



Highlights of [GAO-06-246T](#), a report to the Committee on Small Business and Entrepreneurship, United States Senate

Why GAO Did This Study

The devastation experienced by those throughout the Gulf Coast in Louisiana, Mississippi, Alabama, and Texas 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. At the same time, the acquisition functions at several agencies are on GAO's high-risk list, indicating a vulnerability to fraud, waste, abuse, and mismanagement.

GAO was asked to provide an overview of (1) its role in evaluating the contracting community with regard to disaster preparedness and response, (2) GAO's plans for reviewing the performance of the federal government and its contractors in preparing for and responding to the hurricanes, and (3) what GAO has learned so far about the performance of the federal government and its contractors in preparing for and responding to the hurricanes.

www.gao.gov/cgi-bin/getrpt?GAO-06-246T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact David E. Cooper at (202) 512-4841 or cooperd@gao.gov.

HURRICANES KATRINA AND RITA

Preliminary Observations on 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, including small businesses and local firms; 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 (Corps) 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.