HURRICANES KATRINA AND RITA

Contracting for Response and Recovery Efforts

What GAO Found

The private sector is an important partner with the government in responding to and recovering from natural disasters such as Hurricanes Katrina and Rita. Such partnerships often include multiple federal agencies, for-profit contractors and not-for-profit organizations, and state and local governments. Importantly, federal agencies are relying increasingly on contractors to carry out specific aspects of their missions. The government’s response to Katrina and Rita, for example, depended heavily on contractors to deliver ice, water, and food supplies as well as the effort to patch rooftops and supply temporary housing to displaced residents and evacuees. GAO can draw on its large body of knowledge to evaluate the procurement and contracting community’s preparation for and response to Katrina, Rita, and other disasters. GAO’s past work has shown that far too often, poorly planned and executed acquisitions have resulted in the government’s inability to obtain quality goods and services on time and at a fair price—an outcome that is unacceptable, particularly in the current fiscal environment.

GAO’s work on contracting issues related to Hurricanes Katrina and Rita will focus on agency planning, contract execution, and monitoring of contractor performance. To ensure good contracting outcomes, agencies must have sound acquisition plans, sufficient knowledge to make good business decisions, and the means to monitor contractor performance and ensure accountability. These components are critical to successfully managing contracts following any disaster, especially catastrophic disasters such as Hurricanes Katrina and Rita. The fact that natural disasters are not precisely predictable must not be an excuse for careless contracting practices.

GAO’s preliminary observations about the purchase of classrooms by the Army Corps of Engineers illustrate what can happen when sound contracting practices are not followed. The Corps was faced with a significant challenge in this acquisition because the classrooms were purchased in a short time frame and negotiations were compressed. GAO has concerns that the government may be paying more than necessary and questions whether Corps contracting officials had sufficient knowledge to ensure a good acquisition outcome. As a part of our ongoing work on Katrina and Rita, we will continue to review the facts and circumstances of this particular contract and other contracts supporting hurricane recovery efforts as we assess the overall contracting environment and practices in place.