



HUD MANAGEMENT

Actions Needed to Improve Acquisition Management

Highlights of [GAO-03-157](#), a report to the Senate Committee on Banking, Housing and Urban Affairs and Subcommittee on Housing and Transportation

Why GAO Did This Study

In the 1990s the Department of Housing and Urban Development (HUD) dramatically downsized its staff, however, its mission did not decrease. As a consequence, HUD relies more heavily on private contractors, and needs to hold its contractors accountable for results. GAO was asked to determine if HUD has processes and practices in place to effectively oversee contractors, strategically manages its acquisition workforce, and has management information systems that support its acquisition workforce.

What GAO Recommends

GAO makes several recommendations regarding HUD's management of its acquisitions. For example, (1) HUD staff should systematically use contract monitoring plans as well as a risk-based approach to monitoring, (2) HUD should address workload disparities among its acquisition workforce and ensure that appropriate training is provided, and (3) HUD should improve the usefulness of its contracting information system by providing training to staff.

What GAO Found

HUD's contracting has increased significantly in recent years. Although HUD has taken actions to improve its acquisition management—such as instituting full-time contract monitoring positions and improving its contracting information system—weaknesses remain that limit HUD's ability to identify and correct contractor performance problems, assure that it is receiving the services for which it pays, and hold contractors accountable for results.

- HUD, in particular, its multifamily housing program, does not employ processes and practices that could facilitate effective monitoring. For example, HUD's monitoring process does not consistently include the use of contract monitoring plans or risk-based strategies, or the tracking of contractor performance.
- HUD has not ensured that individuals responsible for managing and monitoring contracts have the appropriate workload, skills, and training that would enable them to effectively perform their jobs. For example, according to HUD's records, over half of the staff who are directly responsible for monitoring contractor performance have not received required acquisition training.
- HUD's management information systems do not adequately support its acquisition workforce in their efforts to manage and monitor contracts. Specifically, key information in HUD's contracting system is not reliable and HUD's financial systems do not readily provide complete and consistent contracting obligation and expenditure data.



HUD paid \$227,500 for 15,000 square feet of sidewalk repairs at five buildings; however, GAO determined that only about one-third of the work HUD paid for was performed. Therefore, it appeared that HUD improperly paid its contractor \$164,000. One of the buildings is shown above. Only the lighter shaded section of the sidewalk was replaced and not the entire sidewalk as was listed on the paid invoices.

Source: GAO photograph of HUD property.