

# GAO Highlights

Highlights of [GAO-19-281](#), a report to congressional requesters

## Why GAO Did This Study

Federal contracts play a key role in timely response and recovery efforts following disasters. While federal agencies, such as FEMA and USACE, may have advance contracts in place for obtaining goods and services following disasters, agencies may also award post-disaster contracts.

GAO was asked to review the federal government's response to three major hurricanes in 2017, as well as the 2017 California wildfires. This report addresses, among other objectives, the extent to which (1) federal agencies obligated funds on post-disaster contracts in response to these events, and (2) selected agencies experienced challenges in the planning of selected contracts.

GAO analyzed data from the Federal Procurement Data System-Next Generation; selected a non-generalizable sample of 23 post-disaster contracts based on factors such as if the contract was set aside for award to a local contractor; reviewed federal regulations and agency guidance; and interviewed agency officials.

## What GAO Recommends

GAO is making 10 recommendations, including that DHS reopen NIA codes for Hurricanes Harvey and Irma; USACE provide guidance on the local area definition; and the Coast Guard and USACE provide guidance to ensure contracting requirements for the use of non-local vendors are met. Agencies concurred with 9 recommendations. DHS did not agree that NIA codes should be reopened. GAO continues to believe DHS should do so, to the extent practicable, as discussed in the report.

View [GAO-19-281](#). For more information, contact Marie A. Mak at (202) 512-4841 or [makm@gao.gov](mailto:makm@gao.gov).

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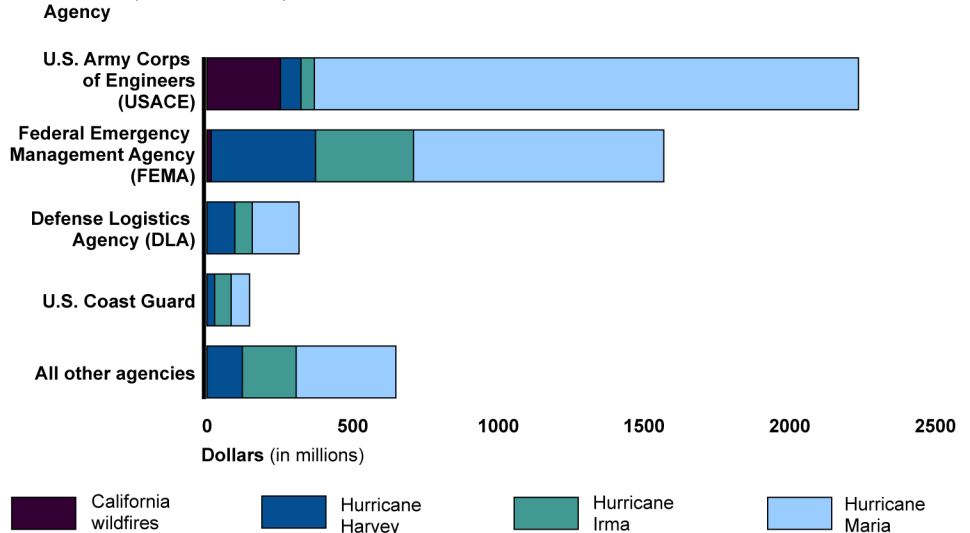
## 2017 DISASTER CONTRACTING

### Actions Needed to Improve the Use of Post-Disaster Contracts to Support Response and Recovery

## What GAO Found

Following hurricanes Harvey, Irma, and Maria and the 2017 California wildfires, federal agencies obligated at least \$5 billion in post-disaster contracts—which are awarded after disasters hit—to support disaster response and recovery efforts. The U.S. Army Corps of Engineers (USACE) and the Federal Emergency Management Agency (FEMA) comprised over three-quarters of reported post-disaster contract obligations as of June 30, 2018 (see figure).

**Known Post-Disaster Contract Obligations in Response to the 2017 Disasters, in Fiscal Year 2018 Dollars, as of June 30, 2018**



Source: GAO analysis of Federal Procurement Data System-Next Generation data. | GAO-19-281

However, the full extent of post-disaster contracting related to the 2017 disasters is unknown due to the Department of Homeland Security's (DHS) inconsistent implementation of the criteria for closing a national interest action (NIA) code. This code allows agencies to track data on contract actions related to national emergencies, providing government-wide insight into response and recovery efforts. DHS closed the codes for Harvey and Irma on June 30, 2018, less than a year after those hurricanes hit. In contrast, the codes for prior hurricanes were open for at least five years, with Katrina remaining open for 13 years.

Based on a review of 23 contract files from FEMA, USACE, the Defense Logistics Agency, and the Coast Guard, GAO identified challenges in the planning of selected contracts. For example, GAO found USACE officials were not consistently aware of the regulation that defines "local area." GAO also found that contracting officers at FEMA, USACE, and the Coast Guard did not consistently write justifications for awards to non-local vendors outside the disaster area, as required. FEMA developed guidance to address this, but the Coast Guard and USACE have not issued guidance or tools to address this requirement. Without addressing planning challenges, agencies may miss opportunities to award contracts to local businesses in the disaster area to the extent feasible and practicable, which could help jump-start the local economy.