

# GAO Highlights

Highlights of [GAO-17-296](#), a report to congressional requesters

## Why GAO Did This Study

In 1998, terrorists bombed the U.S. embassies in Nairobi, Kenya, and Dar es Salaam, Tanzania, killing over 220 people and injuring 4,000. In 1999, State began a new embassy construction program, administered by OBO, which to date has received \$21 billion, according to State. OBO's primary goal was to provide secure, safe, and functional workplaces, and it adopted SED with a streamlined, standard design for all embassies. In 2011, OBO replaced the SED with the Excellence approach, which makes use of customized designs for each embassy.

GAO was asked to review the implementation of Excellence. This report examines (1) the reasons for State's shift to the Excellence approach, (2) key elements and tradeoffs of the new approach, and (3) the extent to which State has established guidance and tools to implement and evaluate its Excellence approach. GAO analyzed information from State policy, planning, funding, and reporting documents and interviewed State and industry officials. GAO also surveyed OBO staff about, among other things, the sufficiency of OBO's policies, procedures, and technical guidance for the Excellence approach. GAO will examine project cost and schedule issues in a subsequent report.

## What GAO Recommends

GAO is making four recommendations that State take several steps to strengthen performance measures and reporting, monitoring mechanisms, and data systems for the Excellence approach. State concurred with all four recommendations.

View [GAO-17-296](#). For more information, contact Michael J. Courts at (202) 512-8980 or [courtsm@gao.gov](mailto:courtsm@gao.gov) or David J. Wise at (202) 512-5731 or [wised@gao.gov](mailto:wised@gao.gov).

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## EMBASSY CONSTRUCTION

### State Needs to Better Measure Performance of Its New Approach

## What GAO Found

In 2011, the U.S. Department of State's (State) Bureau of Overseas Buildings Operations (OBO) established the Excellence approach in response to concerns regarding the aesthetics, quality, location, and functionality of embassies built using its Standard Embassy Design (SED). The SED utilized a standard prototypical design for new embassies and consulates along with a streamlined delivery method combining responsibility for design and construction under a single contract. Under the Excellence approach, OBO now directly contracts with design firms to develop customized embassy designs before contracting for construction. OBO officials believe that greater design control under Excellence will improve embassies' appearance in representing the United States, functionality, quality, and operating costs.

Excellence consists of several key elements and involves trade-offs. For example, OBO now allots time and funding to develop customized designs and hires leading design firms to produce them. These design firms have faced initial adjustment challenges designing U.S. embassies, and OBO only recently began evaluating their performance as required by federal regulation. OBO's new approach poses cost and schedule trade-offs since, for example, OBO now has greater design control but may also be responsible if design problems are identified during construction. GAO's survey found that OBO staff who responded held split or conflicting opinions on Excellence compared with SED.

#### U.S. Embassy in Panama Constructed under Standard Embassy Design and Rendering of U.S. Consulate General in India to Be Delivered under the Excellence Approach



Panama City, Panama

Hyderabad, India

Source: Department of State. | GAO-17-296

While OBO has established guidance to implement Excellence, it lacks tools to fully evaluate the performance of this new approach. Performance measures are essential tools for managers to evaluate progress toward a program's goals, as noted in *Standards for Internal Control in the Federal Government*. However, OBO has not established performance measures to specifically evaluate and communicate the effectiveness of Excellence in delivering embassies. Moreover, OBO's bureau-wide strategic measures do not address Excellence priorities, such as greater adaptability to individual locations, functionality, or sustainability. OBO also lacks a reliable system to monitor operating performance, such as building energy usage, and a centralized database to broadly manage the Excellence program, to include effectively reporting on projects' design and construction costs and schedules. Without performance measures and reliable systems to collect and analyze relevant data, OBO cannot fully assess the value of shifting to the Excellence approach and away from the SED.