know, I was a construction manager and that's what my undergraduate degree is in, so I've had an opportunity to see how we're going about this. And there is, to put it bluntly, there is great room for improvement here in terms of how we're going about spending this money and as I said before, the sort of cookie cutter way that we've tried to approach this in the past.

I'll be very interested in your answers to a number of questions regarding some of these arrangements. I know that in the case of the Baghdad embassy, we had $130 million plus in questionable charges by the first Kuwaiti corporation, that was allegedly engaged in a $200,000 bribery and kickback scheme in order to obtain subcontracts.

We've had flagrant oversight lapses on the part of the State Department, and that had been previously warned by the Defense Department audit agency, and it's just been a series of missteps on our part.

And underlying all of this is just a new world out there in terms of the risk to our people in these embassies. Benghazi is one example, although that was not an embassy, still, it. You know, it shows us what can go wrong and we have a real obligation here to reassess the defense protocols that we have at our embassies, and that obviously includes how we're building them and what kind of apron of security that we provide for these facilities.

So. We've got to get smart about this in a big hurry. We've got to be more effective with our architectural design, and we've got to be much more wise with the expenditure of taxpayer money in support of these efforts. We can't afford to—we can't afford to fail.

With that, Mr. Chairman, I'll yield back.

Chairman ISSA [presiding]. I thank the gentleman. I thank him for his important comments.

And, Mr. Lynch, I thank you for your being a willing traveler to tough places. Over the years, you and I have had the privilege of going to some of those places.

Mr. LYNCH. Thank you.

Chairman ISSA. We now welcome our witnesses. Ms. Lydia Muniz is the Director of the Bureau of Overseas Building Operations at the United States Department of State, and again, OBO,

as it's known. Mr. Casey Jones is a Deputy Director of the Bureau of Overseas Buildings and Operations at the United States State Department. And the Honorable Grant S. Green, Jr., is the former Under Secretary for Management at the Department of State.

Lady and gentlemen, pursuant to the committee rules, would you please rise to take a sworn oath, and raise your right hands, please.

Do you solemnly swear or affirm that the testimony you are about to give will be the truth, the whole truth and nothing but the truth? Please be seated.

Let the record reflect that all witnesses answered in the affirmative.

In order to allow sufficient time for questions and answers on both sides, I would ask that—I'd let you know that your written Statements are already part of the record, and so please use your 5 minutes either to read a portion of that or to other comments as you please.

Ms. MUNIZ.

WITNESS STATEMENTS

STATEMENT OF LYDIA MUNIZ

Ms. MUNIZ. Thank you.

Chairman Issa, Ranking Member——

Chairman ISSA. Oh, and I must tell you, these mics, really want them closer to you, not further away in order to be heard, so if you will pull it significantly closer, it will make it easier.

Ms. MUNIZ. Like this.

Chairman ISSA. Thank you.

Ms. MUNIZ. Chairman Issa, Ranking Member Cummings and committee members, I appreciate the opportunity today to discuss the State Department's program to build safe and secure facilities for our U.S. Government staff serving abroad.

I am Lydia Muniz, Director of the Bureau of Overseas Buildings Operations. I've been with OBO since 2009, and came to the Department with nearly 20 years of Government and real eState development experience.

The State Department is deeply committed to the safety and security of our personnel overseas. Every new construction project that OBO undertakes must and will meet the security and life safety standards required by law, by our colleagues in the Bureau of Diplomatic Security and by OBO. Security is the cornerstone of our building program, and because we have an obligation to the American taxpayer to be efficient in constructing our facilities, we are committed to ensuring that we neither compromise the speed at which we can deliver safe facilities nor incur unjustified and unnecessary costs.

OBO facilities serve as the overseas platform for U.S. diplomacy. They provide access to consular services, promote American commercial interests, ensure food and product safety with trading partners, and implement programs critical to our national security interests. Since Congress enacted the Secure Embassy Construction and Counterterrorism Act, or SECA, in 1999, OBO, has with the continued support of Congress, completed 76 new embassies and

consulates, with 16 more under design and in construction. We have moved over 31,000 employees to more secure facilities, with plans to move another 14,000 within the next 5 years.

After 10 years of a successful building program, we examined our work and instituted an initiative that deployed the lessons learned over the years; this includes how best to construct facilities that meet the requirements of our missions abroad, most critically safety and security, but also durability, efficiency, flexibility, proximity for personnel and visitors, and a platform that serves the needs and mission of America abroad. We know that security, safety and excellence are mutually reinforcing, not mutually exclusive.

The standard embassy design, or SED, standardized facility requirements and the way in which they were met, and created a discipline within OBO to deliver those facilities. Using the standard embassy design, OBO came to better understand the common requirements of missions, like consular sections and specialized office space, but we also learned that while embassies and consulates have a number of things in common, they also vary widely. Their missions in dense urban environments and in rural areas, posts with as few as three staffs to as many as 2,500, some have consular sections with one window, others have more than 100.

So while the SED's provided consistency, we learned that a standard design did not always permit OBO to meet the very needs of the mission or to deploy taxpayers' dollars in the most cost-effective manner. We learned that we should take into account local conditions and materials in order to have buildings perform better in the long-term, and to consider not only first costs, but long-term operating costs.

And we recognized that our facilities not only meet the functional requirements of our missions, they represent the United States to the rest of the world. Our embassies are the most America that many who live around the globe will ever see. At a time when it is increasingly important that we provide for the security of our citizens at home through diplomacy and engagement with people around the globe, embassies that convey U.S. values, culture, strength and know-how can be instrumental in that effort.

All of this can and must be done in meeting all of the department's security standards and without compromising on schedule or cost. We must protect our staff abroad, and using the lessons learned over the decades, we can design and build embassies and consulates that serve our mission and colleagues, are a better value to the U.S. taxpayer, and make better use of scarce resources in the short and in the long-term.

I would like to thank Congress for their consistent support of OBO's building program, including in Fiscal Year 2013 providing increased funding, to help our program keep apace of inflation.

In these uncertain times, we know that our facilities must keep our staff safe and secure. The Excellence Initiative will ensure that, will meet the needs of our missions and will provide the best value to the American taxpayer.

Chairman ISSA. Thank you.

[The prepared Statement of Ms. Muniz follows:]

TESTIMONY OF LYDIA MUNIZ
DIRECTOR, BUREAU OF OVERSEAS BUILDINGS OPERATIONS
UNITED STATES DEPARTMENT OF STATE

BEFORE THE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES

JULY 10, 2014

Chairman Issa, Ranking Member Cummings, and Members of the Committee – I appreciate the opportunity to appear before you today to discuss the State Department's program to build safe and secure facilities for our U.S. government staff serving abroad.

The President's policy and the Department's fiscal year 2015 budget request of $2.016 billion for the Bureau of Overseas Buildings Operations (OBO) was fully funded in the recent House Appropriations Committee mark at a higher level of $2.063 billion with strong bi-partisan support. OBO's mission reflects a strong commitment to safeguard our colleagues who serve our country's foreign policy missions overseas, and to securing our facilities that support this mandate.

Like you, the State Department is deeply committed to the safety and security of our personnel serving overseas.

Therefore, every new design and construction project that OBO undertakes both must and will meet the security and life safety standards required by law and by our team of experts and professionals in the Bureau of Diplomatic Security and within OBO. We work with DS at all steps of the process to ensure security considerations are first and foremost in our operations.

Security is the cornerstone for new embassy and consulate construction. Our program is developed and our facilities are built on that foundation. And because we have an obligation to the American taxpayer to be efficient in building our facilities, the Department is committed to ensuring that our building program

neither compromises the speed at which we can deliver secure facilities nor incurs unjustified and unnecessary costs.

We *must* protect our staff serving abroad. And, using the lessons learned over decades, we *can* design and build embassies and consulates that serve our mission and colleagues, are a better value to the U.S. taxpayer, and make better use of scarce resources – in the short and long term.

We know at OBO that security, safety and excellence in diplomatic facilities are mutually reinforcing – not mutually exclusive - goals.

The Excellence Initiative at OBO deploys the lessons our professionals have learned over the years on how best to construct well-designed and well-built facilities that meet the requirements of our Missions abroad – most critically safety and security – but also durability, efficiency, flexibility, proximity for personnel and visitors, and a platform that serves the needs and mission of America abroad.

We can build facilities that meet all of these objectives – and we are committed to doing so at the same cost and on the same, or faster, timeline.

As this Committee knows, OBO is responsible for the facility needs of all U.S. government personnel serving abroad under Chief of Mission Authority. These facilities serve as the platform from which the U.S. communicates its values, promotes its interests, engages with counterparts and provides critical services. Our embassies and consulates provide access to visa and consular services, including American Citizen Services; promote American commercial interests; ensure food and product safety with trading partners; and implement programs critical to our foreign policy and national security interests. All of these functions are impacted by the location and functional design of our facilities.

OBO manages the worldwide design, construction, acquisition, sale, maintenance and use of overseas real property. OBO's portfolio includes: 275 missions in 190 countries; over $7.5 billion in projects in design or construction; over 1,100 office spaces and over 14,000 residential units. This translates to over 34 million square feet of owned property and 35 million square feet of leased property.

Our portfolio includes historic embassies, consulates and residences; long-term purpose-built embassies and consulates; interim use facilities – that include everything from adaptive re-use of existing facilities to containerized housing and offices. The portfolio also comprises Chief of Mission and staff residences; Marine quarters and support facilities - which range from warehouses, vehicle maintenance and fueling facilities to airfields and emergency medical units.

With over 1,000 employees in Washington and serving abroad, OBO administers an annual capital security construction budget of $2.2 billion and an operating budget of over $700 million. To this base, Congress has added infusions of supplemental funding to support projects in Iraq, Afghanistan, Pakistan, Tripoli and beyond as well as facilities for new Marine Security Guard detachments.

In all cases, OBO's mission is the same – providing safe, secure and functional facilities that support the needs of our personnel serving abroad and the foreign policy objectives of the U.S. government.

In response to the 1998 bombings of our embassies in Nairobi and Dar es Salaam, Congress enacted the Secure Embassy Construction and Counterterrorism Act (SECCA). At that time, an Accountability Review Board estimated that at least 85% of our overseas facilities were vulnerable to terrorist attack.

In 2004, the Department proposed the Capital Security Cost Sharing (CSCS) Program to provide a critical and reliable source of funding to plan, design and build new embassies and consulates that meet all department security and life safety standards. In 2005, Congress funded the Program and has consistently supported it since its implementation.

Since the enactment of SECCA and the Capital Security Construction Program, OBO, with the support of Congress, has completed 76 new consulates and embassies, with 16 more under design and in construction. We have moved over 31,000 employees from all U.S. government agencies to safer, more secure facilities and plan to move another 14,000 within the next 5 years.

After 10 years of a successful building program, we have examined our work for lessons learned to determine how best to move forward in the years to come.

Our goal is and remains to develop the next generation of safe, secure, high performance embassies.

The goal of the Standard Embassy Design (SED), which was developed in 2002, was to design and build as many embassies as quickly as the funding provided allowed. It accomplished that by standardizing requirements and the way in which those requirements were met and by creating a discipline within OBO to deliver those facilities.

Using this approach, OBO came to better understand the common requirements of missions - from consular sections to specialized office space; what is needed to keep design and construction projects moving forward and on schedule - in spite of evolving needs and the not uncommon desire of missions to change requirements mid-project; and about establishing and keeping projects within budget.

OBO also learned that while embassies and consulates have a number of things in common, they also vary widely. The Department has missions from Antananarivo to Moscow - from London to Port Moresby to Ulaanbaatar; from developed countries and dense urban environments to suburban and rural areas, with little or no outside infrastructure, amenities, or support capacity. The Department has posts with as few as three staff to as many as twenty-five hundred; some have consular sections with just 1 window to serve the population; while others have more than 100.

Thus, while a one-size-fits-all approach to Embassy and Consulate design provided consistency, it did not always provide the right fit for the function of post. The SED required a minimum of ten acres on which to build, without regard to the location and the surroundings. The SED also envisioned that all embassies and consulates would have stand-alone warehouses and shops – and standard sized dining facilities, commissaries, mail rooms and medical units, among other elements, despite the size of the post; and that they would use similar building materials, though we build in climates and conditions that range from sea fronts to deserts to tropics; and from environments where temperatures are either well above 90 degrees or dip well below freezing for more than half of the year.

Over time we learned what the SED allowed us to do well, but we also learned that the SED did not always permit OBO to meet the varied needs of the mission of posts or to deploy taxpayers' dollars in the most cost-effective fashion.

Our successful experience with the SED taught us that we could improve by building on its best elements – while maintaining security. We learned that we could take into account the local conditions to design and build facilities that take advantage of what might be abundant in a particular location – for example, rain or sun; and to consider what is or isn't expensive in the long term - such as water and electricity to significantly reduce operating costs - saving millions of dollars every year and for as many years as the Department operates any given facility.

We learned that we should take into account local conditions and materials in order to use materials that will not only perform well in the long term, but that might be locally available and significantly less expensive to obtain and install. We also learned to consider not only first costs but long term operating costs. Savings on materials and equipment - whether building cladding, flooring or a boiler – is a sound investment if they need only be replaced every 30 years or more as opposed to in 5 or 10 years.

Finally, we recognized that our embassies and consulates do more than meet the functional requirements of our missions, including life safety and security – they represent the United States to the host nation.

Our embassies and consulates are the most of America that many who live around the globe will ever see. Our buildings are visited and experienced by many thousands of people - whether there on business, attending an event promoting American ideas or products or simply passing by on their way to another location. At a time when it is increasingly important that we provide for the security of our citizens at home through diplomacy and engagement with people around the globe – embassies and consulates that convey our values, culture, strength and know-how can be instrumental in that effort.

And all of this can and must be done meeting all of the Department's security standards – and without compromising on schedule or cost.

This is what Excellence in Diplomatic Facilities is about – building on the successes and lessons of the past, including the SED, to develop the next generation of secure, high performance embassies and consulates. It establishes an enduring process to deliver safe, secure, functional facilities for U.S. officials serving abroad.

I want to conclude by thanking Congress for being such an important partner in helping to ensure our staff abroad serves in more secure facilities. Congress has consistently supported the CSCS program – and, in FY 2013, provided increased funding to help the program keep apace of inflation. We will continue to live up to our commitments to place our staff in secure facilities and to build on the cost and schedule precedent set by the SED.

In these uncertain times we know that our facilities must keep our staff safe and secure; the Excellence Initiative – by building on years of accumulated knowledge, lessons learned and best industry practices and technology – will help ensure that. In an increasingly varied, complex and evolving world, we know that Excellence will continue to meet the needs of our foreign Missions. And in this constrained budget environment, we know excellence provides the best value for the American taxpayer.

Chairman ISSA. Mr. Jones.

STATEMENT OF CASEY JONES

Mr. JONES. Good morning, Chairman Issa, Ranking Member Cummings and members of the committee. Thank you for the opportunity to appear before you today.

I am a Deputy Director in the Bureau of Overseas Buildings Operations at the U.S. Department of State and have served in this position since October 2013.

The safety and security of the individuals who work for the U.S. Government agencies overseas and creating and maintaining safe and secure facilities in all parts of the world is critical to the Department. I know firsthand the reality of living in a high threat environment as part of a foreign mission. As a child, I lived in Pakistan through periods of marshal law and civil unrest. In Islamabad, we lived on the grounds of the embassy, returning to the United States just months before it was stormed in November 1979. This experience had a profound impact on me.

Security has been OBO's top priority since the 1998 bombings of the American embassies in Dar es Salaam and Nairobi. For 10 years, OBO executed a successful building program utilizing a standard embassy design. This work is now being enhanced by our Excellence in Diplomatic Facilities Initiative, which will build the next generation of safe and secure facilities.

I want to assure you that the Excellence Initiative does not diminish the safety and security of new embassies. Every office within OBO, real eState, design, engineering, construction, facilities cost, and security was involved in developing the initiative, as well as collaboration with other bureaus, including Diplomatic Security. Briefings on the proposed improvements were provided to the department, Congress and the industry at large.

The Excellence Initiative is about constructing cost-effective buildings, buildings that meet all of the requirements for our missions, safety and security chief among them, but including function, durability, flexibility and efficiency. DS and OBO worked together throughout planning, design, construction and day-to-day operations of diplomatic facilities.

I also want to assure you that the Excellence Initiative does not lengthen the delivery time of new embassies and consulates. OBO uses two common delivery methods for its projects. Both methods have time, cost, design control and risk implications. That must be evaluated. The choice of which to use depends on the unique conditions of the building project. Under Excellence, OBO will utilize whichever method is most cost-effective, most expedient and reduces the most risk.

Finally, I want to assure you that Excellence does not increase project budgets of new embassies and consulates. OBO establishes project budgets whether for an Excellence project or a standard embassy design that are based on scope, local conditions and prior year cost information.

OBO has a depth and breadth of data that allows us to be very accurate in setting project budgets for new, safe and secure buildings, but OBO cannot anticipate every potential impact. Real world events, unforeseen cost increases in materials, civil unrest, currency fluctuations, and natural disasters can affect our projects.

We are also not immune to policy changes. If the U.S. Government decides it is in the Nation's best interests to significantly increase or decrease the size of a mission or change the functions located at a post, the cost of our projects are impacted, sometimes significantly.

An example of this is the new embassy compound in Port Moresby. In 2011, OBO awarded a contract to build a standard lock-and-leave embassy. In spring 2013, with construction well underway, the U.S. Government made two policy decisions that significantly changed the project.

First, a Marine guard detachment was added, and second, staff population was increased by almost 75 percent. The cost-benefit analysis conducted by OBO concluded that the additional requirements could not be accommodated in the existing contract without incurring an additional $24 million over the de-scoping scenario. As a result, OBO stopped the remaining work, and will re-compete a modified project with the additional requirements. This option utilizes what has already been built onsite, provides the best value, and yields the best end product. Continuing with the contract as is would not have provided safer, more secure facilities any faster.

As Deputy Director at OBO, I want to emphasize that I take the responsibility to provide safe and secure facilities very seriously and that there has not been, nor will there be, a move away from that critical mission.

Diplomatic facilities are an essential function of our national interests. The individuals who represent the U.S. deserve safe and secure workplaces and as good stewards of taxpayer dollars, it is our goal to see that those resources are invested wisely.

Thank you.

Chairman ISSA. Thank you.

[The prepared Statement of Mr. Jones follows:]

TESTIMONY OF CASEY JONES
DEPUTY DIRECTOR, BUREAU OF OVERSEAS BUILDINGS OPERATIONS
UNITED STATES DEPARTMENT OF STATE

BEFORE THE COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
UNITED STATES HOUSE OF REPRESENTATIVES

JULY 10, 2014

Good morning Chairman Issa, Ranking Member Cummings and Members of the Committee. Thank you for the opportunity to appear before you today to discuss the U.S. Department of State's physical platform for the U.S. government's presence overseas and its role in protecting our employees.

I am the Deputy Director for the Project Development, Coordination, and Support, Directorate and the Construction, Facilities, and Security Management Directorate in the Bureau of Overseas Buildings Operations (OBO) at the U.S. Department of State, and have served in this position since October 2013.

The safety and security of the individuals who work for all the government agencies that come under Chief of Mission authority, and creating and maintaining safe and secure facilities in all parts of the world is critical to the Department. Although I have only been with the Department a short time, I know firsthand the reality of living in a high threat environment as part of a foreign mission.

My father was employed by the United States Agency for International Development, and served in India and Pakistan. I grew up in Pakistan at a time of civil unrest and through periods of martial law. In Lahore, we spent weeks restricted to our home with the sound of intermittent gunfire in the streets. In Islamabad we lived on the grounds of the embassy, returning to the United States just months before it was stormed in November 1979. Like all Americans, we were horrified by the images of the embassy compound overrun, billowing smoke

and enflamed; and we worried about the fate of our friends and neighbors. When the survivors returned, my father and I were among those who greeted the plane at Dulles airport. We comforted friends and invited them into our home. We listened to first-hand accounts of the terrifying situation they faced. This experience at a young age had a profound impact on me.

Security is our top priority, and during the last 16 years – since the August 1998 bombings of the American embassies in Dar es Salaam and Nairobi – OBO has successfully moved over 31,000 people into safer, more secure facilities and is on target to increase that number by over 14,000 in the next five years. I am proud of the important role that our organization has played in this effort.

Security is always at the top of our mind. It drives our commitment to build the best diplomatic facilities in the world. And this work has now been enhanced by our Excellence in Diplomatic Facilities initiative, which will help us build the next generation of safe and secure facilities.

Excellence in Diplomatic Facilities is a management initiative aimed at improving OBO's business processes and in so doing improving the buildings we build. We seek to utilize the best methods, technologies, and expertise to serve the interests of U.S. diplomacy and the U.S. taxpayer by building safer, more secure, and more cost effective buildings and do so in the most efficient and effective manner.

The development of the Excellence initiative was a highly participatory process that began in 2010 to ensure we were continuing to improve our work. Seven internal, multi-disciplinary working groups were tasked with reviewing every major aspect of OBO's building program. The working groups, representing all OBO disciplines, met frequently to discuss how to improve our policies, processes, and procedures.

Every office within OBO was involved. Real estate professionals, cost estimators, architects, engineers, project managers, construction executives, facilities

managers, generalists, budget and policy analysts, and security personnel took part in the process. Input from other Bureaus in the Department, including the Bureau of Diplomatic Security was sought and other federal agencies were consulted. Briefings on the proposed improvements were provided within OBO, the Department, to Congress, and the design, engineering, facilities management, and construction industry at large.

OBO originally adopted the term "design excellence" to describe the approach, but this designation failed to capture the breadth of the holistic effort to improve every aspect of our buildings: standard practices for real estate acquisition, security methods and technologies, cost management, construction management, and facilities management, in addition to the management of design. In 2013, the initiative was more accurately renamed "Excellence in Diplomatic Facilities."

In the end, the Excellence initiative is about putting in place standard processes that ensure we build cost effective buildings that meet all of the requirements for our missions—safety and security chief among them. These requirements also include durability, efficiency, flexibility, and proximity to counterparts and users. The Excellence initiative aims to provide a diplomatic platform that represents America and demonstrates American know how and ingenuity.

I want to assure you that we will continue to provide safe and secure facilities under the Excellence initiative.

Security requirements and standards for the protection of U.S. government personnel and facilities abroad are established by law and the Overseas Security Policy Board (OSPB), which is chaired by the Bureau of Diplomatic Security (DS). These requirements and standards are clearly articulated in the Department's Foreign Affairs Manual and Foreign Affairs Handbook. New embassy and consulate buildings constructed under the Excellence initiative will meet these requirements and standards.

In addition, OBO Fire and Life Safety Officers certify that our buildings fully comply with the National Fire Protection Association's Life Safety Code and the International Building Code before a certificate of occupancy is issued.

Both DS and OBO work collaboratively at every stage of the process: at site selection, through the design phase, on the construction site, and in the day-to-day operation of the facility. Weekly meetings with OBO and DS take place on both program and building-related issues, from the highest level of the Bureau to the staff that executes and manages embassy projects. These meetings ensure we facilitate a timely resolution to any security-related issues. Further, for new construction or major renovation projects that include the storage of classified material or activities, Diplomatic Security certifies the project's design and accredits the building facility prior to occupancy.

I also want to assure you that appropriate flexibility in the design of new embassy and consulate compounds does not lengthen delivery time.

OBO uses two primary delivery methods for its design and construction projects: Design/Build and Design/Bid/Build.

Delivery methods establish the project schedule and the delivery time. They have time, cost, risk and design control implications that must be evaluated relative to the needs of each project. The Department critical elements of each particular project must be evaluated in order to select the best delivery method for each circumstance.

Under Design/Build, a project is bid to a contractor to manage both the design and construction. Under Design/Bid/Build, an architect produces a fully developed design that is then bid to a construction contractor who builds the project. Both methods are common in the construction industry. Neither is better in every case. The choice of which to use depends on the unique conditions associated with the building project.

Because the delivery of OBO projects is driven by the year in which the construction contract is awarded, when there is sufficient planning and design time up front, OBO is inclined to utilize the Design/Bid/Build method.

Design/Bid/Build gives the owner more control over the quality of the finished construction, because there is no uncertainty as to what the construction contractor is being asked to build. Design/Bid/Build allows the construction contractor to finish the construction faster, once the contract has been awarded, because the design is complete.

When more limited planning and design time is available, OBO is inclined to use Design/Build.

OBO will utilize whichever method is most cost effective, most expedient, and reduces the most risk.

I also want to assure you that the Excellence initiative does not compromise project budgets. OBO establishes project budgets – whether for an Excellence project or a standard embassy design – that are fixed based on scope, local conditions, and prior year cost information for our buildings.

Having designed and constructed 76 new embassy and consulate compounds under a myriad of conditions over the last 16 years, OBO has a depth and a breadth of data that allows us to be very accurate in setting project budgets for new, safe and secure buildings. This will not change under the Excellence initiative.

Obviously OBO cannot anticipate every potential impact. Real world events affect our projects just as much as they do others in the design and construction industry. Our projects are not immune to unforeseen cost increases in construction materials or shortages, contractor performance, fuel shortages, disruption due to civil unrest, currency fluctuations, weather events, natural disasters, and the like.

We are also not immune to policy changes. If the U.S. government decides it is in the nation's best interests to significantly increase or decrease the size of a mission or change the functions located at a post, the cost of our projects are impacted, sometimes significantly.

An example, recently in the news, is the new Embassy compound in Port Moresby, Papua New Guinea. In 2011, OBO awarded a contract to build a standard, secure mini-embassy compound that was approximately 44,000 gross square feet with 41 desks for a "lock and leave post," meaning a diplomatic mission with very limited classified operations and no Marine Security guard protection.

In spring 2013, with construction underway, the U.S. government, responding to geo-political changes, made policy decisions that significantly changed the project, largely driven by the booming prospects for hydrocarbon extraction – and increased business activity – in the region. A U.S. Marine Security Guard detachment was added and the staff population was increased by almost 75% from 41 to 71 desks. Altogether more than approximately 38,000 gross square feet of building space, including classified space, was added to the project, about an 85% increase.

The additional requirements could not be absorbed without either putting the construction contract on hold or de-scoping it. OBO conducted a cost benefit analysis to determine the best option. The analysis concluded that keeping the construction contractor on site would still require a partial suspension of work and could cost $24 million or more. As a result, OBO made the decision to de-scope the remaining work on the construction contract and re-compete the project with the additional scope, once the design of the additional requirements was completed.

This option maximizes the utilization of what has already been built on site, provides the best value, and yields the best end product.

Continuing with the contract as is to build a "lock and leave" post for 41 desks, would not have provided safer or more secure facilities any faster than the option we are moving forward with today. Post could not have been co-located onto the facility and there would not be a Marine Security Guard presence.

As Deputy Director at OBO I want to re-emphasize, that I take the responsibility to provide safe and secure facilities for the U.S. government overseas very seriously and that there has not been nor will there be a move away from that core and critical mission.

Diplomatic facilities are a critical function of our national interests. The individuals who represent the United States deserve safe and secure workplaces. As good stewards of taxpayer dollars, it is our goal to see that that those resources are invested efficiently and effectively.

Thank you.

Chairman ISSA. Mr. Green.

STATEMENT OF THE HON. GRANT S. GREEN, JR.

Mr. GREEN. Mr. Chairman, members of the committee, I am pleased to be here this morning to respond to your questions related to embassy security.

My background, part of which has been mentioned, I served as Under Secretary of State for Management for 4 years under Colin Powell, I subsequently served as a commissioner on the Commission for Wartime Contracting in Iraq and Afghanistan, and most recently chaired the panel that has been talked about here, which looked at the management and the organization of Diplomatic Security. This panel grew out of the Accountability Review Board following Benghazi that was chaired by Admiral Mullen and Ambassador Pickering.

As we on the panel progressed with our deliberations, we looked at one thing, and we looked at many things, but one thing we looked at was the relationship of Diplomatic Security to other bureaus and organizations both within the State Department and across the Government where appropriate. Obviously OBO, a close partner of Diplomatic Security, was included in that.

As we talked to many DS employees and others who are familiar and certainly concerned with security issues, it became evident that they had security concerns with certain aspects of Design Excellence.

You know, we can talk about the importance of security, the President includes it in his letter to all chiefs of mission, Secretary Kerry has Stated publicly that that is his most important mission, is to protect the people working for this country overseas.

But when we hear from people who are close to DS, OBO operations and they have voiced concern, then we were concerned, and as a result, we came up with a number of observations and a recommendation. It wasn't to throw the baby out with the bathwater, it wasn't to say do away with this crazy scheme and go back to standard embassy design.

All we said was, State Department, you need to take an in depth look at the security implications of this program.

So with that, Mr. Chairman, I conclude my opening remarks and would be happy to answer any questions.

Chairman ISSA. Thank you.

Chairman ISSA. Ms. Muniz, I just want to go through briefly one embassy, not including the ones that were primarily here. On a bipartisan basis, with staff from both sides, I went to London and I looked at the facility there, and we understand that is an iconic facility.

The justification for a glass curtain wall building, and a stunning appearance and an even a moat has a great deal to do with our relationship with our most close—one of our most and perhaps our most close ally. Is that correct?

Ms. MUNIZ. Yes. I think that's accurate.

Chairman ISSA. And it's not part of either standard design or Design Excellence? It has its own purpose.

Ms. MUNIZ. That's accurate.

Chairman ISSA. Let me ask—yes. Would you turn your mic on when you answer, please?

Ms. MUNIZ. Yes, that's accurate.

Chairman ISSA. But I have one question, which is, do you believe that it is a good policy for Congress to ever say you can spend all that you get from the sale of other buildings, not a penny more, and no encouragement to spend a penny less? And that's really a yes or no. Do you believe that is a good policy, because that's what they're doing there?

Ms. MUNIZ. I think that, as you noted, London is unique, it's——

Chairman ISSA. I know, but I really want the yes or no, because I want to get on with the rest of the time.

The Congress made a decision and State Department is spending every penny, adjusting up or down based on how much money they have, they're spending every penny that they got from all the revenues that they had on there. They're not spending any more, because they are prohibited by Congress, but they're not spending any less; and we watched as they're adding and subtracting to reach that.

Do you believe that that is an appropriate way to design any building? Yes or no, please.

Ms. MUNIZ. I can't answer yes are or no. These are unique circumstances. London——

Chairman ISSA. Ma'am.

Ms. MUNIZ [continuing]. Allowed us——

Chairman ISSA. The issue—no, no. And my time's limited. Do you believe that that is appropriate doing it that way?

First of all, do you disagree that that's what they're doing, is they're spending exactly what they got from the sales? Yes or no?

Ms. MUNIZ. They're spending marginally less. The budget has been fixed, and there should be additional income coming from the sales of proceeds back to the U.S. Government.

Chairman ISSA. I wish that was so. That's not the report we got on a bipartisan basis less than 2 weeks ago.

OK. I'll consider that you're not going to answer the other question yes or no, but I'll answer it for you. No, it is not appropriate to say spend all the money you can get. They could have spent $200 million less and we could have built two other embassies. If they needed $200 million more to do it right, we should have considered that and it should have been made in a request. That is not how the private sector builds corporate headquarters or anything else. I don't want to get into the details of that building, because it's not a part of it here.

Mr. Green, basic, basic question that you found in your study. Standard embassy designs have a certain look, which could be modified quite a bit, but is it fair to say that what they look like to a great extent is like industrial, commercial office buildings all over America, what is commonly called Class B or concrete tilt-up buildings that are made to look nice, but they're ultimately fairly industrial?

Mr. GREEN. I don't think so. I think when we adapt the facade of a building, the goal there was to fit it in with the culture, the country, to make it as unattractive as we possibly could, and in my time at the Department, I visited more than 100 of our posts overseas.

Chairman ISSA. Well, how about Burkina Faso?

Mr. GREEN. About which?

Chairman ISSA. Burkina Faso. If we could put one of those up. I think it's important, because quite frankly, Design Excellence seems to be about pretty look. You see those two buildings?

Mr. GREEN. Uh-huh.

Chairman ISSA. Now, the State Department has not given us any of the information for us to evaluate the cost per desk or anything else, but, which makes it very hard to do some of the assessment, but your study shows us that they're not cost justifying. The building on the top is made with non-local materials that are only made in three places in the world, this concrete facade. It clearly is an architectural design rendering to a great extent, not necessarily all functional. It's not a standard build. It cost a lot of money and it's in an area in which there are more security guards than there are embassy personnel at desk. It's a high risk area.

Is that justified versus a standard built, in your opinion? If I need 550 people to provide security for 400 embassy personnel, do I in fact have a place in which the priorities should be on looking pretty for the population so that they can be happy with us?

Mr. GREEN. Not in my opinion.

Chairman ISSA. Security, if it takes 550 people to protect 400 people, is that a place in which there's any question about what the priorities should be?

Mr. GREEN. No. The priority has got to be security. In the department, there's always this argument, whether it be with embassy construction, or anything else, we used to—or housing, for example. We used to have those who would say, we need to be out in the community, we need to live out in the community. There were others who say, I don't want to live out there, because of the hazard. I want to be on a compound.

If you pin people down, security is the most important to them. So——

Chairman ISSA. Well, let me just ask one closing question, because I have picture after picture, cost after cost, and we are going to have some of these folks back here once the State Department delivers the actual arithmetic so that we can evaluate it.

But, Mr. Green, I know that you were above the folks here, and so you oversaw people doing the jobs of Muniz and Jones, but from a construction standpoint, from what you were trying to achieve, during your tenure, weren't we essentially making a decision to cut out architectural fees and changes that made embassies dissimilar versus similar?

Mr. GREEN. I don't know that we were trying to make embassies similar, but we were trying to stay within a fixed amount of money so we could build as many embassies as we could to get as many people out of harms way as we could. If they weren't as beautiful as somebody might like, that wasn't the main factor. The main factor was get embassies built.

As you mentioned, there were—after the Inman report after the Beirut bombing, we had 120 some odd embassies that were rated unsatisfactory, and what we wanted to do was get as many of those fixed as we could.

And, you know, as I said, I've been to 100 of our posts. Are all of them beautiful? No, they're not beautiful, but I think—in fact, I opened Dar es Salaam in Nairobi after the bombing when we opened new embassies there, and they're fine.

Chairman ISSA. Well, I want to give you a chance to answer, Ms. Muniz, but I want to get two things into the record.

First of all, the pretty building on the top is in the 19th most dangerous highest priority area, so this is an embassy that needs to be built sooner rather than later and which security is clearly one of our greatest concerns.

Second, I want to mention that my trip to Britain was interesting in that as the Ambassador and key staff went through and explained to me how awful the embassy was and how desperately we need to replace it, he also, of course, reminded me that this rather ugly, dysfunctional building was designed by the man that designed Dulles Airport.

That it was built during a time in which Design Excellence, gorgeous buildings, were in the modernist, eye of the beholder, and we were building them all over the world, and that, in fact, Design Excellence is in fact inherently like a designer suit, it ages more quickly than if you will, the industrial look.

But if you have any other answers, I wanted to make sure I gave you that opportunity.

Ms. MUNIZ. Thank you, Mr. Chairman.

What I would like to add—what I'd like to go back to, really, when talking about this project is that as my colleague, Casey, noted, we base our budgets on standard embassy design budgets, on the number of desks, on the local context, which has us taking into account distance to get materials, we fix that budget and we work within that budget.

So the building that you see that might be more attractive, might be more tailored to the missions in question——

Chairman ISSA. OK. Well, when we've——

Ms. MUNIZ. Would cost no more——

Chairman ISSA [continuing]. When we have the numbers——

Ms. MUNIZ [continuing]. Than the standard——

Chairman ISSA. Well, when we have the numbers, we can have that discussion. I would love to hear your answers today, but since the State Department has refused to comply with a lawful request for any data, even one shred of it, we only have, if you will, sort of the whistleblower side of it, we don't have your side, but I will say that to fly in concrete from Europe for the top building, to me is a questionable item that I'm going to want to see why those materials were chosen over materials that could be provided more locally.

Mr. CUMMINGS.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

I am sitting here, I want us to take a deep breath and focus on what you said, Mr. Green: security. When all is said and done, a

lot of these buildings will be in existence when we're dead and gone.

And this is our watch, we have a moment in time right now to get this right, not just for our present diplomatic corps, but for generations yet unborn.

And I want us to stay focused, because I think we can kind of drift off and not zero in and that's why I think one of Mr. Chaffetz's comments about the data that we've asked for is so important, so that we can try to figure this thing out using the best information that we have in the time that we have.

And so with that backdrop, I want to go to you, Mr. Green and let me start by—you know, Congressman Chaffetz, who serves as the chairman of our national security subcommittee, has raised a legitimate question about whether this new Design Excellence Initiative to customize diplomatic facilities could delay their completion.

Mr. Green, you raised a similar concern in your report, which said this, "despite schedule, cost assurances from OBO, there is concern that fewer facilities" and you just said this a minute ago, too, "embassies, consulates can be built on the same timeframe, leaving more personnel exposed in inadequate facilities for longer periods of time."

Mr. Green, can you elaborate briefly, and what are some of the challenges with customizing versus using standard designs? And you said a moment ago that you didn't say throw the baby out with the bathwater, you said we need to make, you said, certain recommendations and I assume that you were saying, look, we just want to be practical——

Mr. GREEN. Yes.

Mr. CUMMINGS [continuing]. To get back to that security theme, cost and function so that we can be effective and efficient in what we're doing. So could you comment, please, sir?

Mr. GREEN. Sure. Yes, sir.

The observations that we made, and this is in the report, are certainly not all inclusive. This wasn't six smart guys in the mess hall that dreamed these things up. These were based on comments we got from security experts who work with OBO on a daily basis. I would tell you for one, if you could build a beautiful embassy under Design Excellence and you can do it as fast and it doesn't cost anymore, I'm all for it. I don't care. I don't care what we build.

But what I am concerned with, it's just not logical to the people we talk to and frankly to me that you can build under Design Excellence, as quickly and as cost effectively as we did under Standard Embassy Design. You know, to pull a design off the shelf and build it and adopt the facade in a way that is fitting with the local—the country as opposed to going through a design bid/build with architects and builders, it just doesn't make sense. Now, if you can show me with facts and figures that it does, I'll salute and agree with you.

Mr. CUMMINGS. There's one thing that you did not mention, and I assume you meant to, function, too. You talk about security, No. 1——

Mr. GREEN. Sure.

Mr. CUMMINGS [continuing]. Cost and function. So you want to make sure they function properly, too.

Mr. GREEN. Yes, absolutely. And I think that, you know, Standard Embassy Design was a living, breathing thing. I mean, there were reviews done constantly and, sure, was everything perfect? No. The ceiling is too high. We can't put the light bulbs in, or we don't have enough parking or the medical facility is not large enough and those challenges were addressed periodically and Standard Embassy Design was modified accordingly.

Function is certainly important, and I think that the director mentioned 100 consular windows versus one. That should—and maybe that happened. But that should be worked out as you're planning the design in a certain country that says, you know, five consular windows aren't enough for us. And hopefully within the budget we can adopt that.

Mr. CUMMINGS. Now, Ms. Muniz, what's your response and, will the Design Excellence program delay embassy construction?

Ms. MUNIZ. My response is no, but I need to go into detail, which can sometimes lose folks, but if you would bear with me.

First of all, we use two different methods to deliver projects at OBO. We use design/build and we use design bid/build. Sometimes we don't have a lot of advance notice. Sometimes we need to turn around and we need to go into Tripoli immediately, set up an embassy and move quickly. But because our appropriation is regular, it allows us to do advance year planning very easily.

So what we're able to do is, we know in any given Fiscal Year that we're going to do these five embassies, we design before. But because we are going to get under the excellence initiative to 100-percent designs, when we award the contract, the duration from award to cutting the ribbon and letting people into that safe, secure facility is actually shorter. Because we will only be doing construction; we will not be doing design and construction after the award of the project.

If we don't have a lot of advance notice, I think that we really do need to go back to design/build and re-examine the type of building that we would put in place. But, I think what's great about this initiative and this new approach is that it will allow us not only to meet the same schedules but in cases to improve on them.

Mr. CUMMINGS. Now, what do you have to say to that, Mr. Green?

Mr. GREEN. Well, I mean, I'm not——

Chairman ISSA. Your microphone, please.

Mr. GREEN. I'm not an architect, nor am I an engineer. And if OBO contends that they can build things as quickly, you know, I may or may not question it. All I'm saying is the folks that work with OBO on a regular basis questioned it.

Mr. CUMMINGS. Now, Ms. Muniz, the new United States embassy in Iraq was built during the previous administration. Is that right?

Mr. GREEN. Uh-huh.

Mr. CUMMINGS. Before the department started the Design Excellence program.

Ms. MUNIZ. Yes, that is——

Mr. CUMMINGS. That project was fraught with delays, cost overruns, contractor corruption. In fact, this committee found 7 years

ago back in 2007 that the project was delayed 16 months and the cost to the United States taxpayer was $144 million more than originally projected. So the issue of delays and increased cost can occur regardless of whether the department uses Standard Embassy Design, concept or Design Excellence concept. Would you all agree on that? Do you agree?

Mr. GREEN. I would agree. Baghdad was kind of a unique situation. Once it had been planned initially, then the Defense Department wanted to put more people in there so we had to modify the size of it. And I'm sure there were many, many other things that, you know, I want to be there, I want 15 desks instead of three. It was a moving train, believe me.

Mr. CUMMINGS. Ms. Muniz?

Ms. MUNIZ. I think that's accurate. In fairness, as my colleague, Mr. Jones, pointed out, we build in different environments. There are all kinds of things that our projects are subject to which can complicate delivery. The Department, the country can decide to change the staffing pattern significantly and require us to modify. War, shortages, natural disasters can impact those schedules.

So while I haven't looked at the Iraq project in detail, I've looked forward since coming to OBO, I do think that in difficult environments, as folks who know construction firsthand, those can have a real impact.

But I do think that having a dialog with Congress, with our appropriators, our authorizers, and this committee, on such changes so that people understand those changes I think can be helpful.

Mr. CUMMINGS. Mr. Chairman, as I close, I ask unanimous consent to enter into the record a letter sent to the State Department on October 9, 2007, by the committee's previous Chairman Henry Waxman describing in detail the many flaws with the construction of the U.S. Embassy in Iraq in 2007.

Chairman ISSA. Without objection, so ordered.

Chairman ISSA. And if the gentleman will yield.

Mr. CUMMINGS. Of course.

Chairman ISSA. I want to join with you. I was on the committee at that time, Chairman Waxman did a great job of exposing that our wartime construction of an embassy as Fortress USA, as a base for when we departed and with vague ideas of what they wanted at the beginning, and ever changing was the best example of a bad example of how to build an embassy. I think the ranking member has made a good point that that is exactly what we don't want to be doing.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

Chairman ISSA. Thank you. If I could have the indulgence for 30 seconds to followup on the ranking member.

Mr. Green, I just want to have the public sort of understand something about the Standard Design. If we were looking, let's say, a 737 aircraft, something most people have flown in that are listening, they started making them in the late 1960's, early 1970's, and they are very different than they are today. But it's a continuous design that at any given time the 737 is a standard built.

Would that be somewhat similar to how the evolution of standard built goes, is that what you build 20 years from now would be, the standard would change over time, but the idea is to effectively

have a continuously improving product like a 737 Boeing aircraft that everyone kind of recognizes it but it keeps getting better over time?

Mr. GREEN. I think that's a fair analogy.

Chairman ISSA. OK. Well, and Ms. Muniz, same idea. We all understand it's not a fixed design but an evolution of a standard build. Thank you.

Mr. CHAFFETZ.

Mr. CHAFFETZ. I thank the chairman, and I thank you for holding this hearing. It is pivotal.

Ms. Muniz, in response to a CBS morning news program and a CBS evening news program, State Department was able to put out its fact sheet. They did produce those documents, but, again, no documents produced to the U.S. Congress. In this you say all facilities will be delivered on the same, if not shorter schedules. There's no evidence to the contrary.

Do you have any examples of a Design Excellence building, that is coming in on time or as a shorter schedule than Standard Embassy Design, and do you have any examples of any building that has been built for less-than money or less than the money that we would have spent under Standard Embassy Design?

Ms. MUNIZ. Thank you for that question. What I would like to go over is that, as the committee knows, the process to——

Mr. CHAFFETZ. No, no, no. I'm sorry. I have 5 minutes, and I've got like 100 questions. Do you have a single example of success as you have Stated it?

Ms. MUNIZ. Yes.

Mr. CHAFFETZ. Which one?

Ms. MUNIZ. There are Early Excellence Initiative projects. There was one in 2011, one in 2012. There are three in 2014.

Mr. CHAFFETZ. I need the names of these facilities.

Ms. MUNIZ. We could submit that for the record, and I will take a bit more time to go over those. All of those are on budget and on schedule.

Mr. CHAFFETZ. Hold on. I'm sorry, but you have already taken up a minute and-a-half. You're going to give us the names of these buildings, and when will you give them to us?

Ms. MUNIZ. 2011 is——

Mr. CHAFFETZ. No, no, no. You said you want to submit them for the record. When are you going to give them the Congress? What are the names of these buildings?

Ms. MUNIZ. I could give them to you now or we could leave it——

Mr. CHAFFETZ. Go ahead.

Ms. MUNIZ. 2011 is Vientiane; 2012 is Emabon; 2013, N'Djamena, Nouakchott, Paramaribo. Those are Early Excellence Initiatives. The first projects that will be awarded under the full initiative and the new standards are in Fiscal Year 2014. Those are typically awarded at the end of the fiscal year, and they are all on budget and on schedule and we will provide additional data about those projects as soon as those projects are awarded.

Mr. CHAFFETZ. Let's go to Port Moresby for a second, because I had a chance to go visit there in February. When was that originally slated to be completed?

Ms. MUNIZ. In 2014.

Mr. CHAFFETZ. May 2014, correct?

Ms. MUNIZ. Yes.

Mr. CHAFFETZ. And now when is it slated to be completed?

Ms. MUNIZ. In early 2018.

Mr. CHAFFETZ. So they're having to stay in the same facility. It is exceptionally dangerous, correct?

Ms. MUNIZ. The reason Port Moresby is on the vulnerability list and getting a new embassy is because it's dangerous.

Mr. CHAFFETZ. When did you get the final determination that the Marines were going to be located at Port Moresby?

Ms. MUNIZ. The embassy that is being built in Port Moresby was based on numbers that were provided in 2008. As the committee members know, the numbers and the program for embassies is not set by OBO. It's set by the policy side of the Department.

Mr. CHAFFETZ. I'm asking you, when did you get notification that Marines would be located at Port Moresby?

Ms. MUNIZ. We were awarded the contract in 2011. Two years into the construction of that project we were notified that Marines would be going to Port Moresby and that a staff of 41 had increased by 31. Including the Marines, that's a doubling of the size of the embassy.

There was no way to continue with the project in a way that allowed us to deploy our resources intelligently that would have allowed diplomatic security to certify the building and to co-locate all of the staff. We made the modifications that were necessary based on real changes that reflected American priorities in Port Moresby.

Mr. CHAFFETZ. So I am going to try again. When did you get the official notification that you were getting Marines?

Ms. MUNIZ. 2013.

Mr. CHAFFETZ. Can you provide that to this body?

Ms. MUNIZ. Yes.

Mr. CHAFFETZ. And when will I get that?

Ms. MUNIZ. The Department is part of that answer, so we will provide that as quickly as possible.

Mr. CHAFFETZ. This is the challenge, chairman.

If it's so dangerous and they need Marines, why aren't they there now?

Ms. MUNIZ. The deployment of Marines is not something which is within OBO's purview, so I would refer that question back to DS. We could get back to you on that.

Mr. CHAFFETZ. Again, you have got to get back to us on it.

Mr. CHAFFETZ. Tell me, what happened, so that cost was going to be what? Originally under Standard Embassy Design it was going to be an expense of roughly $50 million was the projection, correct?

Ms. MUNIZ. No, that's inaccurate. The $50 million is the construction contract only. The information that we provided to the committee and to the CBS reporter who reported on this is that the budget was $79 million. Let's call it $80 million.

Mr. CHAFFETZ. And what's the budget now?

Ms. MUNIZ. The budget is not yet reconfirmed. I think we're going to be close to $200 million.

Mr. CHAFFETZ. Wait a second. Wait a second. It's not reconfirmed? What about this document here that I have that has initials on it? It says will remain $211 million for this option.

Ms. MUNIZ. We believe that the cost will be under that. We are at 35 percent design.

Mr. CHAFFETZ. Why? So, but that is what was signed off on.

Ms. MUNIZ. That is not what was signed off on. That is not a final budget.

Mr. CHAFFETZ. We will go through that in further detail. I pass my time, and I've got a host of other questions, chairman.

Chairman ISSA. I thank the gentleman.

We now go to the gentleman from Massachusetts, the other Mr. Tierney, Congressman Lynch.

Mr. LYNCH. Thank you, Mr. Chairman.

And again, I appreciate this and I know we're beating up on the State Department a little bit. So I do want to say to be fair that the State Department did turn around an immediate request from the chairman last weekend to support a delegation to inspect the embassy in London. That request came in on a Friday. The CODEL left on a Sunday and the meetings and briefings were lined up for Monday. Usually, CODELs, congressional delegations, are planned for weeks ahead, so the department should be thanked, I think, for the effort in helping the committee do that inspection.

But I would caution you, and to your colleagues that have the authority to approve oversight committee CODELs for inspecting these various embassies, that we do need cooperation. We need cooperation right now in Iraq, and I know you have limited resources, but we have a responsibility here as the civilian part of this Government to get in and make sure that our folks are safe so we need cooperation there. We need cooperation in Yemen, we need cooperation in Afghanistan.

And so we understand very well the trepidation that you have. But, this is a necessary part of our job, and we need full cooperation from the State Department on doing oversight. It's not just your job; it's also our job. So we just want to amplify our need to get in and out of these countries as expeditiously as possible, and we apologize for any diversion of resources to make that happen, but if we're going to sign off on a budget, we need to know what the situation is on the ground. We owe that to the taxpayers and also to the personnel that are in these facilities. So enough of that.

I do want to talk a little bit, Ms. Muniz, about the drawback. I understand, you know, Mr. Chaffetz has an affinity for the Standard Design, but looking at it, it requires a pretty good parcel of land in order to set it down. This is the problem we had with Bashar al-Assad in Damascus. We're sort of downtown there. We're on street, very exposed. We were trying at that point to try to get the set design configuration for the new embassy there, new location.

So, there was nothing downtown, so we end up further out. That exposes us even though we would have sort of Mr. Chaffetz's idea about set design with an apron of security there. We would have to be further out, out of town with a long commute for our people once they fly in. They will be very much exposed in getting to the embassy.

This is the same problem we have had in Afghanistan. The most dangerous drive, you know, in recent years is when delegations fly in to Afghanistan and then you've got to drive up that road through Massoud Circle out to the embassy. They tried to tip my car over there in that rotary there a while back. A bunch of people very upset about somebody flushing a Quran down the toilet or something like that and, you know, the crowds just went wild. But, so putting our people out in a remote location is not the safest result for our embassy either.

Tell me the answer, how to configure this. Now, you haven't abandoned that whole set design, right? Is that still on the table when the land is available?

Ms. MUNIZ. Thank you for the question. Let me try to reply to it quickly. You make a great point. Part of the difficulty of the Standard Embassy Design is that it was a largely horizontal solution, so that where land is abundant, where we could still be on that much property in close proximity to our colleagues so that we're not required to travel back and forth, which has not only security but extensive cost implications, it made sense.

But in a lot of the cities that we're required to build in now, not only is it not possible to find those 10 acres; if we were able to find it, it is extra ordinarily expensive. The example of London. We are building on less than 5 acres, 4.9 acres. Property in London is very expensive. It makes a huge difference to be able to be on a smaller plot of land while still meeting all the security requirements including the legal requirement for 100-foot setback.

But, so both cost and security, I think, play, but it also gives us a lot of flexibility in building in all of the locations that we need to build in where 10 acres may simply not be available.

Mr. LYNCH. Yes. So what you're saying is, does the Design Excellence model gives you that flexibility?

Ms. MUNIZ. It absolutely gives us that flexibility.

Mr. LYNCH. Yes. All right. You know, when I try to think about the different locations and the different demands, the different environments that our embassies have to operate in, you know, it does give me pause to, you know, try to come up with a one-size-fits-all solution to that, which I think the set design more or less requires and I do support your ability to have modifications on that more toward the Design Excellence piece.

But, you know, sometimes we do have what someone, a casual observer might observe as being, you know, far beyond what is necessary. So you have to caution people on the cost aspect of that, as well.

I have exhausted my time and I'll yield back.

Mr. CHAFFETZ [presiding]. Will the gentleman yield for a moment?

Mr. LYNCH. Sure I would. Sure I would.

Mr. CHAFFETZ. I believe there are multiple examples of Standard Embassy Design on less than 10 acres.

And one of the concerns I have is we have multiple GAO reports, we have an Inspector General report all confirming that these buildings in general, there's some exceptions, but we are coming in under budget and faster. And——

Mr. LYNCH. Well, you know, just to reclaim my time just for a minute, you know, the Baghdad embassy, though, dear Lord, that was $750 million. That was three quarters of a billion dollars.

Mr. CHAFFETZ. And Baghdad is not a Standard Embassy Design.

Mr. LYNCH. It's modified. That's what it started out as. I mean, we have more than 10 acres there. We have got, you know, we've got the ideal situation. So all I'm saying is it's not just a question of one method versus the other. I think that, you know, whatever allows us some flexibility to consider the situation on the ground would probably provide the best—and I don't disagree with the points you're raising. I don't. I don't.

I just think that it is so varied, the landscape under which the, you know, OBO and the State Department have to operate, they need that flexibility. That's all I'm saying.

Thank you. I yield back.

Mr. CHAFFETZ. Gentleman yield backs.

We will now recognize the gentleman from Michigan, Mr. Walberg for 5 minutes.

Mr. WALBERG. Thank you, Mr. Chairman. And thank you the panel for being here.

I just opened my Statement having had the privilege to travel to a number of embassies and consulates in regions of a great insecurity. My impression of our public servants that are in those positions was enhanced, increased almost to disbelief that some would take those positioning's. So we do want to make sure that they are cared for appropriately. We want to make sure the taxpayers are cared for appropriately, as well.

And I would add my comments to those already requesting that you please convey to people who can get us documents that we have been requesting. It's so important when I've been listening to questioning already and find disagreements on numbers, on size figures and things like that, simply because we don't have the information. And we can't do the work. I don't expect any hard drive to break down, I hope not, before we get that information, but we really need that.

In your testimony, Ms. Muniz and Mr. Jones, you talk about the development of Design Excellence. You talk how working with them was a very participatory process within the State Department. Can you describe how the Bureau of Diplomatic Security participated in development of this divine excellence? Divine excellence, we know that works, but Design Excellence.

Ms. MUNIZ. The foundation of our excellence——

Mr. WALBERG. Your microphone, please.

Ms. MUNIZ. I'm sorry.

Mr. CHAFFETZ. You can move that microphone up closer. Thank you.

Ms. MUNIZ. I'm sorry.

The foundation of the excellence initiative, sort of our base going-in Statement was we are not changing the security standards, period. I have been in discussions with my colleagues in diplomatic security at the highest levels and at the working level and have made that assurance. I think that that is what is most important to them, and they have every reason to insist that that still be the case.

Mr. WALBERG. Did they clear——

Ms. MUNIZ. Yes, they did.

Mr. WALBERG [continuing]. On Design Excellence?

Ms. MUNIZ. They cleared our process yes, and they support the process, yes.

Mr. WALBERG. Who cleared?

Ms. MUNIZ. I would have to get back to you on the clearances, but, again, how we put those buildings together is in the responsibilities of the Bureau of Overseas Buildings Operations. To the degree that we continue to build facilities that meet all of diplomatic security's concerns, that's what they need to sign off, in addition to understanding that we not add cost or add time to schedules in a way that would also jeopardize security, and we have committed to not doing that.

Mr. WALBERG. But they haven't signed off yet or they have signed off?

Ms. MUNIZ. We have the support at the highest levels of diplomatic security in moving forward with this. A formal signoff within the department was not in the process, but they have signed off on our documents describing the process and how we're going to go about it.

Mr. WALBERG. Could you get those documents to us? Could I give you that assignment——

Ms. MUNIZ. Yes.

Mr. WALBERG [continuing]. To get those documents to us.

Ms. MUNIZ. I would also like, if I could, a number of members have mentioned the document request. I would like to convey, both personally and professionally, that I take seriously the role of this committee and of other congressional committees. It was a vast request. We are working as quickly as we can to collect that information together and will get information to the committee.

Mr. WALBERG. But, again, even the information that was in Al Jazeera didn't come to us.

Ms. MUNIZ. I understand.

Mr. WALBERG. And, you know, that—I appreciate your emotion on that. I appreciate your promise, your intentions, but we really need the documents.

Mr. Green, the panel on diplomatic security organization and management, a group which you chaired, says in its final report that, "that it understands the desire to have embassies and consulates be more welcoming and to reflect the openness of American Society;" and that, "OBO is convinced that Design Excellence has widespread support within the department." However, the report also mentions that from a diplomatic security standpoint, there are questions raised by the changes under way in the embassy construction program.

The question is, can you explain what those concerns are from a security perspective?

Mr. GREEN. Sure. And we outline them in the report and I'd leave that to the committee to read at your leisure. But, there's another one that came up later and it goes to an earlier discussion here about the flexibility that Design Excellence provides in real eState and smaller places. That is one of the areas that DS really

objected to in our discussions with them, both urban sites and smaller areas.

Are we going to just have more waivers for the 100-foot setback? I know the difficulty in transiting if you're out in the boondocks somewhere. But there's got to be some accommodation. If security, in fact, is our most important issue, then, and let me quote from an OBO document here, it says, "Whenever possible, sites will be selected in urban areas, allowing U.S. Embassies and consulates to contribute to the civic and urban fabric of those host cities. Special attention will be paid to the general ensemble of surrounding buildings, streets and public spaces, which the embassies and consulates will form a part."

What DS doesn't want is something on the street that a car bomb can drive up to and blow a hole in the wall. So I agree with the flexibility. There are cost issues as the director has mentioned. But some way, as we recommend it in our report, the Department has got to do an in-depth analysis of the security implications before you just start building downtown.

Mr. WALBERG. I appreciate that. My time has expired.

Mr. CHAFFETZ. Yes, I was going to say the gentleman's time has expired. I thank the gentleman.

Now recognize the gentlewoman from Illinois, Ms. Kelly for 5 minutes.

Ms. KELLY. Thank you, Mr. Chair.

The independent Benghazi Accountability Review Board made several recommendations to enhance embassy security, including the creation of a panel to evaluate the organization and management of the Bureau of Diplomatic Security. Mr. Green, you led this panel, which issued a report last year raising concerns with the Design Excellence program.

This report Stated, "While the panel agrees that special consideration for posts in places like London and Paris are warranted, security concerns for many other posts deserve serious consideration." The report also found, "no evidence of a business case or cost benefit analysis supporting this initiative." Mr. Green, is that correct?

Mr. GREEN. When we did the report, there was no evidence of any business case or cost benefit analysis. That's correct.

Ms. KELLY. And why is such a study worthwhile?

Mr. GREEN. Why is such the study that we did worthwhile?

Ms. KELLY. Or why——

Mr. GREEN. This was only one recommendation of 35. There were 34 other recommendations that dealt with DS management and operations and organization and training. So this was only one which came to light as we begin to talk to DS people that express concern about security.

Ms. KELLY. OK. And has the Department responded to this finding and——

Mr. GREEN. No, the Department has not responded to any of these recommendations. I've heard informally that they've accepted in part or in whole 30 of the 35, but I frankly was not expecting them to respond. This was a report that was asked for by the Undersecretary for management based on the ARB recommendation. We did the report. We turned it in and went home.

Ms. KELLY. So you're saying there's no cost benefit study on the new initiative?

Mr. GREEN. Not that I know of.

Ms. KELLY. Director, I gather the department has not dismissed Mr. Green's panel in its finding as irrelevant. So what has the Department done in response to the report?

Ms. MUNIZ. Typically, a cost benefit analysis is done before we go into a scenario where there's additional cost to make sure that that additional cost is warranted. As I've explained and assured the committee, there's no additional cost under the excellence initiative. We're setting budgets based on Standard Embassy Design budgets. If anything, we are hoping that costs will go down as we're able to look at longer-term operating cost and to make decisions that allow us to effect that.

The recommendation was also that we ensure—that we look at what the impact was on security. Again, as I've explained to the committee and to the members, there's no impact on security. We will meet all of the security standards. Two of those standards, as you know, are in law, that's setback and colocation.

So as Mr. Green describes the concern about being on urban plots, we will always meet that set back that is required in law regardless of being in a smaller plot. It is simply that the ability to have a building go up rather than be horizontal, to not have a warehouse in a place where we're able to get materials in realtime and to build one would be wasteful. We're able to take those into consideration and build on smaller pieces of property.

Mr. CONNOLLY. Would my friend yield just for a second?

Ms. KELLY. Yes.

Mr. CONNOLLY. Would you please remind us what the setback requirement is?

Ms. MUNIZ. The setback requirement is 100 feet.

Ms. KELLY. Mr. Green, any other comment about the director's response?

Mr. GREEN. No.

Ms. KELLY. OK. Well, I'd like to thank you and your committee for the work on the panel.

Mr. CHAFFETZ. Would the gentlewoman yield for a moment?

Ms. KELLY. Yes.

Mr. CHAFFETZ. On the one hand, Ms. Muniz, you say you're confident that it is going to come under budget. At that same time, we don't have a cost benefit analysis. That hasn't been done, correct?

Ms. MUNIZ. I've not said under budget; I've said on budget.

Mr. CHAFFETZ. You were hoping that it would come under budget, but——

Ms. MUNIZ. No. The Department sets budgets, OBO sets budgets based on number of desks and based on the program for a facility. We use historical data, historical data accumulated from the construction of the Standard Embassy Design to set our budgets. We know that people work——

Mr. CHAFFETZ. But you have no completed Design Excellence building. In fact, you used as an example N'Djamena, which is in Chad, as a success story, correct? That was one of your examples.

If we went to Chad right now and looked at N'Djamena what would we see?

Ms. MUNIZ. It's one of the early projects that I described.

Mr. CHAFFETZ. What would we see if we went to Chad? You used it as an example of success. What would we see if we went to N'Djamena?

Ms. MUNIZ. I am not certain what we would see. I'm obviously not——

Mr. CHAFFETZ. Do we even have a hole in the ground yet?

Ms. MUNIZ. I don't have the status of the N'Djamena project right in front of me.

Mr. CHAFFETZ. You came up with the example, and I'm telling you that it's not even scheduled to be completed until October 2016. We're not even sure if there's a hole in the ground yet and you're using that as a success story; am I wrong?

Ms. MUNIZ. I described the projects that were awarded using the excellence principles. To say that those projects are awarded is not the same thing as to say that those projects are completed.

Mr. CHAFFETZ. Do you have any completed studies or any completed projects under the standard, or under the Design Excellence program?

Ms. MUNIZ. As I explained, we do not. The first project that we awarded as a variation on the excellence initiative was in 2011. The first real projects that we were awarded—we will award, as I Stated, are in 2014. That is this fiscal year.

Mr. CHAFFETZ. So the success that you have is just the awards. It's not actually achieving.

Time is expired. I appreciate the gentlewoman from Illinois yielding me time.

We will now recognize the gentleman from Michigan, Mr. Bentivolio for 5 minutes.

Mr. BENTIVOLIO. Thank you very much, Mr. Chairman.

Thank you for being here today to testify. The chairman earlier alluded to the beauty is in the eye of the beholder, and I can tell you from experience, the sandbag bunker looks really good to a soldier under a mortor attack, but I am sure that we don't want to build the embassies looking like a sandbag bunker. But I know we do have a need for curb appeal. But after going through these reports and talking to some other people outside of this hearing, I just have a real few simple questions.

I want to know, do we have a final number for the Baghdad embassy cost?

Ms. MUNIZ. I believe we do, but I don't have it at the top of my head.

Mr. BENTIVOLIO. I heard that the contractor made over $500 million profit. Did you hear the same thing? $500 million in profit?

Ms. MUNIZ. Again, this was a project that was awarded years——

Mr. BENTIVOLIO. One of the most expensive embassies ever built.

Ms. MUNIZ [continuing]. Years ahead of my time, under the Bush Administration.

Mr. BENTIVOLIO. Well, you have access to those numbers?

Ms. MUNIZ. Yes, and we can certainly provide those to the committee.

Mr. BENTIVOLIO. Great.

Mr. BENTIVOLIO. And what did we say the London embassy is going to cost?

Ms. MUNIZ. The total project cost for London is near a billion dollars. If you exclude——

Mr. BENTIVOLIO. A billion dollars. How many people are going to work in there?

Ms. MUNIZ. If you exclude the property price, it is under $800 million. The cost to do a major rehabilitation and security upgrades of the existing chancery, which would have never met security standards including two in law, we have spent $730 million.

Mr. BENTIVOLIO. I understand the need. For $1 billion, I would probably—well, we can't say that. We do need an embassy in London. But $1 billion seems like we should be looking at some alternatives. I know in places like Iraq we use Hesco barriers, concrete, prefabricated concrete barriers that are placed relatively quickly in times of danger.

I have some questions in regards to costs, let's see, rap heavy reenforcement, standoff distance of 100 feet, I understand, steel structures with curtain walls, all kinds of things that, well, deal with security but you're putting more emphasis, it seems, on curb appeal.

And I just, a few more questions. Can you give me a few reinforced concrete examples of how moving to this new design strategy enhances security?

Ms. MUNIZ. So I think London is a great example, and I would like to speak in that context.

Mr. BENTIVOLIO. A billion dollars worth. Yes, you have my——

Ms. MUNIZ. We sold the properties that were existing in London, this is a project that did not have to be done, for net zero for the taxpayer. We are able to 100 percent replace those facilities for $50 million more than it would have cost to do massive upgrades to the existing facilities that would have still left it vulnerable due to setback. No colocation and not meeting other security examples. We are able to build the brand new embassy.

Mr. BENTIVOLIO. Would it hurt to be outside of London, just outside of London where the cost is less expensive? One billion dollars.

Ms. MUNIZ. I would argue, in London it would hurt to be outside of London.

Mr. BENTIVOLIO. Did you have a uniform layout for all embassy facilities which could aid security personnel in training during emergencies? I mean, you have to go from one embassy to the next. Everything is different. The design plan is different. Everything seems to be tailored at expensive costs.

Ms. MUNIZ. Our diplomatic security staff are incredibly skilled, and right now they deal with a wide variety of context and of buildings.

I would also like to say that if we stayed with the Standard Embassy Design which basically had two separate bars of construction, it is less efficient, it is harder to get from one bar to the other than a cube, London is a good example of that, and to build more efficiently also saves dramatically in terms of cost.

Mr. BENTIVOLIO. A billion dollars for an embassy, and that is efficient. I just have a real problem with that because having experi-

enced in Iraq and Vietnam, I know we build the same bunkers, pretty much the same standard design, a few improvements here and there by they suffice. I know we can do the same thing with a more modern building uses standard format design either going up or out.

You could probably have three standard designs that would fit just about anywhere. Why do I know that? Because I have experience in that business. You know, we build our military vehicles pretty much the same way. They're compartmentalized. We can drive an Abrams tank and change the engine out in a matter of hours.

Mr. Chairman, I have a real problem with $1 billion designs and costs when contractors are making $500 million profit on some of our most expensive embassies.

Thank you very much. I yield back.

Mr. CHAFFETZ. Thank the gentleman.

Now recognize the gentleman from Vermont, Mr. Welch for 5 minutes.

Mr. WELCH. Thank you, Mr. Chairman.

Thank you. You've got a pretty hard job. It really is. But two things: One, Mr. Lynch indicated a gratitude for your cooperation in turning around a CODEL; second, I know the chairman of the subcommittee sent some requests for information. It is helpful to the committee. It is a burden on you, but it really makes for a better life all around if there can be as much cooperation as possible in a timely way, but I do want to acknowledge the hard work that you have to do.

One question I have is, how much—I mean, the costs are high. How much of the complications that you face day-to-day in making decisions about an embassy wherever it may be, have to do with the enormous security requirements that now seem to be part of everything? And I'll ask you, Ms. Muniz.

Ms. MUNIZ. I think the security requirements clearly significantly add to the expense, but I don't know that anybody in the State Department on this committee would call into question the need for those security measures, both operationally during building and the measures physically that are put in place. But it does, when you look at the average cost of an embassy as compared to an office building on the market, those costs are very different but they are really driven by what are some of the safest facilities in the world.

Mr. WELCH. Well, Mr. Green, you know, one of the things that I find a little bit troubling is when I visit embassies, they're remote in many cases and difficult working circumstances, it seems, for some of the embassy personnel as a result of the security requirements and is there some indication that there are some cases where too much security actually interferes with the ability of the embassy personnel to do their job effectively?

Mr. GREEN. I would say generally no, but if you talk about access, for example, for employees, particularly non-U.S. employees who are held up going through various security check points, possibly there is. But I think generally DS is not going to spend money to over-secure a place. If anything, we probably have some that are under secured.

Mr. WELCH. OK. Well, that's helpful.

And Mr. Chairman, I am prepared to yield the balance of my time.

Mr. CONNOLLY. Would my colleague yield his time, Mr. Welch?

Mr. WELCH. Yes. I want to yield my time to Mr. Chaffetz.

Mr. CONNOLLY. Oh, I'm sorry. I'm sorry.

Mr. CHAFFETZ. Go ahead. If you wanted to, go ahead.

Mr. WELCH. All right. I yield my time to Mr. Connolly. Thank you.

Mr. CONNOLLY. I thank my friend. I'm sorry for the misunderstanding.

You know, this is not a theoretical discussion. Mr. Green, when you were in the Reagan Administration I was in the Senate, and I went to Beirut for the embassy bombing, no setback, right on the main thoroughfare, and I had a friend killed, Bill McIntyre in that bombing embassy, and of course, our embassy was bombed again in Beirut, to say nothing of the Marine barracks at the Beirut airport.

Kenya, Tanzania, some of the loudest critics of, you know, the cost of security and securing our embassies, of course, are the first to talk about the lack of security in Benghazi and it is a balance. But security, we have learned all too painfully, is a very important component in making decisions about fortifying setbacks and the like. Is that not true, Mr. Green?

Mr. GREEN. It is the most important decision.

Mr. CONNOLLY. Now, let me ask, how do we balance, though, the need for accessibility, the need for visibility, the need for convenience in another country? I mean, we cannot forget, it isn't just about us and our security and convenience. It's also about the population, our embassy consulate is serving. Lots of people want to get visas and do business and so forth. Help us understand a little bit from your point of view with your commission, how do we strike the right balance?

Mr. GREEN. That's probably the toughest question that anyone here has asked today. I don't know that there's a magic bullet to do that, but you've got to manage risk and people have different opinions of how you do that, whether security takes precedence or access takes precedence.

I remember when I was still at the State Department there was a big battle between those who, in the old USIA who wanted more access for the local populous to go to the libraries and then on the flip side of that were the security people that said we can't afford to have a library hanging out there in some commercial building. So we haven't solved it. I think it's, you know, you have to manage risk based on the situation, based on the threat and if you need more security or less security then that's what you do. I mean, we can adjust.

Mr. CONNOLLY. And I'll finally just add, based on what you just said, you can't just have a cookie-cutter approach because the situation is going to be different everywhere.

Mr. GREEN. That's right.

Mr. CONNOLLY. I thank you.

And Mr. Welch, thank you so much for your courtesy, and thank you, Mr. Chairman.

Mr. CHAFFETZ. Thank you. Gentleman's time is expired.

We will now recognize the gentleman from Florida, Mr. Mica for 5 minutes.

Mr. MICA. Thank you, Mr. Chaffetz. And I think this is a very important hearing. Sometimes it doesn't get the attention others do, but it is an important meat-and-potatoes hearing that talks about our embassy security. A lot of that was highlighted by the events at Benghazi, and also our vulnerability with our various posts around the world.

Now, it's kind of interesting, my brother was a Member of Congress who chaired the subcommittee, I think it was international operations, that did the Inman buildings when they were looking at secure facilities.

Mr. CONNOLLY. Mr. Mica, if I may, that was your Democratic brother.

Mr. MICA. That was, yes.

Mr. CONNOLLY. Yes. Thank you.

Mr. MICA. And if he got it right, we wouldn't be there today with this hearing. But touche, Mr. Connolly.

In any event, you can do just about everything Mr. Green said. It's almost impossible to protect every compound, our employees are at risk around the world. They can't all be confined in the compound. But some things can be done. And we have two lists, I understand. One is prepared by OBO and another one is by the security folks, diplomatic security folks.

On the risk level, I just saw a copy of one of those which you all have not provided to us, but we've gotten a copy of it, and for obvious reasons, we don't publicize that. We don't want our enemies to know where our emphasis is. But there are just some commonsense things that need to be done and some posts are more at risk than others, right, Ms. Muniz?

Ms. MUNIZ. Yes, that's absolutely right.

Mr. MICA. OK. Mr. Jones, you'd agree, and Mr. Green.

One of the problems we have is there's a security list I have seen and it differs from the OBO list. Can you tell me about the differences, Ms. Muniz?

Ms. MUNIZ. Yes, I can, and I appreciate the opportunity. DS assesses every facility worldwide on an annual basis for its risk. That is called the vulnerability list.

Mr. MICA. Right.

Ms. MUNIZ. That list is very, very extensive, because it includes every building in a compound which may have, say, a half dozen facilities spread around the town. We take that information——

Mr. MICA. But it does rank them?

Ms. MUNIZ. It does rank them. It absolutely ranks them.

Mr. MICA. And your list is different from their list. Is that correct?

Ms. MUNIZ. We basically translate their list into the highest risk post. We pull up, in other words, if they're assessing 12 facilities, we pull up the highest at risk and put it on our vulnerability list or our capital security cost-sharing program.

Mr. MICA. But they don't match, I'm told.

Ms. MUNIZ. They can't match exactly because for their ten entries, we would have one.

Mr. MICA. Well, again, this started out as looking at Design Excellence and choosing design as opposed to security. You have diplomatic security that is directed to make certain that our folks are protected and then you have your organization, overseas building, and you're making your determinations. But they don't mesh and that may leave some of our facilities at risk.

For example, Benghazi, I was told, was high on a list but actually didn't get the attention either from reenforcement after a number of requests of security personnel and other safeguards and that some of the attention that should have been focused there and that would be the Secretary of State's ultimate responsibility. Is that correct? Would the Secretary of State make a determination there, or is this——

Ms. MUNIZ. We, the department, OBO and DS basically decide on that capital security construction schedule. So the list that you see——

Mr. MICA. Does the Secretary review the list?

Ms. MUNIZ. Not to my knowledge.

Mr. MICA. Not to your knowledge. Now that's something we might need to change in the law. But, again, I would think that the Secretary of State charged with a safety and security of our embassies would at least look at the list, and you don't think like the former Secretary when Benghazi occurred even looked at a list or was given the list?

Ms. MUNIZ. I can't speak to that, but I can assure you that working with diplomatic security which we do every year on that list, that diplomatic security signs off on the order of that list and that it is based on the ranking——

Mr. MICA. Well, someone failed in Benghazi, and I'm told that it was high on the list, that the proper attention was not paid to making certain it had the protections. Because, I mean, even a high schooler could look at the list on Libya, Benghazi and pick that as a top priority. Wouldn't you say that would be a top priority if you were looking at a list a year ago or whenever?

Ms. MUNIZ. The Capital Security Construction Program provides us funding to build embassies and consulates. Benghazi was neither an embassy nor a consulate and was not on the list.

Mr. MICA. But it had American personnel and it also posed a risk. Diplomatic security was also responsible for the security of the personnel there, and they contracted also for services; is that correct?

Ms. MUNIZ. I could make a general Statement about Benghazi and about OBO's role, but I think beyond that, I didn't come today prepared nor was OBO's role in Benghazi extensive.

Mr. MICA. Well, I just want to know the general procedure. Mr. Issa and I visited, post-Benghazi, some of the diplomatic posts. We saw some simple comments and things that needed to be done, improvements in video capability, improvements in a whole host of areas. Are you aware that those improvements that have been identified by the different groups and Congress have been made so that our personnel are not at risk? Final question.

Ms. MUNIZ. You're talking about improvements in Benghazi. We no longer——

Mr. MICA. Security improvements in our diplomatic posts. There have been a host of groups investigating, reporting and they've said that certain things need to be done. I cited one as video capability. There are many others, but maybe we don't want to discuss them in open form. But can you tell the committee, from your position, have those improvements been made and addressed?

Ms. MUNIZ. So let me respond on two fronts. As the committee knows——

Mr. CONNOLLY. Excuse me, can you please speak into your microphone. Put it up to you. Thank you.

Ms. MUNIZ. Sorry. As the committee knows, the Secretary in the wake of Benghazi appointed an accountability review board. That review board made 29 recommendations. The Department accepted all of those recommendations and has been aggressively implementing those recommendations. They've also reported to Congress on the implementation. OBO is involved in——

Mr. CHAFFETZ. Can I interrupt you right there? Because part of that accountability review process was the development of this report by Mr. Green and you had Under Secretary Kennedy go on CBS news and say they don't accept it. So how do you represent that the State Department has accepted all those recommendations when the work of Mr. Green was not accepted?

Mr. MICA. And also, Mr. Chairman, if they could for the record, and I think all the members would want this, can you also give us for the record what has been implemented. If some of those recommendations have to remain not public, that's fine, but give them to the committee. So can you answer the two questions?

Ms. MUNIZ. I can certainly take that back to the Department and we could reply to that request.

Mr. MICA. You didn't answer Mr. Chaffetz.

Ms. MUNIZ. If he could repeat the question.

Mr. CHAFFETZ. We're going to recognize Mr. Connolly now and then we'll come back to this.

Gentleman from Virginia, Mr. Connolly.

Mr. CONNOLLY. I thank the chair.

Don't repeat the question, Ms. Muniz. The assertion is being made that Patrick Kennedy contradicted the Secretary of State, and I don't believe that's true. I believe that's inaccurate. And for the record, I would ask you to go back and have Mr. Kennedy clarify, but I'm quite confident knowing Mr. Kennedy, he was not contradicting the secretary of State who said she had accepted all recommendations, as you just said. And if there's any daylight between those two points of view, by all means, come back and clarify. But I didn't hear Mr. Kennedy say any such thing.

Ms. MUNIZ. I think that assumption is right.

Mr. CONNOLLY. I'm sorry. Thank you.

I also find it interesting that in hindsight we have perfect understanding of the security needs in Benghazi and you should have understood that Benghazi of all of the posts in the world was No. 1. Shame on you for not understanding that. How many posts do we have in the State Department around the world, Ms. Muniz?

Ms. MUNIZ. We have roughly 270.

Mr. CONNOLLY. I'm sorry?

Ms. MUNIZ. We have roughly 270.

Mr. CONNOLLY. You really don't like that microphone, do you? You need to put—thank you.

Ms. MUNIZ. We have roughly 270.

Mr. CONNOLLY. Perfect. 270, is that right?

Ms. MUNIZ. Yes.

Mr. CONNOLLY. So we have lots of security challenges and Benghazi, as you point out, was neither a consulate nor an embassy. That doesn't mean it's unimportant. We want to protect all American personnel. We don't want anyone at risk, but unfortunately, we live in a dangerous, imperfect world. And here is the same crowd complaining about you spending too much money which, well, you know, in any security situation you've got to do some triage in terms of where you put your money and how you prioritize it. Is that not correct?

Ms. MUNIZ. I think that's absolutely right.

Mr. CONNOLLY. Right. And obviously, you wish all 270 posts, including Benghazi, were perfectly secure with the perfect setbacks and in the right location that met all of the demands, the functionality of the State Department, the needs of the host country, accessibility for everybody, but security that is impregnable. Is that not correct?

Ms. MUNIZ. I think that's accurate.

Mr. CONNOLLY. And that would be called a perfect world. Would that be fair, Ms. Muniz?

Ms. MUNIZ. Yes, that would be.

Mr. CONNOLLY. Yes. So I'm not quite sure how much that perfect world would cost, but absent a perfect world, the question is, can we do better? Can we make better decisions, better informed decisions? As Mr. Green and I were talking about earlier, that clearly understand that in the world we live in right now security in some ways it is going to dominate some decisions or at least take preponderance of the weight as we consider all the factors.

But it can never be the only consideration because what's the point of having a State Department facility, an embassy, a consulate if it can't function, you know? And that's the dilemma, and that's what Mr. Green and I were talking about a little bit earlier, that balance. And I assume that's something that bedevils you, too, Ms. Muniz, and your colleague, Mr. Jones.

Ms. MUNIZ. I would say that I'm naturally optimistic, and I really do believe that with great architects, great engineers, great builders that we can crack that nut, that we can build buildings that are secure, we can make them as efficient as possible.

But I really do think that we could do everything that's humanly possible and have those buildings do the maximum that they should do. I think the standard embassy design taught us a lot. I think we were able to take a lot of those lessons and help inform what we do, and I think that we're going to continue to learn and make these facilities better and better, and faster, and economical and efficient, but I really believe that we're going to get there, and I'm dedicated to getting us there.

Mr. CONNOLLY. I want to pick up on Mr. Bentivolio's point, however. While I do—I am bothered by sort of a double standard some seem to have about this whole issue of security; you should have known, but don't spend so much money, and a cookie-cutter ap-

proach will do fine. As Mr. Green said, it really won't do fine. We have to take cognizance of the variations among the 270 posts overseas, and the different cultures, and threat assessments and so forth.

But a billion dollars is a lot of money. Now, first of all, did—it was not clear. It was hard to follow your math. Were you telling us that all but $50 million of that $1 billion has been recovered by the sale of other property we own in London and vicinity?

Ms. MUNIZ. So let me go over it very briefly.

Mr. CONNOLLY. There's that microphone again, Ms. Muniz.

Ms. MUNIZ. I'm sorry.

Mr. CONNOLLY. That's all right.

Ms. MUNIZ. Let me go over it very briefly.

Mr. CONNOLLY. Yes. Very briefly. I've got 19 seconds.

Ms. MUNIZ. OK. We sold all of our current properties in London. The proceeds of the sale from those properties are paying for the projects.

Mr. CONNOLLY. OK.

Ms. MUNIZ. There will likely be a small amount of money left in reserve at the end of the London projects.

The comparison I was making is that the Bureau, before my time there and I believe at the time that Mr. Green was at the Department, assessed whether it would be better to fix the current chancery, which would have cost $730 million, or to build a new one. And when you compare the cost, excluding the site in London, it's under $800 million. So for a difference of about $50 million, we're able to build a facility that meets setback, that collocates staff, that meets all of our security requirements, and that doesn't require any new appropriated funds.

Mr. CONNOLLY. Thank you for that clarification.

And, Mr. Chairman, thank you.

Mr. CHAFFETZ. Thank the gentleman.

We'll now recognize the gentleman from North Carolina Mr. Meadows for 5 minutes.

Mr. MEADOWS. Thank you, Mr. Chairman.

Thank each of you for your testimony.

One, before Mr. Connolly leaves, because he may need to comment, the gentleman from Virginia, because he sits on the Foreign Affairs Committee with me. And I guess I'm troubled that this is the first time that we're really hearing about Design Excellence in terms of the re-auth and the way that it's gone. And I'm passionate about foreign affairs, and I attend the majority of those hearings, and so I think the gentleman from Virginia would say that this is the first time he's heard it, but I'd yield for a couple of seconds to——

Mr. CONNOLLY. Can I just say to my friend from North Carolina, I'm sympathetic to the challenge that we face, and it's real, and as I said, I think, maybe before you arrived, for me this is not some political ball——

Mr. MEADOWS. Right.

Mr. CONNOLLY. I had a friend killed in one of our embassies in a terrorist attack because there was no setback and because we weren't diligent, frankly, about the threat assessment.

Mr. MEADOWS. Is this the first time you've heard about Design Excellence?

Mr. CONNOLLY. It is. And I want to tell you, this whole issue of building security, when I worked in the Senate 30 years ago, we were talking about this. And it seems to bedevil the State Department in part because it's not their expertise.

Mr. MEADOWS. Well, and that's where I want to followup.

Mr. CONNOLLY. Yes.

Mr. MEADOWS. And I thank the gentleman from Virginia.

It is very troubling to me that when I sit on an authorizing committee and now on an oversight committee, and probably even more difficult for me because I've built million-dollar buildings, I've worked with architects, I know design bid/build very well, that how do we have a set of standards—for example, let's talk about security, because all of us in a bipartisan manner here agree on security. What diplomatic security standards do we have for this Design Excellence component? Who's weighed in on that, or are you just counting on architects and engineers?

Ms. MUNIZ. So all of the standards are established by Diplomatic Security and in law, setback and collocation and law.

Mr. MEADOWS. I'm not talking about setbacks; I'm talking about the actual design part of it. The setbacks is pretty easy. We talked about that today. So you have a set of standards by Diplomatic Security that are published that I can find today?

Ms. MUNIZ. I know——

Mr. MEADOWS. Because I couldn't find them.

Ms. MUNIZ. I know that some of those standards are classified, so——

Mr. MEADOWS. I've got—I've got security clearance. I'd be glad to go look at it. So you're saying——

Ms. MUNIZ. We can provide——

Mr. MEADOWS [continuing]. That if I go in a classified setting, I can find that today, because I—make sure. You're under oath. You know, you've got some staff behind you. Are you sure about that?

Ms. MUNIZ. We—let me put it this way: We meet all of the security standards established by Diplomatic Security for every new consulate and embassy that we build.

Mr. MEADOWS. How do you do that when——

Ms. MUNIZ. As you might also know, Diplomatic Security certifies that those buildings meet not only their requirements and their standards established by the OSPB, but also those standards set in law. All of the standards that are established by DS and by OBO to the degree that we're responsible for life safety standards, fire, all of those are met. Nothing will be changed with respect to those security standards going from the standard embassy design to——

Mr. MEADOWS. So what does change?

Ms. MUNIZ [continuing]. The Excellence Initiative.

Mr. MEADOWS. So what does change?

Ms. MUNIZ. I think the way I would explain it is that we took what was a fixed module, a fixed solution to building, we deconstructed it in a way that it became more a kit of parts that could be——

Mr. MEADOWS. Why?

Ms. MUNIZ [continuing]. Assembled in different ways.

Mr. MEADOWS. To make it look better?

Ms. MUNIZ. No. To make it more efficient, to make it cost less, to build less in environments where we don't need a warehouse, where we don't need 10 acres——

Mr. MEADOWS. OK. But——

Ms. MUNIZ [continuing]. And to make sure that——

Mr. MEADOWS. Let me just say that we don't——

Ms. MUNIZ [continuing]. That these buildings are crafted to maintain low operating costs.

Mr. MEADOWS. I understand that that was the goal. Where do we have any example where that's actually really happened to date?

Ms. MUNIZ. I——

Mr. MEADOWS. To date.

Ms. MUNIZ. I think——

Mr. MEADOWS. Today.

Ms. MUNIZ [continuing]. That's a fair question, but it's a relatively recent initiative. So while there are early examples——

Mr. MEADOWS. So is the answer yes or no? Do we have any example? One. One example.

Ms. MUNIZ. The examples that we consider early examples are in the pipeline and——

Mr. MEADOWS. So do we have one completed example? Yes or no.

Ms. MUNIZ. No. No, we don't.

Mr. MEADOWS. So how can you say definitively that it's costing the taxpayers less, that it's secure, that it meets the standards, that it does all of that? How can you say that? I mean——

Ms. MUNIZ. We know——

Mr. MEADOWS [continuing]. Are you projecting it?

Ms. MUNIZ. No. We know that the designs are certified by Diplomatic Security. We know what the costs are because we set the budget. And we know what the schedules are, because that—those are the schedules that we self-set to build those facilities overseas.

Mr. MEADOWS. So why—why wouldn't we have heard about this in Foreign Affairs?

Ms. MUNIZ. So I'd like to go back and answer that question. We have briefed this program and there have been numerous settings on the Hill where this program has been discussed since 2011.

Mr. MEADOWS. Yes. So when was the major initiative briefed to——

Ms. MUNIZ. The first time it was briefed to the Hill was in March 2011.

Mr. MEADOWS. No, to Foreign Affairs. I sit on that committee, too. So—and I'm not aware that you ever briefed us. When did you brief us, the major initiative? Ever?

Ms. MUNIZ. We offered briefings. I'd have to go back to my staff to see——

Mr. MEADOWS. Well, they're behind you——

Ms. MUNIZ [continuing]. Which committee and which staff.

Mr. MEADOWS [continuing]. So just turn around and ask them. When did you brief us? I've got my calendar. I'll be glad to check. And I'm talking about the major initiative here. I'm not talking about some little, teeny component. When was that——

Ms. MUNIZ. No. I understand. It's my understanding that we offered briefings. When we went up and briefed in March 2011, we offered all committees the opportunity to be briefed in this program.

Mr. MEADOWS. And so the House Foreign——

Ms. MUNIZ. Our authorizers——

Mr. MEADOWS [continuing]. Affairs turned you down?

Ms. MUNIZ. My understanding is that, yes, it is. Yes, they did. I'd like to go back and put together the schedule, but we offered briefings to our authorizers——

Mr. MEADOWS. OK. Well——

Ms. MUNIZ [continuing]. Our operators and the——

Mr. MEADOWS [continuing]. Let me just tell you that I——

Ms. MUNIZ [continuing]. In the Senate.

Mr. MEADOWS [continuing]. I sit on that committee.

Ms. MUNIZ. And in——

Mr. MEADOWS. It hasn't been authorized. You've had new budget requirements. I would suggest as part of the normal order that you would go before that committee as well; don't you think?

Ms. MUNIZ. I would be more than happy to brief any committee that's interested in the program and to answer any of the questions. I know that we have invited staff to——

Mr. MEADOWS. I——

Ms. MUNIZ [continuing]. Have provided materials, but I would be more than happy to go to any committee and have a conversation about this program.

Mr. MEADOWS. Before you put out any more bids and award any more contracts. Would you be willing to commit to that?

Ms. MUNIZ. No.

Mr. MEADOWS. All right. I yield back.

Mr. CHAFFETZ. I now recognize the gentlewoman from Illinois Ms. Duckworth for 5 minutes.

Ms. DUCKWORTH. Thank you, Mr. Chairman.

So I understand the tension between making sure our embassies are accessible to the host-nation citizens who want to do business with the United States, as well as to allow our embassy personnel to do the jobs that they need to do, but also the need for security. And we could focus on the past all we want and who voted for what, who voted for funding, who didn't vote for funding, who—you know, folks who are now saying, well, there's not enough security, but these are the same folks who voted to cut funding to the State Department.

I wasn't here then. I'm here now, and my focus is moving forward. And in looking at the Design Excellence program, as I have so far, I do applaud its modularity concept, that you have these components that help with security, and that you can put them together in different ways as appropriate to the Nation, the security risk, the available land, all of those things, as opposed to a single monolithic embassy design that is the single embassy design, because there's a security issue with that as well. We don't want one single embassy design where every single embassy we've ever built is exactly the same, because if I were a terrorist, I'd just have to figure out one, and then I know the weaknesses for all of our embassies.

So I do understand that, but I do have a concern with the Design Excellence program, and that is the involvement of security experts in development of the Design Excellence program. I know there were some who were on the commission to develop it, but, Ms. Muniz and then Mr. Green, if you could each address this issue of the actual input of security experts into the program, into setting the standards that are in the program, and whether that is—there's an ongoing effort to keep the security experts involved beyond what the State Department comes up with on its own, because one of the criticisms that has happened has been that the State Department has underestimated the security needs and the security threats. And I want to make sure as we move forward and we build these embassies that security considerations are part of that ongoing process of assessment.

So, Ms. Muniz, if you could sort of address that, starting from who is on the initial commission and whether that involvement in security continues. And, Mr. Green, if you could give us your assessment as well, as a security expert yourself.

Mr. GREEN. I'm not really a security expert.

Ms. DUCKWORTH. Well, you led the committee that was asked by the ARB, and I think that you have some very valid comments that I would like to hear about in terms of security in the Design Excellence program. But I'd like Ms. Muniz to start, if you don't mind.

Ms. MUNIZ. As I mentioned earlier, the founding commitment with this program, as with any other programs that would evolve over time relating to embassy and consulate construction, is that we meet all of the security standards established by DS. They increase some; they change them over time. Whatever they throw at us, we are going to implement, because that's our responsibility. So I want to make that point very clear.

Our goal with this process is also to improve our coordination with Diplomatic Security, so to have them more involved with us and to have them more involved earlier to make sure that they see everything that we're doing throughout the development of the project. So I would argue that their involvement is going to increase, and that the key commitment that I know is important to them is that we continue to meet all of the security standards. And I have assured—I have assured the Department, I assure this committee that we will continue do that.

Ms. DUCKWORTH. OK. Mr. Green.

Mr. GREEN. I don't know what the interaction today is between DS and OBO as they develop new plans for embassies and consulates. What I do know is—and recognize, this report what was done now more than a year ago. Maybe they're all joining hands and singing Kumbaya now. But when we interviewed people who were concerned with security, not just DS, but people from other parts of the government also, they were not happy. The people we talked to were not happy in their role—with their role in the selection process and felt very strongly that the pendulum had shifted from security to design.

I mentioned—and there are several examples of our observations, as I said before, didn't come from the six of us. These were based on the interviews that we did with more than 100 people. Not all of them, obviously, opined on OBO and security, but many did. And

so their—those observations are in there. It's not my opinion. It's what we got from people who work on a daily basis, or hopefully work on a daily basis, with OBO.

Ms. DUCKWORTH. Thank you. I'm out of time, Mr. Chairman.

Mr. CHAFFETZ. If the gentlewoman will yield so she can reclaim some time and respond to this.

Ms. DUCKWORTH. Yes, I'll yield.

Mr. CHAFFETZ. Mr. Green spearheads this effort, puts together this report, which was an offshoot and started because of the Accountability Review Board. Ms. Muniz, has the State Department accepted this? Has this been approved? Is there anything under your mind that has been—or did they disagree with it?

Ms. MUNIZ. As Mr. Green pointed out, the DS Management Review Board really looked at DS' organization. So I don't know the status of the response or the implementation of those recommendations. I could take that back to my colleagues——

Mr. CHAFFETZ. And that's one of the concerns.

Ms. MUNIZ. With respect to—let me finish. With respect to the questions relating to OBO, there was one recommendation that we look at the cost implications—or the security implications of this program, and we have affirmed time and again that there will be no security implications to this program. We are dedicated to meeting all of the security requirements that DS establishes, that are established in law, and in working with DS to innovate better and better products every year that better meet those security standards.

Mr. CHAFFETZ. So if it takes longer to build something, do you consider that a security implication?

Ms. MUNIZ. As I explained to the committee, from the time of award, which is how OBO receives its funding annually, the time to build the facility, because we will be doing construction only, will be the same or shorter, which means that we will have people in safer facilities faster than using the design/build methodology, in particular when we have advance time to plan.

Mr. CHAFFETZ. And I hope—and to my ranking member and my colleagues on both sides of the aisle, this report was done. We've asked for a copy. The State Department has thus far refused to give us a copy. Al Jazeera has it. They print it out on their Website. We don't have one here in the U.S. Congress, even though I'm holding one that I got off of Al Jazeera. You have Patrick Kennedy in a very significant post go on CBS News and say that he disagrees with this report. I think it's part of our business to understand what does he disagree with, what does he agree with. And if the very person who's implementing this office isn't totally familiar with it, isn't necessarily implementing it, there's a problem. There's a problem.

Ms. MUNIZ. Again, I——

Mr. CUMMINGS. Would the gentleman yield?

Mr. CHAFFETZ. Sure.

Ms. MUNIZ. I would like to restate, it was a DS management report. It hit and touched on DS. Diplomatic Security would be better positioned to answer that question.

Mr. CHAFFETZ. I think they'd be in a great position to answer. And I think next time we have this panel, we should include Diplo-

matic Security. If I had to do it over, I'd include Diplomatic Security here as well.

Mr. CUMMINGS. Would the gentlelady continue to yield to me?

Ms. DUCKWORTH. Yes.

Mr. CUMMINGS. Thanks.

Just one question, Mr. Green, again, trying to get to the bottom line, security. When you did your survey, exactly what were you—you said you talked to 100 people, you surveyed 100 people. Can you tell us a little bit about that process so we can——

Mr. GREEN. Well——

Mr. CUMMINGS [continuing]. Fully—fully understand and appreciate what it was that you did, and what you were telling these people, and why you were asking, because that's significant? You went to people whose interests—whose interests would be to make sure that they were secure; am I right?

Mr. GREEN. Well, we—we—yes. We interviewed more than 100 people. We had them come in, and they spread across all the bureaus in the State Department and some from outside State. We interviewed some of the people that were on the Accountability Review Board. We asked different questions of different people. Some were organizational questions: Does the Assistant Secretary for Diplomatic Security have enough of a role within running the organization? There was a lot of emphasis on high-threat posts post-Benghazi, to establish a special cell for high-threat posts.

Not all of the people that we talked to did we ask about the relationship with OBO and others, but many of them we did ask that question to, and out of those questions came these observations that we laid out in our report.

And the final recommendation, as I said before, we didn't make a determination that Design Excellence should be tossed out the window. All we said was before you go a lot further with this, we recommend that the State Department do an in-depth analysis to look at the security implications of this program.

Mr. CUMMINGS. It just seems to me that, you know, a lot of times we have departments and individuals disputing issues in government, and the people suffer during the dispute. You know, at some point we've got to figure this out so that our people are protected. I think Members of Congress and certainly the public, when they hear the debates, they—you know, they're not necessarily interested in watching the sausage being made; they want to make sure that people are secure, that the costs are reasonable, and that the facility is functional——

Mr. GREEN. Yes.

Mr. CUMMINGS [continuing]. And that we're doing whatever we do effectively and efficiently.

Mr. GREEN. Right.

Mr. CUMMINGS. I just think sometimes, you know, it seems as if we feel like we've got to argue this and argue that, but at the same time, the people who need what we're supposed to be yielding, they're not getting it, or if they're getting it, they're not getting it in a timely fashion.

Mr. GREEN. Well, what our—our report obviously focused on security.

Mr. CUMMINGS. I understand.

Mr. GREEN. And as I said early on, if someone can show me that we can do it just as inexpensively, just as securely, just as fast using Design Excellence, I will sign up tomorrow.

Mr. CUMMINGS. Thank you.

I thank the gentlelady for yielding.

Ms. DUCKWORTH. Thank you.

Mr. CHAFFETZ. Thank the gentlewoman.

I'll now recognize myself. But I want to ask unanimous consent to enter into the record the—it's called the Guide to Design Excellence; includes a message from you, Ms. Muniz. A question for—without hearing any objections, so ordered. We'll enter it into the record.

Mr. CHAFFETZ. Who at State Department has approved this?

Ms. MUNIZ. The Director of OBO approved that document. Before I was Director, it was Adam Namm. But I also want to make clear that this is a document that was widely briefed within the Department with our colleagues in Diplomatic Security, was briefed on the Hill, was briefed publicly, and was provided widely. So while it's within OBO's authority to innovate and to develop programs that help us build the best buildings that we can that are cost-effective——

Mr. CHAFFETZ. OK. OK.

Ms. MUNIZ [continuing]. And are efficient——

Mr. CHAFFETZ. I got it.

Ms. MUNIZ. That—that is the concept——

Mr. CHAFFETZ. I know. And the question that we have long term is Diplomatic Security's feeling about that. We'll come back to that.

In response to CBS News, the State Department put out this Statement: There has been no evidence that Excellence projects take longer to build. In fact, under the Excellence Initiative, from the Fiscal Year award to occupancy, facilities will be delivered on the same, if not shorter, schedule.

In a separate part, again in response to CBS News, it says, all facilities will be delivered on the same, if not shorter, schedules. There is no evidence to the contrary.

Help me understand, then, why this unclassified document—help me understand what's going on in Maputo. In Maputo, it started as a standard embassy design with an estimated development of 39 months, and yet now it says that on March 28th of 2014, they were changing to Design Excellence, and that it was going to take 46 months.

Ms. MUNIZ. I don't have the document that you have. I'd like to be able to respond to that, but I need to be able to go back and look at detailed budgets and schedules.

Mr. CHAFFETZ. But this is something—this is the frustration. We request this type of document formally, you play hide and seek, you don't provide it to us. You make all these representations that everything's ahead of schedule; in fact, it's probably going to be shorter is what you say. You tell that to the world. You put out—you put that out to the world. You gave that to CBS News. You let everybody know that, oh, no, no, no, no, nothing's behind schedule, and yet I go find this document. Why is that?

Ms. MUNIZ. As I said, I'd like to look at the case and look at the document you're holding to be able to speak knowledgeably about that particular project.

Mr. CHAFFETZ. Do you dispute what I'm saying?

Ms. MUNIZ. I'm not sure what you're saying.

Mr. CHAFFETZ. I'm saying that in Maputo, you went from a 39-month project to a 46-month project. And if you're in Africa and don't have the proper security, you're going to feel the effects of that.

Ms. MUNIZ. Again, I'll have to go back and look at the details of that project——

Mr. CHAFFETZ. Tell me about——

Ms. MUNIZ [continuing]. Before I talk about——

Mr. CHAFFETZ. Tell me about Oslo. Is Oslo ahead of schedule or behind schedule?

Ms. MUNIZ. Oslo has a new contractor working on that project.

Mr. CHAFFETZ. Is it behind schedule or ahead of schedule?

Ms. MUNIZ. It is at this time behind schedule.

Mr. CHAFFETZ. And it's a Design Excellence project.

Ms. MUNIZ. No, it's not.

Mr. CHAFFETZ. What is it?

Ms. MUNIZ. Oslo was a project that was developed and could not be done as a standard embassy design, because many cities, in particular in Europe, have zoning requirements that require us to develop buildings differently. That is the case in Oslo.

Mr. CHAFFETZ. It seems very convenient that you toggle between is it Design Excellence, is it standard embassy design, is it or is it not? We don't have that clear definition. There are a lot of people and, I believe, some documents out there that say it is Design Excellence.

So help me with what's going on in the Hague. Is the Hague ahead of schedule or behind schedule?

Ms. MUNIZ. I'd have to look up details about the Hague. Again, the Hague is like an Oslo project. The Hague was a project that was developed based on—it had to be an adjusted design based on city requirements.

Mr. CHAFFETZ. Based on Design Excellence?

Ms. MUNIZ. No, not based on Design Excellence.

Mr. CHAFFETZ. Is it design/bid/build?

Ms. MUNIZ. I believe that the Hague is design/bid/build, because the requirements in those cities force a very extensive development of the project in a way that indicates that design/bid/build is the better option. That is a condition that we find in very many cities, in Europe in particular. We have that issue——

Mr. CHAFFETZ. And is——

Ms. MUNIZ. We had that issue in London, we had it in Oslo, we have it in the Hague. But those are projects that were started before the Excellence Initiative. Why the—while the way in which they were developed, I think, may very well be responsive to the environment in a way in which the Excellence Initiative would have——

Mr. CHAFFETZ. Well, let's go to Kiev in the Ukraine. What happened there? We needed some more seats, we needed more personnel? What did you do there?

Ms. MUNIZ. USAID added an annex in Kiev.
Mr. CHAFFETZ. So we added how many seats?
Ms. MUNIZ. I don't have that at the tip of my finger.
Mr. CHAFFETZ. More than 100, right? More than 100 seats.
Ms. MUNIZ. I don't have that at my fingertips.
Mr. CHAFFETZ. I do.
Ms. MUNIZ. If you do——
Mr. CHAFFETZ. It was standard embassy design, and we added more than 100 additional seats.
Ms. MUNIZ. We added an annex.
Mr. CHAFFETZ. Yes. Well, still seats.
Ms. MUNIZ. Yes.
Mr. CHAFFETZ. Let me go to Mr. Jones. You've been sitting very patiently for a long time. I don't think we've asked you any questions.
So let me go to you about Port Moresby, because you were the one in your testimony here—let me ask you, if it takes longer to build an embassy, we have people in harm's way, and it takes longer to build it, do you think that that puts people in harm's way or not?
Mr. JONES. In the case of Port Moresby?
Mr. CHAFFETZ. Yes.
Mr. JONES. Is that the question?
Mr. CHAFFETZ. Yes.
Mr. JONES. The situation in Port Moresby is that we had a significant increase in the number of people who would be located onsite and the addition of U.S. marines.
Mr. CHAFFETZ. OK. So just for those of you that aren't as familiar with Port Moresby, we had 41 personnel, and that number was going to go up to 71 personnel, correct?
Mr. JONES. Right. But under law, we are required to collocate the mission and would not have been able to do so had we only built a building for 41 people.
Mr. CHAFFETZ. So there is a way, though, to build under standard embassy design an increase in the number of personnel. Let's go back as to why—why was the number of personnel increased?
Mr. JONES. At Port Moresby we started with what was essentially a standard embassy design. It was a mini standard design.
Mr. CHAFFETZ. Right.
Mr. JONES. When we got the increase to add the marines, we were unable to——
Mr. CHAFFETZ. When did that decision that marines were going into Port Moresby become——
Mr. JONES. I believe that the decision——
Mr. CHAFFETZ. When did you get that?
Mr. JONES [continuing]. To add the marines was in March 2013.
Mr. CHAFFETZ. And do you have documentation for this? Could you provide that to the committee?
Mr. JONES. Yes. When we provide the other documents that you've requested, we will include that among it.
Mr. CHAFFETZ. OK. So there are no marines there now. And I think the public in general has a misconception as to what the marines actually do and don't do. They don't go outside—they don't go outside the wall. They're there to protect classified information.

In Port Moresby there is an Exxon Mobil project, multibillion-dollar project that is being developed to support the Chinese. The Chinese have a 20-year contract. And so I still don't fully understand or appreciate—and you're not necessarily the right person to answer this question, I don't want to put you on the spot—as to why we suddenly had to have this surge in the number of personnel, but nevertheless, the occupancy date for Port Moresby was going to be May 2014, correct?

Mr. JONES. That is correct.

Mr. CHAFFETZ. And the cost of that embassy was estimated to be what?

Mr. JONES. I believe the cost of the—all-in cost of the original facility was to be somewhere around $79 million.

Mr. CHAFFETZ. My understanding it was going to be less than $50 million.

Mr. JONES. OK. The cost to construct the facility itself was $49-
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Mr. CHAFFETZ. OK.

Mr. JONES. That includes site—the number I gave you includes site costs and things like that.

Mr. CHAFFETZ. Right. So we have the site, whether it's standard embassy design or Design Excellence. I happened to go there in February. The chief of mission has no clue that any of this is going on, none of the discussions, no—had no idea. He was still anticipating—he understood there was a delay, but still thought that during his tenure they were going to be able to move into that.

What is the new date for Port Moresby that they are going to move in?

Mr. JONES. I believe that the new date will be in 2018.

Mr. CHAFFETZ. So—and what is the estimated cost?

Mr. JONES. We don't have a final cost yet, because we don't have a completed design.

Mr. CHAFFETZ. Because it's not a standard embassy design, correct?

Mr. JONES. No. That's not the issue. The issue——

Mr. CHAFFETZ. Are you telling me that this is not Design Excellence, that this is under standard embassy design, Port Moresby?

Mr. JONES. No. What I'm saying is that the compound in Port Moresby began as a standard facility. It then experienced a significant increase in staffing, which prevented us from being able to use a standard design. The facility was not capable of being modified because it was so small, so it required an annex. And it is the addition of the people, the annex and the marines that are now making the delivery date in 2018. That is based on a cost-benefit analysis that the Department has done. That is the fastest time that we are able to get the folks from that mission collocated on the compound with the marines.

Mr. CHAFFETZ. This is so amazingly frustrating. The estimate that—the paperwork that I have, not from you, but the paperwork that I have says that this facility now costs in excess of $200 million. We're going to spend $3 million per seat, per seat, in Port Moresby, Papua New Guinea. Average per capita income is, like, $2,500.

Ms. MUNIZ. I'd like to take some of these questions. So one thing I'd like to point——

Mr. CHAFFETZ. Well, I'm not asking you. I'm asking Mr. Jones. So I'm going to—I'll come to you. I'll give you plenty of time.

So we're going to spend $3 million per seat in there, and they're not going to be there for a good 4 years. You don't have a final design. What are they supposed to do for security there for the next 4 years while they wait?

Mr. JONES. We are attempting to get safe and secure facilities in Port Moresby on the fastest time schedule that we can. We are doing everything in our power to ensure that we're delivering safe, secure and functional facilities to the mission as expediently and as efficiently as possible.

Mr. CHAFFETZ. My understanding, let me share this with the ranking member, is we added more than 105 desks in the Ukraine. Here we're talking about 30. It cost us about $24 million, and now we're looking at a project that was less than $50 million to build estimated to go north of $200 million in Papua New Guinea. And the consequence to this is they're going to be in harm's way for a longer period of time. We're going to have less budget and less money to build other facilities in other parts of the world. It is behind schedule. And these poor people are working in some of the most difficult situations I've seen in a very—when I was there, there was an attempted carjacking of U.S. diplomatic personnel, while I was there. We also had two people who showed up at the door trying to represent themselves as somebody that wanted to come see me and come see the—this is on a Saturday, dressed in garb that represented that they were there to meet people in the embassy, because you can walk right up to it. Right across the street, multiple times a year, I mean, very close at the pharmacy there, armed—armed bandits come in and try to rob that place.

And there was no communication with that facility there in Port Moresby. The chief of mission should not have been getting that message from me, that's for sure.

Ms. Muniz, I think you wanted to say something.

Ms. MUNIZ. I wanted to point out that, as we explained earlier, the forces causing the change to the design are outside of the Bureau. We talked about Iraq earlier. When you're in any environment where things are changing rapidly, you have to adjust to those changes. There are costs related to those changes.

A decision was made 2 years into a construction contract to add marines to a facility, to add significantly to the staff, to add classified capacity. That adds an extraordinary amount of expense in an existing contract.

I think that when we have detailed information, and you have received the detailed information that you've asked, we can go over those costs in detail, but I think given the location of Papua New Guinea, given the fact that we learned that all materials and labor need to be shipped into Papua New Guinea, given the environment, the discovery of natural resources there have led to greater competition in a small market, those cost increases can be explained when a mission doubles in size.

Mr. CHAFFETZ. I have gone way over time. I have more on this issue, but I'll now recognize the ranking member Mr. Cummings.

Mr. CUMMINGS. Mr. Green, where do we go from here? I mean, really. I mean——

Mr. GREEN. I—you know, I think unfortunately where we go is we need to see the dollars and the time that it's going to take to do Design Excellence. We don't have that. We're comparing apples and oranges.

You know, I'm not so concerned personally with the appearance of embassies. The State IG did a report in 2008, and the key findings were essentially that people were happy with the appearance, and the host countries of those 12 embassies that they looked at were happy with the appearance, so that's not what I'm worried about.

What I am worried about, and I think what DS is worried about from a security standpoint is can you actually produce these things in the same amount of time with the same security at the same cost. And until we know that—and I don't know how you get to it before you do some of them, but I think the chairman raised an issue, what is—what is cost per desk? You know, what is cost per desk under standard embassy design? We have some good figures on that, I'm sure. What is cost per desk under Design Excellence? Until we can compare apples and apples, you know, I think there's going to be—continue to be a lot of skepticism that you can do this as fast and as cheap.

Mr. CUMMINGS. Ms. Muniz, I've listened carefully, and I am concerned, and I think we all should be concerned, when we don't get documents. And it becomes very frustrating. Time is valuable.

And, you know, I listened to Admiral Mullen and Ambassador Pickering when they talked about the report, the ARB report, and, you know, it was some of the most—I think it was Ambassador Pickering that said—I asked him why was he—why did he agree to get on that board, and he talked about the fact that—the review board—that he felt that he owed it to his country and to those who died and their families to make things better so it didn't happen to anybody else.

And in some kind of way—I mean, when I listen to you, Mr. Green, it makes sense that if I've got something that's already designed and—I mean, it's—I've got it, I've got something that I'm working with, and I guess you've had years to make any adjustments that you would see, right? I mean, is that right?

Mr. GREEN. Yes, sir.

Mr. CUMMINGS. In other words, you've got—it's like you've got this house, you use the same—pretty much the same material, same structure over and over again, and then—but in the meantime, if there were problems, you can make those adjustments or—and just correct me if I'm wrong. I'm trying to put this in simple language for the American people. Or if you want to—if you're in a country where there's some unique situations, where you need a different kind of door, you know, you may have some height requirement or whatever, but still using the basic same model; is that right?

Mr. GREEN. Yes. Correct.

Mr. CUMMINGS. So logic tells me that if I'm using the same model, then it's—I mean, it's just logic that it would be quicker if

I then go to another country and use that model. That's basically what you're saying, right?

Mr. GREEN. That's the logic that makes sense.

Mr. CUMMINGS. And so I think for the State Department, Ms. Muniz, it becomes a difficult argument to sell not only to us, but to the American people, because the American people, they don't know everything that you know. So you've got—it's easy for us to—I mean, and I can understand, because it's your expertise and what you all do, but sometimes you have to break this stuff down so the people get what you're talking about, because to them it makes no sense. And I'm not saying—I'm saying with the—with limited knowledge, it makes no sense. With all of your information, it probably makes a lot of sense.

And so we find ourselves in a situation where you've got what Mr. Green's saying, we've got what you're saying, and—but the bottom line is, going back to what Mr. Green has said, if you had the data to show that we could get the same security, costs——

Mr. GREEN. Time.

Mr. CUMMINGS [continuing]. Same time, all those factors pretty much the same, that he would sign on the dotted line. Am I right?

Mr. GREEN. That's correct.

Mr. CUMMINGS. So why can't we get the information? There seems to be some reluctance, and I don't know why that is. Can you help us with that?

Because, see, one of the things that happens here, and I've lived long enough and seen enough and been up here long enough, we can get distracted from the mission by getting caught up in a lot of—and I'm not saying we don't have to deal with those issues, but it doesn't allow us to do what we're supposed to be doing, and that is providing security. So we've got, oh, why didn't I get this report or what? I mean, they're legitimate questions, they really are, but at the same time, that's the time that we could be taking our energy and focusing on making sure that our folks are safe, because that's what the American people want.

So go ahead.

Ms. MUNIZ. I think that's absolutely right, and I'd be happy to explain in more detail why it is that if we award 100 percent design on the date of award, the period of performance is shorter, and we could have people into safer facilities faster.

What it means is that if we know that our appropriation is fixed, we know which buildings we're doing, it might take us longer to do the design. We're going to be looking closely at the requirements, what are the materials that—that are going to work in that environment, how do we put that building together in that environment. But from the date of award, when we award that project, it's not going to include any design time; it will be no longer than it would be with the design/build standard embassy design, and it will likely be shorter. I could go into more detail, we could provide the——

Mr. CUMMINGS. There's one little thing——

Ms. MUNIZ [continuing]. Analysis——

Mr. CUMMINGS [continuing]. That—whoa, whoa, whoa, whoa. Rewind. There's one little thing that bothers me, and that is why? In other words, if I've got my model, it is working, I know what it's

going to cost, I know how much time it's going to take, am I missing something that I then—then I have to go to something else? So, OK, oh, let me run and do something else, when I've already got this—I've got it finally. You follow me?

Ms. MUNIZ. Yes. I think it's a fair question. And what I've tried to lay out is that the standard embassy design was a fixed solution based on an average hypothetical size embassy or consulate. We build embassies and consulates in every environment, whether that's because it's very hot, whether it's because it's very cold, whether because some systems are going to work there on the seafront and other systems are not going to work in a completely different environment. We're looking at the real requirements of missions and thinking about how do we build the best buildings for those missions.

The standard embassy design was a good fixed solution, but it also required us to build free-standing warehouses regardless of the location. There are some places we don't need a warehouse. Why build a warehouse if we could get——

Mr. CUMMINGS. Then you take it off. Am I right? Right? I mean, you take it off. If I don't need a garage, if I got a house with a garage, and I suddenly don't need a garage, I take the garage off.

And, by the way, it's not just one design, right? There are a lot—several designs, right?

Ms. MUNIZ. There's one.

Mr. CUMMINGS. There's one? OK.

Ms. MUNIZ. There's one standard embassy design.

Mr. CUMMINGS. So you just take the garage off.

Ms. MUNIZ. All of those things taken together—and if I could try to sort of put or describe the Excellence Initiative in a nutshell, it's really to say that we are taking those lessons learned from the standard embassy design, we're taking those modular pieces of it, but we're providing a lot more flexibility in how those could be put together in a way that's meaningful. Again, you build a very large embassy, having these two bars is not efficient. You're cladding two buildings as opposed to one. You're securing two separate buildings almost as opposed to one.

So I think that using architects, engineers, folks within the Department, our security professionals, we look at each case and come up with the best and the most efficient solution. In many ways what the Excellence Initiative is doing is exactly what you're suggesting, right? It's taking sort of the baseline and modifying that baseline in the way that is sensible for the mission.

Right now the standard embassy design or the standard embassy design that we're moving forward from was a very fixed solution, again, very horizontal: 10 acres, warehouse. That's not always the best solution in all of the environments.

And I—and I'd like to also State that the cost per desk, we use that cost per desk to develop our budget, so we have a cost-estimating office in our Bureau. When we build a budget, whether it's a standard embassy design budget or an Excellence Initiative project, they tell us, you know what you've spent historically for this many desks and this many people in this environment? This much. That's what your budget is. We're going to work to that

same budget under the Excellence Initiative or under the standard embassy design.

Mr. CUMMINGS. Ms. Muniz, let me tell you something. You just—you helped me, what you just explained. Now I'm finally getting—so in other words—you know, what I thought you were going to say is that circumstances change, that we have new technology. I thought that's what I was going to hear you say, that new technology, better use of certain—in other words, better materials, all those kind of things might go into—and I'm not—I don't know anything about building, so—but all those things might go into changing the box. And what you're saying is is that you may—help me if I'm wrong. You may look at the box, but you're forever changing the box. It's not that you don't look at it, you don't take it into consideration, but it may be changed substantially. Is that—all you're talking about is a brand-new box, period?

Ms. MUNIZ. I would say that it depends. So, again, if we're looking at a very large mission, to have these—the standard embassy design and to put that in place would simply not be efficient.

London is a good example in the case that not only are we building a cube, which is much more efficient than sort of two separate boxes that go up, which would require twice as much cladding, but we're also using materials that make the building significantly lighter; that reduce the size, the weight and the expense of the foundation that needs to be put down. The curtain wall reduces the weight, which also influences the foundation, and it's all able to go up faster than a traditional concrete building would have been able to go up in that place. So I think it's both materials and base building in certain cases.

Mr. CUMMINGS. Last question. Is it your—do you anticipate being able to take, say, that—a box—London is, I know, very unique, but other—that perhaps the creation of another box or something that you can use in more than one place, do you follow what I'm saying, as you're developing? And how does that play into that? Do you follow me?

Ms. MUNIZ. Yes. I think I do.

Mr. CUMMINGS. In other words, if you have a—if you build an embassy, you do all the things you just said. You say, OK, now we've got great design, we've got security. This is the best buck—we get the best bang for our buck. Time, everything is straight. Do you anticipate being able to use, say, for example, that model, a model like that, somewhere else? Do you follow me?

Ms. MUNIZ. Yes. Let me use an example, which may be too common, but I think it sort of demonstrates the point. There was a time when most people who drove had a Model T. It was a great car. It was a simple car. As we evolved, cars got better and better. They evolved, and they also sort of separated it out into the different types of cars. So today, rather than going with the Model T, you could go with a version that is much more secure, much more safe, but you could also choose to have an Austin Mini in one case, and you could go with an SUV, but those things depend on where you are. One, you want to be in a small urban environment, you're a small mission, you could go with a smaller size and still meet all your requirements and be more efficient to run, but there are those

other times when you're going to need the larger solution, you're going to need—you're going to need the SUV.

And I think that being able to put the appropriate solution with the mission, and to consider those things, and to make sure that we're appropriately spending the money that the taxpayer gives us, and considering not just first costs, but long-term costs, I think that's what we're talking about doing.

Mr. CUMMINGS. Thank you very much. Thank you.

Thank you all for being here.

Mr. CHAFFETZ. Recognize the chairman of the committee Mr. Issa.

Chairman ISSA. Thank you. And for the—Chairman Chaffetz and Ranking Member Cummings, I appreciate your questioning.

And fortunately I came back in just in time to have you talk about automobiles. And I agree that sometimes—I actually don't think the Fiat 500 or the Morris Mini is ever appropriate from a safety standpoint for our men and women in the State Department.

But having said that, I certainly understand the difference of size and scale and some of the urban versus rural considerations, but, Mr. Green, those considerations really aren't what we're asking about today. What we're asking about is do you, to the greatest extent possible, use a mass-production concept, which is what standard build is? It's about do you build a one-of-a-kind formula race car that's beautiful and fast and has unique characteristics, and each one is different—as a matter of fact, the secrets aren't even shared between formula racers—or do you build a Toyota Camry in order to get a—or a Ford Focus or a Ford 500? Do you build a mass-produced, consistent, reliable, understood, bugs worked out, repeatable product so that you get a highly reliable product that can be maintained throughout the system, standard windows, standard other characteristics if possible, in order to get a good product at a better price?

And I switched to Ford quickly when I realized it is about Henry Ford's model of greater value for less cost, isn't it, Mr. Green?

Mr. GREEN. Yes, it is. And I think it's like standard embassy design might be the Chevrolet Suburban, but, when necessary, it becomes the Escalade.

Chairman ISSA. And there are options to further uparmor——

Mr. GREEN. Yes.

Chairman ISSA [continuing]. And so on.

Mr. GREEN. Yes.

Chairman ISSA. Ms. Muniz, one of the other questions, Inman is all about security, right, the so-called Inman designs?

Ms. MUNIZ. I'm not as familiar with the Inman designs as that program was over long before I came in.

Chairman ISSA. Well, let me tell you what I was told 14 years ago when I came in and started going to embassies as a member of Foreign Affairs. We didn't used to think of embassies in the same security sense we do now. And what we discovered, the Beirut barracks, and the Marine barracks, and the Beirut embassy bombing and others taught us was there is no substitute for setback. Do you understand that as the person making these decisions?

Ms. MUNIZ. Yes. Absolutely.

Chairman ISSA. So when you talk about urban versus rural and location—and I was just in Britain where setback is highly compromised, and they were compliant, but they made a 5-acre decision and went vertical and did the best they could, including the famous moat, part of—and, in fact, some crash considerations. Those safety considerations, any time you give up setback, you have to tradeoff higher cost for that setback, don't you?

Ms. MUNIZ. You do, but we are not suggesting under this program to ever trade setback.

Chairman ISSA. OK. So when you talk about large footprint, which you did, and small footprint, the truth is that standard build—and I'll go back to Mr. Green for part of this—is about starting off with a footprint sufficient for current and future embassy considerations, including possible add-ons, in a country so that we can make a 50-year decision on sovereign U.S. soil, isn't it?

Ms. MUNIZ. Yes.

Chairman ISSA. Mr. Green?

Mr. GREEN. Correct.

Chairman ISSA. I was on this codel—and I apologize, I was able to take a Democratic staffer, but none of my counterparts were able to attend because it was short notice—but I was struck by something that I want to make sure is in the record today, and what was talked about earlier in Papua New Guinea: changing characteristics.

When they were talking about—and they flew in people from your offices to be there where we were in London. They started talking about, well, you know, it's individual, and we have to work it out. And I suddenly realized what you're doing is you're custom building more and more. You're going into a rut, which is instead of saying, State Department will plan, including excess space if appropriate—we will plan for the anticipated 50-year necessary facility, and we want to make sure that it's very much understood, instead what they were talking about was one group might need a little more here, and somebody may—which suddenly hit me what you're talking about is you're talking to the current—according to what I was told, you're talking to the current people in an embassy, the current Ambassador, the current staff, in order to find out what they want as part of this design characteristic.

And that is one of the things that I came back profoundly concerned about from the trip to London. It wasn't the London facility, because at half a million square feet, there's a lot of room, but when you're looking at embassies and starting to ask, well, should it be plussed or minused based on unique character—or current characteristics, aren't you inherently creating that downstream problem that you're designing based on what an ambassador and their staff want, not based on a plan that looks 50 years in the future? And I'd like each of you to answer that to the extent you can.

Ms. MUNIZ. I think it's a great question, because it really addresses one of the enduring challenges of the Department. We're trying to build buildings for 50, 100 years, and things change over that time period.

I think that where we can financially, and based on the urban environment or the environment where we're building, we do try to buy larger sites, and we actually make a deliberate effort, and this

was not always done with the standard embassy design. We site the building in such a way that we know where a later annex will go. For years, maybe forever, it'll be a lawn, but we know in advance how we might use that space so that it gives us that flexibility.

The other thing that we've done under the Excellence Initiative, and I think this is something that is meaningful and reduces costs in the long term, so we're looking at things like using raised floors, using demountable partitions, making sure that infrastructure is sized in a way that, within a given envelope, you could have a significant increase in staff with very little cost. That wasn't true with the older model.

Again, I think the standard embassy design taught us a lot, but I think we can improve on it. We can improve on it in meaningful ways that give us more flexibility for the long term. And I think——

Chairman ISSA. Right.

And Mr. Green, as you respond to that question, I just want you to include from your research from your committee's activities, in fact, isn't that what standard build is supposed to do is to include that? So isn't it "mend it don't end it" rather than staying standard build didn't include future annexes and expansion in their consideration?

Mr. GREEN. No. It's a continuously moving standard that is done.

Let me just respond to your earlier question, though. And, you know, what do we need 50 years out? You know, the Ambassador wants a bigger latrine in his office or we want 50 consular windows instead of five. That changes all the time. I mean, we saw it here today. It changed with Papua New Guinea. You had a plan to do something and all of a sudden the Department says, nope, we need more for whatever reason.

There's rightsizing that goes on constantly within the Department. There's the much publicized, but I'm not sure how much it's occurring, the pivot to Asia. What does that mean for the those embassies in Asia? More people. Well, you know, 5 years from now it might be a pivot somewhere else. I don't know that we're ever going to reach the perfect solution to say that we could build something that's good today, and it will be good even 10 years from now.

Chairman ISSA. Thank you.

And Mr. Chairman, I think the point that your research and what we're hearing today is all about is, that as you standardize and drive down the cost per square foot, the ability to build that few extra square feet and the flexibility is inherent in it. As you drive up the square foot cost, you inherently are building smaller and tighter.

And tight-sizing is not what we need for flexibility; it's rightsizing with a plan to expand or to add in and hopefully as you continue your research and we get the numbers, we'll begin seeing how standard build can be made to do just that.

And I thank you for your indulgence and yield back.

Mr. CHAFFETZ. Thank the chairman. We'll now recognize a very patient member from Michigan, Mr. Bentivolio, for 2 minutes. No, I'm just teasing. 5 minutes.

Mr. BENTIVOLIO. 5 minutes, good. Thank you, Mr. Chairman.

During our last conversation, I forgot to ask you a very, very important question when it came time, when we were discussing London, and you clarified it's going to cost about $800 million, and you don't look at how many employees it's going to house, you call them desks; is that correct?

Ms. MUNIZ. Yes.

Mr. BENTIVOLIO. OK. So how many desks in the London embassy?

Ms. MUNIZ. I'm sorry, I believe 644.

Mr. BENTIVOLIO. Six hundred and forty four. So what does that work out to? Let's see, $800 million divided by, how many did you say?

Ms. MUNIZ. Six hundred and forty four desks.

Mr. BENTIVOLIO. That works out to be, what, $1 million a desk?

Ms. MUNIZ. Some of our costs can be very high including for secure space.

Mr. BENTIVOLIO. A million dollars a desk? OK. But, I understand the risk in London and the cost per square, or is it meters, per meters. What's that cost? Do you know the breakdown, how much it costs per meter or per square foot? I know here in America we look at the square foot cost.

Ms. MUNIZ. Right. Right. For London, I don't have the square foot cost at the top of my head. I would like to add for London, though, for those members who may not be aware——

Mr. BENTIVOLIO. I think you said that you're selling property to cover the cost of the $800 million embassy, correct?

Ms. MUNIZ. Yes.

Mr. BENTIVOLIO. You did say that, OK. So you're in these old buildings now, am I correct?

Ms. MUNIZ. Yes, these are old existing buildings at the embassy.

Mr. BENTIVOLIO. And if it runs over, the London building takes longer than expected, what's it going to cost to house our employees in the older buildings per month?

Ms. MUNIZ. We're not expecting that to happen.

Mr. BENTIVOLIO. You're not expecting. Have you—seriously, for the life of me, and I'm sure there probably has been one or two Government contracts that didn't go over budget and didn't go over or came in on schedule, but OK.

So let's just ask you this: How many work orders or change orders are pending or in process in the London embassy new construction? Change orders do delay a project, don't they? Or do you add that to the, you know, it's another—it's a change that's going to take longer so we'll just move the schedule, completion date out.

Ms. MUNIZ. As you might imagine, with over 200 projects in construction, I don't have the number of change orders in London. But what I would like to make clear is that while delays pose, like on any project, a certain amount of risk, the Department made the decision in 2006, many years before I was there under a different administration that this was the best value for the taxpayer.

And I think it was a great decision. We, for $50 million more, are getting a brand new embassy that meets all of the security standards in exchange for property that we had been in for years.

Mr. BENTIVOLIO. So you're going to meet all the security standards in London?

Ms. MUNIZ. Yes.

Mr. BENTIVOLIO. Versus not in Phnom Penh or some of these other countries that, well, seem to be, look to me maybe in the future a greater threat.

And let's talk about that threat. We had, a while back, we had some Secretary of State people tell us they don't do a risk analysis when it comes to risks in the country that they're housed, thus Benghazi, they didn't really read what was happening and a lot of our Americans were killed.

So do you do a risk analysis every day in, you know, what the dangers are outside of the embassy no matter what country you're in? But wait a minute. I'm sorry. I just answered my own question. You don't do that, do you? What you do, apparently, is in places like London, you take every risk imaginable and come up with a building that's worth $800 million at a cost of $1 million per desk.

You know, I can't really, I'm just thinking about the soldiers in Iraq. You know, we looked at the risk out there and if we thought the risk was greater, and by the way, they shot rockets at us once a week, we put these concrete barriers in front of us, sandbags and we'd adjust and I'm sure, because of curb appeal, we can do those things a little nicer, a little fancier, and take every single building including a modular or cookie-cutter design and add to that building outside to address any risk that, well, if you actually looked at the risk outside of your embassies and addressed them, you could take proper precautions.

But I will say, and I know my time is running out, Mr. Chairman, but you have always had at every embassy in the world the best security system you could possibly buy. It's called the United States Marine.

Thank you very much, Mr. Chairman.

Mr. CHAFFETZ. I thank the gentleman.

I'm now going to recognize myself in consultation with Mr. Cummings here. Just a couple quick things and then we will, I promise we will end.

I do have a question about London. London is unique. Beijing was unique. There are some iconic properties. There are some amazing relationships, security needs. That's understood. There's been a suggestion that you're still on time in London and on budget in London. What is your current assessment of where we're at in London in terms of budget and time?

Ms. MUNIZ. That's exactly my assessment, that we're on budget and on schedule.

Mr. CHAFFETZ. What about the VAT issue? Where are we at with the VAT issue?

Ms. MUNIZ. I'd like to keep that conversation limited because our conversations with our counterparts in Britain are sensitive, but I would like to say that we're making good progress, and we are comfortable that we're within the budgets on that.

Mr. CHAFFETZ. And I appreciate that. I see that as a potential threat. They have a, I believe it's a 20 percent VAT which could obviously be a huge and major issue and something we would appreciate if you'd keep us apprised of.

I had an opportunity to visit Dubai, which was one of the last standard embassy designs. What do you find wrong with the facility in Dubai?

Ms. MUNIZ. I don't know that particular facility. So I wouldn't be able to address it, but I would like to say that there are many standard embassy designs that I think work well for their missions. I think there's some that could work better, and I think this initiative is about improving on something that was good and that did a lot of good. So I could look at Dubai more closely and get back to you with comments, but I don't have any in particular, not knowing it in great detail.

Mr. CHAFFETZ. The general concern here is it just doesn't make commonsense to me, it's just not commonsense to suggest that we're going to spend more time on design and ultimately that's going to take a shorter period of time. I just—I still, and we'll followup, and we've been talking for hours here, but as a followup, this is just conceptionally, I just don't understand it. There have been some suggestions that standard embassy design was just one-size-fits-all. That's not true. That's never been true. We build nearly 90 different buildings.

And one of the things that drives me personally, and I shared this with Mr. Cummings and others, one of the things that drives me on this is that you have multiple GAO reports and an Inspector General report that says, my goodness, standard embassy designs, they're going faster and they're generally coming in under budget. We never get reports like that.

And yet, I look at the State Department and they say, but we're going to totally scrap that. We're going a different design, different way and we're going to focus on architecture because architecture is diplomacy.

You can shake your head no, but that's the video that the State Department put out. That is the video they put out. You're shaking your head.

Ms. MUNIZ. Because as I explained, we are committed to being on those same budgets. We're committed to that schedule. We're committed to meeting all the security requirements. I just know that we can build even better buildings, right. What we're doing is what we should be doing, what bureaucrats should be doing, we are trying to improve on a good product. And you rightly pointed out, the standard embassy design did require modifications for different—we're taking that a step further and making sure that it is not a fixed envelope, that it takes all of the lessons learned from that and allows us to modify our buildings in a way that's smart for the mission, smart for the taxpayer and smart for the long term.

Mr. CHAFFETZ. And I really challenge those assumptions. It will play itself out. I don't believe they'll be faster. I think we have strong evidence that it's taking longer. I think the consequence is it will cost more, and I think the other consequence is we're going to have more people in harm's way.

If you brought the people from Papua New Guinea here and lined them up and had them raise their hand and say, which design would you like? They just want to be safe. They just want to be safe and secure and it's going to be the most opulent and ex-

travagant building in that country under the standard embassy design and those modifications could have been there.

I appreciate the dialog. This is the general concern. You said it in response to Mr. Cummings, the design portion will take longer. So again, the consequence, I think, will be more people in harm's way, will take longer, it will be more expensive and we'll have ongoing security concerns.

I really do appreciate your participation here. I have no doubt about the sincerity of wanting to come in under budget and on time. I just don't think you can get from here to there and I find very few people that agree that you can get there. That's why we need the documents, that's why we're going to continue to push the Inspector General and the GAO to continue to look at this. It's why we're going to continue to have some hearings on this.

So I do appreciate all your participation here. I know you care deeply about your country and the work that you do and you're passionate about that. We want people that are passionate about that. But we also have an obligation to have this back and forth. It's what the oversight committee is all about. It's what the Congress is all about. It's part of the process that makes this country unique and better and the greatest country on the face of the planet.

So I thank you again for your participation. We look forward to getting the documents from the State Department sooner rather than later and this committee stands adjourned.

[Whereupon, at 1:16 p.m., the committee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

DARRELL E. ISSA, CALIFORNIA
CHAIRMAN

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Opening Statement
Rep. Elijah E. Cummings, Ranking Member
Hearing on "Examining New Embassy Construction:
Are New Administration Policies Putting Americans Overseas in Danger?"
July 10, 2014

Thank you, Mr. Chairman, for holding this important hearing, and thank you to all of our witnesses for being here today.

The horrific bombings of our embassies in Kenya and Tanzania in 1998 were a watershed moment for our nation. Following those attacks, the State Department reported that 80% of its overseas facilities did not meet security standards, and Congress authorized billions of dollars to expedite embassy construction around the world.

As part of this effort, the State Department's Bureau of Overseas Building Operations launched the Standard Embassy Design initiative to promote the use of standardized designs for small, medium, and large embassies. This program has been very successful in achieving its goals. Since the year 2000, the State Department has constructed 111 new buildings and moved more than 30,000 U.S. personnel into safer facilities.

The program also has its limitations. For example, it typically requires large parcels of land, which sometimes result in buildings being constructed further from urban centers. Critics contend that this impairs U.S. diplomatic efforts overseas and makes it harder for officials to conduct their work.

As one commentator noted, the Standard Embassy Design initiative was "an expedient solution to an urgent problem … but one that narrowly defined an embassy as a protected workplace and overlooked its larger representational role."

So we commend the tremendous progress made under the Standard Embassy Design initiative, but we must always ask whether we can do more. On this Committee in particular, we must ask how to make this program run even more efficiently and even more effectively. To me, there are three basic factors we must consider: security, cost, and function.

In 2011, the Department launched a new embassy construction effort called Design Excellence. As I understand it, this effort aims to provide the same or better security—at the same or lower costs—while improving the ability of American officials overseas to do their jobs.

This new program seeks to achieve these goals by being more flexible than the current program. For example, by incorporating more customized designs rather than standard designs, the Department may be able to build on smaller or irregular lots. This may allow more embassies to be located in urban centers to improve the effectiveness of our missions. These more flexible designs also may reduce costs—through lower initial construction costs and lower long-term maintenance and operating costs.

For example, the new U.S. Embassy in London, although not constructed entirely under this new Design Excellence concept, shares many of its principles. According to the State Department, this new facility will be more secure than the existing embassy, it will be more functional and effective for our diplomatic missions, it will be completed on time, and it will be built at no cost to the U.S. taxpayer. This entire project is being funded through the proceeds of sales from existing U.S. properties there.

The challenge with this new program, however, is the lack of data. No embassies have been constructed to date based entirely on this new concept. The new embassy in Mexico City will be the first facility constructed from start to finish under this initiative, but it will not be completed until 2019. And according to Mr. Green, who is testifying here today, the Department has not put together a comprehensive business case that analyzes the potential costs and benefits of this new program in detail.

We all know what can happen with the lack of adequate planning. Under the previous Administration, the new embassy constructed in Iraq went wildly over budget, came in well after the deadline, and was plagued with corrupt contractors. It ended up costing the American taxpayers hundreds of millions of dollars more than it should have. And that money could have been used to secure other U.S. facilities and American personnel throughout the world.

So, as we evaluate the merits and drawbacks of this new effort, we must keep one goal at the top of our list—the security of our diplomatic officials serving overseas. Mr. Chaffetz, who serves as the Chairman of our National Security Subcommittee, has asked whether this new initiative to customize diplomatic facilities could delay their completion. In other words, if customizing is slower than using standard designs, does that keep our people in harm's way longer as they wait for new, secure buildings?

I believe this is a legitimate concern. And I want to know from the Department what their answer is. Our diplomatic officials deserve the safest embassies in the world, and they also deserve facilities that help them conduct U.S. foreign policy in the most effective and efficient manner possible. I truly believe that every Member of this panel feels the same way.

Thank you, Mr. Chairman, and I look forward to the testimony from our witnesses today.

Contact: Jennifer Hoffman, Communications Director, (202) 226-5181.

Embassy Construction: Better Long-term Planning Will Enhance Program Decision-making (Letter Report, 01/22/2001, GAO/GAO-01-11)

Report to the Chairman, Committee on Foreign Relations, U.S. Senate

http://www.gao.gov/assets/230/229938.pdf

Embassy Construction: Proposed Cost-Sharing Program Could Speed Construction and Reduce Staff Levels, but Some Agencies Have Concerns
GAO-05-32: Published: Nov 15, 2004. Publicly Released: Nov 15, 2004.

Report to the Chairman, Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform, House of Representatives

http://www.gao.gov/assets/250/244779.pdf

Embassy Construction: State Has Made Progress Constructing New Embassies, but Better Planning Is Needed for Operations and Maintenance Requirements
GAO-06-641: Published: Jun 30, 2006. Publicly Released: Jun 30, 2006

Report to the Chairman, Committee on Foreign Relations, U.S. Senate

http://www.gao.gov/assets/230/229938.pdf

New Embassy Compounds: State Faces Challenges in Sizing Facilities and Providing for Operations and Maintenance Requirements
GAO-10-689: Published: Jul 20, 2010. Publicly Released: Jul 20, 2010

Report to Committee on Foreign Relations, Senate and the Committee on Foreign Affairs, House of Representatives

http://www.gao.gov/assets/310/307369.pdf

Chaffetz for the record 7/10/14

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COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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VACANCY

June 23, 2014

The Honorable John F. Kerry
Secretary
U.S. Department of State
2201 C Street, NW
Washington, D.C. 20520

Dear Mr. Secretary:

The Committee on Oversight and Government Reform is conducting oversight of the Department of State's embassy security, construction and maintenance efforts. In a climate of budgetary constraints at home and ongoing threats abroad to our Foreign Service and Foreign Service National employees, it is vital that the Department maintain its focus on delivering safer, more secure embassies and consulates on time and on budget. A failure to do so would leave employees in substandard facilities and potentially in harm's way.

It is our understanding the Department has decided to transition from a successful program of embassy construction based on a standard design to one focused more on unique design. The Committee is interested in the differences between the standard embassy design approach, which stresses security and functionality, versus a new "design excellence" program, which stresses openness and innovation. In the words of former Under Secretary of State for Management, Grant Green, who presided over the Department's standard design approach, which moved tens of thousands of people into newer, safer facilities, "If it takes longer, it's going to cost more, and if it costs more and takes longer, it puts people at risk out there waiting for their embassy to be built."[1]

According to an internal report a Department panel prepared following the Accountability Review Board convened after the Benghazi attack, the Department has not produced a business case or cost benefit analysis supporting its "design excellence" approach.[2] And, according to a recent report by *CBS News*, the new embassy just barely

[1] Nancy Cordes, *Shiny New U.S. Embassies Costing Taxpayers Millions*, CBS NEWS, June 6, 2014, http://www.cbsnews.com/news/shiny-new-u-s-embassies-costing-taxpayers-millions/.
[2] Edward T. Pound, *Report Details Enduring Flaws in State Dept. Diplomatic Security*, AL JAZEERA, May 5, 2014, http://america.aljazeera.com/articles/2014/5/5/report-details-enduringflawsinstatedeptdiplomaticsecurity.html.

under construction in London is already significantly over budget due to manufacturing challenges with the structure's unique and complicated glass façade.[3]

The Committee seeks to examine how the Department plans to preserve the significant gains made in the preceding decade while also embarking on a new approach to embassy construction without stunting the current rate of moving U.S. personnel overseas into more secure facilities. The Committee also seeks to review the process by which Department stakeholders developed and approved, over the course of several years, what would constitute a major shift in embassy security, construction, and maintenance. Therefore, please provide the following documents and information:

1. All Bureau of Overseas Building Operations (OBO) Project Performance Review (PPR) documents from January 1, 2001, to the present.

2. A list of all New Embassy Compounds (NEC) completed since January 1, 2001, which includes the following information for each NEC:
   a) Contract award date;
   b) Contract completion date;
   c) Occupancy date;
   d) Final acceptance date;
   e) Number of desk and non-desk positions at contract award date;
   f) Number of desk and non-desk positions at final acceptance date;
   g) The total acreage of the site;
   h) Whether the contract was awarded as a Design-Build or a Design-Bid-Build project;
   i) Whether the NEC was a Standard Embassy Design or not and, if so, whether the NEC was a Large, Medium, Small, or Standard Secure Mini-Compound version of the SED;
   j) The architect/engineer of record and prime contractor of record, as appropriate;
   k) The cost of the construction portion of the NEC;
   l) The total cost of the NEC;
   m) A photograph of the completed NEC.

3. All versions of the Top 80 List in Vulnerability Order from January 1, 2001, to the present.

4. The September 2008 report of the OBO Capital Acquisition Process Working Group.

5. The May 2013 "Report on Diplomatic Security Organization and Management."

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[3] Cordes, *supra* note 1.

6. All Foreign Affairs Manual and Foreign Affairs Handbook sections relating to physical security standards of U.S. Department of State installations abroad, including, but not limited to: The Physical Security Handbook (12 FAH-5 H-000 et seq.), the OSPB Security Standards and Policy Handbook (12 FAH-6), Physical Security of Facilities Abroad (12 FAM 310), and any other physical security standards referenced in OBO contracts.

7. All documents and communications referring or relating to the use of the term "Design Excellence" in OBO contracts and contract solicitations.

8. The "Architectural and Engineering Design Guidelines" that preceded the introduction of "Design Excellence."

9. The "Architectural and Engineering Design Guidelines" developed for "Design Excellence."

10. A graphical representation of the number of personnel moved into safer overseas Department facilities from 2000 to the present.

11. All versions of the Long-Range Overseas Buildings Plan from 2002 to the present.

12. All documents and communications referring or relating to the use, or potential use, of Overseas Contingency Operation funding to supplement OBO projects since June 1, 2012.

13. All documents and communications referring or relating to the use, or potential use, of internal reprogramming of funds for OBO projects since June 1, 2012.

14. All Action Memoranda and Information Memoranda, referring or relating to the New Embassy Compound in Port Moresby, Papua New Guinea.

15. All documents, including, but not limited to, plans and drawings, relating to the incorporation of Marine Security Guard Quarters at the New Embassy Compound in Port Moresby, Papua New Guinea.

16. All documents referring or relating to sending a Marine Security Guard Detachment to Port Moresby, Papua New Guinea.

17. All documents relating to any re-scoping or de-scoping of the New Embassy Compound in Port Moresby, Papua New Guinea.

18. All documents and communications referring or relating to the auction of equipment or materials relating to the New Embassy Compound in Port Moresby, Papua New Guinea.

19. All documents referring or relating to the right-sizing of the New Embassy Compound in Port Moresby, Papua New Guinea, including, but not limited to, documents relating to increasing the number of desks beyond the number recommended in the right-sizing report.

20. All Action Memoranda and Information Memoranda, including drafts, referring or relating to the New Embassy Compound in London, United Kingdom.

21. All documents referring or relating to Value Engineering Studies relating to the New Embassy Compound in London, United Kingdom, including all versions of any Value Engineering Studies.

22. All documents and communications relating to changes and notices to proceed relating to the New Embassy Compound in London, United Kingdom, including, but not limited to, all such communications with: a) KieranTimberlake Architects; b) B.L. Harbert International; and c) Weidlinger and Associates.

23. All documents referring or relating to congressional Construction Security Certification for the New Embassy Compound in London, United Kingdom, including, but not limited to, all communications with the Office of the Director of National Intelligence.

24. All documents and communications referring or relating to Value Added Tax (VAT) relating to the New Embassy Compound in London, United Kingdom.

25. All documents and communications referring or relating to blast testing of the curtain wall, and curtain wall components, of the New Embassy Compound in London, United Kingdom, including, but not limited to, all such communications with: a) the Bureau of Diplomatic Security; b) KieranTimberlake Architects; c) B.L. Harbert International; and d) Weidlinger and Associates.

26. All documents and communications referring or relating to the application of General Services Administration (GSA) Performance Conditions to blast testing of the curtain wall, and curtain wall components, of the New Embassy Compound in London, United Kingdom, including, but not limited to, communications between OBO and the Bureau of Diplomatic Security.

27. All documents and communications relating to the engineering and legal justifications for applying standards other than those of the Bureau of Diplomatic Security to blast testing of the curtain wall, and curtain wall components, of the New Embassy Compound in London, United Kingdom.

28. A document identifying all State Department overseas properties, the physical security of which were designed, tested or certified to GSA standards.

29. All documents and communications relating to the decision to conduct blast testing of the curtain wall, and curtain wall components, of the New Embassy Compound in London, United Kingdom, in both Fort Polk, Louisiana, and Socorro, New Mexico.

30. The U.S. Army Engineer Research and Development Center report relating to blast testing of the curtain wall or curtain wall components, of the New Embassy Compound in London, United Kingdom, which occurred in Fort Polk, Louisiana.

31. All reports prepared for the Committees on Appropriations on the New Embassy Compound in London, United Kingdom, which, pursuant to P.L. 112-74, Section 7004 (f)(2), were to be delivered every six months from 60 days after enactment, and which were to include revenue and cost projections, cost containment efforts, project schedule and actual project status, the impact of currency exchange rate fluctuations on project revenue and costs, and options for modifying the scope of the project in the event that proceeds of real property sales in London fall below the total cost of the project.

32. The estimated cost per square meter to rent office space in the vicinity of the current U.S. Embassy in London, United Kingdom.

33. All documents related to any lease-back of current U.S. Embassy in London, United Kingdom, if the New Embassy Compound in London is not completed on schedule.

Please begin providing the documents and information requested as soon as possible, but by no later than noon on July 7, 2014. If necessary, the Committee will work with the Department to prioritize production on a rolling basis. In addition, please be advised that the Committee plans to request additional information about the following Department construction projects: Ankara, Turkey; Ashgabat, Turkmenistan; Asuncion, Paraguay; Bangkok, Thailand; Beirut, Lebanon; Cotonou, Benin; The Hague, Netherlands; Harare, Zimbabwe; Jakarta, Indonesia; Maputo, Mozambique; Mexico City, Mexico; N'Djamena, Chad; Oslo, Norway; Paramaribo, Suriname; and, Taipei, Taiwan.

The Committee on Oversight and Government Reform is the principal investigative committee of the U.S. House of Representatives. Pursuant to House Rule X, the Committee has authority to investigate "any matter" at "any time." An attachment to this letter provides additional information about responding to the Committee's request.

When producing documents to the Committee, please deliver production sets to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff Room in 2471 of the Rayburn House Office Building. The Committee prefers, if possible, to receive all documents in electronic format.

If you have any questions about this request, please contact Brien Beattie of the Committee staff at (202) 225-5074. Thank you for your prompt attention to this matter.

Sincerely,

Darrell Issa
Chairman

Jason Chaffetz
Chairman
Subcommittee on National Security

Enclosure

cc: The Honorable Elijah E. Cummings, Ranking Minority Member

The Honorable John F. Tierney, Ranking Minority Member
Subcommittee on National Security

DARRELL E. ISSA, CALIFORNIA
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Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 Rayburn House Office Building
Washington, DC 20515-6143

Majority (202) 225-5074
Minority (202) 225-5051

Responding to Committee Document Requests

1. In complying with this request, you are required to produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. You should also produce documents that you have a legal right to obtain, that you have a right to copy or to which you have access, as well as documents that you have placed in the temporary possession, custody, or control of any third party. Requested records, documents, data or information should not be destroyed, modified, removed, transferred or otherwise made inaccessible to the Committee.

2. In the event that any entity, organization or individual denoted in this request has been, or is also known by any other name than that herein denoted, the request shall be read also to include that alternative identification.

3. The Committee's preference is to receive documents in electronic form (i.e., CD, memory stick, or thumb drive) in lieu of paper productions.

4. Documents produced in electronic format should also be organized, identified, and indexed electronically.

5. Electronic document productions should be prepared according to the following standards:

   (a) The production should consist of single page Tagged Image File ("TIF"), files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.

   (b) Document numbers in the load file should match document Bates numbers and TIF file names.

   (c) If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.

   (d) All electronic documents produced to the Committee should include the following fields of metadata specific to each document;

   BEGDOC, ENDDOC, TEXT, BEGATTACH, ENDATTACH, PAGECOUNT,CUSTODIAN, RECORDTYPE, DATE, TIME, SENTDATE, SENTTIME, BEGINDATE, BEGINTIME, ENDDATE, ENDTIME, AUTHOR, FROM,

CC, TO, BCC, SUBJECT, TITLE, FILENAME, FILEEXT, FILESIZE, DATECREATED, TIMECREATED, DATELASTMOD, TIMELASTMOD, INTMSGID, INTMSGHEADER, NATIVELINK, INTFILPATH, EXCEPTION, BEGATTACH.

6. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, box or folder is produced, each CD, hard drive, memory stick, thumb drive, box or folder should contain an index describing its contents.

7. Documents produced in response to this request shall be produced together with copies of file labels, dividers or identifying markers with which they were associated when the request was served.

8. When you produce documents, you should identify the paragraph in the Committee's schedule to which the documents respond.

9. It shall not be a basis for refusal to produce documents that any other person or entity also possesses non-identical or identical copies of the same documents.

10. If any of the requested information is only reasonably available in machine-readable form (such as on a computer server, hard drive, or computer backup tape), you should consult with the Committee staff to determine the appropriate format in which to produce the information.

11. If compliance with the request cannot be made in full by the specified return date, compliance shall be made to the extent possible by that date. An explanation of why full compliance is not possible shall be provided along with any partial production.

12. In the event that a document is withheld on the basis of privilege, provide a privilege log containing the following information concerning any such document: (a) the privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author and addressee; and (e) the relationship of the author and addressee to each other.

13. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (stating its date, author, subject and recipients) and explain the circumstances under which the document ceased to be in your possession, custody, or control.

14. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, you are required to produce all documents which would be responsive as if the date or other descriptive detail were correct.

15. Unless otherwise specified, the time period covered by this request is from January 1, 2009 to the present.

16. This request is continuing in nature and applies to any newly-discovered information. Any record, document, compilation of data or information, not produced because it has not been

located or discovered by the return date, shall be produced immediately upon subsequent location or discovery.

17. All documents shall be Bates-stamped sequentially and produced sequentially.

18. Two sets of documents shall be delivered, one set to the Majority Staff and one set to the Minority Staff. When documents are produced to the Committee, production sets shall be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2471 of the Rayburn House Office Building.

19. Upon completion of the document production, you should submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control which reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee.

Schedule Definitions

1. The term "document" means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, inter-office and intra-office communications, electronic mail (e-mail), contracts, cables, notations of any type of conversation, telephone call, meeting or other communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.

2. The term "communication" means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, email (desktop or mobile device), text message, instant message, MMS or SMS message, regular mail, telexes, releases, or otherwise.

3. The terms "and" and "or" shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information which might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neuter genders.

4. The terms "person" or "persons" mean natural persons, firms, partnerships, associations, corporations, subsidiaries, divisions, departments, joint ventures, proprietorships, syndicates, or other legal, business or government entities, and all subsidiaries, affiliates, divisions, departments, branches, or other units thereof.

5. The term "identify," when used in a question about individuals, means to provide the following information: (a) the individual's complete name and title; and (b) the individual's business address and phone number.

6. The term "referring or relating," with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with or is pertinent to that subject in any manner whatsoever.

7. The term "employee" means agent, borrowed employee, casual employee, consultant, contractor, de facto employee, independent contractor, joint adventurer, loaned employee, part-time employee, permanent employee, provisional employee, subcontractor, or any other type of service provider.

Chaffetz 7/10/14

JUL 08 2014

United States Department of State

Washington, D.C. 20520

JUL - 3 2014

Dear Mr. Chairman:

Thank you for your letter of June 23 requesting information on the Bureau of Overseas Buildings Operations' (OBO) embassy construction program. We agree with you that providing safer, more secure diplomatic facilities that protect U.S. government employees, Locally Employed staff, and the many citizens that visit them is of the utmost importance.

The Department is working to be responsive to your document request and plans to deliver to your committee a first tranche of documents as soon as possible. This tranche will include materials related to numbered items 2, 5, 6, 10, 31, 32, and 33. Due to the sheer breadth of the request and the sensitivity of certain documents, we request to engage you and your staff on the best way forward to accommodate the additional information needs made in this request.

Improving the quality, safety and security of our diplomatic facilities is OBO's highest priority and we look forward to the opportunity to share OBO's achievements in this regard with the committee.

Please let us know if we can be of further assistance.

Sincerely,

Julia Frifield
Assistant Secretary
Legislative Affairs

The Honorable
Darrell Issa, Chairman,
Committee on Oversight and Government Reform,
House of Representatives.

Chaffetz 7/10/14

U.S. DEPARTMENT OF STATE
BUREAU OF OVERSEAS BUILDINGS OPERATIONS

FACT SHEET

CBS NEWS ARE MODERN U.S. EMBASSIES BECOMING TOO COSTLY TO BUILD?

The story that ran on CBS This Morning "Are modern U.S. embassies becoming too costly to build?" was riddled with inaccuracies.

Point-By-Point Corrections

U.S. Embassy London

CBS reported: Six months into construction, however, CBS News learned the $1 billion project is already $100 million more expensive than initial estimates.

Correction: The costs of the new U.S. Embassy in London are and have always been within the established budget and are paid for entirely from an inventive swap for existing U.S. government property in London. There is not nor has there ever been a $100 million overage.

CBS reported: This is partly because of the unique blast-proof glass at the heart of the design, reports CBS News' Nancy Cordes. It's made in Europe and then shipped under guard to the U.S. for framing before being sent back to England for installation.

Correction: All new Department of State facilities are blast proof as dictated in the security requirements. As stated above, there is not nor has there ever been a $100 million overage on the new London Embassy project.

Excellence Initiative

CBS reported: Under the Obama administration, State Department officials decided the standard design didn't reflect America's culture and values. Buildings like those in Brunei and Guangzhou, China, utilize the design excellence approach.

Correction: The U.S. Embassy in Brunei is a standard embassy design.

CBS reported: Utah congressman Jason Chaffetz is a top Republican on the House government oversight committee, and he said these embassies now take longer to build.

Correction: There has been no evidence that Excellence projects take longer to build. In fact, under the Excellence initiative, from the FY Award to occupancy, facilities will be delivered on the same, if not shorter schedules.

CBS reported: These people live in very dangerous parts of the world, we don't have time to make sure that the building and the flowers look more pretty, we have to make sure that these people are safe and secure and can do their jobs," Chaffetz said.

Correction: The Excellence initiative is not about pretty buildings or flowers, it is executing designs and construction that meet or exceed all security and life safety standards while ensuring that all of the particular needs of that mission are met including climate, unique mission size, accessibility to counterparts, and function to inform the design of the building. It does not make sense to have one building type for facilities from Helsinki to Buenos Aires. All of our facilities

U.S. DEPARTMENT OF STATE
BUREAU OF OVERSEAS BUILDINGS OPERATIONS

FACT SHEET

CBS NEWS ARE MODERN U.S. EMBASSIES BECOMING TOO COSTLY TO BUILD?

will provide safe, secure work space for our diplomats. We can never truly eliminate all risks facing our dedicated personnel working overseas to advance U.S. interests. In the face of ever-evolving threats, the Department strives to provide the most secure environment possible for the conduct of America's foreign policy.

U.S. Embassy Port Moresby

CBS reported: He's visited new embassy sites like Port Moresby in Papua New Guinea, where a decision to expand the proposed embassy forced the State Department to scrap the entire design and start over.

The project estimate has ballooned from $50 million to $211 million, and according to an internal State Department document there has been a "termination of the current work and shuttering of the site until a new construction contract is awarded."

"That's just poor, total mismanagement from top to bottom," Chaffetz said.

Correction: The assertion that the Department scrapped the entire design of the Port Moresby project and started over is untrue. Additionally, to claim that the project is over budget is simply not true. The scope of the project significantly changed due to security and staffing increases after a construction contract was awarded and work was underway. These changes included policy decisions to deploy a Marine detachment, which requires construction of housing for Marines and specialized office space. Additionally, the Embassy population increased by almost 75% in size - a staffing decision not made by OBO - and with this increased population came the need for space for classified information processing.

The Department conducted an in depth analysis of all the options to ensure the best value to the U.S. taxpayer given these changes.

DS Management Report

CBS reported: Grant Green, a former U.S. State Department Under Secretary for Management, oversaw the report.

"If it takes longer it's going to cost more, and if it costs more and takes longer it puts people at risk out there who are waiting for their embassy to be built," Green said.

Correction: All facilities will be delivered on the same, if not shorter schedules. There is no evidence to the contrary.

Point of Contact

Christine Foushee | FousheeCT@state.gov | 703.875.4131

Cummings
7/10/08

HENRY A. WAXMAN, CALIFORNIA,
CHAIRMAN

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ONE HUNDRED TENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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October 9, 2007

The Honorable Condoleezza Rice
Secretary
U.S. Department of State
2201 C Street NW
Washington, DC 20520

Dear Madam Secretary:

I am writing to raise new concerns about the State Department's $600 million U.S. Embassy in Iraq. On July 26, 2007, the Committee held a hearing to review reports of numerous problems with the Embassy construction project. In particular, the Committee asked about allegations of substandard work by the prime contractor, First Kuwaiti General Trading & Contracting Company, and whether problems with the fire protection systems, electrical systems, and power plant would delay the opening of the Embassy beyond its September 2007 completion date and increase the costs to the taxpayer above the $592 million budget.

At the hearing, Maj. Gen. Charles Williams (Ret.), the Director of Overseas Building Operations (OBO) at the State Department, dismissed all of these concerns, stating emphatically:

> I am pleased to report, Mr. Chairman, that the project is on schedule and on budget. We are slated to complete the project in September of this year and personnel can begin to move into offices and residences shortly thereafter. As to project quality, OBO is proud of its employees and contractors work on this project. We have received numerous accolades as to the extremely high quality of construction. It is among the best that OBO has managed.

This weekend, however, it was disclosed that the Embassy construction project has gone $144 million over budget and the State Department has delayed its opening indefinitely.[1]

The Committee has now obtained new documents that raise additional questions about the Embassy project and First Kuwaiti. One of these documents is a recent report on the

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[1] Iraq Embassy Cost Rises $144 Million Amid Project Delays, Washington Post (Oct. 7, 2007).

Embassy's fire suppression system. This report was completed by inspectors from the State Department's Fire Protection Division and issued on September 4, 2007, based on inspections conducted between August 17 and September 2. The report finds:

- "The NEC [New Embassy Compound] is not ready for tests and the Contractor could not provide a timeline for completion."
- "Because the fire service mains are deficient, there is no reliable automatic fire sprinkler system coverage in any building on the compound."
- "None of the fire alarm detection systems were ready for testing at the time of arrival and none were completed during this site visit."
- "The Contractor continues to struggle with an understanding of the project specifications."
- "Most buildings have a complete lack of firestopping in fire rated walls and floors. Unless all openings in rated walls and floors are firestopped using approved methods and materials, a fire could spread very quickly from one area to another. This is especially true because the sprinklers are not in service."
- "[T]he entire installation is not acceptable."

Other documents reveal that the Justice Department has asserted in court papers that the Managing Partner of First Kuwaiti, the prime contractor, bribed officials to obtain subcontracts for First Kuwaiti. According to these documents, Wadih El Absi agreed to pay over $200,000 in kickbacks to obtain subcontracts under a Halliburton subsidiary's multi-billion dollar contract to provide logistical support for U.S. troops in Iraq. Mr. El Absi operates First Kuwaiti as a foreign corporation out of Kuwait and refused to travel to the United States to testify at the Committee's hearing in July.

A third set of documents show that Pentagon auditors raised serious questions about the performance of First Kuwaiti before the State Department awarded the Embassy contract to First Kuwaiti. According to these documents, the Pentagon auditors released a report several months before the award of the contract that questioned more than $130 million that First Kuwaiti had billed for services provided to the U.S. military.

I am growing increasingly dismayed by the State Department's resistance to responsible oversight. At the July hearing, State Department officials repeatedly and erroneously told the Committee that the Embassy would be completed on time and under budget. When the Committee investigated the State Department's oversight of Blackwater, the Committee received significantly more cooperation from Blackwater than from the Department. And when the Committee held a hearing last week to investigate corruption in the Maliki government in Iraq,

the State Department witness, under orders from the Department's leadership, refused to answer questions about the extent of corruption in the Iraqi government or its implications for U.S. interests in Iraq.

The Committee is seeking information relating to all of these matters. With regard to the specific issues raised in this letter, I expect a prompt and complete response by October 19, 2007.

Substandard Embassy Construction by First Kuwaiti

From August 17, 2007, to September 2, 2007, inspectors conducted tests of the fire protection systems at the Baghdad Embassy as part of the final accreditation process. These inspectors issued a report on September 4 that documented widespread deficiencies, including many that First Kuwaiti failed to repair despite repeated warnings.[2] For example, the report found critical deficiencies in the fire alarm detection systems:

> None of the fire alarm detection systems were ready for testing at the time of arrival and none were completed during this site visit. The wiring methods used by the Contractor do not comply with the NFPA 70, *National Electric Code*, and will be very difficult to maintain. The Contractor continues to struggle with an understanding of the project specifications, despite guidance from OBO/OM/FIR.

The report also confirmed that despite earlier warnings, the underground mains that feed the sprinkler pipes in the Embassy building had been connected improperly and cracked under pressure:

> The fire service mains are installed using non-approved materials and this was noted in a trip report dated 16 October, 2006. The Contractors has not corrected this situation despite having more than 20 breaks on the system since being place in service in July 2007.

The report further noted:

> [S]ome of the leaks repaired prior to our arrival failed a second time during our visit. These failures are occurring during normal use of the system and will continue to occur. There are at least 600 joints on the system, and the entire installation is not acceptable.

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[2] U.S. Department of State, Office of Overseas Building Operations, Fire Protection Division, *Trip Report for Director Williams: Fire System Commissioning Trip — Baghdad NEC* (Sep. 4, 2007).

In the course of their work, the inspectors documented hundreds of violations of the contract specifications and the fire codes and regulations. These problems were so severe and widespread that the inspectors concluded that none of the buildings on the New Embassy Compound could be approved for occupancy. The report included the following findings:

- "The fire service underground piping and the repair methods used by the Contractor do not meet the project specifications or NFPA 24, *Standard for Underground Fire Service Mains*."

- "Four leaks in the fire service mains were discovered and repaired while OBO/FIR Staff were on site. The Contractor is repairing leaks by replacing the coupling(s) and encasing the new joints in concrete. This method is also not in compliance with project specifications and NFPA 24 (referenced in the project specifications)."

- "Because the fire service mains are deficient, there is no reliable automatic fire sprinkler system coverage in any building on the compound. ... A few fire sprinkler systems were placed in service, but most were not sufficiently completed to place in service. However, without the fire service mains, the sprinkler systems remain inoperative."

- "Most buildings have a complete lack of firestopping in fire rated walls and floors. Unless all openings in rated walls and floors are firestopped using approved methods and materials, a fire could spread very quickly from one area to another. This is especially true because the sprinklers are not in service."

- "The NEC is not ready for tests and the Contractor could not provide a timeline for completion."

The inspectors, who are licensed electrical engineers, also discovered significant problems with the electrical system and wiring. An attachment to their report documents unsafe splicing and incorrect wiring methods used throughout all buildings on the compound that do not meet either electrical codes or the contract specifications. The inspectors observed wiring problems with electrical panels, smoke detectors, and light fixtures. Many of these problems were found to be endemic throughout the Embassy. For instance, describing a photograph of faulty electrical work, inspectors noted: "Wrong wiring method. Free-wiring and open splices do not meet code or specifications." Another observation notes: "Improper wiring methods used on light fixtures. Typical throughout building."

The September 4, 2007, inspection report reveals that OBO and First Kuwaiti had been aware of these problems for nearly a year. In October 2006, OBO received reports that First Kuwaiti "is installing underground fire protection service mains that are not of the correct material, which has already resulted in stress cracking. This condition is unacceptable and was

discussed with the Contractor."[3] However, according to the 2006 report, "the contractor responsible for the underground service mains was not receptive to any corrective action."[4]

The October 2006 inspection, and subsequent inspections in March and May 2007, found numerous other problems in the fire system in the Baghdad Embassy complex. For instance an inspection report dated March 14, 2007, noted that "many of the electrical connection boxes and conduits are installed without any approved fittings."[5] It also found deficiencies in the firestopping between walls, including "openings between apartments and the apartments and corridors" throughout the staff diplomatic apartments. The inspectors warned that "all penetrations between apartments and each apartment and corridors must be suitably sealed to provide a minimum fire rating."[6]

Many of these exact concerns were raised at the Committee's hearing on July 26, but State Department officials dismissed them as minor problems akin to a "punch list" used during the purchase of a personal residence. For example, I asked General Williams about whether earlier reports of problems with embassy construction — such as those identified in interim fire inspection reports from October 2006 and March 2007 — were adequately addressed by OBO and First Kuwaiti. He responded: "There's no way to have or to put in place a new embassy compound that does not meet our specifications."[7]

General Williams continued:

> I have found with this contractor that there's never been any shyness on correcting what we bring to their attention. They want to get it right. They've tried very hard to get it right. They're not perfect. I've never seen a perfect project. There's always — when you're installing something of this magnitude there are things that are not exactly the way they should be, and that's the reason we have these check points in the process. We have a good process.[8]

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[3] U.S. Department of State, Office of Overseas Building Operations, Fire Protection Division, *Trip Report for Director Williams: Fire System Inspection Trip — Baghdad NEC* (Oct. 16, 2006).

[4] *Id.*

[5] U.S. Department of State, Office of Overseas Building Operations, Fire Protection Division, *Trip Report for Director Williams: Fire System Inspection Trip — Baghdad NEC* (Mar. 14, 2006).

[6] *Id.*

[7] House Committee on Oversight and Government Reform, Hearing on Allegations of Waste, Fraud, and Abuse and the New U.S. Embassy in Baghdad (July 26, 2007).

[8] *Id.*

Contrary to General Williams' testimony, the final inspection shows that the problems pointed out in earlier reports had been ignored by both OBO and First Kuwaiti. It now appears clear that the Embassy will require major repairs simply to meet the project specifications.

The First Kuwaiti Kickback Scheme

Documents submitted by the Department of Justice to the Federal District Court in Illinois assert that the Managing Partner of First Kuwaiti, the prime contractor on the Embassy project, personally engaged in a kickback scheme with a major U.S. contractor in Iraq in order to obtain subcontracts. This individual is Wadih El Absi. The Committee invited Mr. El Absi to testify about his company's work on the Embassy at the July hearing, but he refused to appear. The involvement of Mr. El Absi in the kickback scheme was first reported by the Associated Press on September 20, 1997.[9]

In July 2007, Anthony J. Martin, a former subcontracts administrator and manager for Halliburton subsidiary KBR, pleaded guilty in federal court to violating the federal Anti-Kickback statute in connection with the award of a subcontract to First Kuwaiti. In so doing, he admitted that in 2003 he had conspired with Mr. El Absi in a kickback scheme to award over $13 million worth of contracts to First Kuwaiti under the U.S. Army's Logistics Civil Augmentation Program (LOGCAP).[10] According to the Justice Department, the amount of the kickbacks was incorporated into the price of the subcontracts and ultimately paid by the U.S. government.[11] Court documents obtained by the Committee state as follows:

- "In or about June 2003, [First Kuwaiti's] Managing Partner offered to pay and [Mr. Martin] agreed to accept a kickback for the purpose of obtaining and rewarding favorable treatment for [First Kuwaiti] in connection with a subcontract relating to LOGCAP III."

- "Managing Partner agreed to pay [Mr. Martin] approximately US$170 per semi-tractor, per month, under any government subcontract the defendant would award to [First Kuwaiti]."

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[9] *Iraq Embassy Builder Tied to Kickbacks*, Associated Press (Sept. 20, 2007).

[10] U.S. v. Anthony J. Martin, No. 07-40042 (C.D. Ill. filed May 16, 2007) (Information); Department of Justice, Press Release: Former KBR Employee Admits Violation of Anti-Kickback Act in Awarding Military Subcontract (July 13, 2007). The court documents do not identify the individual known as "Managing Partner."

[11] U.S. Department of Justice, Press Release: Former KBR Employee Admits Violation of Anti-Kickback Act in Awarding Military Subcontract (July 13, 2007).

- "In or about June 2003, prior to the bid process for the subcontract for the 50 semi-tractors and 50 reefer trailers, Managing Partner paid [Mr. Martin] approximately US$10,000 in Kuwaiti Dinars as an advance on their kickback agreement."

- "In or about June 2003, [Mr. Martin] awarded to [First Kuwaiti] the subcontract for the 50 semi-tractors and 50 reefer trailers in the amount of approximately US$4,672,273.50. KBR designated the subcontract as Subcontract GU49-KU-S00167 ("Subcontract 167")."[12]

- "Under the kickback agreement ... [Mr. Martin] was to receive approximately US$50,240 for his awarding Subcontract 167 to [First Kuwaiti], including the US$10,000 [he] had already received."

- "On or after June 21, 2003, [Mr. Martin] and Managing Partner signed Subcontract 167 on behalf of their respective companies. The subcontract contained a notice prohibiting [First Kuwaiti] and its employees from offering any money, fee, commission, gift, gratuity, or thing of value to KBR employees for the purpose of improperly obtaining or rewarding favorable treatment in connection with a government subcontract."[13]

According to the Justice Department, Mr. Martin also admitted at his plea hearing to awarding an $8.87 million contract to First Kuwaiti. Under the kickback scheme, First Kuwaiti would have paid Mr. Martin approximately $150,265.[14]

First Kuwaiti's Past Overcharges

The Committee has also obtained an audit issued by the Defense Contract Audit Agency (DCAA) that questioned over $130 million in charges by First Kuwaiti for other work in Iraq. DCAA issued this audit on March 20, 2005, several months before the State Department awarded First Kuwaiti the contracts to construct the Embassy in Baghdad. Like the involvement of Mr. El Absi in a kickback scheme, this audit should also have been a red flag warning the State Department away from First Kuwaiti.

In its audit, DCAA reported that First Kuwaiti may have significantly overcharged the government on a subcontract under KBR's LOGCAP contract to provide living containers to the

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[12] According to the Defense Contract Management Agency, Subcontract GU49-KU-S00167 under LOGCAP III was held by First Kuwaiti General Trading & Contracting Company.

[13] *U.S. v. Anthony J. Martin*, No. 07-40042 (C.D. Ill. filed May 16, 2007) (Information).

[14] Department of Justice, Press Release: Former KBR Employee Admits Violation of Anti-Kickback Act in Awarding Military Subcontract (July 13, 2007).

U.S. military. In particular, DCAA found that First Kuwaiti was charging double the median cost charged by its supplier. In the audit, DCAA found:

- First Kuwaiti "is a reseller of Red Sea Housing products. In a direct comparative analysis of [First Kuwaiti] living unit prices to those of Red Sea, the [First Kuwaiti] price is almost double that from Red Sea."

- "KBR essentially paid [First Kuwaiti] ... over 260% of the price that KBR could have acquired comparable living units.[15]

DCAA provided the Committee with a briefing on the overcharges in February 2007. During that briefing, DCAA stated that it had disapproved over $50 million paid to KBR on the First Kuwaiti living container subcontracts. Slides from that briefing stated that KBR paid First Kuwaiti for "alleged delays and double handling costs" and that KBR "selectively used higher priced subcontractors without justification."[16] In September, DCAA told Committee staff that it had disapproved $82 million paid to KBR on the First Kuwaiti living container subcontracts. DCAA also informed Committee staff that the remaining $49 million in questioned costs were still being disputed by KBR. According to DCAA, the Army has not sustained any of the $130 million in costs questioned by DCAA.[17]

In preparation for the Committee's hearing in July, the Committee asked for information on the State Department's decision to award the Baghdad Embassy construction contracts to First Kuwaiti on July 8, 2005, and September 16, 2005. Senior State Department officials told the Committee that prior to the award of the contracts, the State Department conducted a "thorough review" of First Kuwaiti's past performance on federal contracts.[18] They also told the Committee that First Kuwaiti's "experience in the region" was a key factor in awarding the company a contract to build a facility to house embassy security guards.[19] There was no mention of First Kuwaiti's overcharges under the Defense Department contract.

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[15] Defense Contract Audit Agency, *Audit Report No. 2131-2005-22-000001* (Mar. 20, 2005).

[16] Defense Contract Audit Agency, DCAA Contract Audit Support for Iraq Reconstruction (Feb. 2007).

[17] House Committee on Oversight and Government Reform, Telephone Conversation with Defense Contract Audit Agency (Sept. 27, 2007).

[18] House Committee on Oversight and Government Reform, Meeting with Deputy Assistant Secretary of State William Moser, et al. (July 20, 2006).

[19] House Committee on Oversight and Government Reform, Hearing on Allegations of Waste, Fraud, and Abuse and the New U.S. Embassy in Baghdad (July 26, 2007).

Conclusion

Based on the information the Committee has received, I do not understand why the State Department would rely upon First Kuwaiti to build the largest embassy in the world. The bribery incidents, which occurred well before the contract award, implicate the company's Managing Partner in an illegal kickback scheme. DCAA's audit, which was released just months before the selection of First Kuwaiti, raises red flags about the company's performance and billing practices. These should be inescapable warnings about the wisdom of entrusting such a crucial project to First Kuwaiti.

I also do not understand why the Committee was misled by State Department officials about the status of the Embassy project at the July hearing. Given the importance of the Embassy to the State Department's mission in Iraq, the extent of the construction problems, and the prior warnings that had been raised, it would appear to be gross incompetence if the Department's senior management were unaware of the defects at the Embassy when they testified before the Committee.

Increasingly, it appears that the State Department's efforts in Iraq are in disarray. The Committee's investigation revealed that the Department's oversight of Blackwater has been exceptionally lax. Both the Committee's investigation and the testimony last week of Special Inspector General Stuart Bowen and Comptroller General David Walker raise serious questions about the effectiveness of Department's efforts to combat corruption in Iraq. Now the Committee is learning that the Embassy project, which is apparently being built by a contractor with a record of bribery and poor performance, has serious construction deficiencies.

I continue to believe that you should testify before the Committee to address these issues.

In addition, I ask that you provide the Committee with the following documents and information about the Embassy project by noon on October 19, 2007:

1. All documents sent to or from James L. Golden, Mary French, or Maj. Gen. Charles Williams relating to concerns, deficiencies, or substandard work involving construction of the Baghdad Embassy, including communications to and from officials at the State Department, embassy, other U.S. government agencies, First Kuwait General Trade and Contracting Company, KBR, and other inspectors;

2. All documents relating to the evaluation of the bids received for construction at the New Embassy Compound and adjacent guard camp;

3. All documents relating to First Kuwait's performance or involvement in any illegal activities under any other U.S. government contracts;

4. All communications between State Department officials and First Kuwaiti officials regarding the Committee, the Committee's investigation, the Committee's document requests, or the Committee's hearing on July 26, 2007;

5. All communications between Wadih El Absi and State Department officials or contractors; and

6. A copy of the 32-page report submitted by the State Department to Congress referred to in *Iraq Embassy Cost Rises $144 Million Amid Project Delays,* Washington Post (Oct. 7, 2007).

I also ask that the Department provide a briefing to Committee staff on or before October 19, 2007, on the current timeline for the completion of the new Baghdad embassy, the Department's plans for correcting the construction deficiencies, and the processes by which the State Department considers contractors' past performance and initiates suspension and debarment proceedings.

The Committee on Oversight and Government Reform is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. Enclosed with this letter is additional information about how to respond to the Committee's document request. For your reference, I am attaching copies of the court documents and DCAA materials the Committee has obtained.

If you have any questions, please contact me or ask your staff to contact Theodore Chuang or Margaret Daum of the Committee staff at (202) 225-5420.

Sincerely,

Henry A. Waxman
Chairman

Enclosures

cc: Tom Davis
Ranking Minority Member

Questions from Representative Jason Chaffetz (#3)
Committee on Oversight and Government Reform

July 10, 2014
Lydia Muniz

REP. CHAFFETZ: Let's go to Port Moresby for a second. Because I had a chance to go visit there in February. When was that originally slated to be completed?

MS. MUNIZ: In 2014.

REP. CHAFFETZ: May of 2014, correct?

MS. MUNIZ: Yup.

REP. CHAFFETZ: And now when is it slated to be completed?

MS. MUNIZ: In early 2018.

REP. CHAFFETZ: So they're having to stay in the same facility. It's exceptionally dangerous, correct?

MS. MUNIZ: The reason Port Moresby is on the vulnerability list and getting a new embassy is because it's dangerous.

REP. CHAFFETZ: When did you get the final determination that the Marines were going to be located at Port Moresby?

MS. MUNIZ: The embassy that is being built in Port Moresby was based on numbers that were provided in 2008. As the committee members know, the numbers and the program for embassies is not set by OBO. It's set by the policy –

REP. CHAFFETZ: I'm asking you when did you get notification that Marines would be located at Port Moresby.

MS. MUNIZ: We awarded a contract in 2011. Two years into the construction of that project, we were notified that Marines would be going to Port Moresby and that a staff of 41 had increased by 31. Including the Marines, that's a doubling of the size of the embassy.

There was no way to continue with the project in a way that allowed us to deploy our resources intelligently, that would have allowed Diplomatic Security to certify the building and to co-locate all of the staff. We made the modifications that were necessary, based on real changes that reflected American priorities in Port Moresby –

REP. CHAFFETZ: I'm going to try again. When did you get the official notifications that you were getting Marines?

MS. MUNIZ: 2013.

REP. CHAFFETZ: Can you provide that to this body?

MS. MUNIZ: Yes.

REP. CHAFFETZ: And when will I get that?

MS. MUNIZ: The department is part of that answer, so we will provide that as quickly as possible.

REP. CHAFFETZ: This is the challenge, Chairman.

If it's so dangerous and they need Marines, why aren't they there now?

MS. MUNIZ: The deployment of Marines is not something which is within OBO's purview. So I would refer that question back to -- we could get back to you on that.

Answer:
Port Moresby and 34 other posts were identified for an MSG detachment activation. At the time, Port Moresby's threat rating for terrorism and political violence were medium. DS began discussions with OBO on the plan to activate a Port Moresby detachment in early January 2013.

As part of this discussion, DS and USMC agreed that before any detachment could be activated, the mission would need to be able to provide the detachment with safe housing, a functional Post 1, and enough space inside the mission so that the detachment could set up and conduct operations. It was agreed that the identified 35 posts would be activated as soon as they could meet this criteria, and a timetable would be developed based on the projected dates posts could meet the requirements.

In February 2013, DS and OBO began assessing the posts to determine how quickly each facility could meet the minimum requirements established by DS and USMC. It was determined that Port Moresby did not have enough available space inside the Chancery to support MSG Operations nor could Post identify appropriate housing for the MSGs in the vicinity of the Embassy. Based on this assessment, DS determined to activate Port Moresby in conjunction with the completion of an NEC that would include an MSGR on the NEC compound.

Hearing of the House Oversight and Government Reform Committee

Subject: "Examining New Embassy Construction: Are New Administration Policies Putting Americans Overseas in Danger?"

Chaired by: Representative Darrell Issa (R-CA)

July 10, 2014
Lydia Muniz

Take Back 4

Rep. Walberg: *Thank you, Mr. Chairman. And thank you to the panel for being here. And, you know, I'd just open my statement having had the privilege to travel to a number of embassies and consulates in regions of great insecurity.*

My impression of our public servants that are in those positions was enhanced, increased, almost disbelief that someone would take those positionings. So we do want to make sure that they're cared for appropriately, want to make sure the taxpayers are cared for appropriately as well. And I would add my comments to those already requesting that you please convey to people who can get us documents that we've been requesting. It's so important.

When I've been listening to questioning already and find disagreements on numbers, on size figures and things like that simply because we don't have the

information and we can't do the work. I don't expect any hard drive to break down. I hope not, before we get that information. But we really need that.

In your testimonies, Ms. Muniz and Mr. Jones, you talk about the development of design excellence. You talk how working with them was a very participatory process within the State Department. Can you describe how the Bureau of Diplomatic Security participated in development of divine excellence -- we know that works, but design excellence? Your microphone, please.

Ms. Muniz: *I'm sorry. The foundation of –*

Rep. Chaffetz: *If you can move that microphone up closer, thank you.*

Ms. Muniz: *I'm sorry. The foundation of the excellence initiative, sort of our base going in statement was we are not changing the security standards, period. I have been in discussions with my colleagues in diplomatic security at the highest levels and at the working level and have made that assurance. I think that that is what is most important to them and they have every reason to insist that that still be the case.*

Rep. Walberg: *Did they clear –*

Ms. Muniz: *Yes.*

Rep. Walberg: *-- on design excellence?*

Ms. Muniz: *They cleared on our process, yes, and they support the process.*

Rep. Walberg: *Who cleared?*

Ms. Muniz: *I would have to get back to you on the clearances. But again, how we put those buildings together is in the responsibilities of the Bureau of Overseas Buildings Operations to the degree that we continue to build facilities that meet all of diplomatic security's concerns, that's what they need to sign off. In addition to understanding that we not add cost or add time to schedules in a way that would also jeopardize security. And we have committed to not doing that.*

Response (September 2014): The Bureau of Overseas Buildings Operations (OBO) has continued to work with the Bureau of Diplomatic Security (DS) throughout the development of the Excellence initiative, maintaining many of the routine interactions from the era of Standard Embassy Design. DS establishes the security standards and issues waivers and exceptions. DS is a key team member and participates in the site selection process, ensuring that any site the Department seeks to purchase meets all required security standards. Many different offices in DS participate in all stages of design, including the review of the designs of each project. For all projects that require it, DS certifies to Congress that the design and construction meets all security standards. Additionally, at the end of the

construction process, DS accredits the facility as having met all requirements. DS has worked closely with OBO to develop new security standards and works with OBO on additional security measures beyond those prescribed by the Overseas Security Policy Board (OSPB). OBO and DS officials convene a weekly Risk Management meeting, where discussions have included Excellence issues.

In addition to their work on security standards and individual projects, DS participated in several of the working groups that developed OBO's "Guiding Principles of Excellence in Diplomatic Facilities" in 2010-11. In 2013, DS reviewed OBO's draft *Guide to Excellence in Diplomatic Facilities*, outlining the goals and processes involved in carrying out our mission of delivering safe, secure, functional facilities under the Excellence initiative. OBO sent a copy of the draft *Guide* to DS for their review on August 16, 2013. DS Principal Deputy Assistant Secretary Gregory Starr (at the time, the acting Assistant Secretary) cleared the document with some minor edits on September 6. OBO continues to work with DS as we refine and implement the Excellence initiative to ensure that our projects meet all of the required security standards.

GUIDE TO DESIGN EXCELLENCE

I have spoken frequently about the importance of diplomacy in advancing our nation's foreign policy. I mean diplomacy in its broadest sense--diplomacy that reaches beyond government policies, beyond the halls fo foreign ministries and presidential palaces. Diplomacy that directly touches the lives of everyday people. That evokes our universal aspirations as human beings.

'e works of our artists, chitects, and preservationists provide us with another language of diplomacy. A transcendent language that allows us to convey values that are at once uniquely American yet speak to all of humanity. Increasingly in this world, art and architecture help us maintain our sense of openness and liberation.

Secretary of State Hillary Rodham Clinton, April 12, 2010

Last Updated 7/16/2013

MESSAGE FROM OBO DIRECTOR LYDIA MUNIZ

We fly the flag at over 270 diplomatic missions, primarily embassies and consulates. Diplomatic facilities are platforms from which the United States generates influence throughout the world, but they also embody the physical presence of the United States beyond our borders and are iconic symbols of the values and aspirations of the American people. The vast majority of people in the world will never have the privilege of visiting our country. For many millions of people, our embassies and consulates are as close as they will ever come to the United States. Our buildings should represent American ideals–from dignity and stability to openness and innovation.

The Bureau of Overseas Buildings Operations (OBO) has much to be proud of as we look back on past accomplishments. We have come a long way since the August 1998 bombings of the United States embassies in Nairobi and Dar es Salaam. Since 1999, as part of the Department's Capital Security Construction Program, OBO has completed 89 new diplomatic facilities and has an additional 43 projects in design and construction. The program has successfully moved more than 27,000 people into new diplomatic facilities, furthering OBO's mission to provide safe, secure and functional facilities that represent the U.S. government to the host nation and support our staff in achieving U.S. foreign policy objectives.

As Secretary Hillary Rodham Clinton said in her welcoming remarks to State Department employees in 2009, "This is going to be a challenging time and it will require 21st century tools and solutions to meet our problems and seize our opportunities." At OBO, it is our strong belief that Excellence in Diplomatic Facilities is both a tool and a solution to advance a new generation of secure, high-performance, sustainable diplomatic and consular facilities that support the conduct of American diplomacy.

Excellence in Diplomatic Facilities is a holistic approach to OBO's work, drawing upon expertise in many areas–project management, architecture, engineering, construction, security, urban design, landscape architecture, interior design, art, sustainability, maintenance, and operations. Implementation of Excellence enhances our ability to provide outstanding facilities representing American values and the best of American talent, innovation, and technology. In achieving this goal, we will provide the best value for the American taxpayer and the U.S. government tenants of our diplomatic facilities.

This initiative will lead to a coordinated set of processes that allow OBO to achieve ever-higher degrees of excellence. As our implementation progresses, OBO will update this website with new programs and procedures.

I am proud that we have made Excellence in Diplomatic Facilities the way forward for OBO.

NEW AND UPDATED PAGES

Design Excellence - Updated 3/23/2012
Planning - Updated 3/23/2012
Operations & Maintenance - Updated 3/23/2012
Design - Updated 3/23/2012
Construction - Updated 3/23/2012

GUIDE TO DESIGN EXCELLENCE

Guiding Principles

GUIDING PRINCIPLES FOR EXCELLENCE IN DIPLOMATIC FACILITIES

Concerned over the declining quality of government buildings, President John F. Kennedy convened an ad hoc committee to ensure that Federal architecture continued to represent American ideals—from dignity, stability, and vigor to embodying the finest design of its time. That ad hoc committee set forth Guiding Principles for Federal Architecture, authored by Daniel Patrick Moynihan. Those guiding principles are just as relevant today—although they would very likely be expanded to include the importance of security, sustainability, and flexibility in our resource-constrained and rapidly changing world.

The U.S. Department of State's Bureau of Overseas Buildings Operations (OBO)—following in the footsteps of the General Services Administration (GSA) and the Design Excellence program it developed in the 1990s—is renewing its commitment to excellence and implementing an Excellence program for U.S. embassy and consulate facilities. The Guiding Principles of this new Department of State program, based on the 1962 Guiding Principles for Federal Architecture, are articulated below. The Principles are the foundation of OBO's new Excellence program. They provide a conceptual road map to guide the work of each person and office in OBO, as we pursue our mission to provide secure, safe, and functional facilities that represent the U.S. government to the host nation and support our staff in the achievement of U.S. foreign policy objectives.

Delivering Excellence is a comprehensive process that seeks to utilize the best methods, technologies, and staff abilities. Each office, person, and action in OBO will contribute to the realization of this goal. If the guiding principles below are applied, OBO will produce facilities that are outstanding in all respects. OBO project teams are challenged to apply all of these principles, coordinate their efforts, and deliver built embassy complexes that represent the best of American architecture, design, engineering, technology, art, and culture.

Purpose and Function

Embassies and consulates have two essential purposes: to be safe, functional, and inspiring places for the conduct of diplomacy, and to physically represent the U.S. government to the host nation. A facility that represents the best of American architecture, design, engineering, and construction will be an appropriate workspace, contextually appropriate, and a respected landmark—representing the best of American government, enterprise, and culture—in the host nation.

Site

The site and location of an embassy has practical as well as symbolic implications. OBO will develop sites that best represent the U.S. government and its goals, and enhance the conduct of diplomacy. Whenever possible, sites will be selected in urban areas, allowing U.S. embassies and consulates to contribute to the civic and urban fabric of host cities. Special attention will be paid to the general ensemble of surrounding buildings, streets, and public spaces of which embassies and consulates will form a part.

Design

The design of buildings and sites is a comprehensive process of understanding and balancing requirements and incorporating them into a thoughtfully conceived, cohesive, and coherent whole. OBO will evaluate designs on the basis of their success in skillfully balancing requirements, and on how well the design represents the United States to the host nation. Designs are to be functionally simple and spatially flexible to meet changing needs and be enduring over time. An official embassy style will be avoided. Buildings are to be welcoming, while representing dignity, stability, innovation, humanity, and openness. Ostentation is not appropriate. Designs will be cost-effective, employing an economy of means and methods. The design will be responsive to its context, to include the site, its surroundings, and the local culture and climate. The design will make use of contextually appropriate and durable materials.

The grounds and landscaping will be as important as the architecture and together are to be conceived as an integrated whole. The grounds will be viewed as functional and representational space. They will be sustainable, include indigenous plantings, and incorporate existing site resources, such as mature trees.

Engineering

The engineering of facilities will incorporate the most advanced methods, systems, technologies, and materials appropriate to the facility and local conditions, including the site, climate, natural hazards, and the practical reality of construction, operations, and maintenance in the host nation.

Safety and Security

The safety and security of staff and visitors is paramount. Designs and construction will meet or exceed all security and safety standards and specifications. Architects and engineers will be challenged to

develop ever-improving methods, materials, and solutions and to thoughtfully integrate these into overall designs.

Sustainability

Buildings and grounds will incorporate sustainable design and energy efficiency, and these features will be integrated into their design. Construction, maintenance, and operations practices will be sustainable. Particular attention will be given to the climate, context, and site conditions.

Architectural and Engineering Professional Services

OBO will seek to hire leading American architects and engineers to produce the best designs. Their selection will be based on the quality of their design achievements and portfolio of work, and the selection methodology will be open, competitive, and transparent.

Construction and Craftsmanship

Construction professionals are partners in Excellence and will be engaged throughout the process to ensure the best possible design and implementation. OBO is committed to using the best construction practices and craftsmanship possible and every effort will be made to utilize the most qualified building contractors with a record of delivering high quality projects.

Operations and Maintenance

Operations and maintenance professionals are also partners in Excellence and will be engaged throughout the process. Buildings and sites will be economical to operate and maintain and will utilize equipment and materials that are durable, dependable, and suitable. Designs will be based on life cycle analysis of options that take into account long-term operations and maintenance concerns. Design intent and features will be maintained throughout the life of the facility, using the best stewardship practices.

Art

Embassy buildings and grounds are an opportunity to showcase the best of American and host nation art and culture. OBO is committed to integrating such art into its facilities such that each property will be both an individual expression of Excellence and part of a larger body of work representing the best that America's designers and artists can leave to later generations.

Historically, Architecturally, or Culturally Significant Properties and Collections

OBO is committed to preserving the Department's historical, cultural, and architectural legacy. The Secretary of State's Register of Culturally Significant Property is the official listing of important diplomatic architecture overseas and properties that figure prominently in our country's international heritage. OBO is also committed to the development of a world class stewardship program dedicated to the proper conservation and maintenance of the Department's culturally significant historical properties and assets.

HOME

GUIDE TO DESIGN EXCELLENCE

PLANNING DESIGN CONSTRUCTION OPERATIONS & MAINTENANCE RECOGNIZING EXCELLENCE

Guiding Principles
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History

OVERVIEW

With the input of Congress, as well as tenant agencies and other bureaus of the Department of State, the Bureau of Overseas Buildings Operations (OBO) manages the worldwide facility needs of all personnel who serve abroad under the authority of a chief of mission. These include the design, construction, maintenance, repair/rehabilitation, use, acquisition, and sale of overseas real property, including offices, housing, warehousing, and support space.

The Department of State's inventory of buildings can be described according to the following periods:

- Existing and Historic Buildings Adapted for Embassy Use
- Early Purpose-Built Embassies, 1926 to 1950
- Modern Era of Embassy Office Buildings, 1950 to 1984
- Inman Security Program Buildings, 1984 to 1992
- Intervening Years, 1992 to 1998
- Capital Security Construction Program, 1998 to Present:
  - Capital Security Cost Sharing (Introduced in 2003)
  - Standard Embassy Design Projects (Introduced in 2002)
  - Unique Projects (Berlin, Beijing, and Athens Annex)

HISTORY

American diplomats protect the interests and promote the values of the United States, and of U.S. citizens, in the host country in which they serve. They negotiate with the host government to promote U.S. interests, and bilateral economic, cultural, and scientific relations. They report on events, conditions, and developments. An Embassy serves as the office of diplomatic representatives in the capital city of another country. Consulates and Consulates General are located in non-capital cities, but often have similar functions and requirements.

The State Department uses the term "post" to refer to any Foreign Service establishment maintained by the United States abroad. The size and structure of diplomatic missions vary, but often include the following:

- **Political and Economic Sections** address political and economic developments. Political officers analyze host country political events and must be able to negotiate and communicate effectively with all levels of foreign government officials. Economic officers work with foreign governments and other U.S. government agencies on technology, science, economic, trade, energy, and environmental issues.
- **Consular Sections** adjudicate visa applications for host country citizens and third country nationals who want to visit the United States, assist and protect U.S. citizens overseas, facilitate adoptions, combat fraud, and issue and renew U.S. passports.
- **Public Affairs Sections** include press officers who fulfill official spokesperson duties, liaise with the local press, and manage posts' websites and social media platforms; and cultural affairs officers who initiate and support a wide range of U.S. government outreach and manage cultural, academic, professional, and youth exchange programs.
- **Management Sections** manage embassy operations, from real estate to people to budget.
- **Foreign Aid Offices** (often the U.S. Agency for International Development, known as USAID) oversee the distribution and implementation of foreign assistance.
- **Defense Attaché Offices** are responsible for the official military-to-military contact between the governments.
- Other offices may include security, agriculture, commerce, science, health, and military sales.

Many of the duties of today's Foreign Service Officers—such as negotiating with foreign governments, reporting on political and economic issues, and assisting American citizens—were familiar to the earliest

U.S. diplomats. The first diplomatic missions were simple, as befitted a newly independent democracy. Initially, the United States had missions in only a few countries. As U.S. political and economic power grew over time, the number of American missions and diplomats increased, requiring larger, more complex facilities. Congress gradually gave the State Department the ability to manage its own real estate portfolio—to purchase, sell, and construct needed facilities. Over the years, the pace of construction has ebbed and flowed, based upon congressional funding.

The Tangier legation, the oldest diplomatic property continuously owned by the United States, was a gift of the Sultan of Morocco in 1821. Previously, the United States had not held title to any foreign property. Diplomats (who represented the U.S. government) and consuls (who handled passports, visas, and related business matters) were responsible for their own lodgings and offices throughout the 1800s—restricting diplomatic service to those who could afford these costs. Some, such as the first American diplomat in Seoul, Korea, later gifted their properties to the U.S. government.

The 1898 Spanish American War made the United States an international political and economic power. However, in 1910, the United States owned properties in only four capitals—Peking, Tokyo, Bangkok, and Constantinople.

In the 1911 Lowden Act, Congress gave the U.S. government the authority to purchase land and construct buildings for diplomatic missions overseas. In the 1920s the U.S. government took responsibility for acquiring office space and living quarters, reducing the need for private wealth as a prerequisite to a diplomatic career. (The 1924 Rogers Act created a Foreign Service with combined diplomatic and consular services, entry through competitive exams, and merit-based promotion.) However, many posts remained in poor condition. In response to continued complaints by American businessmen and others embarrassed and inconvenienced by the dilapidated state of U.S. posts overseas, the 1926 Porter Act created the Foreign Service Building Commission (FSBC). Consisting of the Secretary of State, other Cabinet members, and members of Congress, the FSBC was authorized to oversee the purchase and construction of diplomatic facilities, with a significantly increased budget. A small office in the State Department gathered data, prepared budgets, and developed plans, but the Supervising Architect of the U.S. Treasury oversaw the preparation of working drawings and specifications, often employing private architects to do the work.

The State Department used this new authority to expand its acquisition of property, most often in South America and the Far East, where hot, tropical climates made life more difficult for diplomats. New facilities were usually designed in the American colonial tradition, with its roots in classical styles, or the Beaux Arts. Presidential residences such as Monticello and the White House served as models for U.S. embassies. Buildings available for purchase or lease were generally large homes adapted for official use. In contrast, the new Embassy in Paris, completed in the early 1930s, was an example of a new purpose-built building type: This large office building on the Place de la Concorde included spaces specifically designed for consular and ceremonial functions. During the Depression, building designs focused on functionality rather than elaborate decoration. Diplomatic and consular offices were combined in one building where possible, for greater efficiency.

In 1941 the State Department took full responsibility for overseeing embassy designs from the Supervising Architect of the Treasury. The FSBC ceded much of its responsibilities to what would later be named the Department's Division of Foreign Buildings Operations (FBO) before World War II halted construction. A 1945 law allowed the Secretary of State to sell diplomatic facilities and use the proceeds to acquire, construct, and furnish other government-owned properties. Previously the Department could acquire and construct facilities, but could not dispose of unneeded real estate.

World War II clearly established the United States as a world power. The Department increased the number of its embassies as part of a global effort to counter Soviet influence in the emerging Cold War. Newly decolonized nations in Asia and Africa wanted appropriate levels of U.S. diplomatic and consular representation. The building program expanded greatly. Embassies grew larger to accommodate overseas staff from other U.S. government agencies. Developments in communications required larger, more complex plans. The new U.S. Information Agency needed libraries, auditoriums, and exhibition halls. Congress authorized relatively large sums for property acquisitions in 1946 and in 1952, funded primarily by payments from foreign governments for wartime and postwar economic assistance programs such as Lend Lease and the Marshall Plan, and the disposal of surplus war property. Again, the program targeted "hardship" posts with the worst climates and fewest amenities.

In addition to consolidated, secure office space, FBO acquired representational housing for ambassadors and other senior officers, and safe, inexpensive, and unobtrusive housing for U.S. personnel where it was not locally available. An early emphasis on purchasing existing buildings shifted to new construction in the 1950s, with facilities specifically designed for increasingly complex activities. FBO employed as much local labor and material as possible, but relied upon U.S. architects for the design. Most of the new facilities were in the modern, highly functional "international" style, and featured extensive use of glass with limited articulation of façades.

Some Members of Congress and professional architects felt that the international style failed to adequately reflect vital and creative contemporary U.S. design. Amendments in 1952 to the Foreign Service Buildings Act called for diplomatic facilities "designed to be as distinctively American as possible without clashing with the surrounding buildings." In 1954, after a Congressional investigation of FBO's administration, architectural style, and site selection, the Secretary of State created a three-person Architectural Advisory Committee (later renamed the Architectural Advisory Board). Under the new system, architects submitted their portfolios to FBO, which then selected a firm for a given project. The committee reviewed the work of the selected firm as their design developed, and helped the architect to resolve any problems. FBO reviewed and approved finished drawings and had an American supervisor

continually on site during construction. FBO designed interiors, provided furniture, and handled landscaping. It was also responsible for ongoing repairs and maintenance.

In 1953 FBO outlined its first architectural policy. It stated that buildings should be "dignified and economical to build, operate, and maintain" (Loeffler, p. 118). The building program was not to function as an architectural research lab. Facilities were to be based on a written program, developed by FBO. They should be practical and unpretentious rather than conspicuous. They should fit in with their surroundings, and be admired by the host country. At the same time, there was a push to make the buildings uniquely American.

Leading modern architects designed many of these embassies, which were seen as representative of American progress, power, and freedom. They were often centrally located, on prominent sites. After a boom in construction between 1954 and 1960, growth slowed in response to world events, as well as reduced Congressional funding; the Vietnam War led to a construction freeze.

The second half of the 20th century brought an increased focus on security. Concerned about electronic and conventional espionage, in the early 1950s, Congress expressed a preference for owned facilities, allowing greater control and specialized construction. Mobs protesting U.S. involvement in Vietnam attacked several embassies, raising new concerns. In 1965 a bombing of the Embassy in Saigon killed three employees. Subsequent embassy designs emphasized perimeter defenses and secure areas, and incorporated newly designed blast-resistant materials. The 1979 hostage crisis at the Embassy in Tehran, Iran, and the storming of the U.S. Embassy in Islamabad, Pakistan, increased security measures further. The 1983 attack on the U.S. Embassy in Beirut, Lebanon, led to a reorganization of FBO and an overhaul of diplomatic security, directed by the Inman Commission, which set new security standards, including setback and blast-resistance requirements, and recommended that posts be located on more remote sites. The Commission charged FBO with replacing embassies and consulates that failed to comply with new security standards. To meet this global challenge, FBO underwent a major reorganization, and significantly expanded staff numbers and capabilities. The Department enlisted a private sector support contractor to assist with the reorganization and execution of the program. The "Inman buildings" of the 1980s and 1990s incorporated new and evolving security standards, which added to the complexity and cost of embassies. During this period, FBO continued to hire leading U. S. architects for the designs. The Department completed less than a quarter of the planned projects due to a lack of funding.

Following the tragic 1998 bombings of the U.S. Embassies in Nairobi, Kenya and Dar es Salaam, Tanzania, Secretary of State Madeline Albright formed the Overseas Presence Advisory Panel to study the U.S. profile abroad and the condition of the Department's facilities. In its review, the Panel noted unsafe, overcrowded, deteriorating, and "shockingly shabby" conditions at a number of U.S. embassies and consulates, and found that more than 85 percent of the diplomatic facilities abroad were vulnerable to future attacks. Its final report issued both broad and specific recommendations for the future of the Department's building program, and led to Congress's 1999 enactment of the Secure Embassy Construction and Counterterrorism Act (SECCA), which codified security requirements such as a 100-foot setback between the building and street. SECCA also required the Department to maintain a list of diplomatic facilities to be scheduled for replacement based on their vulnerability to attack.

The Department of State elevated the Office of Foreign Buildings Operations to the Bureau of Overseas Buildings Operations (OBO), and tasked OBO with replacing more than 180 aging embassies that did not meet the new security standards, an undertaking without precedent in Department history. To achieve the goal, the Department worked closely with the Office of Management and Budget, as well as the U.S. Congress, to ensure that a reliable funding source was put in place. The program is funded based on the concept of cost sharing, where all U.S. government agencies with staff overseas contribute to the program based on their proportional presence overseas. The Capital Security Construction Program creates multi-year construction schedules which are regularly adjusted based upon the annual vulnerability list required by SECCA.

An Industry Advisory Panel, created in 2001, advises OBO in regards to industry and academia's latest concepts, methods, best practices, innovations and ideas related to property management.

The new Maintenance Cost-Sharing program will allow OBO to conduct much-needed major rehabilitation projects on facilities not scheduled for replacement, thereby preserving legacy properties and address a backlog of maintenance needs. Funding for maintenance, repair, and rehabilitation had previously not kept pace with the aging of the U.S. government's overseas legacy portfolio and the technical maintenance requirements of new construction.

OBO continues to address the important question of how to balance the many requirements of a diplomatic mission, including important concerns for security, with the need for diplomatic facilities that are culturally and architecturally appropriate and represent American values. To this end, and in response to support and ideas from the American Institute of Architects, key Congressional interlocutors, and others, OBO outlined a Design Excellence Program in April 2011 that builds upon the success of the existing program while more holistically approaching the planning, design, construction, operation, and maintenance of diplomatic facilities.

RESOURCES

Loeffler, Jane C. *The Architecture of Diplomacy: Building America's Embassies.* An Adst-Dacor Diplomats and Diplomacy Book. New York: Princeton Architectural Press, 2011. This academic study traces the history of the State Department's building program.

http://www.history.state.gov/departmenthistory/short-history - A short history of the Department of State by its Office of the Historian

Inventory and Organization

OBO'S MISSION STATEMENT

The mission of the Bureau of Overseas Buildings Operations (OBO) is to provide safe, secure, and functional facilities that represent the U.S. government to the host nation and support our staff in the achievement of U.S. foreign policy objectives. These facilities should represent American values and the best in American architecture, design, engineering, technology, sustainability, art, culture, and construction execution.

OBO'S PORTFOLIO

The Department's overseas portfolio has expanded to meet the needs of a complex and evolving foreign policy. OBO's Director serves as the single real property manager for the U.S. government's diplomatic properties overseas, including a portfolio of:

- 275 diplomatic missions (posts)
- 1,119 office spaces (owned and leased)
- 14,175 residences (owned and leased)
- 38.5 million square feet owned
- 38.1 million square feet leased

(The total of 275 posts, accurate as of January 2012, is provided by the State Department's Office of Resource Management and Organization Analysis. The last four bullets are based on information in the Department of State's Federal Real Property Profile of September 2011.)

When used to describe a physical location, the term "Embassy" refers to an entire diplomatic compound in a capital city. As described below, the Department of State's inventory of buildings goes beyond chanceries, consulates, and offices.

- **Chancery:** The office building or buildings in which a diplomatic mission is housed. Staff who work here include the diplomats responsible for political matters, as well as administrative and other personnel.
- **Consulate or Consulate General Buildings:** The office building of a Consulate or Consulate General; similar to a Chancery, but located in a non-capital city.
- **Ambassador's Residence:** These homes are provided to the Chief of Mission as their official residence; in addition to their residential function, they are also a venue for social events to further the interests of the United States. A Principal Officer's Residence houses the Consul General and serves a similar representational function in a non-capital city. Senior-level staff housing is also intended to serve a representational function.
- **Marine Security Guard Quarters:** If a detachment of U.S. Marines is assigned to the post, the Department provides shared housing, including common recreational and fitness areas.
- **Staff Housing:** The Foreign Service Buildings Act authorizes the U.S. government to provide housing for U.S. citizens assigned to U.S. missions abroad, in order to provide safe and secure housing that is adequate to meet the personal and professional requirements at a cost most advantageous to the U.S. government. These homes may be owned or leased. In some cases they are located on the embassy compound, due to security reasons.
- **Compound Access Control Facilities:** These allow the post to control vehicular and pedestrian access to the compound, and to welcome visitors.
- **Service Buildings and Warehouses:** Depending upon the local services that are available, as well as the mission's security needs, an embassy compound may include a warehouse, facilities maintenance shops, water storage or treatment facilities, and other support elements.

OBO'S ORGANIZATIONAL STRUCTURE

OBO is currently divided into five directorates, as seen in the organizational chart linked here.
OBO Organizational Chart

OBO PROJECT TYPES

OBO designs, manages, and executes a wide range of construction projects, ranging from New Embassy Compounds, major rehabilitations, or smaller renovations, to physical security upgrades and the repair and maintenance of significant elements of building systems.

- **Capital Construction:** Provides for the site acquisition, design, and construction of new facilities.
- **Major Rehabilitation:** Upgrades deteriorating building facilities and systems.
- **Physical Security Upgrades:** Upgrading compound perimeters and structures to ensure secure U.S. mission facilities.
- **Lease Fit-Outs:** Modify and adapt a commercially leased space to meet the Department's functional, safety, and security needs.
- **Repair and Improvement Projects:** Restore, alter, modernize, and construct facilities essential to providing a safe, secure, and functional environment. They repair or improve fire protection systems, utility systems, energy conservation technologies, elevators, roofs, facility improvement to mitigate natural hazards, remediate environmental hazardous materials contamination, and provide uniform accessibility to facilities.

GUIDE TO DESIGN EXCELLENCE

Design Excellence Program

OVERVIEW

OBO defines Design Excellence as the provision of safe, secure, high quality, high performance facilities that provide the best value to all stakeholders and users. The goal is to create the most appropriate, practical, and inspiring buildings with spaces tailored to American diplomacy. Design Excellence addresses all aspects of OBO's portfolio, from the conception of a new building to the operation of both new and existing facilities. By applying the Guiding Principles of Design Excellence, OBO will produce facilities that are outstanding in all respects. OBO project teams are challenged to apply all of these principles, coordinate their efforts, and deliver built embassy and consulate complexes that represent the best of American architecture, design, engineering, technology, sustainability, art, culture, and construction execution.

OBO began the process of developing its Design Excellence program when its leadership established the "Guiding Principles of Design Excellence in Diplomatic Facilities" in April 2010. These Guiding Principles are the conceptual foundation of OBO's new Design Excellence initiative to improve the quality, safety, and performance of U.S. diplomatic facilities. It was important to start with broad and timeless goals, but it was understood that these principles were only the first step.

The Guiding Principles articulate the fundamental design goals of all of OBO's projects. These include the integration of purpose, function, flexibility, safety, security, sustainability, art, and maintainability. A full range of tools are applied throughout the design and construction process to ensure high quality and fully integrated results. OBO has redefined its resources, methods, and processes to promote effective integration, communication, and decision-making during project development and construction, and to support the maintenance and operations of completed facilities.

In 2010 OBO established seven internal Working Groups to examine its policies and procedures in light of the Guiding Principles, and to provide a newly established Steering Committee with concrete recommendations as to how to best integrate Design Excellence into all of OBO's activities. These Working Groups were structured to represent the various phases through which many of OBO's projects proceed, from inception to ribbon-cutting and on to many years of functional use and representational value. Multidisciplinary Working Groups covered the following areas:

- Overall Program Planning and Execution,
- Site Selection,
- Programming,
- Project Planning and Development,
- Design Goals and Standards,
- Project Construction, and
- Operations and Maintenance.

The concept of the working groups, as well as their broad and interdisciplinary membership from across OBO and other State Department bureaus, reflected the importance placed in having the program developed at the working level and by teams that represent the wide range of interests and expertise across OBO and the Department.

The Steering Committee included OBO's core leadership, as well as the chairs of the Working Groups and the Director of Design Excellence and the Arts at the U.S. General Services Administration (GSA). The Working Groups provided an invaluable forum for colleagues to discuss goals, ideas, and experiences—an opportunity to examine OBO's work and organization and to participate in shaping the direction of the organization for years to come.

The Steering Committee referred more than 60 recommendations to the Director of OBO for approval. This Guide further elaborates upon these recommendations. It conveys the commitment and support of OBO's leadership in support of Design Excellence, and outlines the program's general policies.

Delivering Design Excellence is a comprehensive process using the best methods, technologies, and staff abilities to design, construct, and maintain safe, functional, and inspiring diplomatic facilities. The ongoing integration of this process throughout OBO's organizational structures, policies, and projects requires commitment by its leadership and staff, and strong, innovative technical support. Over the next 6 months, an Implementation Committee of OBO's senior leadership will oversee the next phases of the program. OBO is working to consolidate and update its architectural standards, revise and expand its policy and procedures documentation, and continue to reach out to the private sector for input and to promote awareness of the program.

Each office, person, and action in OBO will contribute to the realization of excellence across the execution of OBO's mission. Achieving excellence is everyone's responsibility, and its successful implementation relies upon the best efforts of OBO's staff, its State Department colleagues, and its private sector partners. The way in which the program was developed both reflects and reinforces that.

Site Selection

OVERVIEW

Practically and symbolically, the locations of U.S. diplomatic facilities enhance the conduct of diplomacy with the host nation and represent the U.S. government and its goals. OBO's site acquisition process seeks to deliver a suitable site approximately three years before the award of a construction contract. The post researches the local real estate market, aided by local consultants. The Office of Master Planning and Evaluations (OBO/PRE/MPE) assesses local conditions and develops a "Site Acquisition Plan" outlining the overall search strategy, a range of potential site sizes, and an analysis of possible locations. The Office of Acquisitions and Disposals (OBO/PRE/OAD) searches for properties that meet the project requirements. As the search narrows, OBO sends a site evaluation team to post to evaluate possible sites, which it scores against established criteria. Team members come from various OBO disciplines, the Bureau of Diplomatic Security, and the post itself. The Office of Site Acquisitions negotiates for the preferred sites and places them under contract, while OBO conducts technical and administrative due diligence. Once acquired, the site is secured physically and maintained until construction can begin.

The most recognized architectural landmarks in the world take advantage of the synergy between their structure and the unique features of their site. People all over the world admire icons such as the United States Capitol overlooking the National Mall and Australia's waterfront Sydney Opera House—both of which combine striking architecture with an equally striking setting. Both buildings gain significance from their settings, while simultaneously enhancing that context. Such iconic status is rare, but the goal of marrying site and architecture is important to the mission of the Bureau of Overseas Buildings Operations (OBO) for a variety of functional, operational, representational, sustainability, and security reasons.

The harmonious combination of site characteristics and the design of a building leaves a cultural legacy for years to come, long after the facility has been designed, constructed, and occupied. Therefore, the selection of the site for a new diplomatic facility is a critical first milestone in the process for many New Embassy and Consulate Compounds (NECs and NCCs). (In some cases, OBO determines that it can redevelop an existing site instead of rebuilding in a new location; the project is then considered and funded as a major rehabilitation.) A site has a lasting impact in influencing the organization, massing, cost, schedule, and design potential of a project, as well as the implementation of sustainable design principles, and the eventual functional operations of a facility.

GOALS

OBO seeks to select the most appropriate locations for diplomatic facilities in order to represent American values, facilitate mission operations, connect to the community, and support sustainability. Strategies underway to implement these goals include:

Recognize the Representational Value of Potential Sites

An embassy or consulate will represent the U.S. government to the host nation for many decades. The site selection process considers the symbolic representation of American values in promoting a sense of openness, accessibility, and transparency through location.

Foster a Connection to the Community

Wherever possible, urban sites are selected to facilitate forging connections to the host government and community. Urban sites also often provide greater links to public transportation, making the mission more accessible to visitors and staff. Urban sites can support the use of amenities outside of the Chancery compound, allowing for a smaller footprint. While politically and culturally prestigious areas in a host city are often desirable locations, there are unique opportunities in the redevelopment of emerging urban neighborhoods. U.S. embassies and consulates can serve as catalysts to the growth and vitality of neighborhoods, while enhancing the city's existing urban fabric.

Meet the Mission's Objectives

The best sites successfully meet operational requirements to support all aspects of the diplomatic mission. The separation of embassy and consular functions, and public circulation from employee and service flows, as well as the possibility of future expansion, are among some of the key considerations that are weighed to determine the viability of operations on a site. A site utilization plan for a future compound confirms a site's ability to support these operational requirements.

Consider Security Measures

The physical characteristics of a site impact its overall security. Multiple vehicular access points and sufficient room for required setbacks must be factored in when weighing alternative locations. When evaluating potential sites, the possibility of incorporating security measures into unique site attributes, such as existing topography and site geometry, is also considered.

Assess Sites Using Consistent Criteria

To ensure an objective and holistic evaluation of selected sites, an OBO site evaluation team, in collaboration with representatives of the post and the Bureau of Diplomatic Security, assesses the characteristics of all viable sites based on the following criteria: location, development, security, communications, planning/zoning, environmental attributes, and acquisition management.

IMPLEMENTATION

Sites are selected for acquisition through a multi-step process. OBO has developed a number of new tools to focus its searches to identify preferred urban areas, accommodate the choice of smaller sites, and consider the redevelopment of U.S. government-owned properties. Strategies underway to implement these goals include:

- **Prioritize Locations Using Tiers**
- **Access Redevelopment Potential of Existing Facilities**
- **Create More Opportunities with Smaller Sites**
- **Advance Sustainability Objectives**
- **Employ Consistent Evaluation Criteria**

Programming

OVERVIEW

The programming of Department facilities integrates staffing, programming, and interior design tasks. The Office of Strategic Planning (OBO/PRE/OSP) establishes staffing requirements based on the Department's Rightsizing Review, a five-year staffing projection for the mission prepared by the Department's Office of Management Policy, Rightsizing, and Innovation (M/PRI). OBO/PRE/OSP then develops the initial holistic project scope, which is submitted to the Design Coordination Division (OBO/PDCS/DE/DC). This division translates this initial project scope into a Space Requirements Program (SRP). The SRP defines the space requirements and functional needs of the project and acts as a guide during the study and the preparation for the design and space layout. It is also a communication tool between the designer and the client. The SRP correlates to the Requirements Integration Package (RIP). Programmers work directly with the Architectural Design Division (OBO/PDCS/DE/AD) and the Interior Design Division (OBO/PDCS/DE/ID) to ensure efficient, appropriate layouts, and to integrate advanced interior design strategies into the programming standards. The Office of Cost Management (OBO/PDCS/COST) then produces a "level one – long range plan" current working estimate that establishes the budget for the project. OBO/PRE/OSP continues to act as OBO's Liaison with M/PRI's rightsizing staff in regard to staffing changes throughout the life of the project.

In the programming phase of a project, the Bureau of Overseas Buildings Operations (OBO) evaluates a mission's functional and staffing needs, and allocates building area and outlines basic furniture requirements to support them. The appropriate identification of functions and spaces needed to effectively and efficiently support a fully functioning embassy or consulate is fundamental to its successful design. A thorough understanding of the roles and responsibilities of the staff, tenant agencies, and visitors is required. The programming must include the appropriate technological solutions to their needs, as well as their space requirements. Identifying and sizing work areas, common spaces, and representational spaces lays the groundwork for the architecture of the mission. Determining these finite requirements accurately early in the process is essential to developing a design without delays or unnecessary revisions, and leads to a more successful outcome.

American diplomats and staff at embassies and consulates must adapt to changing U.S. foreign policy priorities as world events unfold. The size of a mission can fluctuate as a result of domestic or international developments. This poses challenges to designing diplomatic facilities, which require a long lead time from inception to construction, and must be programmed based upon informed predictions of future staffing levels that may no longer be accurate by the time the facility is completed. Design Excellence therefore emphasizes flexibility in diplomatic facilities to allow them to adjust as staffing levels change, the flow of visa applicants varies, and/or new initiatives are instituted. The ability to adapt a building over time ensures that productivity is sustained and enhanced, and that future costs can be minimized.

OBO provides architect/engineer (A/E) firms with the required programming for each project, based upon specific needs and OBO's standards. The Design Coordination Division manages space standards and brings together data and evaluations from the post, the Department's appropriate Regional Bureau, OBO's Office of Area Management, and other stakeholders to ensure that all functional and representational requests and technical requirements for a particular project are carefully scrutinized based on specific conditions at a post. The Space Requirements Program (SRP), OBO's tool for developing programs for its projects, communicates the space requirements and the functional needs of the mission to the A/E firm. It defines a project's space requirements and functional needs, and correlates to the Requirements Integration Package (RIP)—drawings and specific attributes for most spaces in a diplomatic mission, excluding the basic core and shell of the building, as well as functional requirements, planning modules, and critical adjacencies.

GOALS

Effective programming ensures functional and flexible work environments, tailors the project to suit the needs of the mission.

Ensure Efficient and Cost-Effective Programming

The SRP should accurately and concisely depict a post's functional needs, beginning with its projected staffing requirements, and extending to an analysis of needs based on the local context. For example, a warehouse may not be necessary in some locations, and amenities such as a gym or full-scale dining facility may not be needed based on what is available in the immediate vicinity. Conversely, the security situation or relative isolation of a facility to such amenities may require a more robust program. The host nation and/or local government may require the facility to comply with local code and regulatory requirements, such as the provision of parking. The Design Coordination Division must carefully evaluate the need for each element. Once these elements are determined, the Office of Cost Management prices how much the project will cost, using historical averages, and any available site-specific economic information.

Design for Flexibility

A mission's built environment will be programmed to permit adjustments to workplaces over the short and long term. Diplomatic buildings must be able to respond to shifting foreign policy priorities and resources. Such adjustments should occur easily and with minimal disruption, waste, and cost.

Design for Interaction

The building program must recognize and anticipate active and functional communal and representational spaces. Allocating sufficient support areas, defining function, and sorting out adjacencies will ensure successful and appropriate spaces for interaction and collaboration among mission staff and with visitors.

Improve the SRP Process

Lessons learned, tenant meetings, review of actual designs, post-occupancy evaluations, and reports from the State Department's Office of Inspector General can provide important information for space standards. Regular review of these standards, combined with a rigorous scrutiny of a post's request for specific components, can improve the accuracy and effectiveness of the SRP.

IMPLEMENTATION

The SRP is OBO's tool for developing programs for its projects. The SRP communicates the space requirements and the functional needs of the mission to the designer. Refining the SRP is a critical step to advancing Design Excellence. Strategies underway to implement these goals include:

- **Refine the Space Requirements Program to Accommodate Flexibility**
- **Advance Innovation in the Space Requirements Program**
- **Use the Space Requirements Program as a Responsive Document**

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Project Delivery Methodology

OVERVIEW

The selection of the delivery process impacts not only how the project will be contracted and executed, but also how the project moves through the various offices within the Bureau. While both project types are initiated in the Office of Project Development and Coordination (OBO/PDCS/PDC), Design/Build projects transition to the Office of Construction Management (OBO/CFSM/CM) fairly early in the process, once bridging documents are complete. while Design/Bid/Build projects do not advance to CM until the design of the building is 100% complete. Other offices within the Bureau are similarly affected. The final decision on which methodology is the most appropriate for each specific project rests with the Director of OBO.

The Bureau of Overseas Buildings Operations (OBO) uses a variety of project delivery methods for the design and construction of diplomatic facilities depending upon the project's context, complexity, construction environment, and urgency. Most commonly, OBO has used either Design/Build (D/B) or Design/Bid/Build (D/B/B). OBO actively participates in industry roundtables, conferences, and other events that provide an opportunity to monitor changes in delivery methods, as well as hosting and receiving input from its Industry Advisory Panel. OBO seeks the best overall value for the Department and American taxpayers over the long term, including high performance and timely delivery, while being mindful of the budget.

In the D/B model, the Department prepares detailed requirements, issues a Request for Proposals (RFP), evaluates applicants' technical and price proposals, and ultimately signs a single contract with a D/B entity to provide both architect/engineer (A/E) and construction services for a fixed price. This method essentially allows the D/B firm to manage its pace of design, its interface issues, and the point at which it engages in construction, which can begin before design is 100% complete, allowing for the total design and construction period to overlap and reducing the overall delivery period.

In the D/B/B method the Department issues a Request for Qualifications (RFQ) to identify an A/E team to prepare design and construction documents under a design services contract. The A/E is given a design to cost figure, based on the budget of the project. The design of the project must not exceed this amount. The builder is then contracted separately, via a fixed price contract, to construct the designed facilities. The Department plays a more active role in the design phase.

OBO continues to research other project delivery methods such as Integrated Project Delivery (IPD) and D/B/B with Early Contractor Involvement (ECI). IPD relies on a team approach wherein the owner, the architect, the key engineering consultants, the general contractor, and key subcontractors and fabricators work together to lower costs, shorten delivery times, and avoid claims. ECI involves the selection of a construction contractor while the project is still in the early design stages. The contractor's early input regarding construction feasibility and cost is instrumental in the design development. OBO has just initiated the use of ECI on the New London Embassy project.

GOALS

OBO is committed to using the most appropriate project delivery method as determined by the unique circumstances of each project, including technical and circumstantial factors, internal to the Department and external. OBO will also consider the availability of its own resources to manage design and construction projects in its evaluation. Whatever the delivery method, schedule, budget, and mission requirements must be met.

Select a Delivery Method that Best Suits the Project

Different types of projects benefit from different delivery methods. Determining the most appropriate method is the first step towards a successful project. Each type has cost, schedule, risk, and design control implications that must be evaluated on a project-specific basis. The Department must understand the nuances of each project, and marry those to a suitable delivery method. Some projects will benefit from being D/B, while others will fare better with D/B/B.

Complete High-Quality Projects on Schedule and Within Scope and Budget

Regardless of delivery methodology, OBO must bring all projects to completion within their schedule and within the project budget. Project costs include the Department's administrative and security costs as well as design and construction costs. As a part of this process, OBO seeks to solidify its own programming and other decisions, and utilize clear construction drawings in order to avoid costly and time-consuming change orders.

Deliver Projects that Fulfill OBO's Mission

Irrespective of project delivery method, every OBO project should meet the Bureau's standards of building high-performance facilities that serve the interests of U.S. diplomacy and U.S. taxpayers. This is achievable with either of the two major project delivery methods, D/B or D/B/B.

IMPLEMENTATION

A small OBO project team evaluates each project and its construction environment using quantified factors and a uniform set of criteria, and recommends an appropriate delivery method for the OBO Director's approval. Evaluations of the effectiveness of the delivery methods used on similar past projects inform the process. Strategies underway to implement these goals include:

- **Refine the Process for Selecting a Project Delivery Method**
- **Evaluate the Effectiveness of the Method Selected at the Completion of the Project**

Project Management in Design

OVERVIEW

The Office of Project Development and Coordination (OBO/PDCS/PDC) provides project management for all new construction and major rehabilitation projects from inception through the award of a construction contract. The project leadership team is typically staffed by a Project Manager (OBO/PDCS/PDC), a Project Architect (OBO/PDCS/DE/DA), and a Construction Executive (OBO/CFSM/CM) in Washington, and a Project Director at post. The Project Managers lead project development during the planning and design phase, and are consulted regarding all issues affecting schedule, scope, and cost. During the construction phase, the on-site Project Director is in charge, and the Construction Executive in the Office of Construction Management (OBO/CFSM/CM) becomes the head of the Washington team; the Project Manager remains on board as part of the team. It is critical that these three team members be actively involved throughout the life of the project. Smaller projects may be managed by the Office of Facility Management (OBO/CFSM/FAC) or by post, depending on their scope and budget.

Multiple OBO offices are involved in managing and executing Special Repair and Improvement Program projects, which are for the restoration, alteration, modernization, and construction of facilities essential to providing a safe, secure, and functional environment. The Office of Area Management (OBO/OPS/AM) administer funding, and the assignment of responsibility for each project's management and execution is determined by its complexity and required technical expertise, as well as resource availability.

Effective project management requires the clear articulation and dissemination of all project parameters, assumptions, risks, constraints, and mitigation strategies to successfully bring a project from initiation to a construction or Design/Build award. The success of a project relies on the ability of the Project Manager to direct the many phases of the process and to create a collaborative working relationship among the team.

The Bureau of Overseas Buildings Operations (OBO) brings together a variety of specialists from its directorates, along with representatives of other State Department Bureaus, to form a multidisciplinary team for each major project. (OBO forms smaller teams for projects with a more limited scope).

The team's size and composition differs from project to project, but generally includes a representative or representatives from each of the following State Department entities:

- Project Manager (OBO/PDCS/PDC)
- Area Management (OBO/OPS/AM)
- Design and Engineering (OBO/PDCS/DE)
  - Architect (OBO/PDCS/DE/AD)
  - Interior Designer (OBO/PDCS/DE/ID)
  - Electrical Engineer (OBO/PDCS/DE/EE)
  - Mechanical Engineer (OBO/PDCS/DE/ME)
  - Civil Engineer (OBO/PDCS/DE/CSE)
  - Geotechnical Engineer (OBO/PDCS/DE/CSE)
  - Structural Engineer (OBO/PDCS/DE/CSE)
  - Design Coordination (OBO/PDCS/DE/DC)
- Bureau of Diplomatic Security (DS)
- Security Management (OBO/CFSM/SM)
- Construction Management (OBO/CFSM/CM)
- Fire Protection (OBO/OPS/FIR)
- Facility Management (OBO/CFSM/FAC)
- Safety, Health and Environmental Management (OBO/OPS/SHEM)
- Cost Manager (OBO/PDCS/COST)
- Planning and Real Estate (OBO/PRE)
- Information Resource Management (IRM)
- Art in Embassies (OBO/OPS/AIE)
- Post
- Tenants

In addition, the OBO team liaisons with the private sector Architect/Engineer (A/E) Contractor, hired either by direct solicitation or via an Indefinite Delivery/ Indefinite Quantity (IDIQ) contract, who executes the project (see A/E Team Selection). Private sector team members typically include:

- Project Manager
- Architect
- Interior Designer
- Landscape Architect
- Sustainability Expert
- Structural Engineer
- Civil Engineer
- Blast Engineer
- Geotechnical Engineer
- Electrical Engineer
- Mechanical Engineer
- Cost Estimator

GOALS

Delivering exceptional facilities requires superior project management. Project Managers must regularly review the status of their projects to ensure that they are delivering the quality of product that OBO articulates in the Guiding Principles for Design Excellence in Diplomatic Facilities, as well as in more specific documentation of OBO standards. It is the Project Manager's responsibility to ensure that the interests of the end user, other Department Bureaus, and all of OBO's Directorates are properly represented and vested in the process.

Communicate the Importance of Design Excellence

OBO is committed to the development of policies, standards, training, and other tools to enable the design, construction, and maintenance of exceptional diplomatic facilities. Design Excellence must remain a high priority at the leadership and staff levels. The entire OBO organization, as well as its U.S. government and private sector partners, must understand and exemplify these values.

Approach Projects Holistically

Everyone plays a role in achieving and maintaining excellence. The early and active involvement of all stakeholders in a project is critical. A holistic and multidisciplinary approach to project development and execution will result in high-performance facilities that take into account the needs of a wide range of stakeholders from OBO and other Bureaus. This approach is key to ensuring that everything from maintenance and operability to the seamless integration of art is addressed in a timely and cost-effective manner.

Update Project Management Guidelines

Revising OBO's existing project management guidelines to include clearly articulated design excellence policies and procedures will help OBO ensure a greater focus on the quality of the end product. Identifying key touch points in the project planning and development process—where a lack of specificity or outmoded procedures may result in project delays, omissions, and cost overruns—will help OBO meet its performance objectives while simultaneously delivering a higher quality product.

Share Project Information with Key Stakeholders

Project management should ensure throughout the planning and design development processes that information is available to the relevant parties at every step of the process. The support of a robust information technology infrastructure will facilitate this communication.

Use Cross-Cutting Information Technology

OBO must have a comprehensive IT platform that integrates and makes available all project information, promoting effective review, communication, and decision-making during project development and construction. It must also support the maintenance and operations of completed facilities. OBO staff will use the IT platform to document all project information. OBO must therefore ensure that its staff has the required IT capabilities and training.

Foster OBO Values through Team Communication

Excellent teamwork and communication is core to the success of any project, program, or organization. Communication between all parties involved in a facility's planning, design, construction, operations, and maintenance strengthens the coordination of the design, reduces conflicts between building systems, minimizes cost overruns, and ensures that all stakeholders' needs are addressed. In a highly technical organization such as OBO, it is imperative that each individual upholds the values in the Guiding Principles for Design Excellence in Diplomatic Facilities, both within the organization and with external stakeholders.

IMPLEMENTATION

In order to ensure a consistent level of quality across its inventory, OBO must refine its processes and uniformly apply the resulting policies. Good leadership and strong communication by Project Managers is

essential to elevating the quality of the facilities we plan, design, construct, operate and maintain. Strategies underway to implement these goals include:

- **Utilize Multidisciplinary Project Teams**
- Define Project Roles and Responsibilities
- Clarify Documentation
- Clarify Project Processes
- Foster Teamwork with Transparent Communications
- Coordinate Project Management IT Platforms and Support
- **Implement Building Information Modeling (BIM)**
- **Enhance Training**

A-E Team Selection

OVERVIEW

OBO contracts with architect/engineer (A/E) teams for design and engineering services needed to support the overseas buildings program. In addition to selecting A/E contractors for large or specialized individual projects. OBO can also select A/E firms with established Department of State Indefinite Delivery/Indefinite Quantity (IDIQ) contracts and award project-specific task orders from these IDIQ contracts. OBO uses A/E services to support its needs for new or existing facilities, from studies in the planning of projects to design and construction phase services. OBO's Design and Engineering Office (OBO/PDCS/DE) manages the overall selection process in coordination with the Bureau of Administration's Office of Acquisitions Management (A/LM/AQM). AQM provides professional contract management services, including acquisition planning, contract negotiations, award, and contract administration.

While a good site, a sufficient budget, and a reasonable schedule are important factors in achieving excellent diplomatic facilities, it is essential to have a talented architect and a highly qualified team of consultants capable of producing a successful design. The challenge is to set forth evaluation criteria that result in the selection of the most talented professional teams that can deliver the best product for the American taxpayer. The Department's solicitation of private sector contractors must comply with the various laws and regulations governing open and fair competition at all stages of the process.

GOALS

The Bureau of Overseas Buildings Operations (OBO) seeks to connect with a broad range of architect/engineer (A/E) firms, in order to attract both emerging and established teams with strong records of design leadership and past performance on complex projects.

Connect with a Broad Audience of A/E Firms

All Federal business opportunities are published on the FedBizOpps website. While there are advantages to having a single, consolidated listing for these solicitations, the system can be complicated to navigate and requires regular monitoring on the part of interested A/E firms. In order to attract leading A/E firms, OBO will distribute the information more broadly and make it easier for potential teams to learn about upcoming projects.

Hire Accomplished A/E Teams

In order to identify and attract the best A/E firms, OBO has made crucial adjustments to the A/E selection process and the criteria used to evaluate offerors. At the same time, OBO will inform the members of the design community that it is seeking—and will reward—the best among them with prestigious commissions and fair compensation. OBO offers an interesting and challenging building type, international work, and the opportunity to make a contribution to the safety, security, productivity, and positive image of the United States.

While it is important to draw upon the expertise of older, established firms, OBO also looks to talented new designers and emerging firms capable of demonstrating a strong record of past performance and experience with projects of comparable complexity, as well as creative designs. Emerging designers may also partner with more established A/E firms. These sorts of collaborations can provide the best that both have to offer—innovation coupled with seasoned expertise.

Reward Integrated Design Teams that Demonstrate Strong Leadership

OBO's selection process seeks to reward A/E teams that have demonstrated strong design leadership in the context of well-integrated design teams on projects of similar scope and/or complexity. The selection process emphasizes the team's ability to meet design quality, project budget, and schedule goals.

IMPLEMENTATION

Through the active communication of opportunities to the design community, OBO seeks to encourage a broad range of qualified terms to compete for its work. Selection criteria that emphasize the strength of the lead designer will ensure that only teams capable of high quality design advance through the selection process. Members of OBO's evaluation boards must be well-informed and share OBO's commitment to excellence. Strategies underway to implement these goals include:

- Restructure the Selection Process
- Choose Evaluation Board Members Carefully
- Emphasize the Strength of the Lead Designer and Project Team

Design Process

OVERVIEW

OBO contracts with private architect/engineer (A/E) firms for the design of a project, based on OBO's building standards and program requirements. The design process cuts across many disciplines and divisions in OBO. The Office of Design and Engineering (OBO/PDCS/DE) plays a leading role and serves as OBO's code official, providing design, research, and technical assistance. The Office of Project Development and Coordination (OBO/PDCS/PDC) serves as the primary liaison with the Architect/Engineer on design contracts for Design/Bid/Build or for bridging documents, manages the project's timeline, and ensures that the project is being developed within budget. The Office of Construction Management (OBO/CFSM/CM) oversees implementation on Design/Build projects and the construction of all but the smaller projects within OBO. At strategic points in the process, OBO's senior management reviews and approves the development of the design.

The Bureau of Overseas Buildings Operations (OBO) contracts with private architect/engineer (A/E) firms to design its facilities based on a program provided by the Bureau (see Programming). During the development of the design, functional needs, site constraints, and spatial requirements are synthesized into a coherent proposal that balances all of the requirements into a creative and practical whole. The initial stage of this process sets the tone for the design direction and is critical to subsequent work and ultimately the success of the project.

It is during this phase that all of the aspects of the project are established, laying the roadmap for the construction and subsequent operation and maintenance of the facility. Designs must meet the needs of the mission and facilitate sound construction practices, utilizing dependable materials, methods, and equipment. Proposed facilities must be economical to build, operate, and maintain, while projecting a positive image of the United States and reflecting the dignity, enterprise, vigor, and stability of our nation. In order to ensure a quality facility, the process requires the ongoing involvement of OBO's Managing Directors, and the final approval by OBO's Director of the design concept.

GOALS

OBO's design review process should draw upon post-specific knowledge, and incorporate lessons learned from previous projects in order to ensure the highest quality product and the best value for the American taxpayer.

Institute a Process that will Ensure a High-Quality Product

OBO requirements establish the overarching code, engineering, technical, security, and incremental needs for projects. Other project-specific documents such as the Space Requirements Program (SRP) lay out the basis for design and budgeting of the project (see Programming). OBO is instituting a standard design review process that will ensure the highest quality product and the best value for the American taxpayer. OBO will review its formal value engineering process to ensure that it contributes to a high quality product.

Draw Upon Post-Specific Knowledge

A holistic design process must incorporate knowledge of the local climate, culture, amenities, labor, materials, technical abilities, and other regional and country-specific items. The early and active participation of all team members–including those at post–can ensure a project that is site-specific in both practical and cultural terms.

Incorporate Lessons Learned

As a design progresses, the development, refinement, and accumulation of knowledge provide valuable lessons for the immediate and future projects. This information will be collected and used to inform the design process. Building on lessons learned and the findings from post-occupancy evaluations will enable OBO to better support the diplomatic needs of future posts.

IMPLEMENTATION

The design process should foster collaboration between the A/E design team and OBO, and in some cases, local architects. Project-specific aspirations should be developed for each project, integrating all of OBO's directorates and other State Department Bureaus as appropriate. The use of on-site workshops can help to ensure that design solutions are the most appropriate for a given project, aided by the integration of sustainability, life-cycle cost analysis through BIM, and timely technical reviews. In addition, teams should create, analyze, and test multiple designs to reach best solution. Peer review will bring a

fresh eye and important technical expertise to a project. OBO's Director must approve each major project's design concept. Strategies underway to implement these goals include:

- **Ensure Collaborative Design**
- **Establish Project-Specific Aspirations**
- **Conduct On-Site Workshops**
- **Create, Analyze, and Test Multiple Designs**
- **Ensure Rigorous Technical Review**
- **Employ Peer Review Early in the Process**
- **Set Milestones for Concept Approval and Refinement**
- **Use BIM for Life Cycle Cost Analysis**

Design Product

OVERVIEW

The design process cuts across many disciplines and divisions in the Office of Design and Engineering (OBO/PDCS/DE). This Office serves as OBO's code official and provides design, research, and technical assistance bureau-wide for all overseas Department of State facilities. The Office comprises the divisions of Architectural Design (AD),which also includes landscape architecture; Interior Design (ID); Civil Structural Engineering (CSE); Electrical Engineering (EE); Mechanical Engineering (ME); and Design Coordination (DC). Other OBO offices that play key roles in the development of the facilities' requirements include the Security Engineering Branch of the Office of Security Management (OBO/CFSM/SM/SCD/SEB), the Office of Facility Management (OBO/CFSM/SM), the Office of Fire Protection (OBO/OPS/FIR), and the Office of Construction Management (OBO/CFSM/CM).

Design comprises both the aspirational and technical goals of a project. It is during the design phase that all of the aspects of a project are established, laying the roadmap for the construction and subsequent operation and maintenance of the facility. The goal must be to provide designs that appropriately integrate high performance, cost, constructability, maintainability, and reliability to enhance productivity and creativity, and are suited to the local environmental conditions and technical resources. Where possible, references to the local culture and the use of indigenous materials should be considered as a bridge between the two nations.

GOALS

The most important goal of the design of an embassy or consulate is to create a working environment that comprehensively supports the conduct of diplomacy in a foreign nation. Designs that avoid excessive uniformity and carefully consider the local infrastructure, capabilities, and materials are more successful. Projects must excel at a range of scales–the city, the landscape, the building, and the workplace.

Embassies must be Respectful Neighbors

Specifics of location, from the city to the building site, are significant to the achievement of Design Excellence. Local climate drives many of the sustainability measures undertaken as part of these designs. Landscape traditions and available plant materials influence the site design and its connections to the city. By considering placemaking at every scale, embassies and consulates, and the sites on which they are located, can positively affect host cities and the population experiencing their presence. Design Excellence is an opportunity to add value to the city, neighborhood, and a specific location by demonstrating respect for the context and culture through the best of American architecture, engineering, and design.

Support Diplomacy with Excellent Facilities

Diplomatic facilities and their compounds perform a number of different functions (see Inventory & Organization). Chanceries and consulates have requirements beyond traditional office space in order to accommodate specialized activities, such as the processing of large numbers of visa applicants, or a variety of public events that allow diplomats to represent the U.S. government to the host nation, diplomatic community, business community, and the public. Facilities must be physically and technically secure. In addition to supporting a particular function or functions, the offices, meeting areas, and support spaces must be safe, productive, healthy, and inspiring.

Evoke American Values and Reflect Local Character

Diplomacy at its best seeks to merge separate national interests towards a common goal. Similarly, OBO seeks to create U.S. diplomatic facilities that represent the best of America, while integrating local culture and materials into their design and construction. Building standards must be written so that they avoid excessive uniformity from post to post. OBO is in the process of revising its architecture and engineering design standards so that they are more performance-based and less proscriptive in their requirements. This shift should enable designers and engineers to better tailor their proposed designs to the places in which they are located and to the needs of the specific diplomatic mission.

Meet OBO and Diplomatic Security Design Standards

OBO requirements establish the overarching code, engineering, technical, and security needs for projects. Other project-specific documents such as the Space Requirements Program lay out the basis for design and budgeting of the project (see Programming). Designs should accurately and effectively fulfill these requirements, and meet all necessary security and life safety standards, without compromising the project budget or schedule.

Integrate Sustainability Measures

Sustainable design concepts need to be a primary concern at the earliest stages of design. Project-specific aspirations should incorporate sustainable principles suitable to the site and local climate. Testing sustainability alternatives can provide data to support subsequent decisions made during the design process.

Draw on Local Expertise and Materials

Since each host nation has its own building regulations, labor, and available materials, the Design Excellence program draws upon the expertise of local professionals to assist and help expedite the design development process. Firms and individuals can also help in understanding the local utility infrastructure. Site access and traffic concerns critical to the use of a property must be coordinated with authorities in the host country through local consultants. Landscape architecture relies to the extent possible upon the locally available plant stock. The availability of local materials also has an impact on the setting and achievement of appropriate sustainability goals, and upon the continued maintenance of the facility.

Design for Contemporary Workplace Needs

OBO must provide a broader range of workspaces including common areas for teaming, break-outs, and temporary work. Fewer permanent walls and enclosed offices will create more spatial equity and facilitate more varied workplace configurations, allowing OBO to better serve the multiple staff positions and functional requirements at post. The designs should also take into account local cultural norms in the provision of amenities.

Provide Better Engineered Environments

Adjustable thermal controls and adaptable lighting not only improve the energy performance of a building, but also improve the quality of the work environment for mission staff. Sound masking techniques and more ergonomically adjustable furniture reduce the number of distractions employees encounter and allow them to be better focused on their jobs. For example, increasing access points for laptops and smart-boards facilitates flexibility.

Incorporate Lessons Learned

Post Occupancy Evaluations and Exit interviews with design and construction contractors provide invaluable lessons for the immediate and future projects (see Project & Program Evaluations). This information must be collected and kept in a manner useful to the builder, the occupants, and those who maintain the facilities. Sustainability data will be maintained to verify performance of buildings and demonstrate the value of the investment to the post, the Department of State, the Office of Management and Budget, and the Congress. The archiving of all design documents, especially as-built drawings, is essential to the ability to update and alter structures in the future.

IMPLEMENTATION

The ongoing comprehensive revision of OBO's Standard Architectural/Engineering Design Guidelines will incorporate many of the goals above. Strategies underway to implement these goals include:

- **Revise the Standard Architectural/Engineering Design Guidelines**

Integrating Security

OVERVIEW

One of the key objectives of the Bureau of Overseas Buildings Operations (OBO) is to design embassies and consulates that convey an image of openness and accessibility, while still complying with stringent security requirements. While this balance has been required for much of the Department's history, twenty-first century realities require that providing safe and secure facilities be a foremost concern. The Department must proactively defend against changes in enemy tactics and, as a result, security standards are subject to regular review and revision. Architects and engineers are challenged to design and develop ever-improving methods, materials, and solutions, and thoughtfully integrate these into their overall designs.

Throughout the process, OBO works closely with the Department's Bureau of Diplomatic Security (DS). This collaboration begins with the annual compilation of a classified list of posts with vulnerabilities that make them a priority for replacement or for major security enhancements. DS also participates in the site selection process, and reviews the development of the design and construction at various points in the process to ensure new facilities provide safe and secure workplaces. DS develops the security standards for diplomatic facilities, which OBO translates into criteria and codes. Working together, OBO and DS have developed ways to replace the harsh face of some recent embassy perimeters with physical security countermeasures that weave into the fabric of the city, and are less obtrusive without compromising security.

GOALS

Design Excellence requires the highest adherence to security standards, while simultaneously emphasizing openness and accessibility. Security enhancements must be seamlessly integrated into the overall design of a project, rather than appearing as an appendage or an afterthought.

Balance Security and Openness

The best diplomatic facilities appear open and welcoming to the local population, while providing the safest possible environment for staff and visitors. OBO works to adhere to all Department and Overseas Security Policy Board (OSPB) standards, while at the same time achieving the Design Excellence objective of ensuring an open and accessible embassy or consulate. The thoughtful integration of security measures into new projects can reduce the "fortress-like" appearance of some older facilities, without compromising the protection provided to occupants.

IMPLEMENTATION

Various architectural and technological measures, as well as the integration of security measures into the natural features of a site, can help to more seamlessly integrate security features into the overall design and increase the appearance of openness. Strategies underway to implement these goals include:

- **Approach Sites Strategically**
- **Integrate Security into the Design Seamlessly**

Sustainable Design

OVERVIEW

The Energy and Sustainable Design Unit (ESD) is located within the Office of Design and Engineering and is comprised of various disciplines that provide expertise for the sustainable planning, design, and maintenance of OBO projects.

Sustainability is often defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs." This definition has come to connote a "triple bottom line" approach that includes environmental, social, and financial concerns. Despite increased awareness of the impact that construction, operations, and maintenance of buildings can have on the environment, almost every discussion of green design eventually turns to costs. There is a persistent perception that sustainably designed buildings cost more than conventional ones. While that may have been true at one time, today the exponential growth in the expertise of design teams coupled with the continually falling costs of environmentally preferable materials has resulted in sustainable buildings delivered with little or no measurable premium.

Employing an integrated design approach to the whole building is a challenge, but this collaborative process allows creative solutions that are economical, environmental, and innovative. Delivery and management of buildings that accomplish sustainability's multiple goals cannot reasonably result from processes that focus on single systems and short-term goals. From the beginning of any project, all the parties need to be involved in a structured process that ensures that the results will deliver the performance required by each of the project's stakeholders.

Over the last 15 years, a series of Executive Orders and Congressional mandates have laid the foundation for a holistic, sustainable approach to the design, construction, and operation of Federal facilities. The Department of State's Greening Diplomacy Initiative provides an overarching vision of sustainability in all policy and project actions. The Bureau of Overseas Buildings Operations (OBO) has an opportunity and a responsibility to demonstrate how to intelligently integrate energy efficiency and environmentally sound decisions into its buildings, encouraging others to emulate these practices. Increased energy efficiency not only saves U.S. taxpayers' money, but also reduces U.S. dependence on foreign oil and lessens the impact of OBO facilities on the host nation. By spending less money in the future on energy, the Department will have more funds available to meet its core mission. The adoption of environmentally sound design, building, and operational practices makes sense not only for the planet, but for the Federal budget.

GOALS

Sustainability and design excellence are synonymous. OBO is committed to incorporating principles of sustainable design and energy efficiency into all of its projects. Sustainable design seeks to design, construct, and operate buildings that aim to eliminate negative impacts on the environment and moderate the consumption of natural resources. Sustainable design improves building performance while improving the health and comfort of building occupants.

Design for the Particulars of Place

Each project requires a site-specific response to its culture, context, climate, and geographical setting. Site geography requires a particular sensitivity to locating buildings, determining their form in relation to solar gain, winds, and maximizing a site's features. Many vernacular architectural elements developed over time, in response to the constraints and opportunities of a local climate. Where possible, designs should integrate sustainable measures indigenous to the region, thereby improving environmental performance and strengthening the respect for the host culture.

Demonstrate High Performance and Environmental Stewardship

U.S. diplomatic missions offer a unique opportunity to showcase advances in building technology, improved efficiency, and systems optimization. This is achieved by:

- Demonstrating stewardship by reducing consumption, protecting natural resources, and minimizing climatic impacts;
- Increasing energy and water efficiency to pay for the first-cost investments and save long-term utility costs; and
- Improving the indoor environment, which studies have shown to increase employee performance, attendance, retention, productivity, and well-being.

Design and Construct Durable and Adaptable Facilities

True sustainability in the built environment requires both physical and functional durability. Constantly changing foreign policy priorities demand flexibility and adaptability if the Department's overseas buildings are to thrive over time. The design, construction, and operation of OBO facilities must be flexible enough to meet both goals.

Evaluate and Consider Life Cycle Costs

Life Cycle Costs Analysis must be produced and vetted very early in the design process and verified by the Value Engineering team and reviewed by the Office of Cost Management. This scrutiny of systems and materials will help to ensure that facilities provide the lowest long-term cost of ownership, consistent with quality and function.

IMPLEMENTATION

Sustainability must be a prominent factor in the earliest stages of project development, beginning with the site selection and programming phases. Project-specific aspirations need to incorporate sustainable principles suitable to the site and local climate conditions. Modeling energy and sustainability technologies and strategies can provide data to support decision-making throughout the design process. As the entity charged with the long-term maintenance and operation of the nation's overseas inventory, OBO must take the full life cycle into account when investing taxpayer resources. Strategies underway to implement these goals include:

- **Approach the Design Process Holistically**
- **Select Sustainability Design Criteria**
- **Analyze Life Cycle Costs**
- **Select Durable Materials**
- **Set Benchmarks for Sustainability**
- **Commission Building Systems**
- **Train Staff on Sustainable Operations and Maintenance**

Preservation & Cultural Heritage

OVERVIEW

The Office of Residential Design and Cultural Heritage (OBO/OPS/RDCH) oversees a stewardship program dedicated to the proper conservation and maintenance of the Department's culturally significant historical properties and assets. These include the 25 properties currently identified in the Secretary of State's Register of Culturally Significant Property, as well as State Department-owned antiques, works of art, and other cultural heritage objects maintained in missions throughout the world.

The Department owns and occupies a number of historic properties that are architecturally significant or uniquely relevant to the history of American diplomacy or the local culture. Recognizing Design Excellence in existing structures, the Secretary of State's Register of Culturally Significant Property includes selected architecturally, archaeologically, or historically significant properties. The Department's stewardship of these facilities clearly conveys the U.S. respect for local culture and heritage. The Bureau of Overseas Buildings Operations (OBO) includes the preservation of these iconic buildings in its Design Excellence program, and seeks to design new, contemporary facilities at the same level of architectural excellence that will last for decades, and even centuries.

The continued use of historic facilities to conduct twenty-first century diplomacy brings inherent challenges. Simple growth, security needs, technological change, and urban development will at some point necessitate modification. The principles of Design Excellence require that any modifications to these buildings are carried out, to the greatest extent possible, in sympathy with the property's original design intent.

GOALS

The Department seeks to fully utilize and maintain its important historic properties, and—to the maximum extent possible—make any required alterations in keeping with the original design intent. OBO works to provide its staff with the most relevant preservation information and resources.

Preserve and Maintain Historic Structures

The preservation of the Department's historic and architecturally significant portfolio is a critical component of establishing and maintaining a high standard of design. The Department strives to maintain and preserve these structures to the highest level possible to ensure that they remain an active part of its portfolio of properties.

Employ Preservation Standards in Alterations

The Department seeks to ensure that any required modifications to its significant historic buildings are carried out in sympathy with the property's original design intent and at the same level of excellence. This may involve adaptive reuse rather than complete preservation or restoration, so that the buildings can provide safe, functional spaces for their occupants. The Office of Residential Design and Cultural Heritage oversees the stewardship of the properties on the Secretary's Register to ensure compliance with local and U.S. standards, and sensitivity to their cultural significance.

IMPLEMENTATION

The use of Historic Structures Reports to document significant properties will provide an important record to aid in their preservation. OBO also seeks to strengthen its preservation efforts through the continued integration of preservation goals into its projects, as well as initiatives to educate the Department, particularly Facility Managers and post management, on these issues. Strategies underway to implement these goals include:

- **Create Historic Structures Reports**
- **Integrate Preservation and Oversight**
- **Educate the Department in Preservation Standards, Methods, and Resources**
- **Add to the Secretary's Register of Culturally Significant Properties**
- **Partner with the Fund to Conserve U.S. Diplomatic Treasures Abroad**

GUIDE TO DESIGN EXCELLENCE

Art in Embassies

OVERVIEW

The Office of Art in Embassies (OBO/OPS/AIE) is responsible for the selection, commissioning, acquisition, placement, and installation of the artworks in the public areas of new office buildings and diplomatic representational residences. The Office maintains an extensive public-private partnership for loaned and acquired art with private and public collections, foundations, corporations, galleries, and living artists.

Art humanizes and energizes diplomatic facilities, and provides an additional means of communication, often across linguistic barriers. Art can demonstrate the rich history and cultural heritage of the United States, as well as the communal experiences that we share with peoples of different countries, backgrounds, and faiths.

Works of art in U.S. diplomatic and consular facilities serve as platforms for continuing education and cultural outreach, and further the Bureau of Overseas Buildings Operations (OBO) mission to assist in achieving the foreign policy objectives of the United States. Dynamic, contemporary collections and exhibitions showcase a blend of cultures, particular themes of interest, mission goals, and styles of art. The artworks include site-specific works commissioned by OBO and the Office of Art in Embassies, created by American and host country artists who collaborate with post and participate in ongoing cultural exchanges.

These permanent collections complement the varying architecture of the facilities and emphasize the cultural ties between the United States and the host governments. They reinforce the vision for the building, serve as a bridge with the host country's culture, broaden employee appreciation of diversity, and encourage discussions and expression of opinions. They evidence cultural exchange, and help unite the diplomatic and host communities. Multi-lingual publications based on these collections promote an appreciation of the aesthetic and cultural traditions in U.S. and host country audiences.

GOALS

The architectural designs of diplomatic facilities should accommodate and have synergy with permanent and temporary art placement. The facilities should showcase the best American and local art.

Integrate Art with Architectural and Cultural Context

The art displayed in a diplomatic facility should complement the architecture. Selected or commissioned works should represent the best American art, along with work from local artists, in response to the cultural context of the country. Where possible, exterior installations should bring art into the diplomatic compound, enhancing the experience for visitors and staff.

Make Art a Part of the Design Process

The early, active presence of the Office of Art in Embassies in the initial design phase results in a stronger and more integrated the art collection. Working with the selected lead designer and the Project Manager, the staff should endeavor directly and collaboratively to create a fully integrated environment between the art and the architecture.

IMPLEMENTATION

A portion of each capital budget is reserved for public works of art. The Office of Art in Embassies should work with the lead designer to coordinate the placement of art with building elements and systems, and include a briefing on proposed art for the Director's Concept Approval meeting for each major project. Strategies underway to implement these goals include:

- **Participate in Director's Concept Approval Meetings**
- **Approach Art Budget Holistically**
- **Coordinate Installation Areas**

Construction Contractor Selection

OVERVIEW

Selecting the best construction contractors is essential for OBO project excellence. OBO involves much of the Bureau in the review and selection of construction contractors. The Office of Project Development and Coordination (OBO/PDCS/PDC) manages the technical review process and aligns appropriate technical expertise from Construction Management (OBO/CFSM/CM), Design and Engineering (OBO/PDCS/DE), and other offices for an informed and complete selection process.

Excellent construction is a fundamental part of Design Excellence. Construction contractors that are under contract with the Bureau of Overseas Buildings Operations (OBO) must be capable of delivering projects that are well crafted, efficiently constructed, and properly sequenced in order to complete the work on time and on budget. Diplomatic facilities are complex at every level and the contractor must be in command of every aspect.

To achieve exceptional facilities, OBO wants to retain construction contractors with verifiable records of consistent success delivering exceptional projects on time and within budget for other owners. The use of best value and improved methods of evaluating contractors' past records of success will ensure the selection of the design/build and construction terms and conditions best suited to implement OBO's mission. OBO anticipates that the time and effort spent for successful outreach, evaluation, and contactor selection will be recouped in the execution of the project with successful, timely, and cost-effective construction.

GOALS

The Department actively seeks to attract and retain the best construction contractors. OBO is also interested in Best Practices in contract methods and greater contractor involvement in its programs.

Attract the Best Contractors

The Department is working to expand the pool of contractors and reach out to established firms to promote competition and ensure the best outcome for the U.S. government. In order to attract the best contractors to the program and to retain companies with outstanding performance records, OBO is:

- Pro-actively communicating to the construction community that future Design/Build and Construction Services contract awards will emphasize the Department's increasing emphasis on quality design and construction;
- Facilitating a project and program environment that provides the best contractors an opportunity to succeed, in both the short (project) and long term (program); and
- Expanding its "OBO 101" classes to introduce new companies to doing work with the Bureau.

Select Contractors Based on Value

Recognizing that the lowest bidder may not always represent the best overall expenditure for the Department—and for American taxpayers—OBO seeks to select quality contractors based on the contractor that is able to provide the best value to the U.S. government. A best value source selection system includes the Guiding Principles in the evaluation process and allows OBO to hire the best qualified and most capable private sector contractors.

Improve Use of Contractor Evaluations

OBO seeks to select quality contractors through open competition and by comprehensive evaluations of the candidates—thereby providing a level playing field. The use of past performance evaluations to pre-qualify bidders and other efforts to enhance the contractor evaluation process will enable OBO to select the most qualified contractor that brings the best value to each project.

IMPLEMENTATION

OBO has increased efforts to provide information to new contractors, to strengthen its evaluations of bidders, and to establish additional technical evaluation criteria. Strategies underway to implement these goals include:

- **Expand Contractor Recruitment**
- **Enhance Contractor Evaluation**
- **Award Contracts Using "Best Value"**

- Involve Contractors Early in the Process

Excellence in Construction Management

OVERVIEW

During the construction phase, the on-site Project Director is in charge, and the Construction Executive in the Office of Construction Management (OBO/CFSM/CM) becomes the head of the Washington team; the Project Manager (from OBO/PDCS/PDC) remains on board as part of the team. OBO/CFSM/CM oversees all but the smallest projects undertaken by the Department. CM provides both management and technical resources to the project, and is the primary interface for the construction contractor.

The construction of embassies involves unique and uncompromising standards. Embassy design is technically complex, and the construction requires unique logistics in diverse and challenging environments. The Bureau of Overseas Buildings Operations (OBO) has the expertise to manage and oversee construction contracts all over the world. Sharing this expertise with the best construction companies is paramount to achieving Design Excellence. Quality is a requirement, not a goal.

Many of OBO's projects are in politically unstable regions of the world. Projects can be complicated by security requirements, political issues, supply problems, and a lack of experienced local construction personnel. Some of the challenges encountered throughout the construction process can be anticipated, while others cannot. Resolving these issues in accordance with the design intent of the project requires clear communication among all of the team members.

GOALS

Excellence is ultimately created in the field, not just on paper. Delivering high quality design is the responsibility of the entire construction team, including OBO staff and the construction contractor hired to execute the project.

Ensure Quality

Craftsmanship in construction and the quality it reflects is the ultimate reward of Design Excellence. Managing the building process to ensure quality requires excellent quality control on the part of the construction contractor and fluid communication with OBO. Timely, consistent inspections and effective quality control systems ensure that standards are met and that problems are identified quickly, and resolved quickly and effectively by the contractor. OBO's on-site construction management staff and its Quality Assurance program, ensure that the expectation of excellence required under the contract is communicated to the contractor and achieved.

Share Project Information with Key Stakeholders

Project management should ensure throughout construction that information is available to the relevant parties at every step of the process. The support of a robust information technology infrastructure will facilitate this communication.

Foster Teamwork with Transparent Communication

Teamwork is an essential component of a well-executed project. OBO must ensure that its Project Directors communicate well with their counterparts in Washington and with their government and private sector partners in the field.

Make Technical Expertise Available during All Phases of Construction

The complexity of Embassy construction requires technical and logistical input from the owner. OBO, as well as the Bureau of Diplomatic Security, is a technical resource for assisting contractors on its unique technical requirements. Educating and providing consistent technical assistance during construction is one of the foundations of good craftsmanship.

Complete the Design Intent

A project's design is realized through construction. Maintaining the link to the design intent and understanding its nuances and priorities is essential and must be clearly expressed in the drawings and specifications to make it achievable during construction. During the construction phase, OBO is the link to the design, and has the responsibility to ensure that the full range of goals—site planning, landscape, architectural, engineering, sustainability, interiors, operations, and maintenance—are clear in the contract and faithfully executed by the contractor during construction.

IMPLEMENTATION

OBO is refining its processes to enhance the resources available to control the construction of its unique and challenging projects. OBO's Quality Manager will serve as the point of contact in Washington to support Project Directors on quality assurance issues in the field. The inclusion of a qualified, experienced architect on the site team will help ensure the correct execution of the approved design direction. The use of a standard checklist for site visits and improved access to technical information will also improve OBO's quality assurance program. Strategies underway to implement these goals include:

- Manage Quality Control Procedures
- Ensure Architectural Quality
- Define Requirements of Project Supervision and Quality Control
- Improve Access to Technical and Jobsite Information

GUIDE TO DESIGN EXCELLENCE

Excellence in Facility Operations

OVERVIEW

The Office of Facility Management (OBO/CFSM/FAC) manages the operations and maintenance (O&M) of State Department facilities at all overseas posts. Facility Managers stationed overseas are funded by FAC, but report to and take direction from post management. Domestically, FAC provides posts with managerial support, including staffing recommendations for facility O&M, and technical resources, including a computerized maintenance management system. FAC works with the Office of Construction Management (OBO/CFSM/CM) in the transition and turnover of the New Embassy and Consulate Compounds from construction to post facility maintenance as a project achieves substantial completion. FAC also coordinates maintenance and life-cycle criteria with the Office of Design and Engineering (OBO/PDCS/DE) to ensure appropriate design standards. It coordinates with the Office of Residential Design & Cultural Heritage (OBO/OPS/RDCH) regarding historic buildings and cultural heritage items. The Office of Area Management (OBO/OPS/AM) acts as liaison with post personnel on many matters, including maintenance and repair issues.

To ensure the continuity of excellence, the approved design must be carried through to the O&M of the facility. Design and construction represent only 4 percent of the total life-cycle cost of a new facility, while O&M costs represent the remaining 96 percent. Therefore, it is critical that the design provide full consideration to the future O&M procedures and costs of the new facility and not solely be focused on the construction activities and cost. Important components to consider include the local climate and the availability of resources and services to provide the necessary O&M support.

New facilities should be economical to operate and maintain, and utilize equipment and materials that are durable, dependable, and suitable to the skill level of the local maintenance staff. Renovations to existing facilities must be in keeping with their original design intent. O&M procedures require the Facility Manager to administer a workforce of locally employed staff (LES) Facility Maintenance personnel who are adequately skilled and trained, and have sufficient knowledge to maintain each facility's sensitive mission critical equipment and building systems. Equipment and building systems require specialized facility management with a combination of preventative maintenance tasks performed by LES Facility Maintenance personnel and/or in conjunction with certified manufacturer service providers. Preventive and routine maintenance is scheduled through a Computerized Maintenance Management System (CMMS). The LES Facility Maintenance personnel at all of the Department's facilities should benefit from clear O&M procedures and schedules, effective training, and easily accessible, specific information about each post's building equipment and systems and their respective O&M requirements.

The Bureau of Overseas Buildings Operations (OBO) has facilities of varying age, configuration, and construction quality in every climate and culture in the world. The complex technical requirements to perform effective facility O&M on a variety of material assemblies, equipment, and building systems often result in a broad array of responsibilities for the Facility Manager and LES Facility Maintenance personnel. OBO often must depend on local vendors for maintenance and repair of equipment, some of which may not be typical for the area. Because of the regular turnover that occurs as Facility Managers rotate to different diplomatic missions, OBO constantly balances the need for consistent maintenance routines at its facilities through CMMS with sequence and scheduling of tasks that are tailored to post.

Anticipating and addressing future maintenance issues must be a part of the design process for both new facilities and renovation projects. Designers must understand the unique conditions of the post for which they are designing, and propose solutions capable of being well-maintained and operated efficiently. The Office of Facility Management's active participation in the design process can provide valuable information about a specific post and region.

GOALS

During the concept and design development phases, regular and clear communication between designers and the Office of Facility Management will ensure that designs are easily maintainable in the local environment. Clear, specific documentation of maintenance requirements and design strategies facilitates O&M and can ensure that future changes are in keeping with the original approved design.

Design in Concert with Maintenance Requirements and Local Resources and Building Traditions

The design team must understand the context of the project and the impact of climate, culture, and logistics on O&M. Understanding local construction traditions and their response to the local environment and culture can offer clues to developing enduring designs. These designs must take into account available resources at post—such as trained LES Facility Maintenance personnel, local/regional availability of spare parts, and equipment selections—and the use of easily maintained materials with resistance to local climate conditions. Facility Managers can be an excellent source of information

regarding the local and regional economy and the logistics of providing O&M services. Active involvement of facility managers in the design process allows the team to avoid possible maintenance issues and develop effective design solutions from the outset.

Convey Unique Design Solutions and Their Maintenance Peculiarities to Posts

It is imperative that clear documentation of selected equipment and systems includes their required maintenance, as well as the necessary specialized LES Facility Maintenance personnel training requirements. The effective communication of O&M procedures and schedules for unique materials, equipment, and building systems, including those of historic value, ensures that design strategies are fulfilled and factored into future alterations to the facility. Consistent documentation of materials and their O&M will help ensure the long-term maintenance of new and innovative materials in the design.

Develop Common Understanding between Design Team and Facilities Staff on O&M Procedures

Design teams need to understand the complexities of even the most standard O&M procedures at international posts. Design decisions should reflect those logistics. Facility Managers need access to the most current information and expertise to maintain both typical and building specific design solutions.

IMPLEMENTATION

The use of innovative materials and systems requires the consistent support and training of LES Facility Maintenance personnel. Clear documentation of the necessary O&M for utilities, equipment, building systems, finishes, and furnishings should be easily accessible and searchable. The early involvement of the Office of Facility Management in the design process can improve standard design components and address site-specific concerns. Strategies underway to implement these goals include:

- **Provide Searchable Maintenance Documentation**
- **Improve Training and Support for Post Facility Managers**
- **Involve Facilities in the Design Process**
- **Improve Process for Repair and Improvement Projects**

Project and Program Evaluations

OVERVIEW

Several organizations within OBO perform and monitor project and program evaluations. The Office of Design and Engineering - Design Coordination (OBO/PDCS/DE/DC) manages the "Lessons Learned" program, which gathers comments, evaluations, and suggestions from a broad range of stakeholders, including the design, maintenance, and occupant communities. The office also works with other organizations to incorporate items into design criteria. The Office of Area Management (OBO/OPS/AM) performs Post-Occupancy Evaluations (POEs) to obtain diplomats' feedback on new construction projects. Findings from the POE are shared with the Lessons Learned program. The Department's Office of Inspector General makes facilities-related recommendations based on its inspections.

As a learning organization, the Bureau of Overseas Buildings Operations (OBO) must be able to identify problems and quickly implement solutions or new policies to address them. Both the "Lessons Learned" and the Post-Occupancy Evaluation (POE) programs provide critical information about OBO's processes and product. These two efforts need to work in tandem. The information they cover touches every business line within OBO, and the committee overseeing them should reflect that.

GOALS

Planning, designing, constructing, and operating exceptional facilities requires the regular evaluation of projects and programs to assess successes and failures. The incorporation of the information gathered in evaluating past performance is crucial to producing better designs, better construction, and higher quality environments on future projects.

Develop and Improve Feedback Systems

The timely incorporation into OBO design standards of project feedback from recently completed work and identification of best practices will ensure that OBO facilities benefit from past experience and are tailored to the needs of end users. Such improvements come from systemic project-specific reviews as well as program-wide analyses, and the careful evaluation and incorporation of relevant changes into both standards and best practices.

Prepare Timely Project Evaluations

The performance of OBO offices and third-party contractors will be evaluated against published Design Excellence principles throughout the course of a project and after its completion. The use of multiple feedback systems, involving project teams and end users, provides ongoing information for each project and incorporates results into future projects. Evaluations of completed projects should be objective and include a constructive critique that identifies area for improvement that can be carried forward for future activities.

Evaluate OBO's Programs

OBO will perform regularly scheduled program performance reviews of its offices and programs to ensure that their organization, intent, scope, and execution align with the Guiding Principles of Design Excellence.

Incorporate Lessons Learned and Improve Standards As Early As Possible

OBO regularly updates project standards based on feedback from the evaluation of completed and ongoing projects, as well as industry-wide innovation and developments. Improvements can also be made to ongoing projects, to the extent that this can be done without detriment to budget or schedules.

IMPLEMENTATION

Existing OBO evaluation practices, such as the Lessons Learned, Value Engineering, and POEs, can be used to implement and sustain Design Excellence. The incorporation of evolving industry standards and technical innovations into OBO's work can be achieved through regular communication with the industry on an organizational and staff level. Strategies underway to implement these goals include:

- **Restructure the "Lessons Learned" and Post-Occupancy Evaluation Programs**
- **Incorporate Evolving Industry Standards and Technical Innovations**
- **Evaluate the Effectiveness of the Delivery Method**

Recognizing Design Excellence

OVERVIEW

Celebrating the work we do is important. The recognition of excellence in the portfolio of work of the Bureau of Overseas Buildings Operations (OBO) clearly communicates the State Department's standard of excellence, and sets expectations for future work. OBO's work supports not only the daily operations of the Department of State, ensuring that U.S. government staff overseas are safe and productive, but supports the U.S. government's cultural outreach in many ways. Diplomatic facilities that are designed and constructed to the highest standard of excellence promote the value of American architecture, design, and engineering. They emphasize American values of openness, transparency in government, and respect for the environment—often in countries where these values are not the norm. These facilities can also play a meaningful role in the life of a city, just as Washington DC benefits from the extensive number of foreign missions located within its environs.

OBO will continue to recognize excellence in a number of ways as the program develops and is implemented. Continued cooperation with the private sector will encourage new partnerships. Through both the written word and digital media, OBO will demonstrate the value of the investment in diplomatic facilities to the American taxpayer and the U.S. Congress. Awards are another way of setting a high bar and encouraging teams to produce better work. OBO's awards program will acknowledge work commissioned by the Bureau that exemplifies design excellence across a broad range of disciplines. All stakeholders—the diplomatic community, OBO contractors, OBO planning and project teams, and American taxpayers—will be able to take great pride in work that is recognized and rewarded by an independent panel of experts.

GOALS

OBO aims to communicate the accomplishments of its Design Excellence program to multiple audiences so that industry professionals, government officials, and the public will better understand the necessity for, and success of, diplomatic facilities of quality.

Continue Active Partnerships with the Private Sector

OBO's private sector partners are crucial to the success of its mission, and to the implementation of the design excellence program. OBO is working with professional organizations to broaden awareness of the program within the industry, encouraging firms that share a commitment to excellence to apply as project opportunities become available.

Celebrate the Program through Outreach

The development of monographs, videos, and other documentation of facilities that meet OBO's standard of excellence will emphasize the importance of these facilities in the conduct and promotion of U.S. foreign policy.

Recognition and Awareness

The award program will publicly promote Design Excellence and the successful adherence to its high standards by all parties commissioned by OBO to work on its overseas facilities, whether in new construction, major rehabilitation, or smaller projects.

IMPLEMENTATION

OBO will work with and through the private sector to publicize the design excellence initiative, seek additional partners, and receive input from the industry. OBO will recognize the success of the program across a wide range of disciplines through multi-media publications focused on superior projects and the establishment of an awards program. Strategies underway to implement these goals include:

- **Expand Interaction with the Private Sector**
- **Utilize Multi-Media Outlets to Recognize and Promote Excellence**
- **Recognize and Reward Excellence Internally**

Hearing of the House Oversight and Government Reform Committee
Subject: "Examining New Embassy Construction: Are New Administration Policies Putting Americans Overseas in Danger?"
Chaired by: Representative Darrell Issa (R-CA)

July 10, 2014
Lydia Muniz

Take Back 1

REP. MICA: Well, I just want to know the general procedure. Mr. Issa and I visited post Benghazi some of the different diplomatic posts. We saw some simple common sense things that needed to be done, improvements in video capability, improvements in a whole host of areas. Are you aware that those improvements that have been identified by the different groups and Congress have been made so that our personnel are not at risk? Final question.

MS. MUNIZ: If you're talking about improvements in Benghazi, we know –

REP. MICA: Security improvements in our diplomatic posts. There have been a host of groups investigating, reporting and they've said that certain things need to be done. I cited one as video capability. There are many others but maybe we don't want to discuss in an open forum. But can you tell the committee from your position have those improvements been made and addressed?

MS. MUNIZ: So let me respond on two fronts. As the committee knows –

REP. CONNOLLY: Excuse me. Could you please speak into your microphone? Pull it up to you. Thank you.

MS. MUNIZ: Sorry. As the committee knows, the secretary in the wake of Benghazi appointed an accountability review board. That review board made 29 recommendations. The department accepted all of those recommendations and has been aggressively implementing those recommendations. They've also reported to Congress on the implementation. OBO is involved in -- or participating in –

REP. CHAFFETZ: Can I -- can I interrupt you right there because part of that accountability review process was the development of this report by Mr. Green and you had secretary -- Undersecretary Kennedy go on CBS News and say they don't accept it. So how do you represent that the State Department has accepted all those recommendations when the work of Mr. Green was not accepted?

REP. MICA: And also, Mr. Chairman, if they could for the record -- and I think all the members would want it -- but can you also give us for the record was has been implemented, if some of those recommendations have to remain not public, that's fine. But give them to the committee. So can you answer the two questions?

MS. MUNIZ: I could certainly take that back to the department and we could reply to that request.

Response (August 2014):

Following the September 11, 2012, attack on U.S. government facilities in Benghazi, Libya, the independent Benghazi Accountability Review Board (ARB) on December 19, 2012, issued 29 recommendations (24 of which were unclassified) to the Department of State. The Department accepted each of the ARB's recommendations and immediately began implementation work.

Effective implementation has required fundamentally reforming the organization in critical ways – work which is already well underway – as well as sustained support from the Congress. While risk can never be completely eliminated from our diplomatic and development duties, we must always work to minimize it. At this time, 18 of the 29 recommendations have been implemented, while 11 more are in progress. See attached Fact Sheet for the status of the 24 unclassified ARB recommendations.

Pursuant to Benghazi ARB Recommendation 2, the Department convened a panel of experts, headed by Mr. Grant Green. This panel was referred to as the "DS Organization and Management Panel." Recommendation 2 stated "The Board recommends that the Department re-examine DS organization and management, with a particular emphasis on span of control for security policy planning for all overseas U.S. diplomatic facilities." The six-person Organization and Management panel was composed of a range of professionals across multiple disciplines; the panel thoroughly reviewed the Bureau of Diplomatic Security (DS) organization and management structure. The panel concluded its work on May 3, 2013, making 35 recommendations to improve DS operations and its management structure. The Department accepted 30 of these recommendations and twenty-seven of 30 recommendations are closed. Three are still underway, but are expected to be complete by the end of CY 2014. See attached Fact Sheet.

On the CBS News segment on the Department's Embassy Construction program, Under Secretary Kennedy stated that he did not agree with the panel's findings on new embassy construction [Recommendation16], where the panel recommended that the Department undertake a review of the security implications in the new Overseas Buildings Operations design approach. Under Secretary Kennedy stated that the Department has taken steps to build safe buildings at a good price to the taxpayer.

The State Department is deeply committed to the safety and security of our personnel serving overseas; security considerations are first and foremost in our operations. Every new design and construction project that the Bureau of Overseas Buildings Operations undertakes meets the security and life safety standards required by law and by the Overseas Security Policy Board (an interagency group of security professionals from the foreign affairs and intelligence communities who develop, coordinate, and promote uniform policies, standards, and agreements on security operations outside the United States). The Department is committed to ensuring that our building program does not compromise the speed at which we deliver secure facilities.

Hearing of the House Oversight and Government Reform Committee
Subject: "Examining New Embassy Construction: Are New Administration Policies Putting Americans Overseas in Danger?"
Chaired by: Representative Darrell Issa (R-CA)

July 10, 2014
Lydia Muniz

Take Back 2

REP. CHAFFETZ: Mr. Green spearheads this effort, puts together this report, which was an offshoot, and started because of the Accountability Review Board. Ms. Muniz, has the State Department accepted this? Has this been approved? Is it -- is there anything (under ?) your mind that has been -- did they disagree with it?

MS. MUNIZ: As Mr. Green pointed out, the DS management review board really looked at DS's organization. So I don't know the status of the response or the implementation of those recommendations. I could take that back to my colleague --

Response (August 2014):

Following the September 11, 2012 attack on U.S. government facilities in Benghazi, Libya, the independent Benghazi Accountability Review Board (ARB) on December 19, 2012, issued 29 recommendations to the Department of State.

Benghazi ARB Recommendation 2 stated "The Board recommends that the Department re-examine DS organization and management, with a particular emphasis on span of control for security policy planning for all overseas U.S. diplomatic facilities." The Department established the six-person Organization and Management panel, composed of a range of professionals across multiple disciplines, to thoroughly review the Bureau of Diplomatic Security (DS) organization and management structure. The panel concluded its work on May 3, 2013, making 35 recommendations to improve DS operations and its management structure. The Department accepted 30 of these recommendations and twenty-seven are closed. Three are still underway, but are expected to be complete by the end of CY 2014. See attached Fact Sheet.

Questions from Representative Jason Chaffetz (#3)
Committee on Oversight and Government Reform

July 10, 2014
Lydia Muniz

REP. CHAFFETZ: Let's go to Port Moresby for a second. Because I had a chance to go visit there in February. When was that originally slated to be completed?

MS. MUNIZ: In 2014.

REP. CHAFFETZ: May of 2014, correct?

MS. MUNIZ: Yup.

REP. CHAFFETZ: And now when is it slated to be completed?

MS. MUNIZ: In early 2018.

REP. CHAFFETZ: So they're having to stay in the same facility. It's exceptionally dangerous, correct?

MS. MUNIZ: The reason Port Moresby is on the vulnerability list and getting a new embassy is because it's dangerous.

REP. CHAFFETZ: When did you get the final determination that the Marines were going to be located at Port Moresby?

MS. MUNIZ: The embassy that is being built in Port Moresby was based on numbers that were provided in 2008. As the committee members know, the numbers and the program for embassies is not set by OBO. It's set by the policy –

REP. CHAFFETZ: I'm asking you when did you get notification that Marines would be located at Port Moresby.

MS. MUNIZ: We awarded a contract in 2011. Two years into the construction of that project, we were notified that Marines would be going to Port Moresby and that a staff of 41 had increased by 31. Including the Marines, that's a doubling of the size of the embassy.

There was no way to continue with the project in a way that allowed us to deploy our resources intelligently, that would have allowed Diplomatic Security to certify the building and to co-locate all of the staff. We made the modifications that were necessary, based on real changes that reflected American priorities in Port Moresby

REP. CHAFFETZ: I'm going to try again. When did you get the official notifications that you were getting Marines?

MS. MUNIZ: 2013.

REP. CHAFFETZ: Can you provide that to this body?

MS. MUNIZ: Yes.

REP. CHAFFETZ: And when will I get that?

MS. MUNIZ: The department is part of that answer, so we will provide that as quickly as possible.

REP. CHAFFETZ: This is the challenge, Chairman.

If it's so dangerous and they need Marines, why aren't they there now?

MS. MUNIZ: The deployment of Marines is not something which is within OBO's purview. So I would refer that question back to -- we could get back to you on that.

Answer:
Port Moresby and 34 other posts were identified for an MSG detachment activation. At the time, Port Moresby's threat rating for terrorism and political violence were medium. DS began discussions with OBO on the plan to activate a Port Moresby detachment in early January 2013.

As part of this discussion, DS and USMC agreed that before any detachment could be activated, the mission would need to be able to provide the detachment with safe housing, a functional Post 1, and enough space inside the mission so that the detachment could set up and conduct operations. It was agreed that the identified 35 posts would be activated as soon as they could meet this criteria, and a timetable would be developed based on the projected dates posts could meet the requirements.

In February 2013, DS and OBO began assessing the posts to determine how quickly each facility could meet the minimum requirements established by DS and USMC. It was determined that Port Moresby did not have enough available space inside the Chancery to support MSG Operations nor could Post identify appropriate housing for the MSGs in the vicinity of the Embassy. Based on this assessment, DS determined to activate Port Moresby in conjunction with the completion of an NEC that would include an MSGR on the NEC compound.

Hearing of the House Oversight and Government Reform Committee
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Lydia Muniz

Take Back 4

Rep. Walberg: *Thank you, Mr. Chairman. And thank you to the panel for being here. And, you know, I'd just open my statement having had the privilege to travel to a number of embassies and consulates in regions of great insecurity.*

My impression of our public servants that are in those positions was enhanced, increased, almost disbelief that someone would take those positionings. So we do want to make sure that they're cared for appropriately, want to make sure the taxpayers are cared for appropriately as well. And I would add my comments to those already requesting that you please convey to people who can get us documents that we've been requesting. It's so important.

When I've been listening to questioning already and find disagreements on numbers, on size figures and things like that simply because we don't have the information and we can't do the work. I don't expect any hard drive to break down. I hope not, before we get that information. But we really need that.

In your testimonies, Ms. Muniz and Mr. Jones, you talk about the development of design excellence. You talk how working with them was a very participatory process within the State Department. Can you describe how the Bureau of Diplomatic Security participated in development of divine excellence -- we know that works, but design excellence? Your microphone, please.

Ms. Muniz: *I'm sorry. The foundation of –*

Rep. Chaffetz: *If you can move that microphone up closer, thank you.*
Ms. Muniz: *I'm sorry. The foundation of the excellence initiative, sort of our base going in statement was we are not changing the security standards, period. I have been in discussions with my colleagues in diplomatic security at the highest levels and at the working level and have made that assurance. I think that that is what is most important to them and they have every reason to insist that that still be the case.*

Rep. Walberg: *Did they clear –*

Ms. Muniz: *Yes.*

Rep. Walberg: *-- on design excellence?*

Ms. Muniz: *They cleared on our process, yes, and they support the process.*

Rep. Walberg: *Who cleared?*

Ms. Muniz: *I would have to get back to you on the clearances. But again, how we put those buildings together is in the responsibilities of the Bureau of Overseas Buildings Operations to the degree that we continue to build facilities that meet all of diplomatic security's concerns, that's what they need to sign off. In addition to understanding that we not add cost or add time to schedules in a way that would also jeopardize security. And we have committed to not doing that.*

Response (September 2014): The Bureau of Overseas Buildings Operations (OBO) has continued to work with the Bureau of Diplomatic Security (DS) throughout the development of the Excellence initiative, maintaining many of the routine interactions from the era of Standard Embassy Design. DS establishes the security standards and issues waivers and exceptions. DS is a key team member and participates in the site selection process, ensuring that any site the Department seeks to purchase meets all required security standards. Many different offices in DS participate in all stages of design, including the review of the designs of each project. For all projects that require it, DS certifies to Congress that the design and construction meets all security standards. Additionally, at the end of the construction process, DS accredits the facility as having met all requirements. DS has worked closely with OBO to develop new security standards and works with OBO on additional security measures beyond those prescribed by the Overseas Security Policy Board (OSPB). OBO and DS officials convene a weekly Risk Management meeting, where discussions have included Excellence issues.

In addition to their work on security standards and individual projects, DS participated in several of the working groups that developed OBO's "Guiding Principles of Excellence in Diplomatic Facilities" in 2010-11. In 2013, DS reviewed OBO's draft *Guide to Excellence in Diplomatic Facilities*, outlining the goals and processes involved in carrying out our mission of delivering safe, secure, functional facilities under the Excellence initiative. OBO sent a copy of the draft *Guide* to DS for their review on August 16, 2013. DS Principal Deputy Assistant Secretary Gregory Starr (at the time, the acting Assistant Secretary) cleared the document with some minor edits on September 6. OBO continues to work with DS as we refine and implement the Excellence initiative to ensure that our projects meet all of the required security standards.

Take Back 5

Rep. Chaffetz: *And I appreciate that. I see that as a potential threat. They have I believe it's a 20 percent VAT, which could obviously be a huge and major issue and something we would appreciate if you'd keep us apprised of.*

I had an opportunity to visit Dubai which was one of the last standard embassy designs. What do you find wrong with the facility in Dubai?

Ms. Muniz: *I don't know that particular facility so I wouldn't be able to address it. But I would like to say that there are many standard embassy designs that I think work well for their missions. I think there are some that could work better, and I think this initiative is about improving on something that was good and that did a lot of good.*

So I could look at Dubai more closely and get back to you with comments, but I don't have any particular not knowing it in great detail.
Response (September 2014): The new Consulate is located in the Consular District by the Dubai Creek in Bur Dubai and was completed in 2011.

While the examples that follow are specific to Dubai, they are indicative of functional issues that were found throughout numerous Post-Occupancy Evaluations (POE) conducted by OBO. OBO has conducted roughly 30 POEs on Standard Embassy Design-based compounds since 2010.

In Dubai, the lack of flexibility within the prescribed building footprints dictated by the Standard Embassy Design resulted in a plan that does not allow space for the addition of new buildings within the allowed security setbacks.

Additionally, the Standard Embassy Design and the Design/Build delivery method did not provide adequate focus on post-specific conditions; this resulted in investment in elements that did not fit the programmatic needs of the post, while other functionally necessary elements were not included. Had we looked more closely, we would have provided space on the compound for expansion and altered the Standard Embassy Design to better address local conditions such as climate.

Take Back 6

Rep. Chaffetz: *Thank the gentlewoman.*

I'll now recognize myself. But I want to ask unanimous consent to enter into the record; it's called "The Guide to Design Excellence."

It includes a message from you, Ms. Muniz.

Question -- without hearing any objections, so ordered. We'll enter it into the record.

Who at the State Department has approved this?

Ms. Muniz: *The director of OBO approved that document before I was director. It was Adam Namm. But I also want to make clear that this is a document that was widely briefed within the department with our colleagues in diplomatic security, was briefed on the Hill, was briefed publicly and was provided widely. So while it's within OBO's authority to innovate and to develop programs that help us build the best buildings that we can that are cost-effective, that are efficient –*

Rep. Chaffetz: *OK, OK, I got it.*

Ms. Muniz: *-- that is the –*

Rep. Chaffetz: *I know. And the question that we have is long term is diplomatic security's feeling about that. We'll come back to that.*

In response to CBS News, State Department put out this statement, "There has been no evidence that excellence projects take longer to build. In fact, under the excellence initiative from the fiscal year award to occupancy, facilities will be delivered on the same, if not shorter schedule."

In a separate part, again in response to CBS News, it says, "All facilities will be delivered on the same, if not shorter schedules. There is no evidence to the contrary."

Help me understand then why this unclassified document -- help me understand what's going on in Maputo.

In Maputo, it started as a standard embassy design with an estimated development of 39 months, and yet now it says that on March 28th of 2014 they were changing to design excellence and that it was going to take 46 months.

Ms. Muniz: *I don't have the document that you have. I'd like to be able to respond to that, but I need to be able to go back and look at detailed budgets and schedules.*

Rep. Chaffetz: *But this is something, this is the frustration. We request this type of document formally, you play hide-and-seek, you don't provide it to us, you make all these representations that everything is ahead of schedule, in fact it's probably going to be shorter is what you say, you tell that to the world, you put that out to the world, you give that to CBS News, you let everybody know that, oh, no, no, no, nothing is behind schedule, and yet I go find this document.*

Why is that?

Ms. Muniz: *As I said, I'd like to look at the case and look at the document you're holding to be able to speak knowledgeably about that particular –*

Rep. Chaffetz: *Do you dispute what I'm saying?*

Ms. Muniz: *I'm not sure what you're saying.*

Rep. Chaffetz: *I'm saying that in Maputo you went from a 39- month project to a 46-month project. And if you're in Africa and don't have the proper security, you're going to feel the effects of that.*

Ms. Muniz: *Again, I'll have to go back and look at the details of that project. What I talk about –*

Response (September 2014):
The Maputo New Embassy Compound (NEC) scope of work consists of a New Office Building, Marine Security Guard Quarters, support annex (including workshops), utility building, compound access controls, and perimeter physical security elements. The referenced estimated time periods for the Maputo project were from an early point in the development of the project and do not relate to the excellence initiative.

The Maputo project has consistently had a 33-month estimated construction duration. Early in the planning, OBO was considering a Design/Build contract for Maputo and had estimated a total of 39 months for the project, which included 6 months for design and 33 for construction. At one point in the project development, the team was concerned that site conditions would require extra site work, which could have added months to the schedule; this was the genesis of the referenced 46-month working estimate. OBO's current estimate for construction duration remains 33 months and OBO plans to pursue a construction contract based on that schedule. However, it is possible that, during the bid process, which includes a site visit by interested contractors, potential bidders could identify unforeseen requirements.

OBO continually evaluates construction projects to minimize duration without compromising safety, security, and quality. Accordingly, as the Maputo NEC design documents near final development, the project sequencing and duration will be re-evaluated in an effort to determine the most efficient and expedient delivery.

Additional Response (September 2014):
During the hearing, the committee displayed a graphic of Embassy projects in Ouagadougou and Maputo, noting that the total cost of Maputo, which is planned for construction award in 2014, was greater than that of Ouagadougou, which was awarded in 2007. A direct comparison of these two projects fails to account for their relative size; the Ouagadougou facility contains 110 desks, while Maputo is a 414-desk project.

In order to appropriately compare these projects, the costs should be compared in constant dollars to account for inflation and the increased cost of construction materials. In constant dollars, the Ouagadougou project is significantly more than Maputo, costing approximately $1,149,000 per desk and $12,688 per square meter, while Maputo is budgeted at $686,000 per desk and $9,233 per square meter. The per-desk cost of Ouagadougou is roughly equivalent to that of the London project. Further, the result holds even if we compare the two in absolute dollars. Ouagadougou cost approximately $881,000 per desk and $9,724 per square meter in 2007, or $195,000 per desk and $491 per square meter less expensive than Maputo.

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