

GAO Highlights

Highlights of [GAO-19-93](#), a report to congressional requesters

Why GAO Did This Study

Following Hurricane Katrina, Congress required FEMA to establish advance contracts for goods and services to enable the government to quickly and effectively mobilize resources in the aftermath of a disaster, like those that affected the United States in 2017.

GAO was asked to review the federal government's response to the three 2017 hurricanes and California wildfires. This report assesses, among other things, (1) FEMA and USACE's use of advance contracts, (2) FEMA's planning and reporting of selected advance contracts, and (3) challenges, if any, with FEMA's use of these contracts.

GAO analyzed data from the Federal Procurement Data System-Next Generation through May 31, 2018; selected a non-generalizable sample of 14 FEMA and USACE advance contracts that were competed and obligated over \$50 million, or non-competed and obligated over \$10 million, in response to the 2017 disasters; and interviewed FEMA and USACE officials.

What GAO Recommends

GAO is making nine recommendations to FEMA, including that it update its strategy and guidance to clarify the use of advance contracts, improve the timeliness of its acquisition planning activities, revise its methodology for reporting disaster contracting actions to congressional committees, and provide more consistent guidance and information to contracting officers to coordinate with and encourage states and localities to establish advance contracts. FEMA concurred with our recommendations.

View [GAO-19-93](#). For more information, contact Marie A. Mak at 202-512-4841 or makm@gao.gov

December 2018

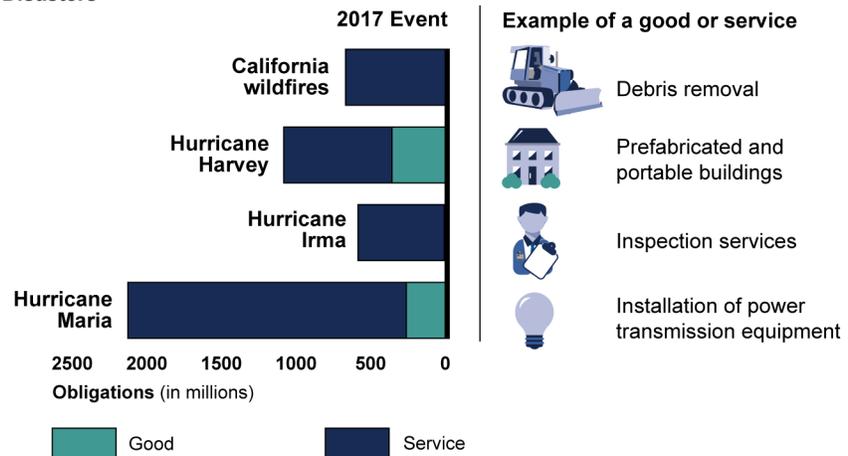
2017 DISASTER CONTRACTING

Action Needed to Better Ensure More Effective Use and Management of Advance Contracts

What GAO Found

In response to Hurricanes Harvey, Irma, and Maria, as well as the 2017 California wildfires, the Federal Emergency Management Agency (FEMA) and U.S. Army Corps of Engineers (USACE) relied heavily on advance contracts. As of May 31, 2018, FEMA and USACE obligated about \$4.5 billion for various goods and services through these contracts, see figure below.

Advance Contract Obligations and Examples of Goods and Services the Federal Emergency Management Agency and U.S. Army Corps of Engineers Used to Respond to the 2017 Disasters



Source: GAO analysis of Federal Procurement Data System-Next Generation data. | GAO-19-93

Note: Obligations are nominal 2017 and 2018 dollars.

GAO found limitations in FEMA's use of some advance contracts that provided critical goods and services to survivors, including

- an outdated strategy and unclear guidance on how contracting officers should use advance contracts during a disaster, and
- challenges performing acquisition planning.

FEMA also did not always provide complete information in its reports to congressional committees. Specifically, GAO found 29 advance contract actions that were not included in recent reports due to shortcomings in FEMA's reporting methodology, limiting visibility into its disaster contract spending.

FEMA identified challenges with advance contracts in 2017, including federal coordination with states and localities on their use. FEMA is required to coordinate with states and localities and encourage them to establish their own advance contracts with vendors. However, GAO found inconsistencies in that coordination and the information FEMA uses to coordinate with states and localities on advance contracts. Without consistent information and coordination with FEMA, states and localities may not have the tools needed to establish their own advance contracts for critical goods and services and quickly respond to future disasters.