



Highlights of [GAO-06-714T](#), a testimony before the Committee on Government Reform, House of Representatives

## Why GAO Did This Study

The devastation experienced throughout the Gulf Coast region in the wake of Hurricanes Katrina and Rita has called into question the government's ability to effectively respond to such disasters. The government needs to understand what went right and what went wrong, and to apply these lessons to strengthen its disaster response and recovery operations.

The federal government relies on partnerships across the public and private sectors to achieve critical results in preparing for and responding to natural disasters, with an increasing reliance on contractors to carry out specific aspects of its missions.

This testimony discusses how three agencies—the General Services Administration, the Federal Emergency Management Agency (FEMA), and the U.S. Army Corps of Engineers (the Corps)—conducted oversight of 13 key contracts awarded to 12 contractors for hurricane response, as well as public and private sector practices GAO identified that provide examples of how the federal government could better manage its disaster-related procurements.

## What GAO Recommends

While GAO is not making any new recommendations in this testimony, GAO highlights previous recommendations for improving federal procurement in contingency operations.

[www.gao.gov/cgi-bin/getrpt?GAO-06-714T](http://www.gao.gov/cgi-bin/getrpt?GAO-06-714T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact William T. Woods at (202) 512-4841 or [woodsw@gao.gov](mailto:woodsw@gao.gov).

# HURRICANE KATRINA

## Improving Federal Contracting Practices in Disaster Recovery Operations

### What GAO Found

Agency acquisition and contractor personnel have been recognized for their hard work in providing the goods and services required to be responsive. The response efforts nonetheless suffered from three primary deficiencies:

First, there was inadequate planning and preparation in anticipating requirements for needed goods and services. Some key agencies did not always have adequate plans for contracting in a major contingency situation. For example, FEMA did not adequately anticipate needs for temporary housing and public buildings. Tensions also existed between selecting national contractors and the Stafford Act requirement for a preference for contractors from the affected area.

Second, there was a lack of clearly communicated responsibilities for contracting activities across agencies and jurisdictions. When disasters occur, local or state officials sometimes determine contract requirements and send them to FEMA, which writes and awards the contract or passes that responsibility on to another agency. FEMA or another agency may then oversee contract performance. Although this process requires clear alignment of responsibilities and good communications, our fieldwork found examples that did not meet that standard. Although the process for ordering and delivering ice depends on good communications between FEMA and the Corps, for example, Corps officials said FEMA did not fully understand the contracting approach they used and ordered at least double the amount of ice required, resulting in an oversupply of ice and a lack of distribution sites to handle the volume ordered.

Third, there were insufficient numbers and inadequate deployment of personnel to provide for effective contractor oversight. For example, FEMA's contracts to install temporary housing in four states had only 17 of the 27 technical monitors that were needed for oversight.

GAO has identified practices in the public and private sectors that provide insight into how federal agencies can better manage their disaster-related procurements, including:

- developing knowledge of contractor capabilities and prices by identifying commodities and services and establishing vendor relationships before they are needed;
- establishing a scalable operations plan to adjust the level of capacity required to effectively respond to needs;
- formally assigning and communicating disaster-related responsibilities, with joint training for government and contractor personnel; and
- providing sufficient numbers of field-level contracting staff with the authority needed to meet mission requirements.