

GAO Highlights

Highlights of [GAO-16-810](#), a report to the Chairman, Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

The VA spent about \$20 billion in fiscal year 2015 for procurement of a wide range of goods and services that are essential to meeting its mission to serve veterans. A 2015 independent review commissioned by VA found that the procurement acquisition function was unduly complex and inefficient.

GAO was asked to look at how VA manages procurement. This report assesses 1) the extent to which VA data systems accurately reflect procurement spending, 2) VA procurement policies and lines of authority, 3) the extent to which VA's acquisition workforce is positioned to carry out its responsibilities, and 4) the extent to which opportunities exist to improve VA's key procurement functions and save money. GAO analyzed VA policies and procedures and reviewed a non-generalizable sample of 37 contract actions for fiscal years 2013 through 2015, selected based on their dollar value, extent of competition, and use of small business set-asides. GAO interviewed relevant officials and visited six contracting offices.

What GAO Recommends

GAO is making 10 recommendations, including that VA develop procedures to ensure all obligations are recorded in the procurement system, update and clarify its policy framework, assess and address inconsistent implementation of the contract liaison initiative, review strategic sourcing efforts, and improve contract reviews. VA stated that it agreed with all of GAO's recommendations; however, VA did not provide its written response in time for publication in this report.

View [GAO-16-810](#). For more information, contact Michele Mackin at (202) 512-4841 or mackinm@gao.gov.

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VETERANS AFFAIRS CONTRACTING

Improvements in Policies and Processes Could Yield Cost Savings and Efficiency

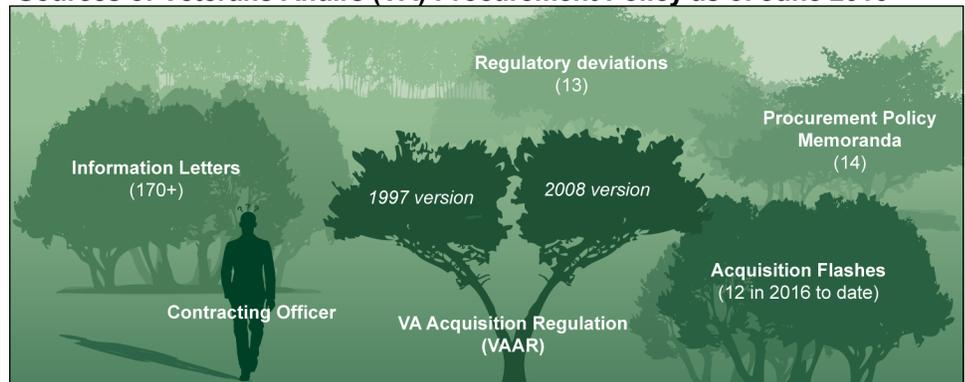
What GAO Found

GAO found opportunities for the Department of Veterans Affairs (VA) to improve the efficiency and effectiveness of its multi-billion dollar annual procurement spending in several areas including data systems, procurement policies and oversight, acquisition workforce, and contract management.

Shortcomings in VA's recording of procurement data limit its visibility into the full extent of its spending. A recent policy directing that medical-surgical supply orders be captured in VA's procurement system is a step in the right direction, but proper implementation is at risk because procedures are not in place to ensure all obligations are recorded.

VA's procurement policy framework is outdated and fragmented. As a result, contracting officers are unclear where to turn for current guidance. VA has been revising its overarching procurement regulation since 2011 but completion is not expected until 2018. Meanwhile, contracting officers must consult two versions of this regulation, as well as other policy related documents. Clear policies are key to ensuring VA conducts procurements effectively on behalf of veterans. The figure below depicts the various sources of regulations, policy, and guidance.

Sources of Veterans Affairs (VA) Procurement Policy as of June 2016



Source: GAO analysis of Veterans Affairs procurement policies. | GAO-16-810

Managing workload is a challenge for VA's contracting officers and their representatives in customer offices. A 2014 directive created contract liaisons at medical centers in part to address this issue, but medical centers have not consistently implemented this initiative, and VA officials have not identified the reasons for uneven implementation.

VA can improve its procurement processes and achieve cost savings by complying with applicable policy and regulation to obtain available discounts when procuring medical supplies; leveraging its buying power through strategic sourcing; ensuring key documents are included in the contract file, as GAO found that more than a third of the 37 contract files lacked key documents; and ensuring that compliance reviews identify all contract file shortcomings.