



At a Glance

Catalyst for Improving the Environment

Why We Did This Review

The objective of our audit was to determine whether the requirements for Contract EP-R6-06-03, for providing office space and housing at the Hurricane Katrina incident command post, were well-supported and justifiable, and whether the contract was awarded fairly using full and open competition.

Background

On August 29, 2005, Hurricane Katrina caused catastrophic damage in the Gulf Coast area. In October 2005, the U.S. Environmental Protection Agency (EPA) Region 6 established a command post in Metairie, Louisiana, for emergency response operations. Through several contracts, EPA obtained office space and trailers for housing staff. After the contracts expired, EPA competitively awarded a new contract in March 2006 at an estimated value of \$980,765.

For further information, contact our Office of Congressional and Public Liaison at (202) 566-2391.

To view the full report, click on the following link:
www.epa.gov/oig/reports/2007/20070329-2007-P-00015.pdf

New Housing Contract for Hurricane Katrina Command Post Reduced Costs but Limited Competition

What We Found

Contract EP-R6-06-03 contained several improvements over the previous housing contracts for the Metairie incident command post. The new contract terms were more flexible, allowing for various options regarding the numbers of trailers to be leased. It also resulted in a price reduction for each trailer (including some services) to \$95 per day per trailer compared to over \$300 under the prior contracts. We found that both EPA Office of Administration and Resources Management personnel and Region 6 procurement staff worked together diligently to attempt to refine the statement of work and make sure that the requirements did not limit competition. These personnel performed admirably and deserve much of the credit for reducing costs.

However, the contract's statement of work could have been improved to ensure that it did not contain unnecessary and ambiguous requirements that limited competition. Full and open competition is required by Federal Acquisition Regulations and EPA's Contracts Management Manual. Specifically, EPA:

- Overstated the need for land
- Sought unneeded kitchen space, refrigerators, and microwaves
- Did not consider multi-story office space
- Unnecessarily required a 6-foot fence
- Did not clearly indicate whether private rooms per person were needed

The contract requirements made it difficult for hotels and apartment complexes to compete for EPA's business. EPA largely based its requirements on what it already had as opposed to future requirements, making it difficult for anyone but the incumbents to win the contract. Also, contract requirements were often undocumented and unverifiable. As a result, EPA had limited assurance that it received the best value for its money because similar or better facilities may have been available at a lower price.

Because EPA plans to award two national blanket purchasing agreements to provide emergency technical support and logistical services as a result of one of our prior reports, no recommendations are being made. We are providing this report to ensure similar occurrences are avoided in the future. Region 6 did not agree that its contract requirements limited competition and asked that the report reflect that contract requirements *may have* limited competition.