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**Hearing Statement of Chairman Bennie G. Thompson (D-MS)**

***Joint Hearing: FEMA Contracting: Reviewing Lessons Learned from Past Disasters to Improve Preparedness***

**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 two 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.

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