

**OFFICE OF INSPECTOR GENERAL**

# **FEMA's Process for Selecting Joint Field Offices Needs Improvement**



Homeland  
Security

**OIG-15-128-D**  
**August 20, 2015**



# DHS OIG HIGHLIGHTS

## *FEMA's Process for Selecting Joint Field Offices Needs Improvement*

August 20, 2015

### Why We Did This Audit

To evaluate the cost effectiveness of the Federal Emergency Management Agency's (FEMA) choice for the location of the Hurricane Sandy Joint Field Office (JFO) in New Jersey.

### What We Recommend

FEMA should collaborate with the General Services Administration on selecting a potential JFO site for forecasted disasters and develop JFO operational procedures that effectively downsize the facility and associated support in a timely manner to reduce JFO costs.

#### **For Further Information:**

Contact our Office of Public Affairs at (202) 254-4100, or email us at [DHS-OIG.OfficePublicAffairs@oig.dhs.gov](mailto:DHS-OIG.OfficePublicAffairs@oig.dhs.gov)

### What We Found

FEMA's selection of the Hurricane Sandy JFO in Lincroft, New Jersey, was not cost effective because FEMA waited until after Hurricane Sandy struck. While FEMA's policies and procedures provide FEMA disaster response officials flexibility in responding to the unique disaster circumstances, FEMA was unprepared to set up a cost-effective JFO in New Jersey. As a result, FEMA's selection of the New Jersey JFO for Hurricane Sandy exposed the Federal Government to unnecessary costs and delayed JFO operations. By taking advantage of nearby Federal facilities or locating more affordable flexible office space, FEMA might have avoided these facility costs and saved significant Federal disaster funds. Additionally, FEMA could have saved over \$1.5 million by taking corrective actions to reduce lease costs as the disaster workforce decreased.

### Federal Emergency Management Agency Response

FEMA concurred with our recommendations. FEMA will work closely with the General Services Administration to identify and select Joint Field Office sites prior to a forecasted disaster event. FEMA will also reprioritize its logistics and finance staff to develop an inventory of potential Joint Field Office locations. Additionally, FEMA formed an Integrated Planning Team to develop a Disaster Assistance Lifecycle Model and is working with its business units to identify criteria for effectiveness and efficiencies for its disaster delivery system.



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August 20, 2015

MEMORANDUM FOR: Elizabeth Zimmerman  
Associate Administrator  
Office of Response and Recovery  
Federal Emergency Management Agency

FROM: John Kelly  
Assistant Inspector General  
Office of Emergency Management Oversight

SUBJECT: *FEMA's Process for Selecting Joint Field Offices Needs Improvement*  
*Report Number OIG-15-128-D*

Attached for your action is our final report, *FEMA's Process for Selecting Joint Field Offices Needs Improvement*. We incorporated the formal comments provided by your office.

We assessed the process the Federal Emergency Management Agency (FEMA) used after Hurricane Sandy to select a Joint Field Office (JFO) for the State of New Jersey. A JFO is a temporary Federal coordination center for field-level incident management activities related to disaster response and recovery. In addition, a JFO serves as a base of operations for FEMA's disaster workforce. For large events, such as Hurricane Sandy, it is important that the JFO be located close to the impacted area for efficient and effective delivery of the mission and coordination with the State, impacted communities and responding agencies. The overall objective of this audit was to determine whether FEMA's selection of the New Jersey JFO for Hurricane Sandy was cost effective, in terms of the initial lease and for costs during the life of the lease. We identified areas where FEMA could be more proactive in selecting future JFOs and proposed FEMA develop operational procedures that ensure effective management of JFO costs. This audit did not evaluate the potential impact on staff productivity, travel times or effectiveness of delivery of the mission—only cost-effectiveness of the facility selection itself.

The report contains two recommendations aimed at improving the JFO selection process. Your office concurred with both recommendations. Based on information provided in your response to the draft report, we consider recommendations 1 and 2 open and resolved.



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Please send your response or closure request to  
[OIGEMOFollowup@oig.dhs.gov](mailto:OIGEMOFollowup@oig.dhs.gov).

Consistent with our responsibility under the *Inspector General Act*, we will provide copies of our report to congressional committees with oversight and appropriation responsibility over the Department of Homeland Security. We will post the report on our website for public dissemination.

Please call me with any questions, or your staff may contact James Gaughran, Deputy Assistant Inspector General, at (202) 254-4092.

Attachment



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### Background

By October 25, 2012, weather forecasters predicted that New Jersey was

... under an increasing threat of taking a direct hit from a powerful—and perhaps unprecedented—hybrid storm that government officials have dubbed a ‘Frankenstorm’.... Where, exactly, the storm ends up remains murky, but in the last 72 hours forecast models have slowly zeroed in on a major impact for New Jersey.<sup>1</sup>

They were right. On October 29, 2012, Hurricane Sandy struck the east coast of the United States, causing widespread damage across 24 states. New Jersey suffered severe damage—over two million households in the State lost power, and the hurricane damaged or destroyed 346,000 homes. Governor Chris Christie requested an expedited major disaster declaration because of the severity of the storm.

### Results of Audit

FEMA officials’ building selection for the New Jersey JFO was not cost effective because they waited until after Hurricane Sandy struck and then rushed to a selection decision. FEMA did not adequately plan for the impending need for a JFO in New Jersey. FEMA officials considered only three properties, two of which it deemed unsuitable because of either concerns with past performance or unreasonable contractual demands. By selecting the remaining option, FEMA paid approximately \$1 million to rehabilitate the building and spent an additional \$5,373,500 for a 1-year building lease. Although many factors contributed to the lack of a timely, cost-effective JFO, the primary cause was FEMA’s lack of pre-disaster planning. If FEMA officials had planned properly, they may have saved up to \$1.5 million by using flex space and avoided major rehabilitation costs.

In addition, FEMA could have done more to minimize JFO lease costs as staffing levels decreased. FEMA recognized, in its *Achieving Efficient Joint Field Office Operations* guide, the importance of JFO right sizing. If FEMA had better managed the JFO space by moving to a more appropriately sized building once staff levels declined as anticipated, FEMA could have saved approximately \$1.5 million. FEMA officials missed this opportunity because they did not aggressively right size their space according to FEMA policies as disaster staff levels declined.

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<sup>1</sup> Stephen Stirling, “Hurricane Sandy on path to hit N.J., latest ‘Frankenstorm’ forecast shows,” October 25, 2012, <http://www.nj.com>.  
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To save costs in future disasters, FEMA should (1) be proactive, with its General Services Administration (GSA) partners, in identifying potential Joint Field Office locations before predicted disasters similar to Hurricane Sandy and (2) develop a JFO operational procedure guide to locate and right size JFO space requirements and leases as disaster staffing decreases.

### **FEMA Did Not Adequately Plan for the New Jersey JFO**

FEMA did not adequately plan for the impending need for a JFO in New Jersey. As a result, FEMA was unable to identify and select the most cost effective property to use as a JFO after Sandy's landfall in New Jersey. FEMA is responsible for contacting and providing GSA with specific property requirements for a suitable JFO location. In exchange for GSA taking the primary role in securing a JFO location and negotiating the lease, FEMA agrees to refrain from engaging in substantive negotiations or discussions with prospective lessors regarding terms and conditions, including proposed pricing and lease commencement. The day after Hurricane Sandy impacted New Jersey, FEMA's Region II-Regional Response Coordination Center issued a mission assignment to GSA<sup>2</sup> to search for, select, and lease a building to serve as the JFO accommodating FEMA's projected disaster workforce.<sup>3</sup>

FEMA officials considered only the three options available, and provided by GSA. Two properties were ultimately deemed unsuitable because of past performance issues or unreasonable contractual demands. The remaining property was a 352,000 square foot, long-vacant office building in need of significant rehabilitation. A week after the disaster, FEMA still did not have a functional JFO location and decided to proceed with rehabilitating this vacant building. FEMA paid approximately \$1 million to rehabilitate the building and spent an additional \$5,373,500 for a 1-year building lease.

*Joint Field Office Activation and Operations, Interagency Integrated Standard Operation Plan (JFO-SOP)* recommends "a fully functional JFO as soon as possible, optimally within 72 hours of an Incident of National Significance or to establish the JFO as a preparedness action during the pre-incident phase." *JFO-SOP* even allows for pre-incident establishment of a JFO for a planned

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<sup>2</sup> The June 2007 Memorandum of Agreement between Department of Homeland Security/Federal Emergency Management Agency and GSA and Emergency Support Function No. 7 of the National Response Framework require GSA to provide contracting support services to FEMA consistent with mission assignments.

<sup>3</sup> Pursuant to 40 U.S.C. §585, GSA may enter into a lease to accommodate a Federal agency in buildings or improvements for a term of up to 20 years.



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security event or geographically-focused threat. Because Hurricane Sandy was a foreseeable, geographically-focused threat, FEMA had the opportunity to anticipate and prepare for future needs before the storm's landfall. However, FEMA missed this opportunity and, in this case, the JFO in New Jersey was not fully operational for over 18 days.

By not making contacts or identifying potential JFO sites before the storm's landfall, FEMA left GSA with only 72 hours to identify and lease a property meeting FEMA's needs. According to JFO-SOP:

The urgency and requirements for almost-instant operations capabilities requires extensive planning and precise logistics operations. When possible, consideration should be given to the use of existing regional or field office-level contingency plans and the full scope of potential JFO requirements.

Further, according to GSA's disaster lease desk guide:

FEMA usually identifies a building, locates a building point of contact, and will have completed FEMA's Facility Review and Approval (which includes security, safety, logistics, and environmental matters) before the lease is assigned to a [GSA] Leasing Specialist or Leasing Contract Officer.

Since FEMA was unable to pre-identify a building for GSA as a JFO site, FEMA's initial JFO operations were delayed.

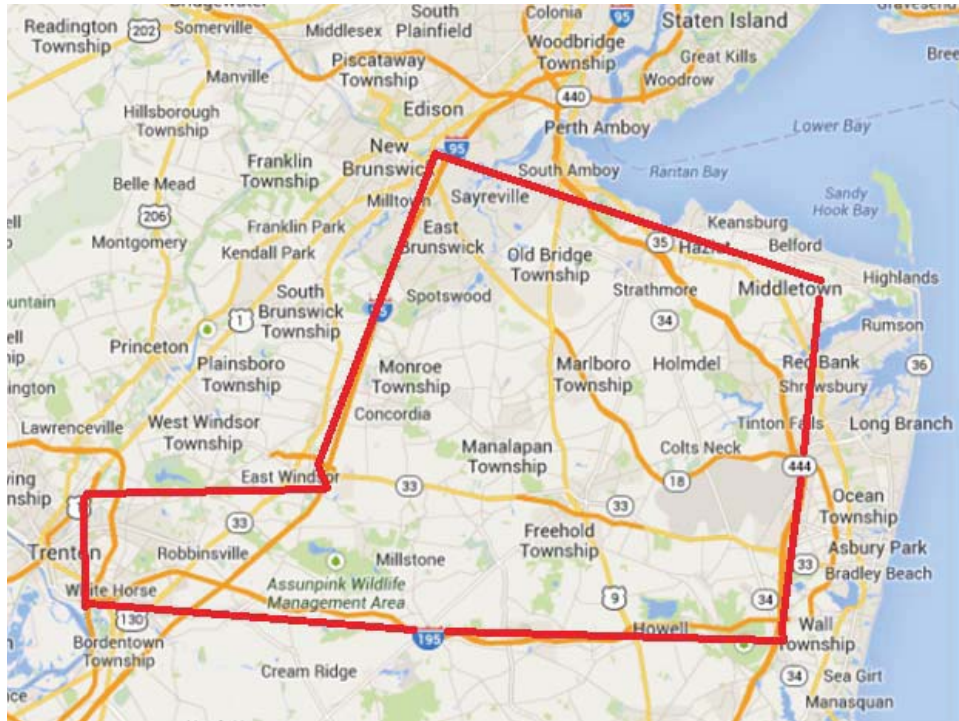
FEMA's 2010 guide, *Achieving Efficient JFO Operations*, recommends that FEMA participate in a JFO facility selection process and set the parameters for the site carefully with costs in mind. The facility should have few security needs while also minimizing utility and rental costs. FEMA initially indicated to GSA officials that it would need a facility for 700 to 1,000 people. GSA leasing specialists searched through a commercial real estate database to locate sites in the area from Southwest Trenton to I-195 Corridor South, I-95 Corridor West, East Brunswick North, and 444 Corridor East with a minimum 100,000 to 150,000 square foot building with a parking area for 500 to 1,000 vehicles. Figure 1 shows the approximate delineated search area.



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**Figure 1 – Approximate Search Area for NJ JFO**



Source: Office of Inspector General (OIG)-created based on FEMA data

FEMA repeatedly increased disaster workforce projections as GSA officials conducted their search. Four days following the disaster declaration, FEMA increased its staffing estimates to 1,500, significantly affecting square footage and parking requirements. GSA officials said that widespread power outages limited the success of the search, as most local real estate points of contact were not answering their phones. An email between GSA leasing specialists also indicates that GSA thought several locations with flexible office space (lightly zoned buildings) would not work for FEMA. However, it should be noted that FEMA often selects lightly zoned buildings since these sites are usually more affordable by square footage. Lightly zoned buildings include warehouse-type facilities; abandoned strip malls; and large, empty department stores. A commercial brokerage report based on Costar Group's data said that flex and warehouse space in Northern and Central New Jersey had a 9 percent vacancy rate during the time period, with over 73 million square feet available. Because FEMA often used these facility types in the past, it is unclear why GSA did not consider them for this JFO. Table 1 contains examples of facilities FEMA used for previous JFOs.





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**Table 1: Previous JFO Locations**

Disaster	State	Type of Facility
Hurricane Irene/Tropical Storm Lee	New York	Warehouse
Hurricane Irene/Tropical Storm Lee	Pennsylvania	Warehouse
Hurricane Ike	Texas	Former department store
Hurricane Katrina/Rita	Louisiana	Former department store
Hurricane Katrina/Rita	Texas	Warehouse/commercial space

Source: OIG auditor observation

GSA provided FEMA with only three sites because lightly zoned buildings were not considered. We discuss the three sites below.



Figure 2: 3501 Route 66, Neptune, NJ. Source: CoStar®

**3501 Route 66, Neptune, New Jersey.** In 2011, FEMA used a portion of this 183,000 square foot building for a JFO following Hurricane Irene. While the site accommodated FEMA’s disaster workforce for Irene, Hurricane Sandy’s increased magnitude prompted FEMA officials to plan on deploying a much larger disaster workforce than this location would accommodate. FEMA officials were dissatisfied with the building’s management during their previous lease. They said the building’s owner was slow to respond to heating, ventilation, air conditioning, plumbing, and mold issues. FEMA officials also said that subcontractors did not receive payment for work performed in some cases. After meeting with the property owner to discuss their poor past performance, GSA officials deemed the site ineligible and did not request a bid on the price per square foot.



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**444 Hoes Lane, Piscataway, New Jersey.** This 120,000 square foot location was available as a sublease from Ericsson, Inc., an international corporation. The site had a base rent of \$250,000 per month but had two specific drawbacks. First, Ericsson officials were firm on including a provision for holdover rent in the case of extended tenancy—\$75 per square foot. Second, the site was below FEMA’s square footage preference—a significant consideration because FEMA’s estimate of staff needs continued to rise from the initial estimate provided to GSA. Although the holdover rate was avoidable and the government agreed to such arrangements in the past, GSA considered \$75 per square foot excessive and deemed the site as unacceptable.



Figure 3: 407 Middletown Lincroft Road, Lincroft, NJ

**407 Middletown Lincroft Road, Lincroft, New Jersey.** This location featured a large, vacant office building with a cafeteria and dining area surrounded by a parking lot needing extensive repairs. Four Ponds Center Associates (Four Ponds), a limited partnership, owned the property. At 352,000 square feet, it was significantly larger than the other two locations. Additionally, the building was not fully operational because it had been vacant since 2009 and required extensive repairs to the electrical; plumbing; roofing; heating, ventilation, air conditioning; fire suppression; parking; and elevator systems.

GSA and FEMA logistics officials met with owner representatives. Because of the building’s poor condition, Four Ponds proposed a base rent of \$5 per square foot annually, or \$146,667 per month. By comparison, GSA said that the market rate for base rent of similar facilities ranged from \$10 to \$16 per square foot annually. This base rent was an important factor in FEMA’s decision to proceed with negotiations. Ultimately, the location was the only one of the three that was deemed suitable by GSA to accommodate FEMA’s and



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other Federal agencies' disaster workforce. Because FEMA's need for a JFO was urgent, FEMA agreed to let GSA officials lease the building.

The total cost to cover base rent, anticipated upfront costs to make the building operational, management fees, taxes, insurance, estimated utilities, property management, grounds keeping, and janitorial services was \$611,600 per month. A FEMA logistics official anticipated that it would cost \$530,900 to prepare the dilapidated building for use. Two weeks later, construction and labor costs totaled approximately \$745,050 and the building was not fully operational. When it became clear that rehabilitation costs were going to exceed initial expectations, GSA (with FEMA permission) and Four Ponds renegotiated the lease terms accounting for the additional burden. FEMA agreed to pay \$985,600 up front for building rehabilitation, and though Four Ponds reduced the rental rate in return, the net result was an additional \$433,600 expense for the government. Including rehabilitation, FEMA would pay \$6,359,100 in first-year costs. Once Four Ponds completed re-commissioning work on the property, the Lincroft site comfortably accommodated FEMA's peak 1,295-person disaster workforce. Table 2 shows the rental elements and cost per square foot of the initial and revised cost structure for the Lincroft site.

**Table 2: Lincroft Site Rental Rate Breakdown**

Rental Element	Initial Cost Per Square Foot	Initial Monthly Rate	Renegotiated Cost Per Square Foot (11/18/12)	Renegotiated Monthly Rate (11/18/12)
Base Rent	\$5.00	\$146,667	\$5.00	\$146,667
Reserve for Repair	\$1.00	\$29,333	-	-
Initial Re-commissioning	\$2.14	\$62,773	-	-
Management Fees	\$1.00	\$29,333	\$1.00	\$29,333
Property Taxes	\$2.00	\$58,667	\$2.00	\$58,667
Insurance	\$0.21	\$6,160	\$0.21	\$6,160
Utilities	\$4.50	\$132,000	\$4.50	\$132,000
Property Management, Janitorial, Grounds Keeping	\$5.00	\$146,667	\$5.00	\$146,667
<b>Total</b>	<b>\$20.85</b>	<b>\$611,600</b>	<b>\$17.71</b>	<b>\$519,583<sup>4</sup></b>

Source: OIG created based on FEMA data

While \$17.71 may have been a reasonable rate for the office space FEMA leased, the additional \$985,600 to rehabilitate the building might have been

<sup>4</sup> Total reflects rental rate in lease, adjusted slightly for partial months.  
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avoided by taking advantage of nearby Federal facilities or locating more affordable flexible office space.

### **FEMA Could Have Done More to Minimize JFO Lease Costs**

FEMA missed opportunities to minimize JFO lease costs as staffing levels decreased. The *Federal Managers' Financial Integrity Act of 1982* requires agencies to establish internal accounting and administrative controls to safeguard funds, property, and other assets against waste. FEMA recognized, in its *Achieving Efficient Joint Field Office Operations* guide, the importance of JFO right sizing. According to the guide:

The Federal Coordinating Officer should aggressively size the JFO office space. Often technical staff spends much of their time out of the office, inspecting sites and working from the applicant's office. Therefore, FEMA should consider techniques such as 'hoteling,' a method of supporting unassigned seating in an office environment, for sharing space and allowing JFO management to appropriately size the office space for actual usage.

By February 2013, FEMA downsized the disaster workforce to around 800 people and no longer needed the entire building. FEMA and GSA searched for and located alternative adequate locations with rent starting at \$150,000 a month.<sup>5</sup> Although the monthly lease was less, FEMA estimated that it would cost an additional \$803,000 to move after considering overtime, local labor, and the lease of both buildings for a month. This estimate did not include any potential loss of productivity caused by the disruption of moving. Therefore, they decided to negotiate with Four Ponds for a better deal on the Lincroft building. Four Ponds agreed to let FEMA pay only for the square footage it used in the building as opposed to the whole structure. As a result, FEMA vacated one of the three floors in the building, reducing cost to the Federal Government by \$143,583 per month, or \$861,500 over the remaining 6 months of the original lease term.

FEMA and GSA were able to amend the lease to provide opportunities to exit the lease early or further reduce the amount of leased space, but chose not to exercise either option until March 2014. In November 2013, when staffing levels were below 300 people, FEMA chose to extend the lease on the building through February 2014 at the rate of \$376,000 per month or over \$1,000 per month for each employee. In January 2014, FEMA extended the lease for another 90 days while transitioning the JFO into a Sandy Recovery Field Office.

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<sup>5</sup> We use this \$150,000 per month rate in table 3 calculations.  
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FEMA paid \$376,000 in rent for February 2014 (based on two floors of the building). FEMA’s rent for March and April 2014 decreased to \$198,000 for one floor of the building. Throughout 2014, the staffing levels at the Sandy Recovery Office in New Jersey remained around 200. With the rent remaining at \$198,000, FEMA continued to pay about \$1,000 per employee per month. Table 3 compares rent FEMA paid for the Lincroft location to that of an acceptable alternate location.

**Table 3: Alternate Location Comparison – May 2013 through April 2014**

Lincroft Rent	\$4,156,000. <sup>6</sup>
<b>Less: Alternate Location Rent</b>	<b>\$1,800,000.<sup>7</sup></b>
Difference Between Total Rents for 12-month period	\$2,356,000
<b>Less: Estimated Moving Expense</b>	<b>\$803,000</b>
<b>Estimated Potential Savings</b>	<b>\$1,553,000</b>

Source: OIG created based on FEMA data

If FEMA had better managed the JFO space, by right sizing to a smaller facility once staff levels declined as anticipated, FEMA could have saved approximately \$1.5 million on direct facility expenses.

## Recommendations

We recommend that the Associate Administrator, Office of Response and Recovery, FEMA:

**Recommendation 1:** Collaborate with GSA to select a potential Joint Field Office location when a disaster is forecasted, as was Hurricane Sandy in New Jersey.

**Recommendation 2:** Develop JFO operational procedures that effectively downsize the facility and associated support in a timely manner to reduce JFO costs. By right sizing to a smaller facility once staff levels declined as anticipated, FEMA could have saved approximately \$1.5 million on direct facility expenses for DR-4086-Hurricane Sandy-New Jersey.

<sup>6</sup> 10 months at \$376,000 plus 2 months at \$198,000 equals \$4,156,000.

<sup>7</sup> 12 months at \$150,000 equals \$1,800,000.



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### **Management Comments and OIG Analysis**

On July 17, 2015, we received comments from FEMA, Acting Associate Administrator for Policy, Program Analysis and International Affairs. FEMA concurred with both our report recommendations.

Based on the information FEMA provided, we consider recommendation #1, open and resolved. FEMA will work closely with the General Service Administration to identify and select Joint Field Office sites prior to a forecasted disaster event. FEMA will also reprioritize its logistics and finance staff to develop an inventory of potential Joint Field Office locations. Upon receipt of FEMA's 90-day letter, we will review FEMA's corrective action plan to determine whether the recommendation can be closed.

Based on the information FEMA provided, we consider recommendation #2, open and resolved. FEMA formed an Integrated Planning Team to develop a Disaster Assistance Lifecycle Model. In addition, FEMA is working with its business units to identify criteria for effectiveness and efficiencies in its disaster delivery system. FEMA's analysis will allow them to identify important cost drivers, set cost targets for individual components, and assign responsibility and accountability for phased disaster operations. Upon receipt of FEMA's 90-day letter, we will review FEMA's corrective action plan to determine whether the recommendation can be closed.

Appendix C includes a full copy of FEMA's Management comments in its entirety.



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### **Appendix A** **Objective, Scope and Methodology**

The Department of Homeland Security Office of Inspector General was established by the *Homeland Security Act of 2002* (Public Law 107-296) by amendment to the *Inspector General Act of 1978*.

The objective of this audit was to determine the cost effectiveness of FEMA's choice for the location of the Hurricane Sandy Joint Field Office for New Jersey.

We interviewed FEMA Joint Field Office officials and GSA Lease Contracting Officers; observed operations at FEMA's Joint Field Office in Lincroft, New Jersey; reviewed Federal policies and procedures; reviewed lease contracts and cost data for the period from October 2012 to April 2014; and performed other procedures considered necessary to accomplish our objective. In April 2015, we verified with FEMA management that the initial conditions described in this report still existed. Specifically, FEMA management had not taken corrective action to address the report recommendations. We did not assess the adequacy of the agency's internal controls applicable to disaster response because it was not necessary to accomplish our audit objective.

We conducted this performance audit between November 2012 and May 2015, pursuant to the *Inspector General Act of 1978*, as amended, and according to 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 upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based upon our audit objective.

The Office of Emergency Management Oversight's major contributors to this report are:

Kaye McTighe, Director  
Nigel Gardner, Audit Manager  
Ken Valrance, Independent Referencer  
Nathaniel Nicholson, Auditor



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### Appendix B Potential Monetary Benefits

Based on our data provided by FEMA, we analyzed the potential cost savings to FEMA if an alternative location was chosen. The following table shows that approximately \$1.5 million could be saved.

#### Alternate Location Comparison – May 2013 through April 2014

Lincroft Rent	\$4,156,000 *
<b>Less: Alternate Location Rent</b>	<b>\$1,800,000 **</b>
Difference Between Total Rents for 12-month period	\$2,356,000
<b>Less: Estimated Moving Expense</b>	<b>\$803,000</b>
<b>Estimated Potential Savings</b>	<b>\$1,553,000</b>

Source: OIG created based on FEMA data

\*-10 months at \$376,000 plus 2 months at \$198,000 equals \$4,156,000.

\*\* -12 months at \$150,000 equals \$1,800,000.





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**Appendix C**  
**FEMA Comments to Draft Report**


U.S. Department of Homeland Security  
Washington, DC 20472



**FEMA**

July 24, 2015

MEMORANDUM FOR: John V. Kelly  
Assistant Inspector General  
Office of Emergency Management Oversight  
Office of Inspector General (OIG)  
Department of Homeland Security

FROM: David Bibo   
Associate Administrator (Acting)  
Office of Policy, Program Analysis, and  
International Affairs

SUBJECT: Response to Draft Report: "FEMA's Process for Selecting  
Joint Field Offices Needs Improvement," Project No. OIG-  
13-121-D

Thank you for the opportunity to review and comment on this draft report. The Federal Emergency Management Agency (FEMA) appreciates the Office of Inspector General's (OIG's) work in planning and conducting its review and issuing this report.

As the OIG acknowledges, FEMA's established policies and procedures provide FEMA disaster response officials flexibility in responding to unique circumstances. Additionally, several activities are already underway to improve FEMA's process of selecting a Joint Field Office (JFO) and its management of JFO staffing and administrative costs. FEMA is updating guidance to establish, operate, and close JFO operations that will allow FEMA leadership to manage the delivery of assistance both efficiently and effectively.

The draft report contained two recommendations with which FEMA concurs. Specifically, OIG recommended that the FEMA Associate Administrator for the Office of Response and Recovery:

**Recommendation #1:** Collaborate with GSA to select a potential Joint Field Office location when a disaster is forecasted, as was Hurricane Sandy in New Jersey.

**Response:** Concur. FEMA agrees that there should be improved coordination between GSA and FEMA pre-disaster, identifying potential facilities for use as a JFO. FEMA's Office of Response and Recovery will proactively work with GSA to select potential JFO locations for a forecasted event. This will require reprioritizing the roles and responsibilities of FEMA logistics/finance dedicated staff to work more closely with GSA to maintain a robust current inventory of potential properties suitable for use as a JFO, particularly in our most at risk locations. Maintaining such an inventory of potential JFO locations will provide greater

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flexibility in selecting the optimum JFO location nearest the impacted area for efficient and cost effective operations.

**Estimated Completion Date (ECD): March 31, 2016.**

**Recommendation #2:** Develop JFO operational procedures that effectively downsize the facility and associated staff in a timely manner to reduce JFO costs. By right sizing to a smaller facility once staff levels declined as anticipated, FEMA could have saved approximately \$1.5 million on direct facility expenses for DR-4086-Hurricane Sandy-New Jersey.

**Response:** Concur. To achieve greater efficiency and effectiveness of disaster operations and facilities, FEMA's Senior Leadership has formed a cross-agency Integrated Planning Team charged with developing a Disaster Assistance Lifecycle Model. This model will create a consistent basis for decision-making across the entire disaster lifecycle that includes appropriately scaling disaster operations and facilities in a timely manner. In addition, FEMA has undertaken a comprehensive analysis of opportunities (future and already realized) for cost savings and avoidance within disaster operations.

Simultaneously, FEMA's Senior Leadership is also engaging all of its Program Office's to identify criteria for effectiveness of mission delivery. This information is critical to inform the benefit – cost analysis discussion that considers both efficiency and effectiveness. It will also allow FEMA to determine the important cost drivers, set cost targets by individual cost component, identify responsibility and accountability at appropriate levels by mission area or phase while maintaining defined and effective operations.

**ECD: March 31, 2016.**

Thank you again for the opportunity to review and comment on this draft report. Technical comments were previously provided under separate cover. Please direct any questions regarding this response to Gary McKeon, Director of FEMA's GAO/OIG Audit Liaison Office at 202-646-1308.



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