

**FEMA CONTRACTING: REVIEWING LESSONS
LEARNED FROM PAST DISASTERS TO IMPROVE
PREPAREDNESS**

JOINT HEARING

BEFORE THE

SUBCOMMITTEE ON EMERGENCY
PREPAREDNESS,
RESPONSE, AND RECOVERY

AND THE

SUBCOMMITTEE ON OVERSIGHT,
MANAGEMENT,
AND ACCOUNTABILITY,
HOUSE OF REPRESENTATIVES
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FEMA CONTRACTING: REVIEWING LESSONS LEARNED FROM PAST DISASTERS TO IM- PROVE PREPAREDNESS

Thursday, May 9, 2019

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON EMERGENCY PREPAREDNESS, RESPONSE,
AND RECOVERY, AND THE
SUBCOMMITTEE ON OVERSIGHT, MANAGEMENT, AND
ACCOUNTABILITY,
Washington, DC.

The subcommittees met, pursuant to notice, at 10:03 a.m., in room 310, Cannon House Office Building, Hon. Donald M. Payne, Jr. [Chairman of the Subcommittee on Emergency Preparedness, Response, and Recovery], presiding.

Present: Representatives Payne, Torres Small, Titus, Rose, Underwood, Barragán, Green, Clarke, Thompson, King, Crenshaw, Joyce, Higgins, and Taylor.

Mr. PAYNE. Seeing that we have a quorum, the Committee on Homeland Security will come to order.

The committee is meeting today to receive testimony on “FEMA Contracting: Reviewing Lessons Learned from Past Disasters to Improve Preparedness.”

I would like to thank Chairwoman Torres Small and Ranking Member Crenshaw of the Oversight, Management, and Accountability Subcommittee for coming together with Ranking Member King and me to hold this hearing.

I would also like to thank the witnesses for being here today to discuss disaster contracting.

This week is Hurricane Preparedness Week, and today marks 22 days until the 2019 hurricane season begins. Unfortunately, there are still real questions about FEMA’s preparedness for disasters, not the least of which is that there is not a confirmed administrator at the helm of FEMA.

I am particularly concerned about FEMA’s contracting for disasters. Proper disaster contracting is crucial to the successful response efforts, as disaster contracts provide for several survival and comfort items like food, water, blankets, and cots that communities need following a major devastation. Disaster contracts also provide for important response-related services like debris removal, translators, and housing inspectors.

While the magnitude of the effects of hurricanes, earthquakes, wildfires, and the like are obvious, FEMA seems to continually fall short in the realm of disaster contracting.

From Hurricane Katrina, we learned that one of the most important aspects of disaster preparedness is advance contracting. However, here we are, 14 years after Katrina, and the Government Accountability Office noted in its December 2018 report, GAO-19-93, on 2017 disaster contracting that FEMA still needs to improve its advance contracting practices.

Specifically, the GAO found that the advance contracts FEMA had in place prior to the 2017 hurricane season were not sufficient to cover the need, the absence of which caused FEMA to scramble to enter into post-disaster contracts. Simply put, there needs to be more contracts in place before a disaster strikes.

While it is difficult to predict exact needs prior to disasters, we do know that hurricane season every June 1 to November 30, and history has shown us that FEMA is likely to be underprepared in some fashion.

From a recent April 2019 GAO report, GAO-19-281, we also know that FEMA is still struggling with acquiring and retaining its disaster contracting work force. The absence of adequate staffing levels causes undue delays in the screening and delivery of important goods and services by impacted communities following a disaster.

Then there are instances in the 2017 such as the failed Bronze Star and Tribute contracts from FEMA. In the case of the Bronze Star contract, deficiencies in FEMA's contract procedures resulted in delayed delivery of crucial supplies that would have helped Puerto Ricans protect their homes from further damage after Hurricane Maria. Similarly, the Tribute contract was for 30 million emergency meals, and it had to be canceled after Tribute only delivered 50,000 of the 30 million meals required. These types of contracting errors are troubling and have major consequences.

We need to have an honest conversation today about how FEMA should proceed with preventing future contracting missteps, the results of which are Americans going without emergency goods and services.

When a disaster strikes, the American people depend on the Federal Government to get it right. Yet, as the GAO has reported, FEMA's disaster contracting apparatus is unprepared, and its disaster contract work force is overwhelmed and overworked. FEMA itself also has acknowledged its contracting work force shortcomings, as evidenced in their "2017 Hurricane Season After-Action Report."

To make matters worse, the President has again proposed cuts to the agency's discretionary funding, further complicating FEMA's ability to address disaster contracting work force challenges.

Furthermore, the recent Federal Government shut down, roughly 6 months before the start of hurricane season, caused FEMA to order a stop on outstanding contracts, causing the agency to lose valuable disaster contracting preparation time.

Emergency preparedness, response, and recovery is too important of a mission for this agency to consistently struggle with disaster contracting. Having experienced the horrors disasters can cause, a

community with Hurricane Sandy, I know how critical it is for FEMA to have effective processes in place before a disaster strikes.

With this, I look forward to engaging with the DHS Office of Inspector General and the GAO about underlying issues that they have identified that seem to chronically cause FEMA to miss the mark with disaster contracting. I also look forward to hearing from FEMA about what Congress can do to help the agency improve its disaster contracting.

[The statement of Chairman Payne follows:]

STATEMENT OF CHAIRMAN DONALD M. PAYNE, JR.

MAY 9, 2019

This week is Hurricane Preparedness Week, and today marks 22 days until the 2019 hurricane season begins. Unfortunately, there are still real questions about FEMA's preparedness for disasters, not the least of which is that there is not a confirmed administrator at the helm of FEMA.

I am particularly concerned about FEMA's contracting for disasters. Proper disaster contracting is crucial to successful response efforts, as disaster contracts provide for several survival and comfort items like food, water, blankets, and cots that communities need following major devastation. Disaster contracts also provide for important response-related services like debris removal, translators, and housing inspectors. While the magnitude of the effects of hurricanes, earthquakes, wildfires, and the like are obvious, FEMA seems to continually fall short in the realm of disaster contracting.

From Hurricane Katrina, we learned that one of the most important aspects of disaster preparedness is advanced contracting. However, here we are 14 years after Hurricane Katrina, and the Government Accountability Office (GAO) noted in its December 2018 report (GAO-19-93) on 2017 disaster contracting that FEMA still needs to improve its advanced contracting practices. Specifically, the GAO found that the advanced contracts FEMA had in place prior to the 2017 hurricane season were not sufficient to cover the need; the absence of which caused FEMA to scramble to enter into post-disaster contracts. Simply put, there needs to be more contracts in place before a disaster strikes. While it is difficult to predict exact needs prior to disasters, we do know that hurricane season is every June 1—November 30; and history has shown us that FEMA is likely to be under-prepared in some fashion.

From a recent April 2019 GAO report (GAO-19-281), we also know that FEMA is still struggling with acquiring and retaining its disaster contracting work force. The absence of adequate staffing levels causes undue delays in the securing and delivery of important goods and services impacted communities need following disasters. Then there were instances in 2017 such as the failed Bronze Star and Tribute contracts from FEMA. In the case of the Bronze Star contract, deficiencies in FEMA's contracting procedures resulted in delayed delivery of crucial supplies that would have helped Puerto Ricans protect their homes from further damage after Hurricane Maria. Similarly, the Tribute contract was for 30 million emergency meals and it had to be canceled after Tribute only delivered 50,000 of the 30 million meals required. These types of contracting errors are troubling and have major consequences.

We need to have an honest conversation today about how FEMA should proceed with preventing future contracting missteps, the results of which are Americans going without emergency goods and services. When disaster strikes, the American people depend on the Federal Government to get it right. Yet, as the GAO has reported, FEMA's disaster contracting apparatus is unprepared, and its disaster contracting work force is overwhelmed and overworked. FEMA itself also has acknowledged its contracting work force shortcomings, as evidenced in their 2017 Hurricane Season After-Action Report. To make matters worse, the President has again proposed cuts to the agency's discretionary funding, further complicating FEMA's ability to address disaster contracting work force challenges.

Furthermore, the recent Federal Government shutdown—roughly 6 months before the start of hurricane season—caused FEMA to order a stop on outstanding contracts; causing the agency to lose valuable disaster contracting preparation time. Emergency preparedness, response, and recovery is too important of a mission for this agency to consistently struggle with disaster contracting. Having experienced

the horrors disasters can cause a community with Hurricane Sandy, I know how critical it is for FEMA to have effective processes in place before disaster strikes.

With this, I look forward to engaging with the DHS Office of Inspector General and the GAO about the underlining issues they have identified that seem to chronically cause FEMA to miss the mark with disaster contracting. I also look forward to hearing from FEMA about what Congress can do to help the agency improve its disaster contracting practices.

Mr. PAYNE. With that, I now recognize the Ranking Member of the Emergency Preparedness, Response, and Recovery Subcommittee, the gentleman from New York, Mr. King, for an opening statement.

Mr. KING. Thank you, Mr. Chairman. I appreciate this hearing, and thank you for calling it and working with our colleagues on this with the two subcommittees.

In 2012, Superstorm Sandy wreaked havoc on the States of New York and New Jersey, as you well know, as well as 10 other States, resulting in around 150 deaths, hundreds of thousands of impacted residents, and over \$65 billion in damages. The storm's effects were widespread and extensive, with substantial flooding, massive power outages, and fuel shortages in parts of the region.

Following Hurricane Sandy, FEMA released an after-action report detailing successes, lessons learned, and areas of needed improvement in hurricane recovery efforts.

One area highlighted for improvement was reducing the complexity of the public assistance program. FEMA's public assistance grant program provides Federal assistance to State, local, Tribal, and certain private and nonprofit organizations following a Presidential major disaster declaration.

While FEMA did take several steps to help Government officials better understand this program and reduce the complexity of rules, State and local officials to express confusion regarding the program, and lack of clarity delayed recovery efforts.

The Sandy Recovery Improvement Act of 2013 improved the public assistance program by providing alternative procedures to allow for flexibility for recovery projects that encourage timely and cost-effective completion. These alternative procedures rely on fixed-cost estimates that allow recipients or subrecipients to use remaining funds for other eligible purposes if the cost of the project is below the estimate.

FEMA's Hurricane Sandy after-action report noted that the new public assistance program can, "serve as a springboard for FEMA to continue reducing the complexity of the PA program."

However, according to the DHS Office of Inspector General, FEMA continues to fail in overseeing grant recipients' effective management of disaster relief grants, which poses potential financial risks to taxpayers.

The GAO has reported on FEMA's need for better management of its advance contract program. Advance contracts for goods and services enable the Government to quickly and effectively mobilize resources in the aftermath of a disaster.

Among other recommendations, GAO recommends that FEMA update its strategy for advance contracts to provide clear guidance on the use and prioritization of such contracts so they can quickly and cost-effectively provide goods and services to disaster-stricken

areas. Delays in response and recovery efforts due to a lack of coordination and inconsistent information are not acceptable.

Following major disasters, advance and post-disaster Federal contracts and assistance are essential to rebuilding our Nation's communities. It is imperative that FEMA continues to streamline its efforts to ensure proper oversight, improve coordination, and maintain its focus on survivors and their recovery needs.

Mr. Chairman, I look forward to hearing from our witnesses today—I want to thank them for being here—on how to improve FEMA contracting mechanisms so that response and recovery efforts are timely and effective following catastrophic disasters and emergencies.

I yield back. Thank you.

[The statement of Ranking Member King follows:]

STATEMENT OF RANKING MEMBER PETER T. KING

MAY 9, 2019

In 2012, Superstorm Sandy wreaked havoc on the States of New York and New Jersey, as well as 10 other States, resulting in around 150 deaths, hundreds of thousands of impacted residents, and over \$65 billion in damages. The storm's effects were widespread and extensive, with substantial flooding, massive power outages, and fuel shortages in parts of the region.

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These alternative procedures rely on fixed-cost estimates that allow recipients or subrecipients to use remaining funds for other eligible purposes if the cost of the project is below the estimate. FEMA's Hurricane Sandy After-Action Report noted that the new public assistance procedures “can serve as a springboard for FEMA to continue reducing the complexity of the PA program.”

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I look forward to hearing from our witnesses today on how to improve FEMA contracting mechanisms so that response and recovery efforts are timely and effective following catastrophic disasters and emergencies.

Mr. PAYNE. Thank you, Mr. King.

I now recognize the Chairwoman of the Oversight, Management, and Accountability Subcommittee, the gentlewoman from New Mexico, Ms. Torres Small, for an opening statement.

Ms. TORRES SMALL. Thank you, Chairman Payne. Thanks for the opportunity to co-chair this hearing with you.

With the 2019 hurricane season just 3 weeks away, this hearing couldn't be more timely. It is an opportunity to discuss lessons learned from past disasters and assess whether necessary improvements have been made to ready the Nation for future events.

Disasters can strike with little to no warning. We unfortunately experienced this first-hand in my district in New Mexico when a tornado touched down outside of Dexter this past March. I would also like to acknowledge those affected by the flooding in Ranking Member Crenshaw's district.

These disasters demonstrate that at a moment's notice FEMA may need to assist thousands of survivors who suddenly have an immediate need for emergency goods and services. FEMA cannot prepare for every eventuality, but as the frequency and severity of natural disasters increase, it is as important as ever that the agency take corrective action to better execute its no-fail mission.

Disaster contracting is one area where improvements are most needed. As the witnesses from GAO and the DHS Office of the Inspector General can confirm, FEMA has a checkered history with the disaster response and recovery contracts it awards and oversees.

I am glad that some improvements have been made since Hurricane Katrina struck the Gulf Coast in 2005. For example, more contracts are being competitively bid, reducing the potential for waste, fraud, and abuse, and more contracts are being awarded to local vendors, stimulating local economies.

But challenges remain. FEMA still struggles to utilize advance contracts. These contracts are awarded prior to a natural disaster when there is not an urgent need for emergency goods and services, which allows FEMA to maximize competition and properly evaluate vendors' qualities.

We saw this problem borne out in the response to Hurricanes Harvey, Irma, and Maria. In multiple instances, FEMA had to cancel contracts it awarded after a hurricane hit rather than relying on advance contracts that were in place prior to a storm.

Some of the vendors had no business being awarded Government contracts. FEMA awarded more than \$30 million worth of emergency tarps and sheeting contracts to a company that was formed just weeks before Hurricane Maria struck. It is no surprise that this company failed to deliver.

Another firm, with one employee and a history of canceled contracts, was for some reason entrusted to deliver 30 million meals to hurricane survivors in Puerto Rico. Less than a month later, the company only managed to supply 50,000 meals, about one-tenth of 1 percent of what was agreed to. Not surprisingly, FEMA had to cancel this contract too.

If FEMA had had more advance contracts in place or a better process for vetting vendors after a hurricane hit, some of these mistakes could have been avoided.

FEMA must also do a better job of overseeing disaster contracts awarded by State and local governments. As the Inspector General has reported, local emergency managers, some of whom may be dealing with a disaster for the first time, need guidance and training from FEMA on how to follow Federal procurement regulations. At the end of the day, it is Federal tax dollars that are on the line.

As the Chair of our Oversight, Management, and Accountability Subcommittee, I am also concerned about FEMA's ability to recruit and retain qualified contracting officers. I understand that, as of January, more than one-third of the positions within FEMA's Office of the Chief Procurement Officer were vacant, and the agency has actually lost contracting staff since 2017.

This is not the direction we need to be headed. If anything, FEMA needs more contracting officers, not less. These should be permanent positions, not the short-term hires FEMA is using as a stopgap.

Mr. Kamoie, I look forward to learning about the steps you have taken over the past 2 years to assess FEMA's work force needs and to hire more contracting staff in particular. The agency's procurement office needs to be at full strength as we head into the 2019 hurricane season.

Thank you again, Mr. Chairman, for holding this hearing. I look forward to a fruitful discussion with all three of our witnesses here today.

[The statement of Chairwoman Torres Small follows:]

STATEMENT OF CHAIRWOMAN XOCHITL TORRES SMALL

MAY 9, 2019

With the 2019 hurricane season just 3 weeks away, this hearing couldn't be more timely. It is an opportunity to discuss lessons learned from past disasters and assess whether necessary improvements have been made to ready the Nation for future events.

Disasters can strike with little to no warning. We unfortunately experienced this first-hand in my district in New Mexico when a tornado touched down outside of Dexter this past March. I'd also like to acknowledge those affected by the flooding in Ranking Member Crenshaw's district. These disasters demonstrate that at a moment's notice, FEMA may need to assist thousands of survivors who suddenly have an immediate need for emergency goods and services. FEMA cannot prepare for every eventuality. But as the frequency and severity of natural disasters increase, it is as important as ever that the agency take corrective action to better execute its no-fail mission.

Disaster contracting is one area where improvements are most needed. As the witnesses from GAO and the DHS Office of Inspector General can confirm, FEMA has a checkered history with the disaster response and recovery contracts it awards and oversees. I am glad that some improvements have been made since Hurricane Katrina struck the Gulf Coast in 2005. For example, more contracts are being competitively bid, reducing the potential for waste, fraud, and abuse. And more contracts are being awarded to local vendors, stimulating local economies.

But challenges remain. FEMA still struggles to utilize advance contracts. These contracts are awarded prior to a natural disaster when there is not an urgent need for emergency goods and services, allowing FEMA to maximize competition and properly evaluate vendors' qualifications. We saw this problem borne out in the response to Hurricanes Harvey, Irma, and Maria. In multiple instances, FEMA had to cancel contracts it awarded after a hurricane hit—rather than relying on advance contracts that were in place prior to a storm. Some of the vendors had no business being awarded Government contracts. FEMA awarded more than \$30 million worth of emergency tarps and sheeting contracts to a company that was formed just weeks before Hurricane Maria struck. It's no surprise this company failed to deliver. Another firm with one employee and a history of canceled contracts was, for some reason, entrusted to deliver 30 million meals to hurricane survivors in Puerto Rico.

Less than a month later, the company only managed to supply 50,000 meals, about one-tenth of 1 percent of what was agreed to. Not surprisingly, FEMA had to cancel this contract too. If FEMA had had more advance contracts in place—or a better process for vetting vendors after the hurricane hit—some of these mistakes could have been avoided.

FEMA also must do a better job of overseeing disaster contracts awarded by State and local governments. As the inspector general has reported, local emergency managers—some of whom may be dealing with a disaster for the first time—need guidance and training from FEMA on how to follow Federal procurement regulations. At the end of the day, it's Federal tax dollars that are on the line.

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Mr. Kamoie, I look forward to learning about the steps you have taken over the past 2 years to assess FEMA's work force needs and to hire more contracting staff in particular. The agency's procurement office needs to be at full strength as we head into the 2019 hurricane season.

Mr. PAYNE. Thank you, Chairwoman.

I now recognize the Ranking Member of the Oversight, Management, and Accountability Subcommittee, the gentleman from Texas, Mr. Crenshaw, for an opening statement.

Mr. CRENSHAW. Thank you, Chairman Payne, Ranking Member King, and Chairwoman Torres Small. It is great to be with all of you.

Thank you to our witnesses for being here.

I have been here long enough to see the range of issues this committee deals, from countering threats from terrorist activity, to cybersecurity, to National disasters. All can be harmful, affect National security, and, most importantly, impact the American people.

I am pleased we are holding this hearing today to explore the ways FEMA can improve its contracting. FEMA has one of the most important functions of the Federal Government in helping our citizens prepare for and recover from disasters.

My home State of Texas witnessed the devastation that nature can cause when Hurricane Harvey hit in late August 2017. It is something my constituents and I saw and dealt with first-hand. That storm brought torrential downpours that caused catastrophic flooding in Houston and many of the areas I represent. Hurricane Harvey cost 107 people their lives and is estimated to have cost \$125 billion in damage.

But Texans are resilient. During the storm, we evacuated our neighbors with the help of our friends from the Cajun Navy, volunteers from across the country, the Texas National Guard, and the U.S. Coast Guard. As soon as the waters receded, we got to work with recovery.

It has been over 600 days, and we are still recovering and rebuilding after the devastation caused by this storm. While we are grateful for the assistance from FEMA, we must always ask ourselves how we can do better. It is our role to review the activities of Federal agencies and determine what we can do better to serve our constituents and the American taxpayer. That is part of our oversight role in Congress and on this committee.

While 2017 was an unusual year because of the unprecedented number of disasters, including Hurricanes Harvey, Irma, and Maria and the California wildfires, FEMA must be prepared for all disasters regardless of their frequency.

FEMA assists with disaster recovery utilizing three different methods. After Hurricane Katrina in 2005, FEMA began using advance contracts for goods and services it typically needs in a disaster. The Agency also provides help after a disaster through post-disaster contracts and public assistance grants. In the 2017 disaster season, many of the post-disaster contracts were for power distribution equipment and food and water. FEMA uses public assistance grants to supplement State and local efforts for things like debris removal and emergency protective measures as well as projects to repair infrastructure and facilities.

Responsible administration of these contracts is vital to helping the victims of a disaster recover and in helping the States and localities recover and rebuild. We need to get these contracts right to ensure that we can adequately address basic needs immediately following a disaster.

As we rebuild our communities, we need to ensure that Federal funds are not wasted either. We should not be picking winners and losers with these contracts. They need to be entered with the goal of ensuring that everyone wins—the victims, the communities, the contractors, and the taxpayers. FEMA needs to continuously improve its management and oversight of its contracts to ensure that this is the case.

While I applaud FEMA for its excellent work in helping rebuild lives and communities after a disaster, we all must recognize that there may be ways to improve its operations. I look forward to hearing from the witnesses today on the best ways to add accountability and oversight in the disaster recovery process.

I would also like to add that I have a report prepared by the Texas General Land Office on lessons learned from Hurricane Harvey. This is a detailed proposal that I think FEMA should have, and I ask unanimous consent to enter it into the record.

Mr. PAYNE. Duly noted.¹

Mr. CRENSHAW. I yield back the balance of my time. Thank you.
[The statement of Ranking Member Crenshaw follows:]

STATEMENT OF RANKING MEMBER DAN CRENSHAW

MAY 9, 2019

I've been here long enough to see the range of issues this committee deals with. From countering threats from terrorist activity, to cybersecurity, to natural disasters. All can be harmful, affect National security, and most importantly, impact the American people.

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My home State of Texas witnessed the devastation nature can cause when Hurricane Harvey hit in late August 2017.

It is something my constituents and I saw and dealt with first-hand.

¹The information has been retained in committee files and is available at <http://www.glo.texas.gov/recovery/files/texas-at-risk-report.pdf>.

That storm brought torrential downpours that caused catastrophic flooding in Houston and many of the areas I represent. Hurricane Harvey cost 107 people their lives, is estimated to have caused 125 billion dollars in damage.

Texans are resilient. During the storm we evacuated our neighbors, with the help of our friends from the Cajun Navy, volunteers from across the country, the Texas National Guard and the U.S. Coast Guard. As soon as the waters receded we got to work with recovery.

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While 2017 was an unusual year because of the unprecedented number of disasters, including Hurricanes Harvey, Irma, and Maria, and the California wildfires, FEMA must be prepared for all disasters regardless of their frequency. FEMA assists with disaster recovery utilizing three different methods.

After Hurricane Katrina in 2005, FEMA began using advance contracts for goods and services it typically needs in a disaster. The agency also provides help after a disaster through post-disaster contracts and public assistance grants.

In the 2017 disaster season, many of the post-disaster contracts were for power distribution equipment and food and water. FEMA uses public assistance grants to supplement State and local efforts for things like debris removal and emergency protective measures as well as projects to repair infrastructure and facilities.

Responsible administration of these contracts is vital in helping the victims of a disaster recover and in helping the States and localities recover and rebuild. We need to get these contracts right to ensure that we can adequately address basic needs immediately following a disaster.

As we rebuild our communities, we need to ensure that Federal funds are not wasted. We should not be picking winners and losers with these contracts; they need to be entered with the goal of ensuring that everyone wins—the victims, the communities, the contractors, and the taxpayers.

FEMA needs to continuously improve its management and oversight of its contracts to ensure that this is the case. While I applaud FEMA for its excellent work in helping rebuild lives and communities after a disaster, I recognize that there may be ways to improve its operations. I look forward to hearing from the witnesses today on the best ways to add accountability and oversight in the disaster recovery process.

Mr. PAYNE. Thank you, sir.

Now it is now my honor recognize the overall Chairman of the Homeland Security Committee, Mr. Thompson.

Mr. THOMPSON. Thank you, Mr. Chairman.

Good morning to our panel of witnesses.

I want to thank both you and Chairwoman Torres Small for holding this hearing today and to the witnesses for being here.

Disaster contracting is a central component of disaster preparedness and an issue that I have been following for quite some time.

Since Hurricanes Katrina exposed gaps in FEMA's disaster contracting practices in 2005, the agency still has not managed to make the necessary adjustments that facilitate smoother response and recovery efforts and make FEMA a better steward of taxpayers' dollars. Moving into the 2019 hurricane season, I am concerned that FEMA will fall short in this area once again.

To add to my worry, for the last 2 months, FEMA has not had a Senate-confirmed administrator. In the absence of permanent leadership, FEMA is likely to get even further behind with preparing its disaster contracting initiatives.

Contracting is incredibly important to how we as a Nation prepare for and respond to disasters. After shortcomings were identified in preparation for and in response to Hurricane Katrina, Congress enacted reforms in 2006 requiring FEMA to establish ad-

vance contracts for goods and services to enable the Government to quickly and effectively mobilize resources in the aftermath of a disaster and provide a preference to local businesses in the area affected by a major disaster. But as we will hear today from the DHS-OIG and the GAO, FEMA has yet to adequately implement all of the reforms, despite it being well over a decade since the law was passed.

Having advance contracts in place before a disaster helps ensure the Federal Government has the adequate and appropriate resources to respond when a disaster strikes. Without these advance contracts, the Government risks taxpayers' money by spending more than is necessary for goods and services, or, worse, Americans in need might be left waiting as the Federal Government has to go out and award new contracts in the midst of a disaster.

FEMA must do its due diligence to ensure that companies selected for advance contracts can meet the contract terms. The opportunity to be in on advance contracts must also truly be full and open, with equal consideration being given to small businesses, including minority-owned businesses.

In 2017, when responding to the catastrophic Hurricanes Harvey, Irma, and Maria, FEMA had to cancel multiple contracts due to the agency's failure to weed out inexperienced or unqualified vendors. Some of the vendors had been barred from doing work with other agencies.

While I know FEMA claims this did not affect their work on the ground in 2017, common sense tells us that emergency response is improved by having qualified vendors in place to provide goods and services reliably.

FEMA has also made post-disaster awards to vendors outside the disaster area without adequate justification, meaning the agency may have missed opportunities to award contracts to local businesses, which could have helped jump-start disaster-affected local communities.

Moreover, FEMA must deal with staffing vacancies in the Office of Chief Procurement Officer, which, as of last summer, had over 70 vacant positions. FEMA must not only fill these vacancies, it also needs to ensure its staff is properly trained to conduct the duties assigned to them.

We will talk about it a little later, because they have hired new people, they hired 13, I think, and 12 have already left. So it continues to be a problem.

So let me just say that we want to get it right. FEMA is the last line of defense to help the American people. When all systems fail, FEMA should be there. Congress has been really good in supporting FEMA's mission. They will give them the resources; now we just need to get it right.

So I hope from these reports, Mr. Chairman, that we get an opportunity to continue to work on improving FEMA's response.

In light of that, I would also like to suggest that we hold a meeting to discuss contracts governed by section 428, or the Stafford Act, especially for Puerto Rico recovery. I have made a couple of visits to Puerto Rico, and it just seems like we should be further along than we are. I want to make sure, if there is something we are missing in this process to speed it up, that we fix it.

With that, Mr. Chair, I yield back.
[The statement of Chairman Thompson follows:]

STATEMENT OF CHAIRMAN BENNIE G. THOMPSON

MAY 9, 2019

Disaster contracting is a central component of disaster preparedness and an issue I have been following for some time now. Since Hurricane Katrina exposed gaps in FEMA's disaster contracting practices in 2005, the agency still has not managed to make the necessary adjustments that facilitate smoother response and recovery efforts and make FEMA a better steward of taxpayers' dollars. Moving into the 2019 hurricane season, I am concerned that FEMA will fall short in this area once again.

To add to my worry, for the last 2 months, FEMA has not had a Senate-confirmed administrator. In the absence of permanent leadership, FEMA is likely to get even further behind with preparing its disaster contracting initiatives.

Contracting is incredibly important to how we as a Nation prepare for and respond to disasters. After shortcomings were identified in preparation for and response to Hurricane Katrina, Congress enacted reforms in 2006 requiring 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; and provide a preference to local businesses in the area affected by a major disaster. But, as we will hear today from the DHS-OIG and the GAO, FEMA has yet to adequately implement all of the reforms, despite it being well over a decade since the law was passed.

Having advance contracts in place before a disaster helps ensure the Federal Government has the appropriate resources to respond when a disaster strikes. Without these advance contracts, the Government risks taxpayer money by spending more than is necessary for goods and services. Or worse, Americans in need might be left waiting as the Federal Government has to go out and award new contracts in the midst of a disaster. FEMA must do its due diligence to ensure that companies selected for advance contracts can meet the contract terms. The opportunity to bid on advance contracts must also truly be "full and open" with equal consideration being given to small businesses, including minority-owned businesses.

In 2017, when responding to the catastrophic hurricanes Harvey, Irma, and Maria, FEMA had to cancel multiple contracts due to the agency's failure to weed out inexperienced or unqualified vendors. Some of the vendors had been barred from doing work with other agencies. While I know FEMA claims this did not affect their work on the ground in 2017, common sense tells us that emergency response is improved by having qualified vendors in place to provide goods and services reliably. FEMA also made post-disaster awards to vendors outside the disaster area without adequate justification, meaning the agency may have missed opportunities to award contracts to local businesses, which could have helped jump-start disaster-affected local economies.

Moreover, FEMA must deal with staffing vacancies in the Office of the Chief Procurement Officer, which as of last summer had over 70 open positions. FEMA must not only fill these positions. It also needs to ensure its staff is properly trained to conduct the duties assigned to them. According to information provided by FEMA, as of April 2019 only 51 percent of the agency's acquisitions cadre was deemed qualified by FEMA's own qualification system. This is unacceptable and must change immediately. The American people expect FEMA and its Federal partners to support response and recovery in times of disaster. Learning from past disaster contracting mistakes and getting contracting right going forward is essential to that task.

Today, I look forward to hearing from representatives of the Government Accountability Office and the Department of Homeland Security's Inspector General on the shortcomings and opportunities for improvement in FEMA procurement. I also look forward to hearing from FEMA on the steps the agency has taken to improve its process and work with both GAO and DHS OIG to address their outstanding recommendations.

Mr. PAYNE. Thank you, Mr. Chairman.

Other Members of the committee are reminded that, under the committee rules, opening statements may be submitted for the record.

I would like to welcome our panel of witnesses.

Our first witness, Mr. Brian Kamoie, who serves as associate administrator for mission support at FEMA. In this role, Mr. Kamoie oversees the Office of the Chief Procurement Officer, which is responsible for FEMA's contracting and acquisitions, and the Office of the Chief Component Human Capital Officer, which is responsible for personnel issues at the Agency.

Prior to joining FEMA in 2013, he served as senior director for preparedness policy on the White House National Security Council and deputy assistant secretary for preparedness and response at the U.S. Department of Health and Human Services.

Next, we have Ms. Marie Mak, who leads the Government Accountability Office's work on a wide range of issues involving acquisitions contracting at the Department of Homeland Security and the Department of Defense. Ms. Mak has nearly 20 years of service to GAO. She had previously worked at the Naval Air Systems Command and U.S. Coast Guard Headquarters.

Am I pronouncing your name correctly?

Ms. MAK. Yes.

Mr. PAYNE. All right. I got one right today.

Finally, we are joined by Ms. Katherine Trimble, deputy assistant inspector general for audits at the Department of Homeland Security Office of Inspector General, where she oversees disaster management and infrastructure protection issues.

Prior to joining DHS-OIG in 2018, Ms. Trimble worked at GAO for 20 years. She has been responsible for multiple in-depth reviews of major DHS acquisitions and was also involved with GAO's assessment of Federal, State, and local responses to Hurricane Katrina.

Without objection, the witnesses' full statements will be inserted in the record.

I now ask each witness to summarize his or her statement for 5 minutes, beginning with Mr. Kamoie.

**STATEMENT OF BRIAN KAMOIE, ASSOCIATE ADMINISTRATOR
FOR MISSION SUPPORT, FEDERAL EMERGENCY MANAGE-
MENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY**

Mr. KAMOIE. Good morning, Chairman Payne and Chairwoman Torres Small, Ranking Members King and Crenshaw, and Members of the subcommittee. My name is Brian Kamoie, and I am the associate administrator for mission support at FEMA.

On behalf of Acting Administrator Gaynor, I appreciate the opportunity to talk with you today about the agency's disaster contracting program and its key role in achieving FEMA's mission to help people before, during, and after disasters.

FEMA's Office of the Chief Procurement Officer manages the agency's contracting needs to handle day-to-day operations and support survivors throughout the disaster response and recovery process. FEMA's procurement team negotiates high-quality, cost-effective, and timely contracts to accomplish FEMA's mission. Since 2016, FEMA has executed more than 32,000 contract actions, resulting in over \$10.5 billion in contract obligation.

FEMA adheres to and assesses contractors according to the Federal Acquisition Regulations. As part of the acquisition process,

contracting officers evaluate proposals and vet potential contractors, including obtaining past performance information.

During declared disasters, the Federal Acquisition Regulations and Department of Homeland Security policy give FEMA specific authorities and flexibilities to expedite contracting actions so that our agency and our partners can obtain resources quickly to help survivors. These authorities, such as the “unusual and compelling urgency” exception in the Federal Acquisition Regulations, help streamline procurement timelines while adhering to applicable Federal and Agency procedures.

Each year, FEMA enters into prepositioned contracts in advance of disasters to enable the agency to meet immediate response needs before additional longer-term contracts are put into place. Prepositioned contracts provide a variety of services and commodities, ranging from crisis counseling and housing inspection services to the delivery of critical commodities like generators, water, and meals. As of April 2019, FEMA has 87 prepositioned contracts, 23 of which are to small businesses.

Following a disaster, FEMA’s goal is to contract with local companies within a declared disaster area for resource needs when practicable. Locally-sourced contracts stimulate the local economy, create job opportunities, and support long-term recovery for affected communities. Since 2017, of the more than \$6.9 billion obligated in support of disasters, locally-sourced contracts made up more than \$842 million, representing 12.2 percent of total disaster dollars obligated.

Additionally, FEMA has an industry liaison program which establishes strategic relationships with vendors and stakeholders, serves as an information provider for vendors seeking to do business with FEMA, and connects vendors with program offices in support of FEMA’s mission. The program’s goal is to support the availability of the right resources and services at the right time to local and State governments and disaster survivors.

During the historic 2017 hurricane season, FEMA executed more than 3,500 disaster-related contract actions, for a total obligation of \$2.6 billion. In addition, the agency executed more than \$1 billion in non-disaster contracts. This is more than a 100 percent increase in FEMA’s annual expenditures and a 50 percent increase in the number of contracting actions from the prior year.

Based on lessons learned from the 2017 hurricane season as well as recommendations from the Government Accountability Office and the Department’s Office of Inspector General, FEMA has made improvements in our contracting process. These include: Increasing the dollar ceiling on prepositioned contracts; adjusting periods of performance on contracts so that none expire during hurricane season; awarding prepositioned contracts to enhance transportation capabilities for island responses; and increasing the number of contracting personnel supporting disasters, specifically senior-level and disaster acquisition staff.

FEMA also introduced the Master Acquisition Planning System in 2016, a tool that results in acquisitions that are more cost-effective and best meet FEMA’s needs through preplanning of resources.

As part of our on-going outreach and education, FEMA's Procurement Disaster Assistance Team provides training to our partners to familiarize them with Federal procurement standards applicable to FEMA's public assistance disaster grants. These teams deploy to disaster locations to provide our partners training where they need it when they need it.

FEMA is also in the process of developing a procurement toolkit that will help our partners develop their own prepositioned contracts.

I am pleased to be here today to represent the dedicated FEMA staff and for the opportunity to discuss with you our important mission to help people before, during, and after disasters. I am happy to take any questions the committee may have.

Thank you.

[The prepared statement of Mr. Kamoie follows:]

PREPARED STATEMENT OF BRIAN KAMOIE

MAY 9, 2019

INTRODUCTION

Good morning, Chairman Payne and Chairwoman Torres Small, Ranking Members King and Crenshaw, and Members of the subcommittees. My name is Brian Kamoie, and I am the associate administrator for mission support at the Federal Emergency Management Agency (FEMA). On behalf of FEMA Acting Administrator Peter Gaynor, I appreciate the opportunity to speak with you today about the agency's disaster contracting program and its key role in achieving FEMA's mission to help people before, during, and after disasters.

OFFICE OF THE CHIEF PROCUREMENT OFFICER

FEMA's Office of the Chief Procurement Officer (OCPO) manages the agency's contracting needs. OCPO negotiates high-quality, cost-effective, and timely contracts to improve the delivery of FEMA's mission. Since 2016, FEMA has executed 32,716 contract actions, resulting in over \$10.5 billion in contract obligations.

Whether before, during, or after a disaster, we adhere strictly to, and assess contractors in accordance with, the Federal Acquisition Regulations (FAR). As part of the acquisition process, contracting officers evaluate proposals based on the award criteria set forth in the solicitation and a series of factors required by Federal regulations, along with vetting potential contractors. Contracting officers obtain performance information about potential contractors from the Federal Awardee Performance and Integrity Information System, which is the Government-wide system used to collect contractor and grantee integrity information.

CONTRACTING IN DISASTERS

In times of Presidentially-declared disasters, the FAR and the U.S. Department of Homeland Security (DHS) provide FEMA with specific authorities and flexibility to expedite contracting actions so that our agency and our partners can obtain resources and services quickly to help disaster survivors. These authorities allow for streamlined procurements and increased contract dollar thresholds while adhering to applicable procedures outlined in Federal and agency regulations. Contracts can range from providing commodities, such as meals and water, to temporary housing and disaster case management.

Under the FAR (48 CFR § 6.302-2), unusual and compelling urgency can be used to justify using options other than full and open competition, though contracts awarded under these circumstances are limited in duration to less than 150 days. FEMA may also issue rated orders under the Defense Production Act, use preliminary contractual instruments, such as letter contracts authorizing the contractor to manufacture supplies or perform services immediately, or award sole-source contracts to specific subsets of small businesses.

Our disaster contracting can also include the use of pre-positioned Indefinite Delivery Indefinite Quantity (IDIQ) contracts, DHS strategically-sourced contracts, General Services Administration schedules, and other mechanisms to simplify and expedite procurement activities.

Above all, FEMA's pre-negotiated and disaster contracts are tools to help the agency provide the resources and services necessary to help survivors during and after disasters.

PRE-POSITIONED CONTRACTS

Each year, we enter into pre-positioned contracts to enable the agency to meet immediate disaster response needs before additional longer-term contracts are put into place. Pre-positioned contracts provide a variety of services, including technical assistance for our individual and public assistance programs, lodging, crisis counseling, housing inspection, and air transportation services. We also have pre-positioned contracts in place for critical commodities like generators, water, meals, cots, and infant and toddler kits. These commodity contracts are in addition to the inventory kept on hand in strategically-placed warehouses across the country for immediate use.

As of April 2019, FEMA has 87 pre-positioned contracts, 23 of which were awarded to small businesses. We have executed and/or modified existing contracts to account for increased dollar ceilings, appropriate performance periods, and geographic coverage. FEMA has also reviewed all pre-positioned contracts to make sure that none will expire during the hurricane season, including adjusting the periods of performance where necessary.

LOCALLY-SOURCED CONTRACTS

Following a Presidentially-declared disaster, as required in Section 307 the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, FEMA's goal is to seek local companies within a declared disaster area to meet the needs for that disaster response. Locally-sourced contracts stimulate the local economy, create job opportunities, and support long-term viability and recovery for communities affected by a disaster. Since 2017, of the more than \$6.9 billion obligated for contracts awarded in support of disasters, locally-sourced contracts made up more than \$842 million, representing 12.2 percent of total disaster dollars obligated.

To reach local companies, we can give contract preferences through a local area set-aside solicitation to allow only local firms within a specific geographic area to compete, or FEMA can give local firms preference in the evaluation of proposals. If a local preference is not a viable option at the onset of a disaster, such as when no local businesses can provide a needed resource or local companies temporarily lack the capability after a disaster, the Stafford Act mandates the transition of disaster requirements at the earliest opportunity from non-local vendors, where feasible and practicable, to organizations, firms, and individuals residing or doing business primarily in the area(s) affected by a major disaster or emergency.

SMALL BUSINESS CONSIDERATIONS

While there is no regulatory requirement for small business participation in disaster contracting, FEMA creates an environment that stimulates maximum participation for small businesses in Federal Government contract awards for companies that are disadvantaged or owned by women or veterans. FEMA participates in small business conferences to promote these opportunities.

In response to Section 307 of the Stafford Act, FEMA established Local Business Transition Teams. We deploy these teams to help with the transition of contracts to the local economy, co-locating a team with local, State, and Federal disaster leadership, private-sector liaisons, and most importantly, the local businesses that could provide support to their communities. These teams facilitate the transition of disaster requirements by assisting the FEMA Joint Field Office (JFO) acquisition staff with identifying requirements, assessing transition feasibility, and creating acquisition packages for contract award. These teams also educate local vendors through procurement education seminars to foster successful business participation during recovery efforts.

By encouraging local procurement wherever feasible, the Local Business Transition Team assists in the restoration of local economies, employment opportunities, tax bases, and ultimately, the recovery of affected communities.

INDUSTRY LIAISON PROGRAM

FEMA's Industry Liaison Program (ILP) establishes strategic relationships with suppliers and stakeholders, serves as an information provider for suppliers seeking to do business with FEMA, and connects suppliers with program offices in support of our mission. The program's goal is to support the availability of the right re-

sources and services, at the right time, to local and State governments and disaster survivors.

The program achieves this mission by coordinating vendor presentations and industry days, conducting market research, and performing vendor analysis reporting at FEMA Headquarters. Industry liaisons also coordinate the flow of vendor inquiries across FEMA Headquarters, Regions, and JFOs.

In the aftermath of Hurricanes Irma and Maria, ILP staff participated in North Miami's Minority Enterprise Development Week (MEDWeek) Government & Commercial Contracting Panel in Florida. More than 125 vendors attended, mostly consisting of minority businesses, as well as State and local officials. Additionally, ILP participated in, and helped to facilitate, outreach events in Puerto Rico. Our staff spoke to over 700 vendors about FEMA's procurement needs and doing business with the agency. These events were held across Puerto Rico during February and March 2018. ILP also participated in the Federal Business Opportunity Conference, held in Puerto Rico in December 2018. The objective of this conference was to foster business relationships between the Government and local businesses. ILP provides continual support to internal partners and vendors seeking to do business with FEMA. Since October 1, 2017, ILP has processed more than 5,000 email and 1,900 phone inquiries.

5-YEAR MASTER ACQUISITION PLANNING SYSTEM (MAPS)

Since 2016, we have used the Master Acquisition Planning System (MAPS) for all mission-critical acquisitions and acquisitions that are more than \$5 million. FEMA's senior leadership recognized the need for a tool to track major and mission-critical acquisitions, including pre-positioned contracts. This system is designed to alert the procurement organization and program office leadership of upcoming acquisitions. This allows for adequate planning of resources and personnel for the project, resulting in acquisitions that are more cost-effective and best meet FEMA's needs. It also reduces the need for bridge or non-competitive contract awards. MAPS uses a time estimator to plan dates for awards of major and mission-critical contracts. Since its deployment, MAPS has helped FEMA improve acquisition planning, which ultimately increases the use of competitive acquisition procedures, leading to more competitive pricing.

CONTINUOUS IMPROVEMENT OF FEMA DISASTER CONTRACTING

During the historic 2017 hurricane and wildfire seasons, FEMA executed more than 3,500 disaster-related contract actions, for a total obligation of \$2.6 billion. In addition, the agency executed more than \$1 billion in non-disaster contracts. This is more than a 100 percent increase in our annual expenditures and a 50 percent increase in the number of contracting actions from the prior year.

Based on internal lessons learned, as well as recommendations from our partners at the U.S. Government Accountability Office and DHS's Office of Inspector General, FEMA has improved our contracting processes. The improvements include:

- Increasing the Dollar Ceiling on some pre-positioned contracts (such as water, meals, and infant toddler kits) to increase capacity and help facilitate the process of getting goods/services to disaster survivors more expeditiously while complying with regulations.
- Adjusting Periods of Performance on pre-positioned contracts to make sure they do not expire in the middle of hurricane season.
- Enhancing the Transportation Capabilities for Island Responses by working to solicit additional shipping and air transportation services across the Pacific and Alaska. This includes awarding a contract in March 2019 that will provide a full suite of shipping and cross-docking services for Puerto Rico and the U.S. Virgin Islands.
- Increasing the Number of Contracting Personnel to Support Disasters by instituting a robust rotation of contracting personnel in the National Response Coordination Center to respond to disaster incidents, improving the agency's ability to acquire commodities in support of disasters quickly.
- Increasing the Number of Disaster Acquisition Response Team Staff to increase the availability of acquisition personnel to support field activities and JFOs. FEMA also entered into a contract for acquisition support, providing additional acquisitions capability for the upcoming hurricane season. We will continue to add personnel who promote sound business decision making in support of disaster survivors.
- Increasing the Number of Senior-Level Acquisition Personnel in the quality review process.

- Filling Critical Vacancies to replace departing employees to make sure sufficient acquisition capabilities remain in place to meet the needs of the agency.

In addition to implementing lessons learned, we continue to provide training to acquisition personnel to deliver high-quality contracting to disasters, with an emphasis on past performance. FEMA conducts disaster contracting webinars with a continually-evolving curriculum to incorporate lessons learned and past performance, share information, and improve the process.

We also have a Procurement Disaster Assistance Team to provide necessary contracting outreach and education. The purpose of this team, in part, is to provide training to State, local, Tribal, and territorial partners to ensure they are familiar with the Federal procurement standards applicable to FEMA's public assistance disaster grants. Additionally, we are developing a procurement toolkit that will facilitate our partners' ability to develop their own pre-positioned contracts to facilitate their response to events, which allows for the community and its economy to recover more quickly.

Last, FEMA will continue to transition from pre-positioned contracts to the use of locally-sourced contracts as soon as is practicable during disaster response and recovery.

CONCLUSION

Every day, I am grateful for the opportunity to work with a program dedicated to supporting FEMA's mission to help people before, during, and after disasters. Thank you for your interest in the program and your support. We look forward to collaborating with your subcommittees moving forward. I am happy to answer any questions you may have at this time.

Mr. PAYNE. Thank you, sir.

I now recognize Ms. Mak to summarize her statement for 5 minutes.

STATEMENT OF MARIE A. MAK, DIRECTOR FOR CONTRACTING AND NATIONAL SECURITY ACQUISITIONS, GOVERNMENT ACCOUNTABILITY OFFICE

Ms. MAK. Good morning, Chairman Payne and Chairwoman Torres Small, Ranking Members King and Crenshaw, and distinguished Members of the subcommittees.

Thank you for inviting me here today to discuss Federal contracting efforts in response to the 2017 hurricanes and wildfires. These efforts are critical, given that contracts play a key role in the immediate disaster response and longer-term community recovery. Also, effective planning and maximizing the use of contracts following a disaster can help FEMA to quickly and cost-effectively provide needed goods and services to survivors.

Our most recent reports on advance and post-disaster contracting indicate that FEMA continues to face several key challenges. The three areas that I would like to highlight today are contracting work force issues, coordination, and transparency.

First, in our reviews on disaster response, work force has come up as a theme.

Specific to contracting, FEMA leveraged contracting staff from its regions, headquarters, and its deployable contracting work force to support disaster response. Yet we found that 8 out of FEMA's 10 regional offices had only 1 permanent full-time contracting official.

Given that regional offices are responsible for managing most post-disaster contracts as well as coordinating with States and localities on the use of these advance contracts, not having enough contracting personnel becomes significant after a disaster hits.

Recognizing this challenge, in the short term, FEMA plans to fill some of these gaps using contractor support and to hire some addi-

tional staff dedicated to disaster response. However, without assessing its current contracting work force to determine what mission and skill gaps really exist, it will be difficult for FEMA to fill the contracting positions with the specific skills it needs to better respond to future disasters.

Second, in our review of advance contracts, those that are put in place prior to disasters so that they can be expedited in getting critical goods and services to the survivors, we found improvements could be made in Federal coordination and information sharing with State and local governments. For example, we found inconsistencies with FEMA's efforts to perform regular outreach with States to help them in establishing their own advance contracts, since they are really the first responders after a disaster hits.

It is also important that States and localities as well as FEMA's own work force are aware of what Federal advance contracts exist and how they can be leveraged. In this case, we found that FEMA's documentation listing advance contracts did not consistently identify contracts for life-sustaining goods such as generators, meals, manufactured housing units. As a result, FEMA contracting personnel and their State and local counterparts may not be well-informed about the types of goods and services that are available.

Recognizing these challenges, FEMA is developing a toolkit to share information on advance contracts, but at the time of our review, it was still deciding what information to include.

Finally, there is a lack of transparency regarding full extent of disaster contracting obligations. This is due to the criteria for closing a National interest action code in the Federal Procurement Database System. It is the only public, Government-wide database that is used for tracking Federal procurements. This code is what contracting personnel select when entering related contract information into the system.

The closing of the codes for both Harvey and Irma less than a year after the storms made landfall make it significantly more difficult to determine the extent of Federal contracting obligations. In contrast, codes for prior hurricanes were open for at least 5 years, with the Katrina code remaining open for 13 years.

Without reevaluating the criteria to close these codes, the ability to identify and track Federal contracting dollars for disasters is not comprehensive and provides limited visibility to all interested stakeholders, including Congress.

Chairman Payne and Chairwoman Torres Small, Ranking Members King and Crenshaw, Members of the subcommittees, this completes my statement. I would be prepared to respond to any questions that you may have.

Thank you.

[The prepared statement of Ms. Mak follows:]

PREPARED STATEMENT OF MARIE A. MAK

MAY 9, 2019

GAO HIGHLIGHTS

Highlights of GAO-19-518T, a testimony before the Subcommittees on Emergency Preparedness, Response, and Recovery and Oversight, Management, and Accountability, Committee on Homeland Security, House of Representatives.

Why GAO Did This Study

According to FEMA—a component within DHS—the 2017 disasters affected 47 million people, or about 15 percent of the Nation’s population. Federal contracts have played a key role in responding to these disasters and in long-term community recovery. So far, FEMA has obligated billions of dollars on these contracts.

This testimony is based primarily on GAO’s recent reports on disaster contracting—specifically advance contracting and post-disaster contracts related to the 2017 disasters—which detail much of FEMA’s disaster contracting activities. It addresses key challenges FEMA faced contracting for goods and services in response to these disasters.

To conduct this work, GAO analyzed data from the Federal Procurement Data System-Next Generation through June 30, 2018, the latest and most complete data available for the 2017 disasters. GAO also analyzed FEMA guidance and documentation and interviewed FEMA officials to discuss the use of contracts to respond to the 2017 disasters.

What GAO Recommends

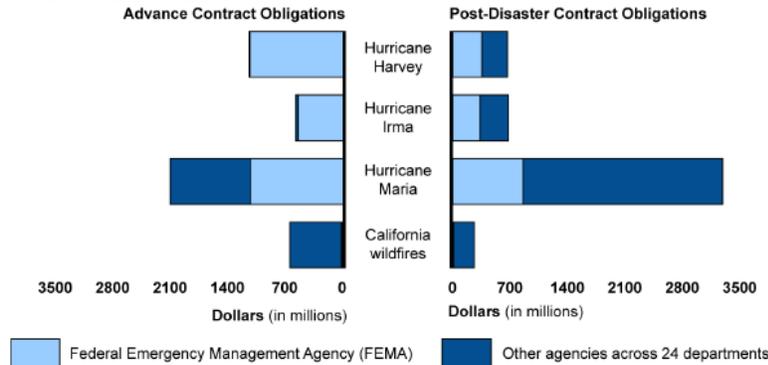
GAO has made a total of 19 recommendations—most of which were to FEMA—related to contracting activities in response to the 2017 disasters. Ten of these are described in this statement. DHS concurred with most of these recommendations, and has some actions under way, but it has not fully implemented them. Attention to these recommendations can assist FEMA as it uses contracts to respond to future disasters.

DISASTER CONTRACTING.—FEMA CONTINUES TO FACE CHALLENGES WITH ITS USE OF CONTRACTS TO SUPPORT RESPONSE AND RECOVERY, DIRECTOR, CONTRACTING AND NATIONAL SECURITY ACQUISITIONS

What GAO Found

Following Hurricanes Harvey, Irma, and Maria, and the 2017 California wildfires, Federal agencies entered into disaster-related contracts worth about \$9.5 billion, according to data as of June 30, 2018—the latest and most complete data at the time of GAO’s review (see figure). The Federal Emergency Management Agency (FEMA) obligated about \$2.9 billion of this total through advance contracts, which it establishes prior to a disaster to rapidly mobilize resources. FEMA obligated an additional \$1.6 billion through post-disaster contracts, which are established after disasters hit.

Known Government-wide Contract Obligations for 2017 Disasters, as of June 30, 2018, in Fiscal Year 2018 Dollars



Source: GAO analysis of Federal Procurement Data System-Next Generation data | GAO-19-518T

In its December 2018 and April 2019 reports, GAO made 10 recommendations to strengthen FEMA’s ability to address challenges GAO identified in how FEMA plans, coordinates, and tracks its contracts:

Planning.—FEMA has an outdated strategy and unclear guidance on how contracting officers should use advance contracts and has not fully assessed its contracting work force needs. Effectively planning its contract use is critical to FEMA quickly providing critical goods and services.

Coordination.—FEMA did not fully coordinate with States and localities on certain contracts and encountered communication and coordination challenges with other Federal agencies. Effective coordination helps FEMA ensure stakeholders have the tools needed to facilitate their disaster response efforts.

Tracking.—The full extent of 2017 disaster contracting activities, for FEMA and other agencies, is unknown. GAO found that codes used to track obligations for these disasters in a Federal procurement data system were closed without full consideration of user needs or due to inconsistent implementation of criteria established by the Department of Homeland Security (DHS) and other agencies, limiting visibility over Federal disaster contracts.

Chairman Payne, Chairwoman Torres Small, Ranking Members King and Crenshaw, and Members of the subcommittees: I am pleased to be here today to discuss the Federal Emergency Management Agency’s (FEMA) contracting practices in response to the catastrophic 2017 disasters—Hurricanes Harvey, Irma, and Maria, and the California wildfires. According to FEMA—a component within the Department of Homeland Security (DHS)—these disasters affected 47 million people, or about 15 percent of the Nation’s population. Once a major disaster has been declared by the President, Federal contracts play a key role in its immediate aftermath and in long-term community recovery by providing life-sustaining goods and services to survivors. FEMA has obligated billions of dollars on contracts in response to the 2017 disasters.

The Post-Katrina Emergency Management Reform Act (PKEMRA) of 2006 required FEMA, among other things, to establish advance contracts. Advance contracts are established prior to disasters to quickly provide life-sustaining goods and services in the immediate aftermath of a disaster.¹ FEMA may also award new contracts to support disaster response efforts following a disaster declaration. According to FEMA officials, these post-disaster contract awards may be required, for example, if advance contracts reach their capacity, or if goods and services that are not suitable for advance contracts are needed. According to our analysis of Federal Procurement Data System-Next Generation (FPDS-NG) data, Federal agencies had obligated about \$9.5 billion in response to the 3 2017 hurricanes and the California wildfires as of June 30, 2018—the most recent and complete data available.² FEMA obligated about \$2.9 billion of this total through advance contracts, and roughly an additional \$1.6 billion through post-disaster contracts.

My statement today addresses key challenges FEMA faced contracting for goods and services in response to these disasters. This statement is primarily based on reports we issued in December 2018 and April 2019 on FEMA’s disaster-contracting activities in response to the 2017 hurricanes and California wildfires.³ For the reports cited, among other methodologies, we reviewed FPDS-NG data through June 30, 2018—the most recent and complete data available—to identify FEMA contract obligations for the 2017 disasters. We also analyzed FEMA guidance and documentation and interviewed FEMA officials to discuss the use of contracts to respond to the 2017 disasters. Each of the reports cited in this statement provide further detailed information on our scope and methodology.

We conducted the work on which this statement is based in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate, evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹ Pub. L. No. 109–295, §§ 601–699. PKEMRA included several provisions, notably the requirement for FEMA to identify requirements that can be contracted for in advance and establish advance contracts. Among other provisions, PKEMRA also required FEMA to develop a contracting strategy that maximizes the use of advance contracts to the extent practical and cost-effective; establish a process to ensure coordination of advance contracts with State and local governments, as appropriate; and encourage State and local governments to engage in similar pre-planning and contracting.

² Advance contract obligations included in this analysis were limited to FEMA and U.S. Army Corps of Engineers (USACE) contracts. Obligations for the California wildfires were limited to contracts identified by FEMA and USACE.

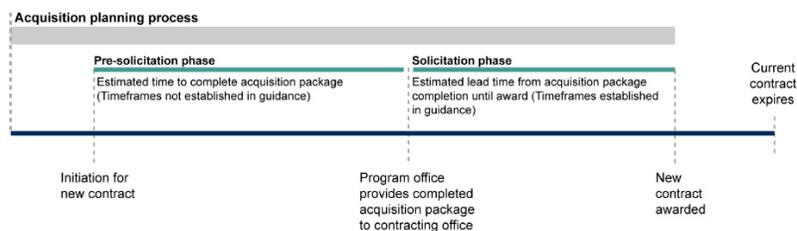
³ GAO, *2017 Disaster Contracting: Actions Needed to Improve the Use of Post-Disaster Contracts to Support Response and Recovery*, GAO–19–281 (Washington, DC: Apr. 24, 2019); and *2017 Disaster Contracting: Action Needed to Better Ensure More Effective Use and Management of Advance Contracts*, GAO–19–93 (Washington, DC: Dec. 6, 2018).

FEMA EXPERIENCED CHALLENGES IN PLANNING, COORDINATING WITH STAKEHOLDERS,
AND TRACKING THE USE OF CONTRACTS

Challenges in Acquisition and Workforce Planning

Ensuring that there is adequate time to complete acquisition planning activities and identifying the contracting work force required to execute mission needs can help agencies establish a strong foundation for successful acquisition outcomes. However, our prior work identified challenges FEMA faced in its acquisition and work force planning efforts for disaster contracting. The Federal Acquisition Regulation (FAR) requires agencies to perform acquisition planning activities for all acquisitions to ensure that the Government meets its needs in the most effective, economical, and timely manner possible.⁴ In our December 2018 report, we found that FEMA had guidance in place establishing time frames for certain FEMA acquisitions following the completion of the acquisition package.⁵ Further, FEMA implemented an acquisition tracking tool in 2016—the 5-Year Master Acquisition Planning Schedule (MAPS)—which monitors the status of and provides acquisition planning time frames for certain high-value and mission-critical acquisitions, including advance contracts, regardless of dollar value.

However, we found that FEMA had not established time frames or released guidance for the pre-solicitation phase of the acquisition planning process, when program officials identify a need and develop key acquisition package documents (see figure 1).



Source: GAO depiction of milestones identified in FEMA's 5 Year Master Acquisition Planning Schedule. | GAO-19-518T

Not adhering to suggested time frames can place a burden on contracting officers and increase the likelihood of not awarding a contract on schedule. This, in turn, may create a need for FEMA to non-competitively extend the existing contract—this extension may be considered a bridge contract. Given the lack of a Government-wide definition, we defined bridge contracts in our prior work as: Extensions to an existing contract beyond its period of performance (including base and options) and new, short-term contracts awarded on a sole-source basis to an incumbent contractor to avoid a lapse in service caused by a delay in awarding a follow-on contract.⁶ FEMA officials acknowledged that the use of non-competitive bridge contracts is not an ideal practice as they cannot ensure the Government is paying what it should for goods and services. However, in December 2018, we found that FEMA used bridge contracts for at least 10 of its advance contracts used in response to the 2017 disasters—with some of these contracts lasting for several years.

To decrease dependence on bridge contracts, FEMA established MAPS to help track and monitor the status of acquisition planning time frames for certain acquisitions. However, most of the program office and contracting officials we spoke with during our December 2018 review had limited familiarity with the tool. In our December 2018 report, we recommended that FEMA update and implement existing guidance to identify acquisition planning time frames and considerations across the entire acquisition planning process and clearly communicate the purpose and use of its acquisition planning tool to relevant personnel. DHS concurred, but in its response to our report stated it believed existing outreach and training on MAPS had resolved these challenges. We acknowledged FEMA's training in our report, but noted that not all relevant staff we spoke with were familiar with MAPS, and that there was no formal guidance on the time frames for the entirety of the acquisition planning process. Given these issues, we continue to believe FEMA needs to take additional steps to implement our recommendation.

⁴ FAR § 7.102.

⁵ GAO-19-93.

⁶ The FAR does not define bridge contracts or require that they be tracked.

Without planning and guidance on its use of advance contracts, FEMA lacks reasonable assurance that it is maximizing their use to the extent practicable and cost-effective to quickly provide goods and services following a disaster. PKEMRA requires the FEMA administrator to develop a contracting strategy that maximizes the use of advance contracts to the extent practical and cost-effective, and FEMA contracting officials told us that advance contracts should be used before awarding new contracts. However, in December 2018, we found that FEMA's advance contract strategy and guidance did not clearly identify the objectives of advance contracts or whether and how they should be prioritized for use in relation to new post-disaster contracts.

For example, we reported that FEMA's lack of an updated strategy and guidance contributed to confusion and challenges with the use of advance contracts for tarps, used to cover small areas of roof damage. Although FEMA had awarded advance contracts to provide tarps, a subsequent modification to these contracts limited the ability to use them for immediate disaster response needs—one of FEMA's stated purposes. Furthermore, we found that FEMA awarded vendors new post-disaster contracts for tarps before using its existing advance contracts. According to FEMA officials at that time, neither of the post-disaster contract vendors was able to provide the required tarps when needed.⁷ We concluded that the timing and use of the existing tarp advance contracts raised questions about the ability of contracting officers to use these contracts to provide tarps immediately following disasters. Additionally, we concluded that an updated advance contracting strategy could have enabled FEMA to more quickly provide the needed tarps to survivors, considering the additional time and staff resources needed to award new post-disaster contracts.

In our December 2018 report, we recommended that FEMA update its strategy to clearly define the objectives of advance contracts, how they contribute to FEMA's disaster response operations, and whether and how they should be prioritized in relation to making new, post-disaster contract awards. We also recommended FEMA update its guidance accordingly. DHS concurred with these two recommendations and identified actions it plans to take to address them.

Our prior work also showed that FEMA's ability to adequately plan for and manage its disaster contracts is further complicated by persistent acquisition work force challenges, including attrition and staffing shortages. In April 2019, we found that FEMA had identified work force shortages as a continuing challenge for disaster response and recovery. But FEMA had not assessed its contracting work force—including regional contracting work force needs—since at least 2014.⁸ We recommended FEMA assess its work force needs to address these shortcomings and develop a plan, including time lines. DHS agreed, identified steps FEMA has taken and plans to take to address the recommendation, and estimated addressing the recommendation by September 2019.

Continued Challenges Coordinating with Federal, State, and Local Partners on Contracting Issues

Our prior reports found that FEMA experienced challenges coordinating with State, local, and Federal partners over disaster preparation and response efforts. Coordination is critical to ensuring that States and localities have their own tools in place to facilitate disaster response, and that contracting needs are clearly communicated and considered among Federal agencies. Yet FEMA faced continued challenges and inconsistencies in its coordination with States and localities over the use of advance contracts.

In January 2017, FEMA updated guidance to include requirements for coordination with State and local governments on the use of Federal advance contracts. This update was in response to our September 2015 finding that there were inconsistencies in whether and how staff in FEMA's regional offices performed State and local outreach on advance contracting efforts.⁹ However, in December 2018, we reported on similar inconsistencies in State and local outreach.¹⁰ We found that FEMA's guidance did not specify how often or what types of advance contract information should be shared with States and localities, or instruct FEMA contracting officers to encourage States and localities to establish their own advance contracts for the types of goods and services needed during a disaster. As a result, we found that while some FEMA regional officials regularly performed outreach with States

⁷The first post-disaster contract was terminated for convenience citing shortages in available tarps following the 2017 hurricane season. A stop-work order was issued for the second post-disaster contract following concerns over whether the tarps received met FEMA's specifications.

⁸GAO-19-281.

⁹GAO-15-783.

¹⁰GAO-19-93.

and localities to assist them with establishing advance contracts for goods and services commonly needed during a disaster—like security, transportation, and office supplies—other FEMA regional officials did so less frequently. According to regional officials, coordinating more frequently with States and localities allows them to avoid overlap between State and Federal contracting efforts, and helps FEMA officials know what resources the States have in place before a disaster occurs and how long States are capable of providing those resources following a disaster. We recommended in our December 2018 report that FEMA update its guidance to provide specific direction for contracting officers to perform outreach to States and localities on the use and establishment of advance contracts. DHS concurred and stated it would update guidance and continue efforts to establish resources for State and local governments on advance contracts.

Information on FEMA's advance contracts can be used to facilitate State and local coordination over the use and establishment of advance contracts. However, our work showed that this information was inconsistent and could further hinder FEMA's information sharing and coordination efforts. In December 2018, we reviewed FEMA's advance contract list and other resources FEMA contracting officials said they used to identify advance contracts—like biannual training documentation—and found differences in the advance contracts identified.¹¹ For example, we reported that FEMA officials told us that the advance contract list available to contracting officers is updated on a monthly basis. However, our analysis found that 58 advance contracts identified on the June 2018 advance contract list had not been included in contracting officers' May 2018 training documentation. The missing contracts included those for telecommunications services, generators, and manufactured housing units.

Recognizing some of the shortcomings in communicating with State and local governments following the 2017 disasters, FEMA stated it would develop a toolkit to provide States and localities with recommendations for advance contracts, emergency acquisition guidance, and solicitation templates. However, at the time of our December 2018 review, FEMA officials were uncertain what information they would share with States and localities on advance contracts, and said they did not plan to provide the complete list of the advance contracts FEMA has in place to avoid being overly prescriptive. Yet without a centralized and up-to-date resource on advance contracts, FEMA contracting officers and their State and local counterparts may not be able to effectively communicate about advance contracts and use them to respond to future disasters. Given FEMA's recent emphasis on the importance of States and localities having the capability to provide their own life-saving goods and services in the immediate aftermath of a disaster, we concluded that clearly communicating consistent and up-to-date information on the availability and limitations of Federal advance contracts is imperative to informing State and local disaster response efforts.

In our December 2018 report, we recommended that FEMA identify a single centralized resource listing its advance contracts and ensure that resource is updated regularly. Further, we recommended that FEMA should communicate information on advance contracts using that resource to States and localities to inform their advance contracting efforts. DHS concurred with these two recommendations and identified some steps it planned to take, but also stated it believes the existing advance contract list satisfies our recommendation for a single centralized resource. However, as our report noted, we found inconsistencies in this list that FEMA needs to address for advance contract information to be complete and up-to-date for the contracting officers who rely on it.

In addition to challenges coordinating with State and local governments, we identified coordination and planning concerns between FEMA and other Federal agencies. As the Federal disaster coordinator, FEMA obtains requirements from States and localities.¹² It then tasks the appropriate Federal agencies with specific missions, based on their emergency support functions. Agencies assigned to specific missions are then responsible for fulfilling requirements, and may use contracts to do so. However, we reported in April 2019 that some Federal agencies experienced challenges coordinating with FEMA and State and local partners.¹³ For example,

¹¹ GAO-19-93.

¹² According to the National Response Framework—a guide to how the Federal Government, States and localities, and other public and private-sector institutions should respond to disasters and emergencies—the Secretary of Homeland Security is responsible for ensuring that Federal preparedness actions are coordinated to prevent gaps in the Federal Government's efforts to respond to all major disasters, among other emergencies. The framework also designates FEMA as the lead agency to coordinate the Federal disaster response efforts across 30 Federal agencies.

¹³ GAO-19-281.

USACE officials reported that, during their debris removal mission following the California wildfires, local officials believed that the soil removed would be replaced. However, this was not part of the mission assignment from USACE to FEMA. In these instances, agency officials told us they relied on FEMA to communicate information on their mission assignments to be able to administer contracts.

According to a FEMA official during our April 2019 review, coordination and planning concerns related to mission assignments—like contracting considerations—should be worked out in advance between FEMA and agencies such as USACE. However, we found that FEMA policy and guidance lack details on how that coordination should take place. Further, a FEMA official told us that contracting considerations are not necessarily built into mission assignments. We recommended in April 2019 that FEMA revise its mission assignment policy and guidance to better incorporate consideration of contracting needs and ensure clear communication of coordination responsibilities related to contracting. DHS concurred and plans to develop tools and training within the next year to provide the necessary guidance.

Challenges with Tracking of Contract Use

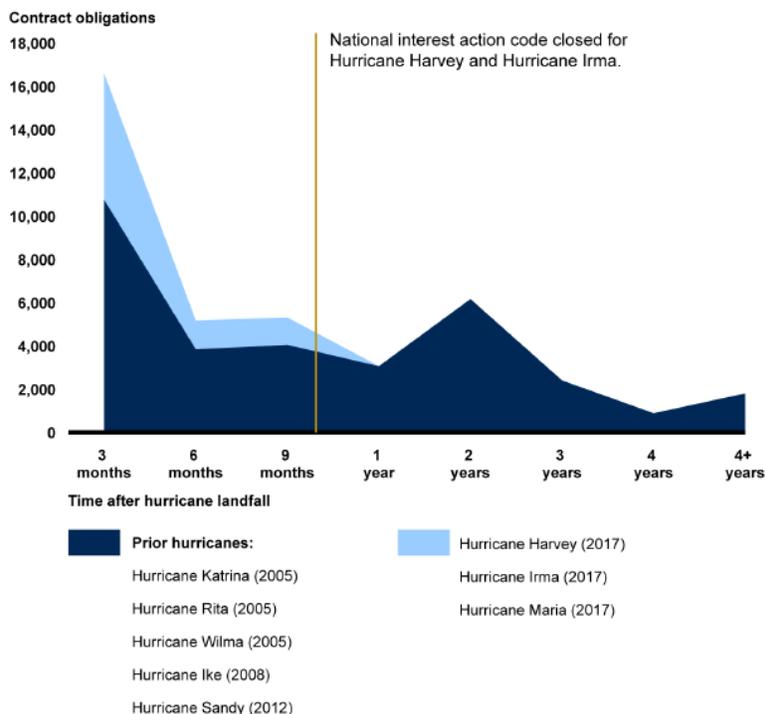
Limited transparency into disaster contracting obligations further complicates the challenges noted above. We found in April 2019 that the full extent of disaster contracting—for both advance and post-disaster contracts—related to the 2017 disasters was and continues to be unknown.¹⁴ This was due to changes in the criteria for establishing and closing a National interest action (NIA) code—a mechanism for Government-wide tracking of emergency or contingency-related contracting—in FPDS-NG, and DHS's inconsistent implementation of the updated criteria for closing codes. Specifically, the codes for Harvey and Irma closed on June 30, 2018, less than a full year after the hurricanes hit. The code for Maria is valid through June 15, 2019, about 21 months after that hurricane made landfall. This is in contrast to prior hurricanes, for which codes sometimes remained open more than 5 years after the disaster, with the code for Hurricane Katrina being open for 13 years after the disaster. The ability to identify disaster contracting for the 2018 hurricanes was similarly limited as the NIA codes for Hurricanes Florence and Michael expired on March 15, 2019 and April 12, 2019, respectively, about 6 months after those storms made landfall.

Based on a memorandum of agreement, the General Services Administration (GSA), DHS, and the Department of Defense (DOD) are jointly responsible for determining when a NIA code should be established and closed. DHS delegated its role, on behalf of civilian agencies for disaster or emergency events, to its Office of the Chief Procurement Officer. The agreement outlines criteria DHS should consider in making determinations to establish and close a NIA code. For our April 2019 review, we identified changes in these criteria between June 2012 and June 2018. For example, the updated agreement does not include the National interest and visibility of an event as criteria for extending a NIA code, allowing a NIA code to expire regardless of the high visibility of the event and information needs of key users. DHS officials reported several rationales to support their decision to close the NIA codes for the 2017 hurricanes, but these were inconsistent with the criteria in the agreement and did not consider key user needs or fully explain the decisions to close the codes.

Once a NIA code in FPDS-NG is closed, there is no other publicly-available, Government-wide system available to comprehensively track contract obligations for specific events. Our April 2019 report demonstrated the magnitude of contract dollars that are no longer easily trackable once a NIA code is closed. For example, using the description field in FPDS-NG, we found that between July 1 and September 30, 2018—after the NIA codes were closed—agencies obligated at least \$259 million on contracts for Hurricanes Harvey and Irma. However, not all agencies put event-specific information in the description field, and we found for the 2017 hurricanes only 35 percent of contract obligations linked to a NIA code included this information. Moreover, as we have previously reported, and illustrate in figure 2, it can take years to fully account for Federal contract obligations related to response and recovery after a hurricane.

¹⁴GAO-19-281.

Figure 2: Contract Obligations over Time for Prior Hurricanes and the 2017 Hurricanes, in Fiscal Year 2018 Dollars (dollars in millions)



Source: GAO analysis of Federal Procurement Data System-Next Generation data (FPDS-NG). | GAO-19-518T

Note: This figure includes reported obligations from August 2005 through September 2018. The national interest action codes for Hurricanes Harvey and Irma were closed about 10 months after these storms made landfall. Obligations for these events made after June 30, 2018, were identified using the description field in FPDS-NG, and do not provide the full extent of procurement activities for these events.

In our April 2019 report, we made two recommendations, including that

- GSA, in coordination with DOD and DHS, assess whether the criteria in the current NIA code agreement meets the long-term needs for high visibility events and account for the needs of users, such as FEMA, other agencies, and Congress; and
- in the interim, DHS, in coordination with DOD and GSA, should keep the existing NIA codes for disasters open, reopen the NIA codes for Hurricanes Harvey, Irma, Florence, and Michael, and request that agencies retroactively update applicable contract actions to reflect these codes, to the extent practicable.

GSA and DOD indicated they would work jointly with DHS to assess the criteria in the agreement within the year. DHS did not comment on that recommendation.¹⁵ Given the high visibility and National interest in these events, assessing the criteria, keeping NIA codes open, and reopening closed codes for the recent disasters to the extent practicable would help ensure visibility over Federal disaster contracts.

In conclusion, given the circumstances surrounding the 2017 disasters, and the importance of preparedness for future disasters, it is critical to ensure that FEMA

¹⁵ DHS did not concur with a draft recommendation to keep the existing NIA codes open, citing concerns with being bound by the current agreement and its authority to direct other agencies to retroactively update relevant contract actions to reflect the reopened codes. We revised that recommendation to address these concerns.

is well-positioned to respond through its use of contracts. Our work has shown that without effective planning on the use of contracts, FEMA may face challenges in quickly providing critical goods and services to survivors following a disaster. Further, without effective coordination, FEMA cannot ensure that local, State, and Federal partners have the tools they need to assist in disaster response. Moreover, not tracking certain information on a Government-wide basis in FPDS-NG may result in key users lacking the information necessary to provide oversight of FEMA's and other agencies' disaster contract actions. Implementing our recommendations to update its planning guidance and advance contract strategy; assess acquisition work force needs; improve coordination with State, local, and Federal partners; and improve tracking of disaster contracting actions will help FEMA overcome key challenges it faces in contracting during a disaster, and improve future response efforts.

Chairman Payne, Chairwoman Torres Small, Ranking Members King and Crenshaw, and Members of the subcommittees, this concludes my statement. I would be pleased to respond to any questions.

Mr. PAYNE. Thank you for your testimony.

Now I recognize Ms. Trimble to summarize her statement for 5 minutes.

STATEMENT OF KATHERINE TRIMBLE, DEPUTY ASSISTANT INSPECTOR GENERAL FOR AUDITS, OFFICE OF THE INSPECTOR GENERAL, U.S. DEPARTMENT OF HOMELAND SECURITY

Ms. TRIMBLE. Thank you, Chairman Payne, Chairwoman Torres Small, Ranking Members King and Crenshaw, and Members of the subcommittees. Thank you for inviting me here today to discuss lessons learned from past disasters to improve FEMA contracting.

My testimony today will focus on the Department of Homeland Security Office of Inspector General's work to assess the efficiency and effectiveness of FEMA's contracting practices in support of disaster response and recovery efforts.

As the OIG's body of work has shown, FEMA has long-standing challenges managing both its contracting process and ensuring locally-awarded contracts meet Federal requirements.

First, let me provide some context. As you know, when disasters occur, State and local entities are the first to respond. But when the magnitude of a disaster exceeds the State, territorial, Tribal, or local government's capabilities, FEMA may assist, including through awarding Federal contracts.

However, our recent work has demonstrated that FEMA contracting needs improvement. For example, in our recently-issued report, we found FEMA did not follow all contracting laws, regulations, and procedures in awarding more than \$30 million for two Bronze Star contracts for roof tarps and plastic sheeting.

Although expediting the contract award process may be necessary following major disasters, FEMA's missteps could have caused a qualified bidder to be eliminated from further consideration or, in the case of Bronze Star, an unqualified bidder receiving a Federal contract. Failure of the Bronze Star contracts delayed FEMA's process for delivering crucial supplies to help Puerto Rican residents protect their homes after Hurricane Maria.

FEMA did not concur with our recommendations but told us that it is taking actions that we believe address the intent of our recommendations.

In our March 2019 review of the Transitional Sheltering Assistance Program, we found FEMA released to its contractor the personally identifiable information of approximately 2.3 million disaster survivors of the 2017 hurricanes and wildfires. FEMA re-

leased survivors' financial account information, putting them at an increased risk of identity theft and fraud. This privacy incident occurred because FEMA lacked controls to ensure it shared only what the contractor needed to administer the TSA program.

While we commend FEMA for already taking actions to address our recommendations, FEMA estimates it will not fully implement all recommendations until June 2020, 1 year after the coming hurricane season.

Now I will discuss contract-related challenges affecting local governments and impacting FEMA reimbursement.

Following disasters, local communities contract for a range of goods and services, yet our work has found FEMA faces significant challenges ensuring State and local governments understand and comply with Federal requirements. From October 2014 through May 2019, we identified more than \$363 million in contract costs ineligible for Federal reimbursement because entities did not follow Federal contracting requirements.

One common challenge with local contracts is monitoring debris removal. Debris-removal costs are significant, averaging about one-third of total damage costs per recent hurricanes, or an estimated \$1.5 billion in Florida and Georgia following Hurricane Irma.

Our September 2018 management alert highlights the financial risks involved when contractors are not properly monitored. FEMA's guidance places the responsibility for monitoring debris-removal operations on local governments. We generally found that local governments hired contractors, debris-monitoring companies, to oversee other contractors, debris haulers. We also found that FEMA and the State did not perform direct monitoring to ensure local governments fulfilled their responsibilities.

Debris-monitoring companies are responsible for estimating debris loads. If monitors overestimate the amount of debris collected, local governments will pay more than they should and then request Federal reimbursement at an inflated cost to taxpayers.

Our team traveled to Florida and Georgia and observed debris-removal operations first-hand. These pictures from our fieldwork depict truckloads that the monitor overestimated as 50 to 90 percent full when, in reality, the trucks were only 25 to 50 percent full.

Our review found that when FEMA provided even limited oversight, such as it did in Georgia, it identified almost half-a-million dollars in ineligible debris costs for one county in just 1 week.

In closing, the massive scale of damage caused by seemingly more frequent disasters and the large number of high-dollar-value contracts that FEMA and local communities will continue to award pose grave concern. For these reasons, we continue to review these areas, aiming to emphasize the need for positive change. We will advise you of the results of our on-going work once it is completed.

Mr. Chairman, Ms. Chairwoman, this concludes my testimony. I am happy to answer any questions you or the other Members of the subcommittee may have. Thank you.

[The prepared statement of Ms. Trimble follows:]

PREPARED STATEMENT OF KATHERINE TRIMBLE

MAY 9, 2019

WHY WE DID THIS

The inspections and audits discussed in this testimony are part of our on-going oversight of FEMA's contracting practices in support of disaster response and recovery efforts.

WHAT WE RECOMMEND

We made numerous recommendations in these reports. Our recommendations are aimed at helping FEMA address management failures in overseeing procurements and reimbursing procurement costs.

WHAT WE FOUND

This testimony highlights the OIG's efforts at improving the efficiency and effectiveness of FEMA's disaster response and recovery contracting practices. In particular:

- *Lessons Learned from Prior Reports on Disaster-related Procurement and Contracting.*—We published this report to remind FEMA of the challenges that arise during the disaster recovery phase. The report summarizes procurement concerns we reported from fiscal years 2015 through 2017.
- *Management Alert—Observations of FEMA's Debris Monitoring Efforts for Hurricane Irma.*—We concluded that FEMA removed the Federal and State monitoring responsibilities for debris operations from its Public Assistance Program and Policy Guide, increasing the risk of fraud, waste, and abuse of taxpayer funds.
- *Management Alert—FEMA Did Not Safeguard Disaster Survivors' Sensitive Personally Identifiable Information.*—FEMA exposed 2.3 million survivors' Personally Identifiable Information to its contractor, in violation of the Privacy Act of 1974 and its own contract with the company.
- *FEMA Should Not Have Awarded Two Contracts to Bronze Star LLC.*—FEMA inappropriately awarded two contracts due to management control weaknesses.

FEMA RESPONSE

FEMA has generally concurred with our recommendations; however, over 100 recommendations, many addressing issues discussed in this testimony remain unimplemented.

Chairman Payne, Chairwoman Torres Small, Ranking Members King and Crenshaw, and Members of the subcommittees, thank you for inviting me here today to discuss lessons learned from past disasters to improve Federal Emergency Management Agency (FEMA) contracting. My testimony today will focus on the Department of Homeland Security Office of Inspector General's (OIG) work to assess the efficiency and effectiveness of FEMA's contracting practices in support of disaster response and recovery efforts. It is important to continue addressing these challenges ahead of the 2019 hurricane season that begins on June 1.

Within 30 days in August and September 2017, 3 unprecedented, catastrophic hurricanes devastated areas of the United States and its territories, causing significant destruction. Immediately following these events, the most destructive wildfires in California's history devastated the northern parts of the State. In response to these hurricanes and wildfires, the President signed 7 major disaster declarations, authorizing FEMA to provide individual assistance, public assistance, and hazard mitigation assistance to affected communities within designated areas. In addition to the situational challenges FEMA faced from these disasters, long-standing procurement issues affected FEMA's ability to respond. Our work has highlighted some of these challenges, including the canceled Bronze Star roof tarp contracts and procurement issues related to debris removal in Florida, which I will discuss further in my testimony.

BACKGROUND

When disasters occur, State and local governments are typically responsible for disaster response efforts. When the magnitude of an incident exceeds the affected State, territorial, Tribal, or local government capabilities to respond or recover, FEMA provides Federal assistance to aid their efforts, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (Stafford Act).

FEMA's public assistance (PA) program provides assistance to these Government entities and certain types of private non-profit organizations so that communities can quickly respond to, and recover from, Presidentially-declared major disasters or emergencies. FEMA and PA grant recipients must comply with all applicable Federal regulations, including Title 44 of the Code of Federal Regulations (CFR) and 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, established by the Office of Management and Budget. Responsible entities are defined as:

- *Recipient*.—A non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. Recipients typically include States, territories, and Tribal governments.
- *Subrecipient*.—A non-Federal entity that receives a subaward from a pass-through entity (i.e., the recipient) to carry out part of a Federal program. Subrecipients include local governments and certain not-for-profit organizations.

FEMA works in partnership with the grant recipient to assess damages, educate potential subrecipients, and formulate projects (subawards) for emergency or permanent work. The type of assistance available may vary among designated areas. FEMA determines project eligibility based on factors such as the applicant's legal responsibility, affected facility, type of work, and cost. In addition, FEMA categorizes all work as either emergency, (e.g., debris removal) or permanent (e.g., roadway and bridge repairs).¹

FEMA's Role in Awarding Federal Contracts

In addition to the above responsibilities, FEMA also provides goods and services directly to safeguard disaster survivors and to assist State, local, territorial, and Tribal governments with their response efforts. For example, during disaster response, FEMA may take immediate actions to save lives, protect property, and meet basic human needs, such as temporary roof repairs in the form of blue tarps and plastic sheeting.

According to FEMA guidance, it competes procurements whenever possible and practical, uses advance contracting for recurring disaster-related requirements, and at times uses other contracting methods.² FEMA is responsible for ensuring all contract activities comply with the Federal Acquisition Regulation (FAR), which requires agencies to carry out acquisition planning activities for all acquisitions to ensure that the Government meets its needs in the most effective, economical, and timely manner possible. According to FEMA, it obligated more than \$4.9 billion in contracts in 2017 and 2018.³

FEMA's Role Overseeing State and Local Awarded Contracts

State, territorial, Tribal, and local governments, as FEMA grant recipients and subrecipients, use PA program grant funds to respond to and recover from major disasters. To help achieve these goals, these governments procure a range of goods and services following disasters, such as debris removal and debris monitoring services; water, food, and shelter; permanent repairs to roads and bridges; and repairs to critical public facilities like schools and hospitals.

States, territorial, Tribal, and local governments must comply with Federal procurement requirements outlined in 2 CFR Part 200, and are also required to comply with FEMA guidance. For instance, the Public Assistance Program and Policy Guide (PAPPG) combines all PA program policy into a single volume and provides an overview of the PA program implementation process with links to other publications and documents with additional process details.⁴ The PAPPG also contains PA program policy to guide eligibility determinations, including Federal procurement and contracting requirements.⁵

FEMA is responsible for monitoring States, territories, and Tribal governments to ensure they are properly administering grants. States, territories, and Tribal governments, in turn, must manage local government and non-Government entities to ensure grant fund expenditures comply with Federal procurement requirements. Noncompliance can result in high-risk contracts that may lead to excessive and in-

¹ FEMA's Public Assistance Program and Policy Guide (PAPPG).

² Advance contracts are those contracts that are established prior to disasters and that are typically needed to quickly provide life-sustaining goods and services in the immediate aftermath of disasters.

³ *FEMA Disaster Contracts Quarterly Report, Fiscal Years 2017–2018*. Note: Fiscal Year 2018 Quarter 4 data has not yet been published.

⁴ FEMA website, <https://www.fema.gov/media-library/assets/documents/111781> (as of April 24, 2019).

⁵ PAPPG, version 3.1, Chapter 2: Public Assistance, V. Cost Eligibility, G. Procurement and Contracting Requirements (March 2018).

eligible costs. In addition, failure to follow these Federal requirements can hinder many of the socioeconomic goals Congress intended.⁶

To address some of the State and local concerns surrounding procurements, FEMA has implemented a Procurement Disaster Assistance Team to provide procurement-specific training and resources to State and local government officials, typically during response efforts, to achieve greater compliance with procurements under grants. Following the 2017 hurricanes, FEMA deployed staff to Texas, Florida, Puerto Rico, and the U.S. Virgin Islands, to provide real-time procurement support.^{7 8}

RESULTS OF OIG AUDITS AND OUR RECOMMENDATIONS

Following the 2017 disasters, the OIG initiated several audits related to FEMA's processes for awarding and administering contracts. Additionally, the OIG regularly audits PA grant awards, which include a review of State and local entities' procurements and related expenditures. Collectively, these reviews illustrate a pattern of FEMA management failures in overseeing procurements and reimbursing procurement costs.

OIG Audits of FEMA-Awarded Contracts

- *FEMA did not follow procurement requirements during Bronze Star contracting.*—As noted in our May 2019 report, FEMA wasted personnel resources, time, and taxpayer money by issuing, canceling, and reissuing contracts for blue tarps for survivors in Puerto Rico to protect their homes from further damage after Hurricanes Irma and Maria.⁹ FEMA did not follow all procurement laws, regulations, and procedures in awarding more than \$30 million for two Bronze Star contracts. Specifically, FEMA did not fully determine Bronze Star's or its supplier's compliance with the contracts' terms, conducted inaccurate technical evaluations of proposals, used incorrect FAR clauses in its original solicitations, and did not consult the Disaster Response Registry. As a result, FEMA inappropriately awarded the two contracts to Bronze Star, which delayed delivery of crucial supplies and impeded Puerto Rican residents' efforts to protect their homes and prevent further damage. We recommended that FEMA take actions, including developing new or updating existing policies, to better ensure that future prospective contractors can meet the terms of FEMA's contracts. However, FEMA did not concur with any of our recommendations, maintaining that its existing processes adequately ensure that all contract terms and conditions are clearly defined and implemented.
- *FEMA risked PII of millions of survivors by not following specifications of a Transitional Sheltering Assistance (TSA) contract.*—FEMA released to its contractor Personally Identifiable Information (PII) and Sensitive PII (SPII) of approximately 2.3 million disaster survivors of the 2017 hurricanes and wildfires. This was in direct violation of Federal and DHS requirements and the terms of the TSA contract. The contract identifies 13 data elements FEMA must send to its contractor to verify disaster survivor eligibility during the TSA check-in process at participating hotels. However, FEMA repeatedly released PII from 20 data fields, including survivors' bank account and electronic funds transfer numbers, even though the TSA contractor did not need this PII to administer the program on FEMA's behalf. This privacy incident occurred because FEMA lacked controls to ensure it shared only the data elements the contractor required to perform its official duties administering the TSA program.¹⁰ We recommended that FEMA assess the extent of the privacy incident and implement a process to destroy the erroneously-released data, as well as implement controls to ensure that only required data is released to contractors in the future. FEMA has already begun taking actions to address our recommendations, but estimates it will not complete implementing all recommendations until June 30, 2020. Given the sensitive nature of these findings, we urge FEMA to expedite this time line.

⁶*Lessons Learned from Prior Reports on Disaster-related Procurement and Contracting* (OIG-18-29) (December 2017).

⁷OIG-18-29 and FEMA's 2017 After Action Report (December 2017).

⁸DHS OIG will discuss Procurement Disaster Assistance Team efforts in a report expected to be issued later this year.

⁹*FEMA Should Not Have Awarded Two Contracts to Bronze Star LLC* (OIG-19-38) (May 2019).

¹⁰*Management Alert—FEMA Did Not Safeguard Disaster Survivors' Sensitive Personally Identifiable Information* (Redacted) (OIG-19-32) (March 2019).

OIG Audits of FEMA Grant Awards to Recipients and Subrecipients

Over the years, our work has shown that FEMA continues to face systemic problems and operational challenges and fails to manage disaster relief grants and funds adequately. As we noted in our December 2017 report on lessons learned from disaster-related contracting¹¹ and 11 subsequent audit reports on various State and local grant awards,¹² FEMA faces significant challenges in ensuring proper management of FEMA disaster funds—namely, ensuring disaster grant recipients and subrecipients understand and comply with Federal regulations and FEMA guidelines.

For example, from October 2014 through May 2019, we identified (and questioned) more than \$363 million in ineligible contract costs because local entities did not follow Federal procurement regulations. Furthermore, we identified more than \$207 million in ineligible costs that subrecipients may have incurred had we not identified the procurement problems before FEMA obligated disaster assistance grant funds.¹³ These procurement-related deficiencies include:

- Failure to provide full and open competition, resulting in FEMA having limited assurance that incurred costs were reasonable, as well as an increased risk for fraud, waste, and abuse.
- Failure to take all affirmative steps to assure the use of disadvantaged businesses when possible, resulting in small and minority firms, women’s business enterprises, and labor surplus area firms not always having sufficient opportunities to bid on Federally-funded work.
- Failure to include all required contract provisions, resulting in increased risk of misinterpretations, pricing errors, increased scope of work, and contract disputes.
- Failure to verify whether contractors were suspended, debarred, or otherwise excluded or ineligible, which can result in U.S. taxpayers bearing excessive and ineligible costs. Lack of compliance also increases the risk of favoritism, collusion, fraud, waste, and abuse.

Our prior reports contained recommendations to help FEMA address on-going issues and improve its related controls. For example, we recommended FEMA:

- recover and de-obligate Federal grant funds awarded to or spent by local governments that did not follow appropriate acquisition standards and contracting procedures;
- debar organizations and individuals responsible for regulatory and ethical infractions or gross mismanagement of Federal funds;
- improve technical assistance provided to State and local governments to help ensure compliance with all laws, regulations, and grant guidance; and
- update and improve grant and disaster-related guidance, policies, and procedures to help ensure that Federal funds are spent appropriately and receive proper monitoring.

Currently, there are 109 OIG recommendations to FEMA that remain open and unimplemented. Many are related to the procurement issues summarized above, and corrective action is needed in response to all of them to strengthen FEMA as a whole.

OIG 2017 Disaster Activities

Oversight of debris removal monitoring operations highlights one of the common State and local procurement challenges. By and large, FEMA grant recipients and subrecipients rely on contractors to collect and remove disaster debris after major disasters. Our September 2018 management alert on debris monitoring efforts following Hurricane Irma highlights the risks of contractors not being properly monitored.¹⁴

- *FEMA did not ensure subrecipients provided adequate oversight of debris removal operations in Georgia or Florida.*—A majority of the municipalities in Florida we visited relied on contractors to collect and remove debris and to monitor debris operations.¹⁵ However, local municipalities generally did not have their own personnel engaged in actively monitoring the contractors’ debris removal capacities or contract execution.¹⁶ We believe the lack of monitoring may have been due to FEMA’s eliminating debris monitoring responsibilities in

¹¹ OIG–18–29.

¹² See Appendix A for a complete listing of these reports.

¹³ OIG–18–29 and Appendix A.

¹⁴ *Management Alert—Observations of FEMA’s Debris Monitoring Efforts for Hurricane Irma* (OIG–18–85), September 2018.

¹⁵ OIG–18–85.

¹⁶ FEMA refers to a subrecipient’s permanently employed personnel as “force account labor” (44 CFR § 206.228).

drafting its PAPPG. The PAPPG encourages, but does not require, the sub-recipient to use its own employees to monitor debris removal operations. FEMA's change from the 2010 guidance to the PAPPG resulted in:

- loss of specific guidance for FEMA, States, and local governments regarding debris monitoring and oversight responsibilities;
- FEMA not directly overseeing debris operations, including monitoring and hauling; and
- an increased risk of overstated debris loads. FEMA's current guidance provides little to no incentive for subrecipients to oversee the debris removal process as required by Federal regulations.¹⁷ We recommended that FEMA implement clear and unambiguous guidance for debris removal operations, including guidance on managing and overseeing contractors, as well as how to determine the appropriate level of debris removal oversight. FEMA's estimated completion date for implementing clear guidance is August 30, 2019; but, as of April 2019, FEMA has not provided any updates. Given the importance of this information, we urge FEMA to expedite this time line.
- *Increased Costs to Taxpayers.*—Overstated debris loads occur when the percentage of debris collected by haulers is overestimated. Local governments pay haulers for the volume of debris collected in each truck, measured in cubic yards. For instance, if a monitor of the hauling activity determines a truck's total capacity is 10 cubic yards, and the truck is assessed as 75 percent full, then the "load call" for that truck is 7.5 cubic yards. To record the amount of estimated cubic yards actually dumped, monitors prepare load call tickets. Local governments use load call tickets to substantiate their claims for debris removal. When monitors overestimate debris loads or haulers collect unauthorized debris, local governments may incur and request reimbursement for unreasonable or ineligible costs. We recommended that FEMA require local governments identify quality control methods for verifying the amounts of debris collected and claimed for Federal reimbursement.

Figure 1 depicts a load that includes large tree limbs and a stump. The truck driver convinced the monitor to estimate the load call at 95 percent full although more than half of the truck was empty.

Figure 1. Disaster Debris Load Called at 95 Percent Full



Source: DHS OIG

Figure 2 similarly depicts a load containing a large stump and tree branches. The monitor overstated the debris load at 50 percent of the truck's capacity when more than 75 percent of the truck was empty.

¹⁷ 2 CFR § 200.318(b) requires the applicant to assert a "high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls."

Figure 2. Disaster Debris Load Called at 50 Percent Full



Source: DHS OIG

The United States Army Corps of Engineers (USACE) visited one Georgia county and validated a 28,000 cubic yard overstatement for a single week of debris removal operations. At \$16.43 per cubic yard, this equates to \$460,040 in ineligible costs for just one subrecipient for only 1 week.

Figure 3 illustrates what USACE personnel observed throughout the week they shadowed contracted monitors in that Georgia county.

Figure 3. Image of a Disaster Debris Hauler



Monitor called this 75 Percent Full, USACE would have called 30-40%

Source: USACE

*The photo information was redacted because it could be used to identify the subrecipient.

Debris removal is a common problem that occurs after most disasters across the country. Collectively, in our prior OIG audits we found a wide range of debris removal problems, including contracts awarded without proper competition; ineligible contracts, such as time and materials contracts used outside of the eligibility period; inadequate accounting and contractors overbilling local governments; and collection of ineligible debris from private or ineligible property.¹⁸

LOOKING FORWARD: RELATED ON-GOING WORK

The OIG has a number of on-going audits and reviews that we initiated based on our observations during visits to disaster sites and post-disaster analyses. In most of our work we examine contracting issues similar to those highlighted in my testimony today. We will be reporting on these issues later this year. These audits include:

- An audit of FEMA's use of advance contracts in Puerto Rico and whether those contracts are sufficient to meet previously identified needs.
- Two follow-on reviews of debris procurement issues—one for the State of Florida following Hurricane Irma and another specifically involving Monroe County, Florida. These reviews will look at whether FEMA ensured State and local entities followed procurement requirements and whether taxpayer dollars could have been saved through better contracting practices.
- An audit of FEMA's PA grant awards to Puerto Rico Electric Power Authority (PREPA) to determine whether these grants, and subsequent contracts between PREPA and Whitefish Energy Holdings LLC and Cobra Acquisitions, comply with Federal laws and regulations, and FEMA guidelines.
- Additional work assessing FEMA's contracts to administer the Transitional Sheltering Assistance Program, and whether this program fully met disaster survivor needs.
- An audit of FEMA's supply chain management and distribution of commodities in Puerto Rico after Hurricanes Irma and Maria.
- An audit of FEMA contract award processes to assess whether its policies and procedures are sufficient to assess the capabilities of prospective contractors for disaster response commodities and services.
- An audit of the Sheltering and Temporary Essential Power program in Puerto Rico, being implemented under Tu Hogar Renace, to determine whether the program, including the use of contractor support, has complied with Federal regulations and internal policies and has achieved its overall goals.
- An audit of FEMA's oversight of State and local government spending in response to Federally-declared disasters.

CONCLUSION

The massive scale of damage caused by seemingly more frequent disasters, as well as the large number of high-dollar-value contracts that FEMA and local communities will continue to award and FEMA will continue to reimburse pose grave concern. There is a significant risk of exposing billions of taxpayer dollars to fraud, waste, and abuse. As we have found in our prior work, FEMA needs to improve its management of the contracting process to ensure staff adhere to the FAR and agency requirements, better protect survivor data, and avoid delays in the delivery of critical services and supplies. FEMA can also enhance its oversight of Federal funds by improving its guidance to local communities that apply for PA program reimbursement of disaster response and recovery costs. For these reasons, we will continue to review these areas, aiming to emphasize the need for positive change. We will advise you of the results of our work once it is completed.

Mr. Chairman, Ms. Chairwoman, this concludes my testimony. I am happy to answer any questions you or other Members of the subcommittees may have.

¹⁸FEMA's *Oversight and Management of Debris Removal Operations (OIG-11-40)*, (February 2011).

APPENDIX A

LIST OF OIG AUDIT REPORTS

Report Number	Report Title	Date Issued
OIG-18-09	OIG Audits of FEMA Grant Awards Management Alert—FEMA Should Recover \$6.2 Million in Public Assistance Funds for Disaster Repairs That Are Not the Legal Responsibility of Richland County, North Dakota.	October 2017.
OIG-18-17	Napa State Hospital, California, Should Improve the Management of Its \$6.7 Million FEMA Grant.	November 2017.
OIG-18-25	The Omaha Tribe of Nebraska and Iowa Mismanaged \$14 Million in FEMA Disaster Grants.	November 2017.
OIG-18-60	The city of Waterloo, Iowa Jeopardizes \$1.9 Million in Estimated FEMA Grant Funding.	April 2018.
OIG-18-62	Victor Valley Wastewater Reclamation Authority, California, Provided FEMA Incorrect Information for Its \$33 Million Project.	April 2018.
OIG-18-63	FEMA Should Recover \$20.4 Million in Grant Funds Awarded to Diamondhead Water and Sewer District, Mississippi.	May 2018.
OIG-18-64	Cache County, Utah, Needs Additional Assistance and Monitoring to Ensure Proper Management of Its FEMA Grant.	May 2018.
OIG-19-05	FEMA Should Disallow \$9.1 Million in Public Assistance Grant Funds Awarded to Ascension Parish School Board, Louisiana.	November 2018.
OIG-19-06	FEMA Should Disallow \$22.3 Million in Grant Funds Awarded to the Chipewewa Cree Tribe of the Rocky Boy's Indian Reservation, Montana.	November 2018.
OIG-19-09	FEMA Should Recover \$413,074 of Public Assistance Grant Funds Awarded to Nashville-Davidson County, Tennessee, for a May 2010 Flood.	November 2018.
OIG-19-12	FEMA Should Recover \$3,061,819 in Grant Funds Awarded to Jackson County, Florida.	December 2018.
OIG-18-06	OIG Summary Reports Summary and Key Findings of Fiscal Year 2016 FEMA Disaster Grant and Program Audits.	October 2017.
OIG-18-29	Lessons Learned from Prior Reports on Disaster-related Procurement and Contracting.	December 2017.
OIG-18-75	Summary and Key Findings of Fiscal Year 2017 FEMA Disaster Grant and Program Audits.	September 2018.

Mr. PAYNE. I would like to thank all the witnesses for their testimony.

I will remind each Member that he or she will have 5 minutes to question the panel.

I will now recognize myself for questions.

I would really like to start with the Bronze Star issue. My understanding is that the company was formed a month before Hurricane Maria hit, had only two employees, and had never held a Government contract. Yet FEMA awarded the company two contracts worth more than \$30 million, with the expectation that it would deliver 475,000 emergency tarps and 60,000 units of plastic sheeting for temporary roof repairs.

For perspective, I have a visual on the monitors of the emergency tarps that were used on homes and building after Hurricane Maria. As you can see, there are a lot of structures with substantial roof damage. Disaster survivors needed these tarps.

Ms. Trimble, can you tell the subcommittee what happened to the two contracts given to Bronze Star?

Ms. TRIMBLE. So, shortly after the contracts were awarded to Bronze Star, FEMA learned that Bronze Star would not be able to deliver the tarps in the time frame specified.

That is the bottom line. I can go into a little bit, if you like, as to the problems we uncovered during the solicitation and award process that led to that outcome.

Mr. PAYNE. OK.

Mr. Kamoie, was FEMA aware that Bronze Star, a two-person company formed more than 1 month before Hurricane Maria hit landfall, didn't have any prior experience before awarding its contracts for emergency tarps and plastic sheeting? If so, did this raise any red flags for you?

Mr. KAMOIE. Thank you, Chairman Payne.

Bronze Star was awarded those contracts after full and open competition. A lack of prior experience is not a reason to preclude a vendor from competing. They were determined to be technically acceptable and financially responsible and otherwise eligible.

Those contracts ended up being—the tarp contract—1 of 6 contracts, so we had redundant capability. As soon as it became clear to us that they were unable to perform, we terminated the contracts. Bronze Star was not paid under those contracts at all.

Mr. PAYNE. Can the OIG respond to that, please?

Ms. TRIMBLE. So, in our review of the two Bronze Star contracts, we did find some missteps that FEMA took that we believe could have led to different outcomes.

First of all, contracting staff did not use the Disaster Response Registry, which is required by the FAR, to look at potential vendors for the types of supplies and services they needed, including plastic sheeting and blue tarps.

Second, the solicitations that FEMA posted included incorrect clauses as to what the source of the material should be. What FEMA posted was that all materials had to be from the United States when, in fact, they meant to post a clause that would have permitted a little more flexibility and allowed for some materials to come from outside of the United States.

That led to the third problem, that when FEMA personnel reviewed the solicitations it received, the offers it received, rather than holding the bidders to the buy America, the America-only standard, it actually did review the offers based on the broader allowing of materials from outside of the United States.

The problem with that is that, by posting a solicitation that required buy America, only U.S.-sourced products, I think FEMA missed out on the chance for other companies to bid, and then it was not an appropriate technical evaluation to say that Bronze Star and the other bidder met the terms of the contract, because they didn't, because Bronze Star said that it would be sourcing materials from both the United States and outside of the United States.

Then, finally, our fourth observation was that we felt FEMA could have done more to confirm that Bronze Star would ultimately be able to meet the terms of the contract. For example, in the follow-on solicitation after Bronze Star failed, FEMA did ask the next contractors to provide more information verifying that they would in fact be able to meet the terms of the contract.

Mr. PAYNE. OK.

Well, I am going to try to stick within the parameters, and hopefully we will be able to come back to—we obviously see how big a problem this one company was.

I will recognize the Ranking Member, Mr. King.

Mr. KING. Thank you, Chairman.

First of all, I thank all the witnesses for your testimony.

Mr. KAMOIE, National Interest Action codes are used to track contract actions across the Federal Government as they relate to a particular disaster. These codes have kind of arbitrary closing dates. For instance, the NIA code for Katrina lasted for 13 years, the NIA code for Hurricane Sandy remained open for over 5 years, but after only 9½ months the NIA codes for Harvey and Irma were closed.

Can you tell me what the criteria is for deciding when to keep them open and when to close them?

Mr. KAMOIE. Sure. The National Interest Action codes are governed by an agreement, a memorandum of agreement between the General Services Administration, the Department of Homeland Security, and the Department of Defense. Based on the GAO's recommendation, and I believe I saw in the General Services Administration response, we will revisit those time lines with GSA and DOD.

Mr. KING. Ms. Trimble, can you comment on that, the disparity between 13 years and 9½ months? I am not suggesting he is wrong; I am just wondering why there is such a disparity.

Ms. TRIMBLE. So that was work that Ms. Mak spoke to, if you would like to ask her the question.

Ms. MAK. When we asked Department of Homeland Security why they closed these National Interest Action codes, or NIA codes, their rationale was very inconsistent with the criteria that they have in this memorandum of agreement between these 3 departments.

One of them they said was, the purpose of these NIA codes is to track Federal procurement related to response and not recovery. But their own agreement says it covers response and recovery.

Another reason they gave us was that the number of contract actions that FEMA was making had decreased. Our concern there was that there were other components still within DHS as well as

DOD that continue to execute contracts related to both Harvey and Irma.

Then DHS also pointed to FEMA's own internal tracking system that has the ability to track contracts by disaster and budget line, but not all other agencies that respond to that way have these internal systems. Then remember, internal agency systems are not available to the public, and there is no one-stop-shop shopping for a Government-wide database other than this Federal Procurement Database System.

Mr. KING. OK. Thank you.

I am trying to get some good news out of bad news. Obviously, we hear, you know, critiques at these type hearings, and I understand that. But how effective do you think FEMA is at lessons learned? For instance, having lived through Sandy and saw the devastation there, what lessons were learned from that that were successfully applied to subsequent hurricanes? In other words, can you show the actually positive action that resulted from Sandy?

I guess we will start with the IG.

Ms. TRIMBLE. Sure. Thank you.

So I think we have seen some mixed results in how FEMA has responded to the recommendations related to our body of work. We have years' worth of work looking at FEMA's relationship with State and local governments as they carry out work for disaster response and recovery, which is not, you know, done through direct FEMA contracts, but the State and local governments, they issue their own contracts that are then eligible for Federal reimbursement.

So we, for years, have been recommending to FEMA—well, first of all, we have been finding for years that local governments aren't doing a very good job at following Federal contracting requirements, such as full and open competition or providing opportunities for local, small, and disadvantaged businesses.

We also through the years have made a number of observations and often recommend that money that the local governments are requesting to be reimbursed is not, in fact, eligible, because they haven't followed Federal procurement contracting rules.

FEMA has kind of a mixed bag in responding to our recommendations. They often don't take back money from local governments, which can be understandable, but what we are looking for is for FEMA to provide more specific information to State and local governments to make sure this problem doesn't happen in the first place, to make sure that local governments fully understand the requirements they are expected to adhere to if they are going to request to be reimbursed with Federal funds.

Mr. KING. Time is just about up, Ms. Mak. Do you have any further comments on that, or Mr. Kamoie?

Ms. MAK. From GAO's perspective, our biggest concerns with FEMA in terms of being able to address these contracts are a lack of strategy, and then guidance to do a lot of these things, and then the systemic issue of acquisition planning. Given that work force is such a challenge as well, guidance is extremely important, to have that in place so people at least know where to go, what to see. The same thing applies for advance contracts, being able to have some guidance in place. Then the strategy of how we do it, the

long-term, broader look of how we do it and how we can be better prepared.

Mr. KING. Mr. Kamoie.

Mr. KAMOIE. Thank you, Ranking Member King. Since you mentioned Sandy, I will just cite a few things that have happened since Sandy which we believe are improving.

Mr. KING. Quickly.

Mr. KAMOIE. Since Hurricane Sandy we have tripled our number of contracting officers, from 45 to 163.

In our Office of the Chief Procurement Officer, we established expeditionary and incident support branches.

Our competition rate for contracts in fiscal year 2017, 85 percent of our contracts were competitive; in 2018, it was 77 percent.

Even GAO noted we have been responsive in training our contracting officers on defining a local area, for example, where—

Mr. KING. The Chairman is sort-of giving me a look here, so you have gone over the time. But, anyway, thank you very much.

Mr. Chairman, thank you for your indulgence.

Mr. PAYNE. Thank you, sir.

Next, we will hear from the gentlelady from New Mexico, Chairwoman Torres Small.

Ms. TORRES SMALL. Thank you, Mr. Chair.

Mr. Kamoie, I really appreciate you noting FEMA's role both before, during, and after disaster. I want to touch on FEMA's communication and coordination challenges with State and local governments, something that all of you have touched on during your testimony.

A community I serve, the village of Ruidoso, New Mexico, has been struggling for more than 10 years to negotiate Federal assistance for extensive flooding that occurred back in 2008. Based on guidance from FEMA, the village awarded contracts for bridge replacements and is in the process of awarding contracts for extensive sewer repairs.

As I understand it now, after a significant portion of the work is complete, FEMA has decided that some of the projects are no longer eligible for Federal assistance. After 10 years of slow correspondence, challenging regulations, and employee turnover, we are seeing local officials that have been given a June 2020 deadline to complete all remaining construction.

Mr. Kamoie, I don't expect you to have the details on this particular situation, but can I have your commitment today that someone at FEMA will look further into this issue and communicate its findings with my office and the village of Ruidoso?

Mr. KAMOIE. Absolutely, Chairwoman Torres Small.

Ms. TORRES SMALL. Thank you.

Mr. KAMOIE. One word on our assistance and our coordination with State and local government. A development I believe certainly since Katrina is our Procurement Disaster Assistance Team.

This is a team of highly-trained attorneys and contract specialists that we deploy to disasters to provide guidance to our State and local partners on Federal procurement requirements and the requirements of our public assistance grant program. In fiscal year 2019 thus far, they have been deployed to 80 percent of declared disasters.

So we recognize the importance of providing good guidance.

Ms. TORRES SMALL. Thank you. I am glad to see that improvement made. The challenge is rehashing kind-of what happened in 2008 before a lot of these improvements were made.

Mr. KAMOIE. You have my commitment; we will follow up.

Ms. TORRES SMALL. Thank you.

Now I am shifting a bit. FEMA's 2017 after-action report found that the agency's advance contracts were exhausted after Hurricanes Harvey, Irma, and Maria, and so FEMA committed to awarding new contracts for future storms.

I noted that you recognize there are 87 current contracts. What is FEMA's process for determining that number and what types of contracts that are issued for advance contracts?

Mr. KAMOIE. That is a great question, Chairwoman Torres Small. We work with our program offices, the Office of Response and Recovery. We look at the needs of, you know, essentially the last several disaster seasons to understand where, had we had advance contracts in place, we might have delivered, you know, more quickly or more comprehensively.

So it is a lessons-learned process and working with our field offices and our regions to understand what it is we would need in place, you know, to put the right agreements in place.

Ms. TORRES SMALL. Are you confident you have all the advance contracts you need for the 2019 hurricane season?

Mr. KAMOIE. Yes.

Ms. TORRES SMALL. In December 2018, a GAO report found that FEMA did not have an up-to-date strategy and clear guidance for its own contracting staff on the use of advance contracts. Ms. Trimble noted how such guidance could have helped in avoiding the contracting mistakes with Bronze Star.

Mr. Kamoie, what steps is FEMA taking to address GAO's finding?

Mr. KAMOIE. I appreciate the question, Chairwoman Torres Small.

We do hold training, regular training, with our disaster procurement staff. In fact, from April 29 to May 3, we had over 100 of our staff, including our Disaster Acquisition Response Team in Baton Rouge, Louisiana. I have looked at the agenda of that multiple-day training, and it includes everything from advance contracting to local set-asides to documentation required when we deviate from local set-asides. So we continually provide training and guidance to our staff.

Ms. TORRES SMALL. Thank you.

Ms. Mak, how would you assess that response so far?

Ms. MAK. Our concern with the training is that when they provide the training, they have an advance contract list that is different than what FEMA headquarters has as their consolidated advanced contract list. When there are two resources being used as advance contract list, and they differ, it causes differences of what the States and localities know, and within FEMA, they don't know what advance contract lists are, what they are using. Both of those, we talked to officials, they are using both of those as resources. That inconsistency creates confusion. It creates: OK. What can I use? What is really available within FEMA?

Then externally to States and localities, it, again, creates confusion so the States and localities don't really know what is available from the Federal Government.

Ms. TORRES SMALL. Thank you. I yield my time.

Mr. PAYNE. Thank you.

The Chair now recognizes Mr. Crenshaw, the Ranking Member.

Mr. CRENSHAW. Thank you, Mr. Chairman.

Thank you all for being here. I want to start with where I left off on my opening statement about the report from the General Land Office from Texas, and I would again recommend everyone take a look at that. Some of the best ideas will come from local levels. Some of the issues they saw there were attempts to, I think, devolve some of the responsibilities down to the State level, where they understand their population better; they understand what needs to be done and can remove certain issues such as overlap, lack of coordination, and just more generally keeping the Government solutions to the lowest possible level. Are you aware of any other States, or has this conversation come up before, where States are asking to take on some of the roles traditionally done by FEMA with simply overarching support by FEMA?

Mr. KAMOIE. Thank you, Ranking Member Crenshaw. I mean, our philosophy in disaster response is that disasters should be Federally-supported, State-managed, and locally-executed. So I think it is a continual conversation about the relative roles and responsibilities and who can serve the population best. I am not familiar with that particular Texas Land Office report, but I look forward to reading it.

Mr. CRENSHAW. OK. What kind of progress has there been made in what has been brought up before, with this—better communications with States on what exactly FEMA is going to do and what exactly the State is going to do? Has there been any progress in that direction? As it relates to contracts specifically, too?

Mr. KAMOIE. I think the Procurement Disaster Assistance Team has made great strides in clarifying that, in that they have been to 80 percent of the declared disasters this year, and I believe last year they got to 70 percent. We continue to clarify and provide guidance.

Even on debris monitoring, we are looking at how to update our debris monitoring guidance. We have made our partners aware that debris monitors are a reimbursable expense under the public assistance program. We are looking at developing uniformed guidance on noncompliance, so what our State and local partners can do about contractors who do not perform. So can we communicate better? I would submit to you, sir, we can always communicate better and always clarify. I do believe we have made progress.

Mr. CRENSHAW. I appreciate that. I am also especially concerned about the record-keeping issue. It is really hard to figure out what to do better if we don't keep good records, and this came up with the NIA issue as well. What is being done to fix that?

Mr. KAMOIE. So, in accordance with the GAO's recommendation, my understanding is that the three departments who are the parties to that memorandum of agreement about the time line and the criteria for the closer of the National incident action codes will re-

visit that agreement and make sure that we are providing the transparency we need.

Mr. CRENSHAW. OK. Related to work force issues, it is one of the most important things that ensures success, and you mentioned before that you have increased pretty markedly the number of contractors working. That is good news. How are they incentivized, though, to make the most efficient and effective decisions? So we are hearing a lot about the Bronze Star issue. Are there consequences when someone blatantly makes a mistake like that? How does that work?

Mr. KAMOIE. So, on the work force issue, because I have not actually talked about it in any depth. I mean, in addition to contractual support we put an acquisition support contract in place with 21 staff. We are seeking to fill an additional 51 of a cadre of on-call response and recovery staff. But we have also made available—no additional staff members of our existing procurement office in terms of their number, but we have cross-trained them to, all in our operations branch, support the National Response Coordination Center. There is 69 available.

As to your question as to accountability, the Bronze Star contract was a full and open competition and found technically acceptable. We continue to provide guidance. We use that as a lesson learned. So we continue to work with our work force to make sure they are making the most effective, efficient decisions they can.

Mr. CRENSHAW. OK. I want to end with a question about the MAPS systems. This is a recent system that got put in place to improve—improve how workers can use the contracting system, but it was also reported that many in the program office are unfamiliar with the system. So my question, are there any problems with the system that you would like to share with this committee, and are there any problems with getting everyone trained up on it?

Mr. KAMOIE. So it is a system that allows us to tell our program offices, for example, 18 months in advance of an expiration of a contract in place, so that we can work with them to plan for that acquisition. So it will take continual reinforcement, training, and guidance to get everybody to take maximum advantage of it. I don't think that is a problem of the system so far as change management and making sure everybody knows of the resource that is available.

Mr. CRENSHAW. Thank you.

Thank you, Mr. Chairman.

Mr. PAYNE. Thank you, Ranking Member.

Next, we will have the gentlelady from Nevada, Ms. Titus.

Ms. TITUS. Thank you very much, Mr. Chairman.

Mr. Kamoie, I appreciate that some of these things we have talked about happened before you got there, but I think we need to hear what steps FEMA's taking so that we can avoid another Tribute contracting problem or a Whitefish Energy problem, or a situation where one very generous chef and paella pan can feed more people than FEMA can. But what I hear from you is just kind-of piecemeal responses as opposed to any overall strategy. You continue to defend the contract with Bronze Star, and we have heard: Well, they have done a little; they are looking at it.

But here is the title of the report: "FEMA Should Not Have Awarded Two Contracts to Bronze Star LLC." That is about as

plain as you can get. I mean, it doesn't say maybe they did, and it was legal, and they looked at everything.

It says they should not have awarded it. That doesn't leave much question for doubt.

So I think what we need from you is a strategy where you are looking at systemic changes, not just responding to individual disasters or contracts, but having said that, I want to ask you some more about the work force issue.

I chair the Subcommittee on Economic Development, Public Buildings, and Emergency Management, and we have jurisdiction over the Stafford Act, so we are going to have some hearings in the coming weeks with the deputy administrator, and we want to talk about the shortfalls. you mentioned a few figures just there, but I have some basic questions.

Have you looked at whether you think it would be better to have Government employees or long-term contracts to fill these work force needs? Do you have a strategy of that? Do you have a list of contracts that you have in place to kind-of get ahead of the game, as opposed to responding to incidents? Can you address those issues?

Mr. KAMOIE. Absolutely, Congresswoman Titus. Thank you for the questions. We are in the final stages, and I am sure deputy—or Acting Administrator Gaynor will speak to this when he visits with you, of a coordinated work force review, where we have looked at our incident management work force in an attempt, strategically, to right-size it, and look at what kinds of personnel would best fit those needs.

We do have contractors in that work force in our public assistance and individual assistance, technical assistance positions, for example. Then we have other types of positions for others. So, once that coordinated work force review is completed, we would be glad to provide it to you and the committee. But we are taking a close look at that.

In terms of—I just want to say, in terms of systemically looking at contracts, we do an after-action and look systemically across all of our contracts. I would submit to you, we never like to see a contractor not perform. We don't want to terminate for non-performance.

In the 2017 hurricane season, between 59 advance contracts and 1,973 post-disaster contracts, out of 2,032 contracts, we terminated 4 for non-performance. Do we like to see that? Of course not. Is that evidence of a systemic problem that we need to address? It is an awful small percentage of the overall contracts. But we have taken the recommendations seriously. We have taken steps to require more information from potential vendors so that we can make responsibility determinations. We take our stewardship of taxpayer dollars very seriously. So we do look systemically at our contracting.

Ms. TITUS. I believe it was mentioned earlier that one of the contracts you gave was to a company that had been kind-of blacklisted or not used by other agencies. When you are choosing the contracts, do you look at that information to see if they have a record with other Government agencies that might not have been successful?

Mr. KAMOIE. We do, Congresswoman. I believe you are referring to Tribute, and there was what I would consider to be derogatory information, but unfortunately the system of record that kept that information kept it for 3 years. It turns out, upon further review, the derogatory information about non-performance was over 3 years old. In fact, it was 5 years old. We paid Tribute only for what it delivered, the meals that it delivered, and that was 1 of 8 feeding contracts. So we had redundant capability to provide what disaster survivors needed.

Ms. TITUS. Is there anything legislative that you need to allow you to do this better?

Mr. KAMOIE. Ma'am, I can't think of another authority. If we do, we will certainly let you know. I believe we have the authorities we need. It relies on us continuing to train our contracting professionals, who are very much on the lookout to make sure we are being responsible stewards of the taxpayer dollars.

Ms. TITUS. Does the GAO agree with this assessment?

Ms. MAK. Our biggest concern when it comes to managing these contracts like you indicated is work force. Until they really do a—even as I mentioned earlier, hiring contractor support and term-limited staff, dedicated disaster response, that is like a Band-Aid. That is a short-term solution. They have to have a long-term strategic plan, and the assessment that they gave us for 2018, to us, was not really an assessment. It just included numbers of people, of contracting officials. It didn't identify what kind of contracting officials you need. There are differences in contracting officials, and then where do you want them. In the regions?

Like I mentioned, if you only have one full-time contracting official in each 1 of the 8 of the regions, that is a problem. So we need them to identify where and what, long term, have a strategy and put in place, and when is that going to happen. So we have asked for a time line and a plan.

Ms. TITUS. I would like to see that, if you get that.

Ms. MAK. Yes.

Ms. TITUS. Thank you, Mr. Chairman.

Mr. PAYNE. Thank you.

Next, we will have the gentleman from Louisiana, Mr. Higgins.

Mr. HIGGINS. Thank you, Mr. Chairman, and thank the witnesses today, speaking to us in this important hearing. Regarding advance contracts, I have several questions. In the continental United States, responding to a disaster, when FEMA responds to a disaster, access to the affected and impacted communities and populations, we find a way to get there, regardless of road damage and bridges. Again, you are dealing with the continental United States.

But when dealing with an island like Puerto Rico, one of the things that I encountered, and was quite frustrating in the effort to respond—I represent south Louisiana. We have major ports and tremendous skill set there, very compassionate people. We are certainly accustomed to dealing with natural disasters and hurricanes and have a density of population of men and women that generationally know how to respond and wanted to go help in Puerto Rico. One of those assets, shall we say, in south Louisiana, included barges that could quickly establish beach landing and access

roads to the major roads and arteries to distribute FEMA's pre-positioned, pre-contracted services to the impacted areas and populations of Puerto Rico. Because the traditional access through the established ports and through the roads and bridges, it couldn't get anything anywhere.

So, in the common-sense planning for advance contracts, when we are dealing with islands, populations, does FEMA now have a plan to have advance contracts for barge access, for beach landings? These guys can quickly establish access roads to distribute materials that ended up sitting in the ports and on the docks in Puerto Rico for a long time, was quite challenging to get that relief material and services and supplies, et cetera, to the impacted populations. What has FEMA done since then regarding beach access via barge?

Mr. KAMOIE. Thank you for the question, Congressman Higgins. We have enhanced our transportation contracts, shipping and air, for both the islands and Alaska. I will need to follow up with you on the details because I think you are mentioning some specific modes of transport, and I don't want to misspeak, but we have addressed with advance contract—

Mr. HIGGINS. Can my office reach out to your office and share some data with you regarding that?

Mr. KAMOIE. Absolutely.

Mr. HIGGINS. Thank you. I would like to move on. Building code enforcement in Puerto Rico is a concern that all of us should have. It is an American treasure. It has harvested the paychecks of working Americans and distributed quite compassionately in large amounts. In America, you know, we have an expectation that—you mentioned the stewardship of these funds. So building code enforcement, generally speaking, what is your observation on that? How strong—they have adopted new codes, which is encouraging, but how do you see the enforcement of building codes now that we are a year into this thing?

Mr. KAMOIE. Mr. Higgins, enforcement of building codes is outside both my expertise and area of responsibility, so I am going to take—

Mr. HIGGINS. It is within your parameter of opinion, though.

Mr. KAMOIE. I am going to take the question back, and we will follow up with you—

Mr. HIGGINS. That is a good answer.

Mr. KAMOIE [continuing]. On the agency's view.

Mr. HIGGINS. Safe answer from a witness. One final question. What policies are in place to encourage contractors that have contracted with FEMA to avoid participating in fraud or accusations of fraud with subcontractors? I have had conversations with subcontractors that were encouraged to do work and then never paid by folks that had contracts with FEMA. They had no recourse through the Government because their contract wasn't with the Government. What investigative authority do you have? What recourse do these subcontractors have? What policies do you have in place to protect against fraud? With my remaining time, please answer that, sir.

Mr. KAMOIE. Certainly. We do take the stewardship seriously. We do provide oversight. I don't know the answer on what recourse

or what remedy subcontractors have, but of course we have our Office of Inspector General. Within my division of FEMA, the Office of the Chief Security Officer, we have a Fraud Investigations Unit. So—

Mr. HIGGINS. Can you get us—can you get the committee back a more specific answer on that? My time has expired, but we would appreciate that.

Mr. KAMOIE. Absolutely.

Mr. HIGGINS. Thank you, Mr. Chairman. I yield.

Mr. PAYNE. Thank you, sir.

Next, we will have the gentleman from New York, Mr. Rose.

Mr. ROSE. Thank you, Chairman. I am always slightly interested in yielding all my time to Mr. Higgins because I always do enjoy your questions, sir. But I will resist. I will resist.

My district was one of the hardest hit by Hurricane Sandy. We experienced first-hand how many bad contractors were really hired and how they just totally failed the great people of Staten Island and south Brooklyn and New York City. Misinformation led to just absolute chaos in the days after the storm. Contractors on the ground, they kept changing the rules on victims while losing their paperwork over and over and over again. They were overpaid. People got rich. Believe it or not, my district office still has active cases dealing with this recovery. So, you know, you all—I don't want to be redundant because we are all here with the shared interest of trying to fix something. So, sir,—Kamoie, right?

Mr. KAMOIE. Yes, Kamoie.

Mr. ROSE. You said something, though, that intrigued me just now. You said basically Congress can't give you any additional authority, you are good to go. My question is very simple. Are we? You know, in the event the next superstorm is coming—the next hurricane is coming. You said you have learned lessons from the past. When another natural disaster hits my community, or any of ours, is FEMA going to be there to get the job done, and what else can we do to ensure that that is the case?

Mr. KAMOIE. Congressman Rose, I appreciate the question. So my response on do we need additional authorities was related to looking systemically at our contracting practices. When Congresswoman Titus asked me that question, I can't think of any additional authority we need to look at our contracting. Congress did provide us on the response and recovery side—now I am going well beyond contracting and just the agency's overall response and recovery—Congress gave us and we very much appreciate the authorities you provided us in the Disaster Recovery Reform Act that we are very actively implementing, everything from our ability to increase administrative cost reimbursement to our State partners to authorities with our work force. So we asked you and you provided a great deal of authority in that legislation.

Mr. ROSE. That authority basically authorizes you to prepare for something, pre-advance contracting, so on and so forth. Is there any mechanism in place—and this is for all of you—for us to ensure, district by district, that you have done that? So, if I could have a superstorm hit next week, is there any database that I can look and say, "All right, man, FEMA's good to go; we got our X,

Y, Z contractors already in place”? Do we have any system in place where I can ensure that you have done your job?

Mr. KAMOIE. So what we have is our National Preparedness Report, and we work with our State and local partners, where they report to us their capability gaps. We invest in nondisaster and preparedness grant funding. So we do report against kind-of core capabilities that do give us a general sense of our preparedness. I will have to go back and talk with my colleagues about whether that is county by county.

Mr. ROSE. Yes. That would be—or Congressional district by Congressional district, however you want to organize, it would be wonderful. I do want to make a formal request that you get back to us on that, that we have—you have just said that when it comes to contracting, giving us the authority you need, now we want to be able to check that you have exercised that authority.

Yes, ma’am.

Ms. MAK. What we found was that there is inconsistent coordination within the regions. Different regions, some coordinated a little more regularly, and some did not. So, therefore, we did make a recommendation to have more regular coordination to achieve those benefits that you are talking about because positive relationships can help in terms of the FEMA and the State emergency management personnel, providing opportunities for both FEMA and the States and localities to establish their contracts, the advance contracts that they need, and knowing which contracts are available, and then as well as FEMA knowing what the State can do to respond initially before the Federal Government gets involved.

Mr. ROSE. Absolutely. Look, we will help you find the plumbers and the roofers.

Ms. MAK. We definitely found inconsistencies.

Mr. ROSE. We all have those folks in need of work, but no one wants to be caught flat-footed again.

Thank you, I yield the remainder of my time.

Mr. PAYNE. Thank you, sir.

We will now hear from the gentleman from Texas, Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman. Appreciate this hearing. Certainly the last year that I was in the Texas Senate last year, we had a lot of Harvey hearings and became very familiar. There was a lot of hand-wringing. Obviously, it is tremendously complicated to recover from a disaster, and I would commend Commissioner Bush’s report from the GAO in Texas, which was the point for Harvey recovery in Texas, that Ranking Member Crenshaw put into the record. I think that that is a very good lessons learned that Texas had in their experience interacting with FEMA, including that was a very important experience for my State.

Just specifically, and I wanted to just, Mr. Kamoie, just wanted to go to your testimony, your written testimony. You outline a series of changes or improvements, and I will just quickly read the headlines here: Increasing the dollar ceiling, adjusting periods of performance, enhancing the transportation capabilities for island responses, increasing the number of contracting personnel to support disasters, increasing the number of disaster acquisition response team staff, increasing the number of senior-level acquisition personnel in filling critical vacancies. So my question to you is: It

sounds like these improvements are under way, but are there pieces of these improvements that need to be—that you need statutory assistance? In other words, is there legislation that is required from the U.S. Congress to assist FEMA to implement these changes? These seem like good changes. I think they are well thought through, I know you are implementing them, but what can we do? What is our role?

Mr. KAMOIE. Thank you, Congressman Taylor. In a number of cases that you have cited, they are completed. Our increasing the dollar ceiling, adjusting periods of performance, enhancing transportation capabilities. We will need to think about whether any statutory changes are required to implement the others. At this point, I cannot think of any, but if we do, we will follow up with you.

Mr. TAYLOR. OK. I mean, you know, obviously, our job is to legislate, and your job is to act. So, if there is statutory assistance that you need, you know, let us know. I mean, we obviously are all here for the same thing, to have a great disaster response recovery effort, and that is a collective effort, and certainly Congress is part of that. If you don't have the statutory authority that you need, I think just building on what Congressman Rose mentioned.

Shifting over to Texas specifically, something that I heard over and over again last year from local governments was the inability to understand from FEMA whether or not a contract had been awarded, what the extent was, the services that would be provided. They were generally frustrated that they just couldn't seem to quite get straight answers. I just wanted to kind-of hear what your thoughts were about how we can get more certainty for a subdivision to know, hey, this is taken care of. You know, this tarp thing is taken care of. This water thing is taken care of. These meals are taken care of. This debris removal has been taken care of. Because that is—clearly certainty is important for people to operate because if they know you don't have it, well, then, they can go and work on it themselves. But if they are unclear, if they call and say, "Well, I don't know, we can't help you," that is very frustrating for that mayor, for the head of that particular MUD district, whatever that subdivision in Texas may be.

Mr. KAMOIE. So I appreciate that, Congressman Taylor. I think it is going to require more communication and coordination with our State and local partners, our Procurement Disaster Assistance Team, these folks we deploy. We will continue to provide guidance and help our partners in navigating, not just the regulatory requirements but the clarity you were asking for in terms of spelling out kind of what is in and what is out.

Then the last thing I will say on the legislative offer, again, I appreciate it, and I will just say again, we appreciate very much the Disaster Recovery Reform Act that Congress passed, gave us a lot of authorities that we needed. Thank you.

Mr. TAYLOR. OK. So I am sort-of reattacking this, but what are you going to do so the next disaster, a mayor knows when he calls, he gets a definitive answer, that, "Yes, it has been approved," "No, it hasn't"?

Mr. KAMOIE. We will continue to reach out through our regional offices, through our joint field offices who are on the ground in the

local community, to make sure that we are providing the accurate information and answering the questions. So, you know, what we can do is ensure that our personnel are trained and have built relationships with those local officials so that they can get their questions answered in both a timely and accurate way. So I will be sure that we will take back and work with our regional colleagues and our Procurement Disaster Assistance Team to make sure that we are providing that guidance.

Mr. TAYLOR. I have to say, I am not totally satisfied with your answer, but I appreciate your effort to respond. You are welcome to come back to my office and respond in writing, but I really want to—this is important. Subdivisions deserve to know certainty. Saying we are going to train well and work harder, that doesn't—I am sorry, I am out of time, but we can discuss this offline.

Thank you, Mr. Chairman. I yield back.

Mr. PAYNE. Thank you, sir.

Next, we will have the gentle lady from New York, Ms. Clarke.

Ms. CLARKE. Thank you very much, Mr. Chairman. I thank our Ranking Member and our alternative Chair or additional Chair, Ms. Torres, and I thank our expert witness for appearing before us today.

I just want to say at the outset that I want to join in Congressman Rose's request for a district-by-district contracting assessment and plan. I think that that will be very important because we are talking about natural disasters, and we are talking about them as if they are in the past when just last week we had a suite of tornadoes rip through the southern part of our Nation. So I believe, quite frankly, that we need to be forward-leaning with respect to this, and it is really critical that FEMA get its footing, so that, again, we are able to move forward with the forecast of a lot of these naturally-occurring types of events so that we are not in retrospect or we are not flat-footed dealing with these issues. That is why I think this National Interest Action System is so very important because when you don't have a consistent basis for analysis, you know, 10 years here, 5 years there, 6 months there, it doesn't give you the real view to how we can improve and what our improvement has been. You may be able to sit here and say: I see improvement.

For the rest of us, we are saying: Well, I was hit by Superstorm Sandy, and people in my district are still recovering, right?

So I want to drill down a little bit more about the NIA code.

Ms. MAK, in a sentence or two, can you please describe what the National Interest Action code is?

Ms. MAK. Sure. Thank you for the question. Basically when any contract is being put in place, contracting officials have to put that information into this system, this Federal database system. When you track it, when we do our analysis, we go pull it from that NIA code. Now, when the NIA code is closed, to be able to track that information, we actually did some data analysis after the NIA codes were closed to just see what kind of information we could get. We used the description field.

Ms. CLARKE. So essentially these codes allow you and the public to track contracting activity for specific disasters?

Ms. MAK. Absolutely, you are correct.

Ms. CLARKE. From GAO's perspective, how long should a NIA code remain open after a disaster to accurately track contract obligations?

Ms. MAK. I think it differs from disaster to disaster, depending on how large the impact, how far it is, and those kinds of things. So we don't really say what time frame, but we have noticed that in the past they are open anywhere from 2 to 4 years, at least better than a 1-year—or less than a year. And then—

Ms. CLARKE. Right. So the question becomes, should we be categorizing? For instance, a rural community gets hit by a tornado, you are dealing with a less densely-populated area than perhaps an urban area or even a suburban area. Or maybe even looking at the regions, you know, what the density—population density and the assets in a particular area would be. Do you think that sort of categorizing would then enable us to look at what time frames should be applicable or—

Ms. MAK. That is possible, if they collect—if the data is historically collected and that analysis is done. As far as we are aware of, it is not.

Ms. CLARKE. Very well. I want to shift gears very quickly to the question of these debris removal contracts. Well, there is going to be a lot of debris removal, when you see these types of events occurring on an almost monthly basis. So I want to ask, Ms. Trimble, regarding policy changes FEMA made for overseeing debris removal operations, the new policy eliminated Federal and State oversight of debris removal activities. Because of the policy changes, local contractors in Florida and Georgia, for instance, were able to overstate debris loads and overcharge the Federal Government, and this put more than \$1.5 billion of taxpayer dollars at risk. Can you explain this issue a bit more?

Ms. TRIMBLE. Sure. So I think there are two things in play. So, in 2016, FEMA consolidated all its different—

Ms. CLARKE. I think your microphone—

Ms. TRIMBLE. I am sorry. So two points to make here, that in 2016, FEMA consolidated all its different pieces of public assistance grant program guidance into one consolidated guide. However, when it did that, and for example, in the case of debris removal, about a hundred pages worth of very specific debris removal and monitoring guidance that was available to local communities was cut out of, you know, that ultimate guide that was published in 2016. So you have two problems. Then, as you said, at the same time, the responsibilities for FEMA and the States to oversee local debris removal and monitoring activities went away. So you had two things happen at the same time that I think led to the problems that we saw when our teams were out in Florida and Georgia doing their work.

So, as I alluded to earlier, there really is a need for FEMA to provide that more detailed information again. It actually still is out there, and some local communities know where to find it because they have used it before. But the concern is that new communities or new officials in communities who haven't worked with it before might not find it as readily.

Furthermore, you know, just the way the new public assistance guidance has been consolidated, it is not necessarily clear what certain roles and responsibilities might be.

Ms. CLARKE. Very well. I thank you.

Mr. Kamoie, I am sorry, my time has run out, but I would like to ask that if you can do—go back and develop clear rules and guidance for monitoring debris removal operations, what would be done to comply with those recommendations, if you provide that to our Chairman, that would be very helpful.

Mr. Chairman—

Mr. KAMOIE. Yes, ma'am.

Ms. CLARKE [continuing]. Madam Chairman, I yield back.

Mr. PAYNE. Thank you. Next, we will have the gentleman from Texas, Mr. Green.

Mr. GREEN of Texas. Thank you, Mr. Chairman, and I thank all others that I should thank as well.

Please allow me to thank all of you for what you do. I understand that it is very difficult. I have a number of questions. The first has to do with CDBGDR. Are there any recommendations that you have that would assist you in—for us to help you and assist you in the use of the CDBGDR funds, community development disaster relief funds. Any recommendations?

Mr. KAMOIE. Congressman Green, that is outside my area of responsibility and expertise, but I will take that back to the agency for my colleagues who would be most familiar with those grant programs.

Mr. GREEN of Texas. Thank you. I greatly appreciate it. As you know, we are still waiting in Texas for some of that funding to arrive. So I thought I would just take a shot and see if there was some possibility that you might be able to give some assistance.

Here is another one. In my city, we hear the words “shelter in place,” and there are many persons who have no shelter to shelter in place. Churches will open their doors, and they will sometimes have some minor damages. They provide food, blankets. How does FEMA interact with the churches? How do we get that done so that they can be properly compensated?

Mr. KAMOIE. So we do have an office of faith-based organizations, and its director, Kevin Smith, I will be glad to talk with him and perhaps he might be able to follow up with you and provide you information on how we interact with faith-based organizations.

Mr. GREEN of Texas. Do you contract with any of the churches for shelter? I know that the municipalities will usually provide some places for shelter. In Houston, we have the Astrodome, and we have other facilities, but do you—

Mr. KAMOIE. I am sorry, Congressman. That is just outside my area of knowledge. We will be sure to follow up in writing—

Mr. GREEN of Texas. OK.

Mr. KAMOIE [continuing]. With information about that.

Mr. GREEN of Texas. Well, let me just continue outside your area for a few more. Let's talk for just a moment about the 20,000 pallets of water in Puerto Rico. I went down there—20,000 pallets of bottled water that did not get used timely. Can you tell me anything about that?

Mr. KAMOIE. So my understanding is that the contractor distributed water when they were supposed to dispose of it. Some of it was past its expiration date, and I believe we terminated and wrote to them regarding their noncompliance with the contract that we let, for disposal of water bottles, plastic caps, and pallets.

Mr. GREEN of Texas. Ms. Mak, do you have anything that you would add?

Ms. MAK. This issue really comes down to understanding what the requirements are, and that is a challenge that we also found that FEMA has faced in its acquisition planning process. If you don't—if you can't define what you really need, how much you need, and those kinds of things, that is a problem because it requires more time for contracting officials. They might award initial contract, and then they might have to follow up with several other contracts. So we have also asked that they really look at the acquisition planning process in terms of defining requirements.

Mr. GREEN of Texas. Quickly, probably outside your area of expertise, but what percentage of your contracts are awarded to minorities and women?

Mr. KAMOIE. That is in my area of expertise. I don't know the number, but we will follow up in writing with that.

Mr. GREEN of Texas. That is a very important thing for you to do, and if you would, I would like to also get some sense of the number that—number of persons that are from the impacted area, that, as you know, in Puerto Rico, there was a big complaint, a significant complaint, that people from the area were not being utilized. People were coming in from the mainland to service people on the island. So it would be of great benefit to know these things. Now, how am I assured that I will hear from you? Who will be contacting me?

Mr. KAMOIE. Our legislative affairs division will follow up with this information.

Mr. GREEN of Texas. OK. If they do not, am I at liberty to call you?

Mr. KAMOIE. Yes.

Mr. GREEN of Texas. OK. Final question, Mr. Chairman, if I may, I just want to ask one more.

Timely payment of contractors—small contractors. I get complaints from contractors who are telling me that they are not being paid timely. I understand that you no longer handle debris. You have stopped contracting that out, the municipalities do it. But can you provide any degree of oversight? Maybe I should have Ms. Mak respond, but such that these small contractors will be paid timely.

Mr. PAYNE. Quickly.

Mr. KAMOIE. So we certainly can provide guidance to our State and local partners about timely payment and our expectations regarding how they exercise their responsibility under the grant programs. So our Procurement Disaster Assistance Team can reinforce that.

Mr. GREEN of Texas. Thank you, Mr. Chairman.

Mr. PAYNE. Thank you. Let's see. We will quickly try to go through maybe one or two questions. I just had a very important question that has been concerning me since it was brought to my attention. DHS OIG issued a report, OIG-19-32, in March 2019,

indicating that FEMA unnecessarily shared the personally identifiable information and sensitive personally identifiable information of 2.3 million of disaster survivors with a contractor—shared their personal information with this contractor. What safeguards have you put in place to ensure that an incident like this does not happen again? I mean, this is bank records, Social Security numbers. I mean, you know, the most personal information that we hold sacred, that is—you know, has been exposed. I mean, over 2 million people. How does something like that happen?

Mr. KAMOIE. Thank you, Chairman Payne. So the contractor at issue administered the transitional sheltering assistance program for us. We changed the business model. It used to be that survivors would check in to transitional housing, a hotel, provide their credit card, and we would reimburse the survivor for those expenses. We changed the business model such that we now have the contractor pay hotels directly. But we didn't turn off the sharing of the information. So, upon learning that that data was still being transmitted to the contractor, who, before the business model changed, fully authorized to receive that information in administration of the program, we stopped sharing the data. We purged it from their systems. We have no evidence that that data in their systems was at any time breached. We have no evidence that any survivor has suffered identity theft or loss because of that sharing.

Mr. PAYNE. But did you let them know this has happened?

Mr. KAMOIE. We are working through evaluating the options regarding the communication with the—

Mr. PAYNE. Evaluating?

Mr. KAMOIE [continuing]. Survivors, and—

Mr. PAYNE. Wait a minute. Evaluating the—I think you need to get to the task at hand. Evaluating?

Mr. KAMOIE. What I said was we are evaluating what we will offer to them and how we will communicate with them regarding this, the oversharing of data.

Mr. PAYNE. I think this needs to be expedited.

Mr. KAMOIE. I hear you loud and clear, Mr. Chairman.

Mr. PAYNE. You know, I mean, how do you know people's identities haven't been stolen?

Mr. KAMOIE. We have no evidence that they have been, but I—

Mr. PAYNE. You don't have any evidence that they haven't?

Mr. KAMOIE [continuing]. They have not been.

Mr. PAYNE. You haven't on either side, right, and you have no evidence that they haven't been, correct?

Mr. KAMOIE. Correct. So we—

Mr. PAYNE. Let me, OIG, please. I know—

Ms. TRIMBLE. So, since we made the discovery and it was our staff who, meeting with both FEMA—well, meeting with FEMA initially, looking at the records they had on survivors, it was our staff who realized there was personally identifiable information that was not required for the administration of the program. Our staff then met with the contractor and verified that, yes, the contractor had received that unnecessary PII.

So, as to moving forward, our recommendations are two-fold. One, clean-up, clean up the incident at hand and take the steps necessary. Mr. Kamoie is right about the steps that FEMA has ini-

tiated to assess essentially the extent of the damage. It is true that there has been no evidence that PII has gotten past the contractor out into the public, or what have you.

The concern is when—from our understanding and information shared with us, the contractor only kept basically the past 30 days' worth of information on its system, that would have shown any vulnerabilities. Prior to that, we don't know. We don't know if their system perhaps was infiltrated and if that information went anywhere, so that is of a concern, but I am sure FEMA remains diligent in addressing it.

The other issue is making sure this doesn't happen again——

Mr. PAYNE. I would hope so.

Ms. TRIMBLE [continuing]. Recommendation.

Mr. PAYNE. Ms. Mak.

Mr. KAMOIE. So we are reviewing all of our data-sharing agreements with all of our programs that share sensitive information and the contractors with whom that information is shared so that we make sure the cybersecurity safeguards are in place, and the data-sharing agreements are in place to protect the information because we know that survivors not only expect us to deliver the care that they need after a disaster, but they expect us to protect their information as well.

Mr. PAYNE. Well, I hope that FEMA has the urgency that I feel that this needs to be rectified. You know, I mean, you know, you are being kind-of, you know, matter-of-fact about it. This is serious. This is frightening. Well, lend me your Social Security number and your bank records for me to hold on to. I mean, you know, let me just hold it.

Mr. KAMOIE. We agree with you, with the seriousness of it, and we agree with you on the urgency.

Mr. PAYNE. That is 2.3 million people's information.

Mr. KAMOIE. I agree, Mr. Chairman.

Mr. PAYNE. It is absolutely unacceptable. I am sorry. I have gone over, but I felt that had to be borne out.

No? Mister—no.

No?

Ms. TORRES SMALL. Just very quickly——

Mr. PAYNE. Chairwoman.

Ms. TORRES SMALL. Thank you, Mr. Chair.

Mr. Kamoie, I was troubled by your comment that you don't see systemic problems. I think—or that—your question about whether systemic problems with contracting exists, and I want to speak specifically to a systemic problem that I see, which is the contracting work force. I appreciate Ms. Mak's comments about needing an in-depth study for the work force needs. I know that you said it in your opening statement that there were some gains that had been made in your contracting work force. But based on the information I have, you are still a third understaffed, and you have actually lost staff since 2017.

So I appreciate your agreement that we do need that in-depth study. When can we expect to see that in-depth study?

Mr. KAMOIE. Let me be clear, Chairwoman Torres Small. In response to Congressman Titus' question about whether the cancellation for non-performance of 4 contracts represented a systemic

problem, I don't know if it does. That does not mean I don't see systemic opportunities to improve our contracting process. It is what we have been doing. I was simply citing the 4 terminations for non-performance. It is a challenge to recruit and retain 1,102 contracting specialists in the Federal Government.

Ms. TORRES SMALL. Mr. Kamoie—I apologize—the question was just, when can we expect to see the study?

Mr. KAMOIE. I believe the completion date that we estimated to the GAO recommendation was in August, but I will follow up with a more specific date. Sorry, I just don't remember the exact date, but we have already committed to a date, and we will provide that to you.

Ms. TORRES SMALL. Thank you. You are re-upping that commitment to the date—

Mr. KAMOIE. Absolutely.

Ms. TORRES SMALL. Thank you. I yield my time.

Mr. KAMOIE. I am sorry I didn't remember the date.

Ms. TORRES SMALL. I yield my time.

Mr. PAYNE. Thank you, Madam Chair.

I would like to ask unanimous consent for the Center for a New Economy's report on "Federal Contracting in the Post-Disaster Period" be entered into the record.

Assuming no objections, without objection, so ordered.²

Mr. PAYNE. I would like to thank the witnesses for their valuable testimony and the Members for their questions.

The Members of the committee may have additional questions for the witnesses, and we ask that you respond expeditiously in writing to those questions.

Without objection, the committee record shall be kept open for 10 days.

Hearing no further business, this subcommittee stands adjourned.

[Whereupon, at 11:54 a.m., the subcommittees were adjourned.]

²The information has been retained in committee files and is available at https://grupocne.org/wp-content/uploads/2018/09/Federal_Contracts_FINAL_withcover-1.pdf.

APPENDIX

QUESTIONS FROM CHAIRMAN BENNIE G. THOMPSON FOR BRIAN KAMOIE

Question 1. Please provide an up-to-date list of all advance contracts that FEMA has in place. For each contract, please include the acquisition name, description of goods or services rendered, contractor name and DUNS number, contract number, base award date, and total contract value.

Question 2a. Please identify all advance contracts FEMA has awarded since August 25, 2017—the day Hurricane Harvey made landfall.

Of these contracts, how many were awarded for new requirements?

Question 2b. How many were awarded for existing requirements following expiration of the prior contract's period of performance?

Answer. The attached Excel Spreadsheet details the advance contracts FEMA has in place as of May 1, 2019. None of these contracts are for new requirements; they are follow-on contracts to pre-positioned contracts established in response to PKEMRA requirements.*

Question 3a. At the May 9 joint subcommittee hearing, you told Members that during the 2017 hurricane season, FEMA terminated 4 contracts for non-performance. However, according to OIG-19-38, FEMA supplied the Department of Homeland Security Office of Inspector General (DHS OIG) with documentation showing a total of 19 contract cancellations related to Hurricane Maria alone.

Please provide a comprehensive list of FEMA contracts that were canceled during the response to and recovery from Hurricanes Harvey, Irma, and Maria. For each contract, please include the contract number, description of goods or services for which the contract was awarded, date of award, date of cancellation, vendor name and DUNS number, total contract amount, and amount obligated prior to cancellation.

Question 3b. The DHS OIG reported that the high number of contract cancellations during the 2017 hurricane season “could potentially indicate systemic contracting deficiencies that FEMA needs to address.” What, if any, action has FEMA taken to address these deficiencies?

Answer. There were 35 contracts terminated for the 3 2017 hurricanes; Harvey, Irma, and Maria. Of those 35, 1 contract was cancelled for cause, (the equivalent of default in commercial contracting), and 4 contracts were cancelled for lack of performance during the 2017 hurricane season.

All but 1 of the 5 contracts cancelled for lack of performance were terminated for the convenience of the Government. This is a standard contracting term used to describe a non-punitive process. During a disaster response, planning needs can change. If an initiated contract is no longer required as anticipated, it can be terminated at the convenience of the Government an action that ends contract performance without penalizing the vendor.

Per your request, please see the attached file. The spreadsheet contains a detailed list of contracts cancelled during the 2017 hurricane season and shows the terminated contracts by individual contract action. In two circumstances, there were partial contract actions made on the same contract but at different times. The total number of terminated contracts remained the same throughout.

FEMA OCPO is working collaboratively with the DHS OIG to address their recommendations. FEMA is committed to ensuring that mission needs are met with an effective procurement process.

FEMA has conducted the following training sessions:

- Mission Readiness Training (MRT): April 22–26, 2019.
- Disaster Readiness Training Webinar: May 16, 2019.

Topics covered during both training opportunities included using the Disaster Response Registry, Buy American/Trade Agreements Act, set-asides, reporting require-

*The attachment has been retained in committee files.

ments, lessons learned and acquisition best practices. These training sessions contained a discussion on current procurement policies, and the experience is designed to increase the business knowledge of acquisition professionals supporting FEMA's mission.

Question 4. Under the Rehabilitation Act of 1973, any recipient or subrecipient of Federal funds, including contractors or subcontractors, is required to make their products, services, activities, and programs accessible to individuals with disabilities. Please send documentation of FEMA's efforts to monitor and enforce this requirement.

Answer. There is language in external-facing FEMA contracts regarding Section 504 obligations. Section 504 requirements are a part of training for FEMA contracting officers. Additionally, Section 504 accessibility requirements are a part of the FEMA Section 504 Public-Facing Implementation Plan. This plan will be published on FEMA's website soon. One item identified for action in the plan is providing notice of Section 504 responsibilities to all contractors carrying out public-facing activities on behalf of FEMA. The plan is supported by FEMA program offices with points of contact for Section 504 access requirements and is monitored through the Office of Equal Rights (OER) and Access Coordinators.

Section 504 requirements are also the responsibility of the OER Cadre during disasters. The Cadre reviews housing programs to ensure accessible housing for persons with disabilities; accessibility to all FEMA and State disaster programs, services, and benefits; provides community outreach to impacted communities to ensure that information about the rights of all disaster survivors, including those with disabilities, is made accessible and available to the whole community; and provides guidance and technical assistance to FEMA programs and State counterparts to ensure civil rights compliance, including Section 504.

Question 5a. How does FEMA ensure that contractors providing temporary housing assistance to disaster survivors make housing accessible to persons with disabilities as required by law?

Answer. In addition to actions taken by FEMA Contracting Office, the OER Cadre monitors housing program activity in providing mobile homes and trailers to ensure that accessible housing is available to disaster survivors with disabilities, and to ensure that temporary housing assistance programs consider the needs of persons with disabilities by maintaining adequate accessible housing stock for the impacted area.

The Regional Disability Integration Advisor (RDIA) prepares individuals and families by strengthening communities before, during, and after disasters by providing guidance, methods, and strategies to integrate individuals with disabilities and coordinate emergency management efforts to meet the needs of all citizens, including children and adults with disabilities and others with access and functional needs.

The RDIS provides overall direction and coordination around all activities within the region, including during disaster response and recovery operations.

Question 5b. How does FEMA ensure that the multiple policy directives intended to protect the rights of people with disabilities are properly conveyed to States and localities?

Answer. Information from policy directives is provided through the FEMA Office of Equal Rights (and other FEMA programs such as External Affairs, Individual and Household Programs) in several Section 508 compliant formats and in different languages as determined by the demographics of the impacted communities. This information is distributed through flyers, local media, the internet, and public meetings. FEMA information about the rights of persons with disabilities is also part of the information supplied through FEMA's website. FEMA and the DHS Office for Civil Rights and Civil Liberties have communicated with the States and localities that are recipients of Federal financial assistance about their obligations under Section 504 of the Rehabilitation Act through letters and publication of guidance resources on-line.

During steady state, Regional Disability Integration Advisors (RDIS) assigned to each region, work with States and localities to provide guidance related to housing needs of people with disabilities. RDIS form partnerships with housing organizations and agencies to ensure that the rights of people with disabilities are planning factors in all housing discussions. During active disasters the RDIS will work closely with a Disability Integration Advisor deployed to serve as advisor across all housing activities. The Disability Integration Advisor participates in State-run housing calls and brings disability subject-matter expertise which is integrated throughout the planning process.

Question 6. In a 2019 report (GAO-19-281), GAO found that FEMA had challenges developing requirements for post-disaster contracts. For example, following Hurricane Harvey, FEMA awarded contracts to supply a food bank. But the requirement for food was expressed in "truck loads" rather than numbers of meals or pal-

lets. Because of this, FEMA's initial contracting capacity fell short, and an additional contract had to be awarded. How can FEMA's program offices better identify requirements for critical goods and services following disasters?

Answer. FEMA's Office of the Chief Procurement Officer has a Portfolio Management Section to support customer acquisition needs. The role of the Portfolio Manager is to educate and assist the program office with identifying the problem statement and requirements. Portfolio Managers will also assist program offices with the completion of the appropriate procurement documents so Contracting Officers can execute better contracts. Currently, the staff of 5 supports mostly steady-state requirements and pre-positioned contracts. However, after the 2017 Hurricane Season, Portfolio Managers deployed to disaster locations to assist field operations with developing their requirements. This effort is expected to help improve post-disaster contracting by ensuring requirements are clear and actionable. In addition, the Portfolio Management Section will add 4 additional positions in the near term to support the development of requirements in the field, before and during disasters.

Question 7. In May 2018, there were reports of FEMA spending \$74 million to Carnival Corporation to house Federal aid workers and first responders after Hurricanes Irma and Maria. Reportedly, the contracted ship from Carnival was only half full and taxpayers paid more than \$800 per night for passengers. Please explain how the Carnival Corporation contract was awarded and how FEMA determined the decision to lease the cruise ship to be cost efficient.

Answer. In response to overwhelming demand for housing in the U.S. Virgin Islands (USVI) immediately following Hurricane Maria, FEMA chartered the cruise ship Carnival Fascination for shipboard lodging of FEMA employees, employees of other Federal agencies, and other first responders destined for, or already located in the USVI for recovery operations. The contract price was fully inclusive of shipboard lodging (including showers and other facilities) and food.

Price reasonableness was established based on full and open competition. Eight offers were received in response to this solicitation. The price analysis determined that the maximum price per person of the cruise ship submitted by offerors were \$225 per person, the minimum was \$123.68 per unit and the average was \$176.30. Carnival's per-unit cost was below the average price per person. All other vendors were found to be technically unacceptable. While the contract was awarded for \$74 million, subsequent modifications reduced the value of this contract to \$49 million.

QUESTION FROM CHAIRMAN DONALD M. PAYNE, JR. FOR BRIAN KAMOIE

Question. A recent DHS OIG Management Alert (OIG-19-32) included recommendations for how FEMA can better handle disaster survivors' data to prevent another data violation from occurring. Though FEMA concurred with these recommendations, the agency said that the recommendations will not be fully implemented until June 2020. Please explain why it will take FEMA until next hurricane season to implement these recommendations.

Answer. The June 2020 estimated date of completion was provided to DHS OIG prior to a security assessment being finalized.

However, DHS deployed a Joint Assessment Team on-site at the Corporate Lodging Consultants (CLC) to determine the security posture of the CLC system, and detect any system vulnerabilities, including any further threats or impacts from the incident. DHS and FEMA concluded that the current security posture of the CLC network that hosts FEMA data is below DHS security standards and issued 11 vulnerability findings.

To date, all vulnerabilities identified in the Security Assessment of CLC Final Report dated April 2, 2019 have been remediated. A new network environment was put in place to remediate the remaining outstanding vulnerabilities and to ensure CLC's environment is in compliance with DHS Sensitive Systems Policy Directive 4300A.

The FEMA-DHS Joint Assessment Team (JAT) conducted a security assessment on the revised architecture, including the new and old environments, at the CLC location in Atlanta, Georgia, from July 9-July 18, 2019. FEMA anticipates providing a supplemental report based on this new assessment by October 1, 2019.

QUESTION FROM CHAIRWOMAN XOCHITL TORRES SMALL FOR BRIAN KAMOIE

Question. GAO recently recommended (GAO-19-281) that FEMA assess its contracting work force needs—including staffing levels, mission needs, and skill gaps—at FEMA headquarters, regional offices, and among FEMA's Disaster Acquisition Response Team (DART). When will this assessment be complete, and will you commit to providing committee staff with a copy of the assessment once it is complete?

Answer. FEMA's Office of the Chief Procurement Officer (OCPO) assesses its work force on an annual basis to determine the appropriate number of contract officials needed to meet its mission. At the beginning of each fiscal year, an 1102 staffing model exercise is conducted by all DHS contracting activities. The exercise is based on the current inventory of GS-1102 personnel, number of contract actions, and hours performed (direct and indirect) by GS-1102 personnel. The calculation produced by the model assists management by identifying the number of personnel needed to perform the contract actions. FEMA completed its staffing model exercise on January 28, 2019.

To address its immediate skill gaps and personnel needs, FEMA OCPO has entered into a contract for acquisition support services for additional personnel to temporarily fill the gaps found during the assessment. In addition, FEMA OCPO plans to hire Cadre of On-Call Response and Recovery Employees to provide dedicated support during disasters.

The staffing model exercise for fiscal year 2018 is attached to this response.*

QUESTIONS FROM HONORABLE MAX ROSE FOR BRIAN KAMOIE

Question 1. Is there any mechanism in place to ensure that the various FEMA regions have adequate amounts of prepositioned contracts in place before a disaster strikes?

Question 2. What, if any, efforts does FEMA make to track this information on a county-by-county or Congressional-district-by-Congressional-district basis? Please provide this information if it is, in fact, available.

Answer. All prepositioned contracts are available to all FEMA contracting personnel without regard to region. FEMA does not track contract activity by county or Congressional district.

QUESTIONS FROM HONORABLE AL GREEN FOR BRIAN KAMOIE

Question 1. After Hurricane Harvey, the Texas General Land Office (GLO) worked closely with FEMA to account for the needs of every Texan affected by the storm. GLO relied on FEMA for accurate data to assist victims in a timely manner, particularly when it came to temporary housing. Unfortunately, I have been told that FEMA provided data to GLO that was incomplete, late, and even incorrect. GLO struggled to make use of the temporary housing data, and multiple times FEMA had to recall the data and resend correct information. According to GLO, the problems with the data FEMA shared were so bad that at one point more than 200 people in the logistical implementation process were standing by doing nothing because GLO was waiting on FEMA for actionable information. What has FEMA learned from its experience collaborating with States during the 2017 hurricane season, and what is the agency doing to improve its data-sharing capabilities ahead of the 2019 hurricane season?

Answer. The Texas General Land Office (GLO) implemented its first State-managed direct housing mission by executing an Inter-Governmental Services Agreement (IGSA) with FEMA. The IGSA was intended to allow greater flexibility in securing housing solutions as well as a streamlined approach to long-term recovery. Although FEMA implemented a new and creative solution, FEMA learned that we must define roles and responsibilities across all phases of State-led housing missions, increase data collection and sharing capabilities, and work with States to increase their capacity to succeed in the future.

Privacy Act and I.T. security-related restrictions contributed to challenges providing Texas GLO and their contractors direct access to Housing Operations Management Enterprise System (HOMES), FEMA's system of record for direct housing, which contributed to the challenges experienced in operational data sharing for the housing mission. FEMA has identified that many HOMES access issues can be mitigated by working with States to establish plans and protocols for State-Administered Direct Housing prior to disaster declarations. To address this issue, FEMA is developing a State-Administered Direct Housing Grant Guide to provide guidance to States, territories, and Tribal nations on the process, roles, and responsibilities for implementing direct housing and permanent housing construction through a grant, provided under the Disaster Recovery Reform Act. This Guide will also include templates to streamline the process of standing up housing missions, establishing roles and responsibilities, and promoting effective operational data sharing.

The Texas housing mission also demonstrated FEMA's data system needs to be more flexible and receive updates to account for new housing solutions deployed in

*The attachment has been retained in committee files.

the 2017 and 2018 hurricane seasons. As part of the Grants Management Modernization effort, FEMA is developing its next-generation direct housing system of record which will provide a common operating platform for all users involved in housing missions. This new system of record will support State-led housing missions and provide a dynamic environment to better inform decision makers.

In regard to data sharing, FEMA completed Phase 1 of a multi-phase internal Information Sharing Assessment to help ensure the agency will properly share data during the 2019 hurricane season while also adhering to all information security, information law, and privacy requirements.

The assessment:

- Created a new workflow process to draft Information Sharing Access Agreements to be used in the 2019 hurricane season, which will expedite completion of the Personally Identifiable Information (PII) data-sharing agreements, to include all applicable U.S. Department of Housing and Urban Development (HUD) data sharing.
- Documented and consolidated all Recovery data sharing with HUD, working closely with Todd Richardson, HUD's General Deputy Assistant Secretary. In addition, HUD signed a new blanket "Agreement for Release of Non-PII Data" that allows FEMA to very rapidly share all non-PII data.
- Inventoried all active automated and manual PII information-sharing agreements to ensure they meet security and privacy standards so there will be no discontinuance of services during the 2019 hurricane season, to include all applicable HUD data sharing.
- Created a new Communications plan to inform FEMA Regions and Joint Field Offices of all information sharing support services available within RAD to further expedite data sharing during the 2019 hurricane season.
- Expanded Recovery data available on OpenFEMA, which presents FEMA data in an open forum, to provide additional data fields, better data dictionaries, and simplified dataset downloads capabilities.

Through the Disaster Assistance Improvement Program, FEMA has expanded its data-sharing interface with HUD and Small Business Administration (SBA), including updating the Computer Matching Agreements with both agencies.

The FEMA/HUD data exchange provides FEMA registration data to HUD for the purpose of determining and informing both agencies of duplications of housing benefits. When a disaster survivor registers with FEMA, it checks with HUD to determine whether that person is already receiving assistance from HUD. If so, then HUD informs FEMA of the type of assistance being provided by HUD. If HUD is not providing assistance, then FEMA sends more detail about the registrant, including information about any rental units provided by FEMA.

FEMA has 3 data exchanges in place with SBA:

1. *"Batch" import/export of FEMA registrations.*—With this integration, FEMA queues up batches of registrations as they get submitted either on-line (on DisasterAssistance.gov) or by the FEMA call center. Every 10–15 minutes, SBA retrieves these registrations from FEMA's system electronically. For FEMA registrants who have also applied for an SBA disaster loan, the SBA provides updates on the decisions made on these loan applications electronically back to FEMA.
2. *FEMA Disaster Assistance Center/SBA Electronic Loan Application (ELA).*—Disaster survivors who register with FEMA on-line at DisasterAssistance.gov and who meet certain eligibility criteria are presented with an option to apply for an SBA disaster loan on-line. A FEMA registrant who opts to apply for a loan, clicks an "Apply" link from the Disaster Assistance Center which redirects the survivor to SBA's ELA website. SBA's ELA electronically retrieves the data that the survivor already entered to prepopulate the electronic loan application, preventing the need to duplicate data entry.
3. *Duplication of Benefits.*—FEMA hosts a service that enables SBA to view a specific set of information about FEMA registrants for the purpose of determining what benefits those disaster survivors are receiving from FEMA.

Question 2. If a hurricane strikes the United States this year, FEMA will need to rely on the relationships that might be strained as a result of problems like what GLO experienced in 2017. What is FEMA doing to ensure State partners have the utmost confidence in the agency ahead of the 2019 hurricane season?

Answer. FEMA currently provides on-site and virtual technical assistance to SLTT partners through the FEMA Regions across program areas. Following the historic 2017 disaster season, FEMA announced the agency's intention to enhance customer service and increase the efficiency of program delivery by embedding FEMA staff with State, local, Tribal, and territorial (SLTT) partners where appropriate and based on a SLTT's identified capability gap. The purpose of FIT is to ensure that

FEMA is helping its non-Federal partners improve its ability to prepare for and respond to disasters. Since the initiative's launch, FITs have supported State and local disaster response efforts and provided technical assistance to numerous local, State, and Federally-declared disasters and emergencies.

The Post-Katrina Emergency Management Reform Act (PKEMRA) requires all States and territories to send an assessment of their emergency management capabilities to FEMA on an annual basis. States and territories meet this requirement by completing the Threat and Hazard Identification and Risk Assessment/Stakeholder Preparedness Review (THIRA/SPR). FEMA works with the States and territories throughout the year to help them understand the assessment process, collect, and submit useful and actionable information, and provide appropriate context for that information.

FEMA also provides invitational travel for one representative from each State/territory to attend annual technical assistance deliveries designed to help States/territories understand and complete the assessment and apply the results. During these deliveries, FEMA:

- Provides detailed walkthroughs of the assessment process;
- Explains how State/territory capability assessments advance National preparedness strategic goals;
- Identifies ways that States/territories can improve their assessments;
- Shares tools, resources, and guidance to help communities conduct their assessments;
- Gathers feedback on how FEMA can improve future technical support for conducting assessments;
- Offers suggestions for how States/territories can apply the results of their assessments; and
- Shares how FEMA uses assessment results.

During these deliveries, FEMA personnel engage directly with State/territory representatives, providing guidance and support, answering questions and addressing concerns, and engaging in dialogs on a variety of topics. This affords an opportunity for FEMA to build and further develop relationships with the States/territories. Deliveries also feature opportunities for States/territories to share lessons learned and best practices with one another and ask for FEMA guidance and feedback on their current assessments.

FEMA uses these assessments to better understand State/territory capabilities, including potential gaps and shortfalls, from each State/territory's point of view. FEMA also uses this information to help States/territories build and sustain their capabilities and works with States/territories to help them better understand how FEMA uses the information they provide.

Furthermore, the FEMA Continuous Improvement Program released the Continuous Improvement Planning Toolkit (CIPT) on May 22, 2019 to provide guidance, tools, and templates to assist SLTT partners with conducting continuous improvement activities. The CIPT is available to SLTT on the FEMA Preparedness Toolkit.

Question 3. How has FEMA prepared itself logistically for a scenario in which the United States is again struck by three major hurricanes in quick succession?

Answer. FEMA has taken a number of measures to prepare itself for a scenario in which the United States is again struck by 3 major hurricanes in quick succession. The agency has increased its inventory in the Continental United States (CONUS) and outside of the Continental United States (OCONUS) to levels that exceed those in 2017. FEMA has also expanded the number of Incident Support Base/Federal Staging Area Teams ready to quickly deploy and establish staging areas to receive life-saving/life-sustaining commodities and supplies for disaster survivors. The agency has increased to \$3 billion response logistics contract capacity, to include key commodity and transportation (Maritime and National Cross-Docking) contracts, and developed, with the Defense Logistics Agency, 5-year contracts to provide emergency fuel (diesel, mogas, jet) and propane for all 50 States, the Caribbean, and Guam/CNMI. FEMA has awarded a new contract for 352 new generators to add to the existing inventory to assist CONUS and OCONUS disaster operations. In addition, FEMA has established a new west coast Distribution Center in Tracy, CA with 224,000 sq. ft. increasing the capability for storing critical commodities and supplies in the region by four-fold, and secured a new Manufactured Housing Contract in 2019 with next generation specifications, internal fire suppressant systems, and the ability to manufacture more units for FEMA Direct Housing.

Question 4a. The Post-Katrina Emergency Management Reform Act requires FEMA to show preference for local vendors when post-disaster contracts are awarded. By contracting with local businesses, FEMA can help stimulate local economies at a time that they're fighting to recover from a natural disaster. When local contractors aren't used, FEMA is supposed to provide written justification for all non-

local awards. According to GAO, FEMA still struggles to consistently document cases where local vendors are not used.

What are you doing to address this issue?

Question 4b. Of all of the contracts awarded to local vendors during the response to and recovery from Hurricanes Harvey, Irma, and Maria, how many went to women-, minority-, and veteran-owned businesses?

Answer. FEMA Office of the Chief Procurement Officer's (OCPO) Quality Review Standard Operating Procedure (SOP) requires all proposed contract actions over \$500,000.00, and proposed Time and Material contracts at any cost, to be reviewed by the Quality Control and Policy Branch. The quality review process includes reviewing the Stafford Act requirement to buy local when practical and feasible and documenting when it's not. These reviews, in addition to peer and management reviews, ensure proposed contract actions are executed in accordance with applicable laws and procedures. OCPO will continue their policy of post-award reviews to increase compliance and enhance knowledge of the acquisition policies and procedures.

FEMA has conducted the following training sessions:

- Mission Readiness Training (MRT): April 22–26, 2019.
- Disaster Readiness Training Webinar: May 16, 2019.

Topics covered during both training opportunities included topics such as using the Disaster Response Registry, Local Business Transition, Buy American/Trade Agreements Act, set-asides, reporting requirements, lessons learned, and acquisition best practices. These training sessions contained a discussion on current procurement policies, and the experience is designed to increase the business knowledge of acquisition professionals supporting FEMA's mission. The training sessions included a discussion on the requirements to buy local when feasible, in accordance with the Stafford Act.

The attached Excel spreadsheet, titled Hurricanes Harvey Irma Maria Awards—1181295, lists the awards along with their socioeconomic designation in FPDS.*

QUESTIONS FROM HONORABLE YVETTE D. CLARKE FOR BRIAN KAMOIE

Question 1a. At the May 9 joint subcommittee hearing, you told Members that FEMA planned to revisit the time lines for closing the National Interest Action (NIA) codes for Hurricanes Harvey, Irma, and Maria. What is the status of this re-evaluation?

Question 1b. Will the NIA codes be extended and/or reopened? If yes, when will this occur? If no, please explain.

Answer. Conversations are on-going regarding extending and/or reopening the NIA codes for Hurricanes Harvey, Irma, and Maria. The decision to extend and/or reopen the codes has not been made, however, FEMA does expect a decision in the near term.

QUESTIONS FROM HONORABLE CEDRIC R. RICHMOND FOR BRIAN KAMOIE

Question 1. The Post-Katrina Emergency Management Reform Act required FEMA to better coordinate its contracting activity with State and local governments. Some improvements have been made over the past 15 years, but GAO has reported on continued challenges in this area. A recent GAO report (GAO–19–93) recommended that FEMA perform outreach to State and local governments on the use and establishment of advance contracts, identify a centralized resource listing all available advance contracts, and communicate information on available advance contracts to States and localities through this centralized resource. What efforts has FEMA made to address these GAO recommendations?

Answer. FEMA continues to employ the Procurement Disaster Assistance Team (PDAT), which provides contracting outreach and education to Public Assistance applicants when contracting under a grant. The purpose of this team, in part, is to provide training to State, local, Tribal, territorial, and eligible private non-profit partners to ensure they are familiar with the Federal procurement standards applicable under FEMA's public assistance program. As part of the education and outreach, PDAT encourages the use of pre-positioned, or advanced, contracts so that public assistance applicants are in a better position to respond to and recover from emergencies and major disasters. In addition, FEMA is developing a resource toolkit to aid State and non-State applicants to properly contract under grants, including when establishing pre-disaster contracts, so they are better prepared to conduct emergency work.

*The attachment has been retained in committee files.

FEMA has also made available a list of all advance contracts to FEMA contracting personnel through its SharePoint site and via training and webinars.

Question 2a. What types of resources, guidance, and training does FEMA provide to State and local governments to help them better adhere to Federal contracting requirements?

How does FEMA track whether these requirements are met?

Question 2b. What changes have been made to this process since the 2017 hurricane season?

Answer. Since the 2017 hurricane season, FEMA continues to employ the Procurement Disaster Assistance Team (PDAT), which provides contracting outreach and education to public assistance applicants when contracting under a grant. The purpose of this team, in part, is to provide training to State, local, Tribal, and territorial (SLTT) and eligible private non-profit (PNP) partners to ensure they are familiar with the Federal procurement standards applicable under FEMA's public assistance program. PDAT continues to provide guidance to SLTT and PNP partners through in-person and virtual trainings. On the PDAT website, public assistance applicants can find comprehensive procurement resources, including webinars, checklists, and summary materials to help them purchase goods or services in compliance with the Federal rules. FEMA is also developing a resource toolkit to aid State and non-State applicants on establishing pre-disaster contracts, so they are better prepared to conduct emergency work.

QUESTION FROM CHAIRMAN BENNIE G. THOMPSON FOR MARIE A. MAK

Question. What, if any, additional authorities do you think FEMA needs to better execute its disaster contracting mission?

Answer. Our work did not identify the need for additional authorities. However we did find areas for improvement that can help FEMA better execute its mission, and we note the steps Congress has already taken to bolster our recommendations. Specifically, in April 2019 the Senate introduced a bipartisan bill—the Federal Advanced Contract Enhancement Act—to ensure the 9 recommendations we made in December 2018 are addressed, including steps FEMA should take to more effectively manage and use its advance contracts and improve information sharing with States and localities. In June 2019, Representative Thompson also introduced this legislation in the House. Legislative steps, such as this, can provide additional assurance that our recommendations will be addressed and FEMA's contracting practices will be more efficient.

We also made recommendations about data transparency that we think would help FEMA better execute its mission. Specifically, in April 2019 we found that the full extent of disaster contracting related to the 2017 disasters is unknown due to changes in the criteria for establishing and closing a National interest action (NIA) code in the Federal Procurement Data System—Next Generation (FPDS-NG) and DHS's inconsistent implementation of the updated criteria for closing codes. Currently, the NIA code in FPDS-NG is the only mechanism for Government-wide tracking of contract actions for a specific declared emergency or contingency event. According to a senior FEMA procurement official, the lack of publicly-available information on disaster contract obligations may increase the workload of its already strained contracting work force, who will need to respond to individual data requests from interested parties—such as Congress and other Federal agencies—since that data can no longer be tracked and identified through FPDS-NG. We recommended: (1) That agencies update the memorandum of agreement between the General Services Administration (GSA) and the Departments of Defense (DOD) and Homeland Security (OHS) outlining the criteria for establishing and closing NIA codes, and (2) that OHS, in coordination with DOD and GSA, keep the existing NIA codes open, reopen the codes for Hurricanes Harvey, Irma, Florence, and Michael, and request that agencies retroactively update applicable contract actions, to the extent practicable. OHS did not concur with this second recommendation. If OHS does not take action on that recommendation, visibility into contracting obligations related to the 2017 and 2018 major hurricanes will be limited.

QUESTION FROM HONORABLE AL GREEN FOR MARIE A. MAK

Question In your investigations and reporting on the 2017 hurricane season, what did GAO learn about the accuracy of data shared with States by FEMA?

What recommendations would you make to improve their data-sharing capabilities?

Answer. GAO's reporting following the 2017 hurricanes identified some challenges with the information FEMA shares with States, as well as broader coordination challenges between FEMA and its State and local partners. In December 2018, we

identified inconsistencies in information on FEMA's advance contracts. For example, we found that 58 advance contracts included in FEMA's June 2018 advance contract list were not identified in training documentation provided to FEMA contracting officers the month prior, in May 2018, and 26 of the contracts included in the May training documentation were not included on the June advance contract list. The missing contracts were for goods and services like generators, foreign language interpretation services, manufactured housing units, and meals. Without a centralized resource listing up-to-date information on FEMA's advance contracts that is communicated to States and localities, FEMA may not have the tools they need to effectively communicate about advance contracts and use them to respond to future disasters. To improve the consistency of information FEMA shares with States, we recommended that FEMA identify a single centralized resource listing advance contracts that is updated regularly to include all available advance contracts, and communicate information on available advance contracts through this centralized resource to States and localities.

QUESTION FROM CHAIRMAN BENNIE G. THOMPSON FOR KATHERINE TRIMBLE

Question. What, if any, additional authorities do you think FEMA needs to better execute its disaster contracting mission?

Answer. Our current body of work has not identified additional authorities that would help FEMA to better execute its disaster contracting mission, but as we reported in our May 2019 report, *FEMA Should Not Have Awarded Two Contracts to Bronze Star LLC* (OIG-19-38), FEMA needs to do a better job of executing its existing authorities.

QUESTION FROM HONORABLE AL GREEN FOR KATHERINE TRIMBLE

Question. In your investigations and reporting on the 2017 hurricane season, what did the DHS OIG learn about the accuracy of data shared with States by FEMA?

What recommendations would you make to improve their data-sharing capabilities?

Answer. We currently don't have any recommendations addressing FEMA's data-sharing capabilities. However, we expect to issue a number of reports in the next 6 to 8 months addressing FEMA data accuracy and data-sharing issues related to the 2017 disasters. Specifically:

- An upcoming report on FEMA information technology will address data accuracy and information sharing between FEMA and Federal and State partners.
- Our audit work on FEMA's logistics and supply distribution in Puerto Rico addresses data quality issues related to commodity distribution.
- In addition, we are assessing information sharing between FEMA and the Texas General Land Office as part of our audit of the Intergovernmental Service Agreement between the two entities for the provision of direct housing assistance following Hurricane Harvey.

We are happy to brief you and your staff on the results of these audits when they are complete.

