

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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**Rep. Ted W. Lieu**  
**Ranking Member**

### Subcommittee on National Security

#### *"A Review of Veterans Affairs Major Lease Procurement"*

**June 25, 2015**

Thank you, Mr. Chairman. I appreciate the opportunity to examine major lease projects at the Department of Veterans Affairs. I'd also like to welcome our witnesses and thanking you for your public service.

It is my understanding that one specific focus of today's hearing will be the significant delay in securing a new site for the V.A. community based outpatient clinic located in St. Augustine, Florida within Chairman DeSantis' district. This is certainly not the only example of VA mismanagement over the years. But as we carry out Congress' oversight role, I also believe in giving credit where it's due.

VA has undertaken tremendous efforts to respond to the recommendations made by these reports, conducted its own studies on how VA could improve, and implemented Department-wide changes. I am pleased to inform you of the following efforts that VA has completed:

**Elimination of redundant approval requirement** – The VA has eliminated the requirement that the Secretary approve leases between \$300,000 and \$1,000,000 in annual unserviced rent, when they were already receiving approval through VA's Strategic Capital Investment Process (SCIP). Instead of the redundant approval, the Secretary will be briefed regularly on all projects approved through that process.

**Policies and Procedures** – Over the past several years, VA has issued new policies and procedures in a myriad of areas including leasing procurements, establishing requirements, procurement steps, pre-award vetting, compliance, and quality assurance. Many of the new policies and procedures issued are as a result of recommendations made by the OIG, GAO, and Congressional members.

**Contracting Reorganization** – In fiscal year 2014, VA's Office of Acquisition, Logistics, and Construction (OALC) restructured its contracting groups, allowing for a clearer division of labor and decision-making authority between Contracting Officers (COs) and Project Management. In addition, leasing officials have been integrated into OALC's contracting arm to provide contracting assistance, review, and oversight of lease procurements.

**Standardization of GSA Delegation Requests** – VA has implemented an internal review and approval process for delegation requests to be submitted to GSA to ensure consistency and completeness of submissions Department-wide.

As we will hear today, there are additional efforts already underway.

In my district, we have seen a major turnaround at the West Los Angeles VA campus. I would like to express my appreciation to the VA for their efforts to address issues that have plagued the campus for years. In fact, it is because of those efforts that we are actually looking to expand its leasing authority on that campus. I would like to specifically thank Caroline Clancy for the cooperation of the Veterans Health Administration in this matter, as well as Vince Kane.

Mr. Chairman, I look forward to discussing these and other issues with our panelists. I yield the balance of my time.

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