

Memorandum for the Record: GSA OIG Biweekly Reporting on Hurricane Oversight

GSA's role in assisting FEMA is unique in that under Emergency Support Function 7 (ESF-7), GSA employees act as procurement agents for FEMA. Under this situation, FEMA issues GSA a procurement request and a GSA contracting officer then conducts the procurement through the award. FEMA is then responsible for receiving the product or service and the vendor bills FEMA directly. GSA enters the procurement data into the Federal Procurement Data System (FPDS); however, the data is not entered into GSA's contract or financial systems as the transactions are processed, monitored, and paid by FEMA using its information systems. The GSA OIG biweekly report is based on the information in FPDS, since it is the only centralized database for the ESF-7 procurements and it provides all data fields requested by the DHS OIG.

The GSA OIG is performing a programmatic review that looks at GSA's support for FEMA in its entirety, including GSA's procurements for FEMA under ESF-7, charges against mission assignments, as well as management controls and processes internal to GSA. To date, we have made site visits to GSA regional offices supporting FEMA and held discussions with other GSA organizations involved with FEMA support to gain an understanding of the policies and processes.

The GSA OIG review of GSA's procurements for FEMA under ESF-7 includes examining the procurements for price reasonableness, the level of competition used for the award, and management controls related to the procurement award. To date, we have selected approximately 144 contracts over \$500,000 awarded by GSA under ESF-7 and have been collecting the contract data needed for our review. These contracts were identified primarily from procurement "logs" that are used by contracting personnel to track ESF-7 procurements. However, data on the competitive status for the procurements under review is not readily available, as the logs do not identify the level of competition. As such, we will not report on the competitive status until it can be determined with more certainty.

In addition, the GSA OIG is reviewing mission assignments that FEMA has issued to GSA under ESF-7 and the costs GSA has charged in carrying out the mission assignments. Mission assignments are used to assign tasks to agencies and provide a method for reimbursement for the costs of the tasks. GSA is using mission assignments primarily for the reimbursement of salaries and travel costs of employees assigned to ESF-7. In addition, GSA has sub-tasked additional ESF-7 mission assignments to other agencies in their entirety as instructed by FEMA and does not bill for those costs.

Under the procurement flexibilities allowed for contracting in response to the Hurricane Katrina, GSA raised the procurement ceiling for charge cards to \$15,000 and only for a limited number of cardholders. Generally, GSA does not utilize purchase cards to make procurements in support of FEMA. The data reported is based on the FPDS database.