

# Veterans Affairs: Acquisition Reorganization Should Reflect Leading Practices

GAO-26-108474  
Q&A Report to Congressional Committees  
May 6, 2026

Accessible Version

## Why This Matters

The Department of Veterans Affairs (VA) manages one of the largest acquisition enterprises in the federal government—obligating tens of billions annually on health care, IT, construction, and benefits delivery. Since 2019, VA Acquisition Management has been on our High-Risk List due to management challenges in areas such as developing adequate strategies and policies, managing its supply chain, managing its acquisition workforce, and providing consistent leadership and execution of acquisition management priorities. VA recently reduced its contracting staff and is undertaking a reorganization of its acquisition function.

We were asked to examine VA’s acquisition organizational structure as the agency begins reorganizing. This report discusses acquisition management challenges we have identified in previous work and identifies selected leading practices for agency reform that are relevant to VA’s planned reorganization of its acquisition function.

## Key Takeaways

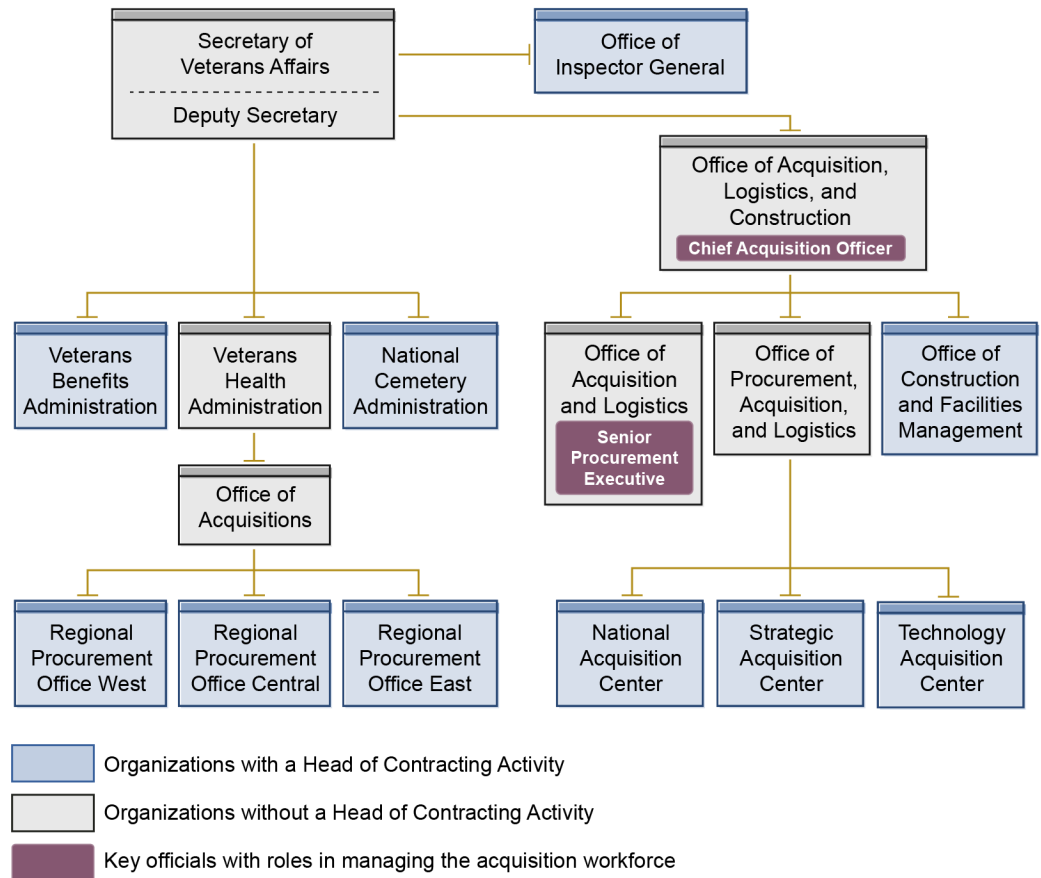
- **VA acquisition is decentralized.** The Office of Acquisition, Logistics, and Construction (OALC) oversees four department-level contracting organizations, but acquisition is dispersed among multiple levels across the agency.
- **Longstanding and fundamental challenges remain.** Inadequate strategies and policies, acquisition workforce management issues, and incomplete supply chain modernization continue to hinder VA’s effective acquisition of medical supplies and other needed items.
- **The number of VA contracting staff has been reduced.** VA reduced contracting staff by approximately 15 percent as it pursues a reorganization of its acquisition function.
- **Reorganization is underway but has yet to be fully implemented.** VA has taken initial steps to reform its acquisition function, such as announcing the consolidation of contracting offices, but has yet to develop a full reorganization plan.
- **VA should apply leading practices.** Major reforms can be challenging. We recommend that VA apply selected leading practices for agency reform, including establishing goals and outcomes, involving key stakeholders and employees, managing and monitoring progress, conducting strategic workforce planning, and strengthening employee engagement. These practices can help VA ensure that its reform effort is effective and sustainable.

## What is the VA's current acquisition organizational structure?

While VA plans to reorganize its acquisition function, its current acquisition organizational structure is decentralized. VA's OALC, led by the Principal Executive Director, who serves as the department's Chief Acquisition Officer, develops and oversees acquisition operations for the department. Within OALC, the Office of Acquisition and Logistics, led by the Senior Procurement Executive, manages the department's acquisition policies and oversight activities.

VA's acquisition activities are managed through 10 designated heads of contracting activities (HCA) at the department and administration levels.<sup>1</sup> HCAs are the officials with the overall responsibility for managing the contracting activity and their assigned acquisition workforce. Four HCAs within OALC serve department-wide needs. VA's operational administrations—the Veterans Benefits Administration, National Cemetery Administration, and Veterans Health Administration (VHA)—operate mostly independent from one another. The Veterans Benefits Administration and National Cemetery Administration each have their own HCA. VHA is the largest VA administration and has three regional procurement offices, each with its own HCA. Figure 1 illustrates VA's operational administrations and other contracting organizations, as of September 2025.

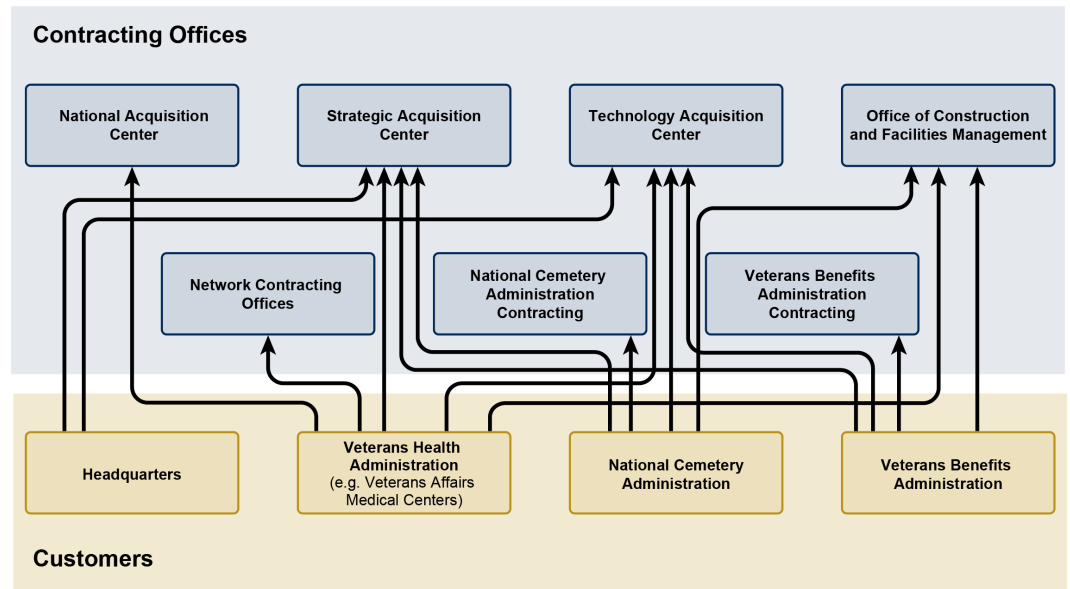
**Figure 1: Contracting Activity Organizations at the Department of Veterans Affairs (as of September 2025)**



Source: GAO presentation of the Department of Veterans Affairs information. | GAO-26-108474

As we found in the past, in VA's decentralized acquisition organizational structure, a given customer—such as a department in a medical center or a program office—may need to work with multiple contracting entities to meet its needs. Figure 2 illustrates the complex working relationships between contracting offices and their customers across VA.

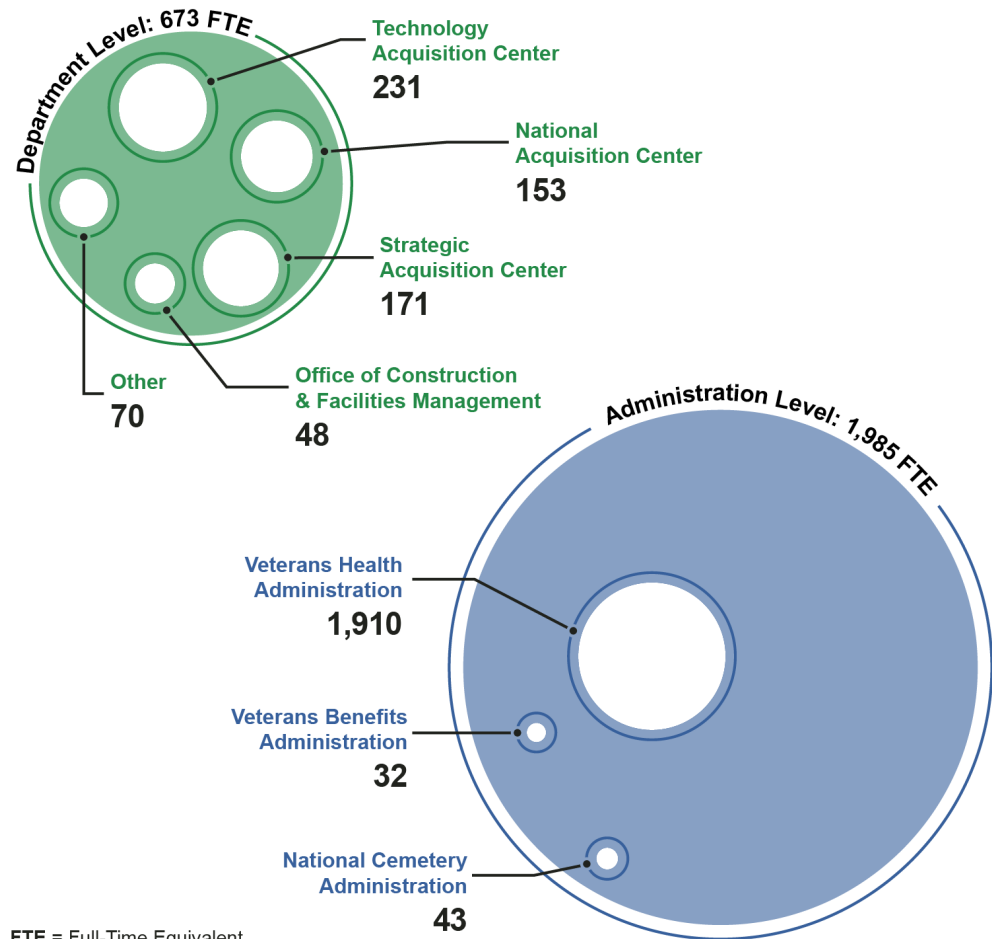
**Figure 2: Department of Veterans Affairs Customer Relationships with Contracting Offices (as of September 2025)**



Source: GAO analysis of the Department of Veterans Affairs information. | GAO-26-108474

VA’s acquisition workforce plans, manages, and oversees a high volume of contracting to support its mission. As of November 2025, this workforce consisted of 2,658 contracting officers spread across its department-level offices and administrations.<sup>2</sup> VHA has the largest share of the agency’s contracting officers (see fig. 3).

**Figure 3: Number of Full-Time Equivalent Department of Veterans Affairs Contracting Officials (as of November 2025)**



FTE = Full-Time Equivalent

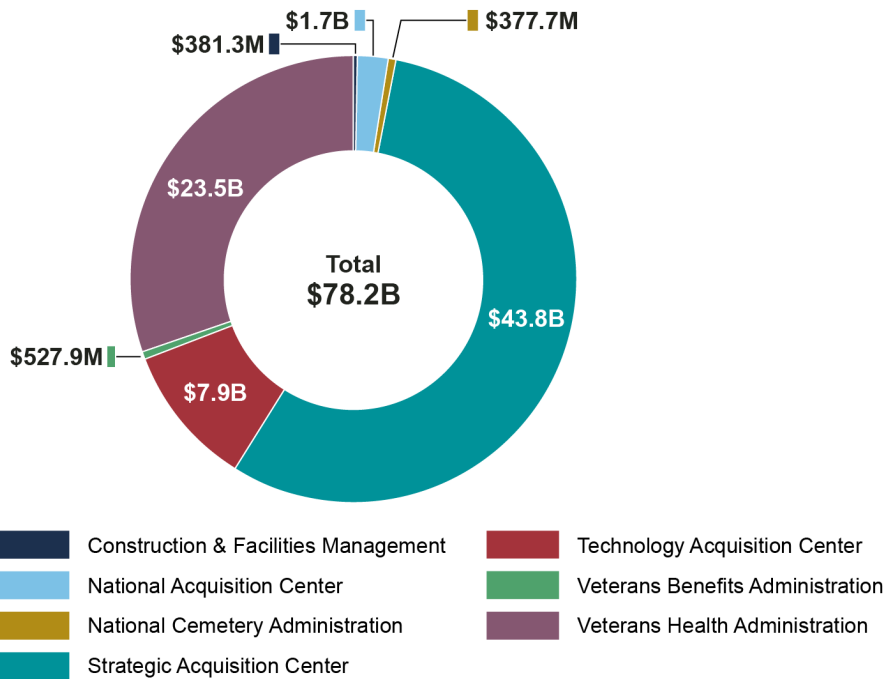
Source: GAO presentation of the Department of Veterans Affairs information. | GAO-26-108474

Note: FTEs reflect the total number of regular hours (i.e., not including overtime or holiday hours) worked by employees, divided by the number of compensable hours applicable to each fiscal year. The Other group consists of contracting officials assigned to acquisition organizations that do not have heads of contracting activities.

### What did VA spend on contracts in fiscal year 2025?

VA contract obligations totaled more than \$78 billion in fiscal year 2025, which was the second highest among federal agencies. Further, VA's obligations have increased 166 percent between fiscal years 2016 and 2025 after adjusting for inflation. The rise in VA contract obligations has been driven in part by programs that are directly connected to serving veterans such as community care.<sup>3</sup> In fiscal year 2025, the Strategic Acquisition Center's contract obligations accounted for almost \$44 billion (56 percent) of the department's total contract obligations (see fig. 4). This amount includes VA's five Community Care Network program contracts, through which VA obligated almost \$32 billion during fiscal year 2025.

**Figure 4: Department of Veterans Affairs (VA) Fiscal Year 2025 Contract Obligations by Heads of Contracting Activities (HCA)**



Source: GAO analysis of the Department of Veterans Affairs' obligations data in the Federal Procurement Data System for fiscal year 2025. | GAO-26-108474

Note: Veterans Health Administration data include obligations from the administration's three HCAs and its Chief Logistics Office, which include some recurring obligations for pharmaceuticals and food items.

## What acquisition management challenges has VA faced?

VA has longstanding challenges in executing and managing its acquisitions. For example, to meet requirements in the Veterans Access, Choice, and Accountability Act of 2014, in September 2015, the MITRE Corporation led an extensive independent review of VA's operations.<sup>4</sup> It identified VA's supply chain management as unduly complex and duplicative, and siloed.

Additionally, VA acquisition management has been on our High-Risk List since 2019 because of challenges such as inconsistent leadership and lack of strategic planning. While our subsequent biannual updates have noted meaningful progress, fundamental challenges persist. For example:

- **Developing adequate strategies and policies.** We have reported on a number of instances where VA's strategies and policies were inadequate, leaving key efforts without clear direction.
  - For example, in 2022, we found that VA was not well-positioned to implement its Acquisition Lifecycle Framework, which was intended to create more robust, consistent management and oversight of major programs across the VA enterprise.<sup>5</sup> VA did not address key challenges likely to hinder implementation, such as identifying a mechanism for program compliance. Although VA released this new framework in March 2024, it has yet to issue a directive requiring programs to use it. In January 2026, VA officials stated that this delay reflects a deliberate effort to address challenges identified in our 2022 review that could hinder successful adoption before mandating its use.<sup>6</sup>
  - Additionally, in 2025, we reported that VA was not getting the full benefit of a category management approach. This approach is a government-wide initiative, led by the Office of Management and Budget, that aims to reduce federal government spending by improving how agencies buy common goods and services. For example, while VA had issued policies

and procedures to implement the initiative, it had not established category management-related performance requirements and an oversight council, which could better position VA to coordinate and oversee its efforts and hold category managers and other stakeholders accountable.<sup>7</sup>

- **Managing its acquisition workforce.** We previously identified challenges that VA faces in managing its acquisition workforce. For instance, in 2024, we recommended that the department ensure that its human capital plans address workforce capacity needed to oversee its service contracts needing heightened management attention.<sup>8</sup> This step would ensure that VA's acquisition workforce—including program managers and contracting officer's representatives—is of sufficient size and capability needed to conduct oversight of contracts involving functions that need heightened management attention. VA concurred with this recommendation but, as of January 2026, had yet to implement it. However, VA officials stated that they have taken other steps to manage the department's acquisition workforce overall, such as reviewing its acquisition workforce training curriculum on managing major acquisitions.
- **Managing its supply chain.** We previously found that the COVID-19 pandemic exposed longstanding problems in VA's supply chain management. For example, in March 2021, we testified that VA had multiple interrelated supply chain modernization initiatives under way but did not have a comprehensive strategy for its supply chain management modernization efforts. This situation hindered efficient acquisition management and VA's ability to meet veterans' needs.<sup>9</sup> As of January 2026, VA had yet to develop a comprehensive supply chain management strategy.

Our body of work highlights several recurring themes related to VA acquisition management challenges, and we have made numerous recommendations to help VA address them. As of January 2026, 23 recommendations remain open. As VA considers organizational change, it has an opportunity to use this process to address longstanding challenges and strengthen its acquisition function.<sup>10</sup>

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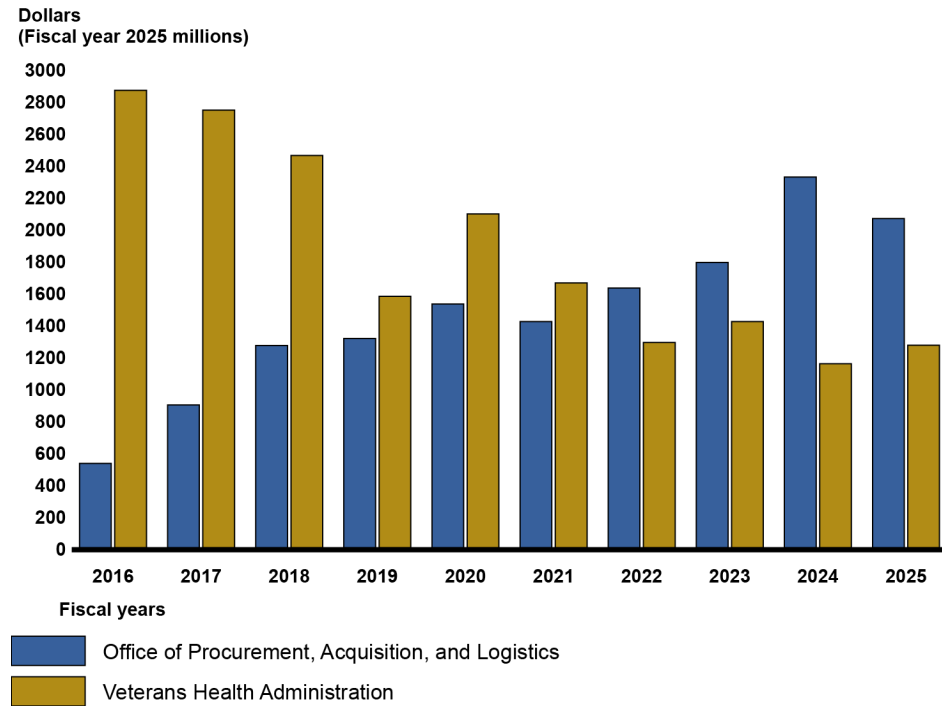
## Do VA's acquisition organizations have potential overlap?

Our current review of VA's acquisition functions identified potential overlap across the department's organizations. While we have not assessed the details of their responsibilities to determine if duplication exists, indicators of potential overlap merit consideration as VA implements its restructuring effort.<sup>11</sup>

- **Logistics and supply chain.** In VA's 2023 functional organization manual, a reference document that identifies office functions across the department, at least six separate department-level and administration-level offices include logistics and supply chain activities.<sup>12</sup> For example, OALC's Logistics and Supply Chain office and VHA's Procurement and Logistics office both oversee supply chain management and support logistics activities.<sup>13</sup>
- **Medical and surgical equipment and supplies.** According to Federal Procurement Data System information for fiscal years 2016-2025, VA's department-level Office of Procurement, Acquisition, and Logistics and VHA both procured medical and surgical equipment and supplies (see fig. 5). For instance, the department-level Strategic Acquisition Center manages contracts supporting VA's Medical-Surgical Prime Vendor program, which is intended to be VA medical centers' primary source of medical and surgical supplies. However, we and the VA Office of Inspector General have reported on program challenges contributing to VA medical centers buying supplies through other sources, such as using government purchase cards to make open market purchases.<sup>14</sup> In 2025, VA reported transitioning to a new generation of prime vendor contracts that are intended to address some of

these challenges, and developed an overarching strategy for the program. However, it is too early to assess the effectiveness of these changes.

**Figure 5: Department of Veterans Affairs Potential Overlap in Purchasing of Medical and Surgical Equipment and Supplies, Fiscal Years 2016-2025**



Source: GAO analysis of the Department of Veterans Affairs' obligations data in the Federal Procurement Data System for fiscal years 2016-2025. | GAO-26-108474

Note: Analysis of contract obligations designated as Federal Procurement Data System product service code 6515 – Medical and Surgical Instruments, Equipment, and Supplies.

### What prior steps has VA taken to reorganize its acquisition function?

VA and its administrations have taken steps in recent years to reorganize some aspects of its acquisition function. However, these efforts were relatively modest and did not collectively address the persistent fundamental challenges. For instance:

- Merging of the Strategic Acquisition Center and the National Acquisition Center.** Beginning in 2023, VA has taken steps to merge the Strategic Acquisition Center and the National Acquisition Center, which could reduce overlap. However, VA officials told us that, while they have taken steps toward a merger, they have encountered administrative and technical issues, including differences in systems used to manage human capital and contract writing. VA officials stated that they plan to address these challenges as part of the broader planned reorganization. However, VA could face similar challenges when reorganizing other parts of the acquisition organization structure.
- Creation of Strategic Acquisition Management Initiatives (SAMI).** VA's creation of the SAMI office was intended to strengthen its acquisition functions. Established in 2022 as a new entity within VA's Office of Acquisition and Logistics, SAMI's mission included strengthening key functions—such as acquisition planning, life-cycle management, training, and governance. VA intended for SAMI to reform acquisition management and impose greater consistency, discipline, and enterprise-level coordination across its acquisition programs. For example, one of SAMI's primary duties was to facilitate implementation of VA's Acquisition Lifecycle Framework, which was released in March 2024, to guide major

acquisitions across the department. However, as noted above, VA has yet to issue a directive making the framework mandatory.

- VHA optimization efforts.** Beginning in July 2023, VHA proposed several changes to the structure of acquisition-related components within its central office. VHA officials said they intended these changes to address duplication and fragmentation of efforts contributing to inefficiencies.<sup>15</sup> In January 2025, VHA dissolved the headquarters Procurement and Logistics Office and redistributed its functions between the newly created VHA Office of Acquisitions and the VHA Office of Supply Chain. This reform effort culminated in a formal organizational change in January 2025.<sup>16</sup> In doing so, VHA replaced a combined contracting-and-logistics office with two more specialized organizations, intended to clarify roles, reduce fragmentation with the department-level offices, and strengthen enterprise-wide acquisition governance.<sup>17</sup>

**What is the status of VA’s contracting staff and planned acquisition function reorganization?**

VA has reduced its contracting staff and taken some initial steps toward reorganization but is still developing a full reorganization plan for its acquisition function. In response to a February 2025 Executive Order requiring plans for federal agencies, including VA, to reduce the size of their workforces, VA began reducing its contracting staff. It is also in the process of developing a reorganization plan for its acquisition function.<sup>18</sup> Later that month, the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM) provided guidance to agencies on how to develop Agency Reduction in Force (RIF) and Reorganization Plans (ARRP). The ARRP guidance instructed agencies to implement a two-phased approach focused on 1) reducing staff and 2) developing reorganization plans for more efficient agency operations for implementation at the end of fiscal year 2025.<sup>19</sup> In March 2025, VA issued internal ARRP implementation guidance.<sup>20</sup>

Although VA had previously planned to further reduce staff, in July 2025, the VA Secretary stated that staff reductions through attrition, early retirements, deferred resignations, and a hiring freeze would make an additional department-wide RIF unnecessary.<sup>21</sup> As of November 30, 2025, all VA acquisition organizations experienced staff reductions that resulted in fewer contracting officials, see table 1. VA officials told us that vacant contracting positions in their organizations would remain unfilled and are likely to be eliminated as part of VA’s acquisition reorganization.

**Table 1: Reduction in Full-Time Equivalent (FTE) Contracting Officials at the Department of Veterans Affairs (VA) Heads of Contracting Activities (HCAs), April 1 - November 30, 2025**

Name of HCA	As of April 1, 2025	As of November 30, 2025	FTE Reductions	Percentage of FTE Reduction
Strategic Acquisition Center	209	171	38	-18.2%
National Acquisition Center	173	153	20	-11.6%
Technology Acquisition Center	258	231	27	-10.5%
Construction and Facilities Management	59	48	11	-18.6%
Veterans Health Administration <sup>a</sup>	2,263	1,910	353	-15.6%
Veterans Benefits Administration	40	32	8	-20.0%
National Cemetery Administration	48	43	5	-10.4%
<b>Total<sup>b</sup></b>	<b>3,050</b>	<b>2,588</b>	<b>462</b>	<b>-15.2%</b>

Source: Department of Veterans Affairs. | GAO-26-108474

Note: VA’s acquisition workforce includes contracting officers, contracting officer’s representatives, and program/project managers. In this product, we refer to employees classified in the 1102 series as contracting

officers. The 1102 series includes positions that manage, perform, or develop policies and procedures related to the evaluation, termination, and close out of contracts.

<sup>a</sup>Veterans Health Administration consists of three HCAs.

<sup>b</sup>Excludes contracting officials outside VA's HCAS.

Leaders of several VA acquisition organizations told us that their offices had gaps in key roles following recent staff reductions. In some cases, these officials stated that these gaps resulted in pausing or scaling back aspects of their offices' work. For example, SAMI officials stated that vacancies across its three divisions limit the work the office can undertake, such as promoting the adoption of the agency's Acquisition Lifecycle Framework.

After the initial reductions in workforce, VA began planning to reorganize its acquisition function, as part of a broader agencywide reorganization effort. VA's Acting Senior Procurement Executive said he submitted the draft plan through the Chief Acquisition Officer to VA's Reorganization Implementation Cell in May 2025.

In November 2025, the VA Secretary issued a memorandum that initiated the realignment of all contracting offices. This process involved moving the contracting offices from the three administrations—VHA, the Veterans Benefits Administration, and the National Cemetery Administration—under the department-level Office of Acquisition, Logistics, and Construction. The memorandum set timeframes for the agency to begin implementation of operational changes reflecting this realignment by March 2026, with a goal of completion by the end of September 2026.<sup>22</sup> While changing the organizational alignment of its contracting offices serves as an initial step, as of February 2026, VA had yet to develop a full plan addressing all elements for the reorganization of its acquisition function. VA officials stated that the plan remains under review.

As VA begins its reorganization effort and develops its plan, senior OALC officials stated that they aim to reduce duplication and consolidate acquisition offices that perform similar functions while seeking new efficiencies to accomplish the mission with fewer contracting staff. This includes the realignment of existing acquisition offices, such as VHA's Office of Acquisition, to be within OALC. Moreover, officials stated that sections at some acquisition offices might be combined to reduce duplication across the department.

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## What leading practices should VA consider as it reorganizes its acquisition function?

As VA moves forward with its planned reorganization of its acquisition function, our leading practices for agency reform—based on our body of work looking at prior reforms and reorganizations across the government—can help ensure that the agency's changes are both effective and sustainable. These 12 leading practices fall under four broad categories, including: (1) goals and outcomes; (2) process for developing reforms; (3) implementing reform; and (4) strategically managing the federal workforce. Each category includes a set of leading practices and key questions for evaluating federal reorganization initiatives.<sup>23</sup> Major agency reforms can be challenging and can take years to fully implement. Based on our body of work on the longstanding acquisition management challenges at VA and discussions with VA officials about the planned reorganization, we selected five leading practices most relevant to VA's ongoing acquisition reform effort. Applying these practices can help clarify the purpose, engage stakeholders, assess capacity, manage risks, measure results, and sustain improvements over time—ultimately helping VA transform its acquisition organization structure.

- **Establishing Goals and Outcomes.** Our leading practices describe how agencies can design proposed reforms to achieve specific and identifiable goals. Agencies can then capture these goals within a business case to

provide a shared understanding of the purpose of the reforms. As VA reorganizes its acquisition function, it must clearly define the challenges it aims to tackle, such as inefficiencies, fragmented oversight, or inconsistent processes, and do so with a smaller acquisition workforce. It should also establish measurable goals that demonstrate the value of enacting these changes, which define the success of the transformation. By establishing and measuring against these goals, VA could enhance its accountability over its acquisition reorganization to ensure that its customers and veterans are not negatively affected.

As of February 2025, OMB and OPM ARRP guidance instructed agencies to determine efficient use of existing personnel and funds to improve services as part of their reorganizations.<sup>24</sup> Establishing performance measures for its reorganization would allow VA to track progress of its reform goals.

Aligning the reorganization with VA's missions and strategic plan could help ensure that the revised acquisition structure reflects the agency's long-term goals. VA officials have stated that they are developing a new department-wide strategic plan for FY 2026-2030, which was expected to be issued in March 2026.<sup>25</sup>

- **Involving Key Stakeholders and Employees.** Our leading practices highlight the need to involve key stakeholders and employees in reform efforts. In the case of VA, stakeholders and employees that could be involved early in the development of the reorganization effort include contracting officers, program managers, medical center leaders, and frontline acquisition staff. In addition, VA could ensure that other stakeholders, including veterans, oversight bodies, Congress, and suppliers, understand the purpose and expected outcomes of the reforms. To support stakeholder and employee involvement, leading practices recommend that agencies establish two-way communications strategies that listen and respond to these entities' concerns. The creation of feedback loops enables an agency to monitor the effects of the reorganization in real time and make any necessary adjustments during its implementation phase.

VA's internal ARRP memorandum requested that the administrations and staff offices provide at least one senior official to support the agencywide reorganization effort.<sup>26</sup> We interviewed several individuals within VA's acquisition organizations who indicated they had knowledge of the reorganization effort, but they had limited visibility into proposed reorganization planning and objectives. These officials stated that individuals supporting organizations responsible for these activities, such as VA's Reorganization Implementation Cell, had signed non-disclosure agreements.<sup>27</sup>

By involving stakeholders and employees, VA could identify concerns and potential issues with its proposed reorganization. Listening and responding to stakeholder concerns could engender confidence that the reorganization will succeed and increase acceptance among those who fund, provide, and receive VA's services.

- **Managing and Monitoring Progress.** The effectiveness of reform relies heavily on the measures used to track its success. We previously found that in major reforms, agencies should track outcome-based results—like quality, cost, and customer satisfaction. Further, we previously recommended that VA shift from measures such as procurement action lead time toward a balanced set of outcome-oriented indicators to steer

acquisition reform, a recommendation that VA agreed with but has not yet fully implemented.<sup>28</sup> Moreover, VA's internal ARRП guidance instructed VA's organizations to develop a timetable and a monitoring and accountability plan for implementing their reorganization plans. These outcome-oriented indicators could help determine if the new structure is providing value while increasing the overall transparency of the reorganization effort.

For example, incorporating mechanisms to monitor, evaluate, and communicate progress toward implementation goals could help VA identify any performance shortfalls experienced in the reorganization and make midcourse corrections while ensuring the continuity of acquisition services. Customers of VA acquisition organizations, such as VA medical centers, must be able to maintain their operations through procurement, logistics, and supply chain operations. Ensuring that needed supplies and services continue to be purchased and measuring customer satisfaction could ensure that VA continues to fulfill its mission during the reorganization and increase stakeholder confidence in and acceptance of organizational changes. Providing ongoing oversight and transparent communication can ensure that reforms remain on course and sustain stakeholder trust.

- **Strategic Workforce Planning.** Our leading practices note that successful structural changes rely on having a capable workforce to implement them. We previously found that strategic workforce planning should precede any staff realignments or downsizing, so that changed staff levels do not inadvertently produce skills gaps or other adverse effects that could result in increased use of overtime or contracted support.<sup>29</sup> However, the February 2025 OMB and OPM ARRП guidance, implementing the Executive Order, instructed VA to focus on reducing staff first and then make plans to reorganize afterwards, which may affect the agency's capacity to develop and implement its reorganization plan.

Our previous work identified the importance of aligning workforce capacity with redesigned roles. We found that agencies should conduct strategic workforce planning to determine whether they will have the needed resources and capacity, including the skills and competencies, in place for the proposed reforms or reorganization. By conducting strategic workforce planning before initiating reforms, agencies can develop targeted training and recruitment activities to address any projected gaps in expertise that could result from the effort. Even though contracting staff reductions have already occurred, VA has an opportunity to conduct this type of planning. By reviewing workforce functions in advance of implementing reforms, VA can determine the mission critical skills it will need to meet its mission in a transformed environment. The agency could then take steps to close any mission critical skills gaps it identified. In doing so, VA can ensure that it will have the needed resources, including the skills and competencies, in place to avoid costly increases in overtime and contracting, among other adverse effects.

- **Employee Engagement.** After reorganization, we have found it important for agencies to continue to solicit input from their employees. Our previous work identified that private- and public-sector organizations found that increased levels of engagement—generally defined as the sense of purpose and commitment employees feel toward their employer and its mission—can lead to better organizational performance. One way federal agencies solicit feedback from employees on issues including reorganization efforts is by using tools such as the Federal Employee

Viewpoint Survey.<sup>30</sup> However, as of August 2025, OPM announced cancellation of this survey for fiscal year 2025 across all federal agencies.<sup>31</sup> VA may need to develop a different mechanism to obtain this type of feedback from employees during a reorganization of its acquisition organization structure.

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## Conclusions

VA has reduced its contracting staff and begun reorganizing its acquisition function, focusing on centralizing acquisition operations. The organizational transformation needed to improve the performance of federal agencies is no easy task and can take years to fully implement. Reforming and reorganizing VA's acquisition function is a major endeavor that can include refocusing, realigning, or enhancing agency missions, as well as taking steps to improve services by identifying and eliminating inefficiencies. Applying our leading practices for agency reform in planning, executing, and monitoring outcomes would allow VA to better leverage its buying power to more effectively purchase goods and services needed to care for the nation's veterans.

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## Recommendation for Executive Action

The Secretary of Veterans Affairs should ensure that the Principal Executive Director for the Office of Acquisition, Logistics, and Construction, as the Chief Acquisition Officer, applies selected leading practices for agency reform including establishing goals and outcomes, involving key stakeholders and employees, managing and monitoring progress, conducting strategic workforce planning, and strengthening employee engagement, when reorganizing the department's acquisition function. (Recommendation 1)

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## Agency Comments

We provided a draft of this report to the Department of Veterans Affairs for review and comment. VA did not provide comments on the report.

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## How GAO Did This Study

To describe VA's current acquisition structure and identified challenges, we reviewed the VA Functional Organization Manual (Version 8.1, 2023)<sup>32</sup> and other documentation related to the department's current acquisition organizations, as of March 2025. We analyzed the roles and responsibilities of VA's HCAs, including those within VA's administrations (VHA, Veterans Benefits Administration, and National Cemetery Administration) as well as department-level acquisition offices within OALC, such as the National Acquisition Center, Strategic Acquisition Center, and Technology Acquisition Center. We interviewed leaders in these key department-level and administration-level acquisition organizations. We also reviewed our prior reports related to the VA acquisition management high-risk area as well as the MITRE Corporation's independent assessment of management processes, completed in 2015 in response to a provision of the Veterans Access, Choice, and Accountability Act of 2014.<sup>33</sup> We assessed the reliability of VA's data on the number of full-time equivalent employees in the 1102 job series by using the findings of prior audit work on these data and obtaining checks of the accuracy of the specific reported data from knowledgeable VA officials; we determined that it is sufficiently reliable for the purposes of this report. In addition, we examined publicly available contracting data—including obligations reported in the Federal Procurement Data System—to identify patterns of strategic contracting and overall contract obligations by HCA. We assessed the reliability of FPDS by performing electronic testing and reviewed existing information. We determined these data were sufficiently reliable for describing acquisitions at a high level.<sup>34</sup>

To identify leading practices relevant to VA's reorganization of its acquisition function, we reviewed our prior work that examined leading practices for federal agencies conducting agency reform efforts.<sup>35</sup> We also analyzed the VA Agency

Reduction & Reorganization Plan memorandum, issued in March 2025, to identify the agency's current reform planning process, including for its acquisition function. Finally, we interviewed senior VA acquisition officials regarding the status of agency reform efforts at VA. We evaluated this evidence and selected five leading practices for VA to consider as it implements its planned reorganization. We selected these practices as most relevant to the specific challenges we have identified across our body of work on VA acquisition management as well as issues identified by VA officials.

We conducted this performance audit from April 2025 to May 2026 in accordance with 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 on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## List of Addressees

The Honorable Jerry Moran  
Chairman  
The Honorable Richard Blumenthal  
Ranking Member  
Committee on Veterans' Affairs  
United States Senate

The Honorable Mike Bost  
Chairman  
The Honorable Mark Takano  
Ranking Member  
Committee on Veterans' Affairs  
House of Representatives

We are sending copies of this report to the Secretary of the Department of Veterans Affairs, among other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

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## Endnotes

<sup>1</sup>For this review, we focused on nine of VA's 10 contracting activities that have HCAs. We excluded the contracting activity and HCA within VA's Office of Inspector General as it falls outside of the purview of this review.

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<sup>2</sup>VA's acquisition workforce includes contracting officers, contracting officer's representatives, and program/project managers. In this product, we refer to employees classified in the 1102 series as contracting officers. The 1102 series includes positions that manage, perform, or develop policies and procedures related to the evaluation, termination, and close out of contracts.

<sup>3</sup>VA's Veterans Community Care Program allows eligible veterans to receive medical care from community providers instead of VA facilities and is implemented through regional contracts with third-party administrators. VA's Veterans Community Care contract obligations increased by an order of magnitude—from about \$2.3 billion in FY 2018 to about \$23.9 billion in FY 2023—and that the program accounted for nearly 40 percent of VA's total contract obligations in FY 2023. See GAO, *Veterans Community Care Program: VA Needs to Strengthen Contract Oversight*, [GAO-24-106390](#) (Washington, D.C.: Aug. 21, 2024).

<sup>4</sup>*Veterans Access, Choice, and Accountability Act of 2014*, Pub. L. No. 113-146, § 201(a) (2014) (codified at 38 U.S.C. 1701 note), which required the Department of Veterans Affairs to contract with an independent entity—subsequently the MITRE Corporation—to conduct an assessment of VA health care organization, services, and operations.

<sup>5</sup>GAO, *VA Acquisition Management: Action Needed to Ensure Success of New Oversight Framework*, [GAO-22-105195](#) (Washington, D.C.: Aug. 11, 2022).

<sup>6</sup>We previously identified several challenges and recommended that VA address them before implementing the Acquisition Lifecycle Framework. See [GAO-22-105195](#).

<sup>7</sup>We made six recommendations to VA, including that VA establish performance requirements to hold category managers accountable, establish category-specific savings goals, and ensure the key category management officials participate in training relevant to their roles. VA concurred with these recommendations. GAO, *VA Acquisitions: Leadership Accountability and Savings Goals Needed to Improve Purchasing Efficiency*, [GAO-25-107398](#) (Washington, D.C.: Sept. 2, 2025).

<sup>8</sup>GAO, *VA Acquisition Management: Oversight of Service Contracts Needing Heightened Management Attention Could Be Improved*, [GAO-24-106312](#) (Washington, D.C.: Jan. 25, 2024).

<sup>9</sup>GAO, *VA Acquisition Management: Comprehensive Supply Chain Management Strategy Key to Address Existing Challenges*, [GAO-21-445T](#) (Washington, D.C.: Mar. 24, 2021).

<sup>10</sup>For a complete listing, including the current status of our recommendations relating to VA acquisition, see <https://www.gao.gov>.

<sup>11</sup>Overlap occurs when multiple agencies or programs have similar goals, engage in similar activities or strategies to achieve them, or target similar beneficiaries. Duplication occurs when two or more agencies or programs are engaged in the same activities or provide the same services to the same beneficiaries. See GAO, *Fragmentation, Overlap, and Duplication: An Evaluation and Management Guide*, [GAO-15-49SP](#) (Washington, D.C.: Apr. 14, 2015).

<sup>12</sup>Department of Veterans Affairs, Office of Enterprise Integration, *Functional Organization Manual: Description of Organization Structure, Missions, Functions, Tasks, and Authorities*, version 8.1, 2 vols. (Washington, D.C.: 2023).

<sup>13</sup>The Veterans Health Administration dissolved its Procurement and Logistics office in January 2025 and redistributed its functions between the newly created VHA Office of Acquisitions and the VHA Office of Supply Chain.

<sup>14</sup>GAO, *VA Acquisition Management: Actions Needed to Improve Management of Medical-Surgical Prime Vendor Program and Inform Future Decisions*, [GAO-20-487](#) (Washington, D.C.: Sept. 30, 2020); and Veterans Affairs Office of Inspector General, *Ineffective Use and Oversight of Medical/Surgical Prime Vendor Program Led to Increased Spending*, [23-01397-126](#) (Washington, D.C.: June 11, 2024).

<sup>15</sup>Fragmentation refers to those circumstances in which more than one federal agency (or more than one organization within an agency) is involved in the same broad area of national need. See [GAO-15-49SP](#).

<sup>16</sup>Department of Veterans Affairs, Chief Operating Officer, *Organizational Change Request – Veterans Health Administration (VHA) Central Office Optimization Project – Phase 2, Office of the Chief Officer, Support Operations (LEAF 8836)*. (Washington, D.C.: Jan. 2025)

<sup>17</sup>[GAO-25-107398](#).

<sup>18</sup>*Implementing The President's "Department of Government Efficiency" Workforce Optimization Initiative*, Exec. Order No. 14,210, 90 Fed. Reg. 9,669 (Feb. 11, 2025).

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<sup>19</sup>U.S. Office of Management and Budget and U.S. Office of Personnel Management, *Guidance on Agency RIF and Reorganization Plans Requested by Implementing The President's "Department of Government Efficiency" Workforce Optimization Initiative* (Washington, D.C.: Feb. 26, 2025).

<sup>20</sup>Department of Veterans Affairs, Chief of Staff, *Department of Veterans Affairs Agency Reduction in Force (RIF) and Reorganization Plan (ARRP) (VIEWS 12864784)* (Washington, D.C.: Mar. 4, 2025).

<sup>21</sup>Department of Veterans Affairs, "VA to Reduce Staff by Nearly 30K by End of FY2025," press release, July 7, 2025, <https://news.va.gov/press-room/va-to-reduce-staff-by-nearly-30k-by-end-of-fy2025/>. The Deferred Resignation Program (DRP) is a voluntary program under which employees commit to a future resignation date while remaining on paid status with full benefits until that date. See U.S. Office of Personnel Management, *Memorandum on the Legality of Deferred Resignation Program* (Washington, D.C.: Feb. 4, 2025).

<sup>22</sup>Contracting functions within VA's Office of Inspector General are exempt from this realignment. See Secretary of Veterans Affairs, *Memorandum on Enterprise Coordination to Realign All Procurement Staff under the Department of Veterans Affairs Chief Acquisition Officer (VIEWS 13041612)* (Washington, D.C.: Nov. 19, 2025).

<sup>23</sup>In our prior report, we identified key questions that Congress, OMB, and agencies should consider for the development and implementation of agency reforms. In this report, we used the term "reforms" to broadly include any organizational changes—such as major transformations, mergers, consolidations, and other reorganizations—and efforts to streamline and improve the efficiency and effectiveness of government operations. See [GAO-18-427](#).

<sup>24</sup>U.S. Office of Management and Budget and U.S. Office of Personnel Management, *Guidance on Agency RIF and Reorganization Plans Requested by Implementing The President's "Department of Government Efficiency" Workforce Optimization Initiative* (Washington, D.C.: Feb. 26, 2025).

<sup>25</sup>VA has yet to formally rescind its Strategic Plan for Fiscal Years (FY) 2022-2028, according to a senior VA Office of Enterprise Integration official, but has removed the plan from public-facing websites.

<sup>26</sup>Department of Veterans Affairs, Chief of Staff, *Memorandum on Department of Veterans Affairs Agency Reduction in Force (RIF) and Reorganization Plan (ARRP)* (Washington, D.C.: Mar. 4, 2025).

<sup>27</sup>The Secretary has acknowledged that the department has used non-disclosure agreements. See *U.S. Dept. of Veterans Affairs Budget Request for Fiscal Years 2026 and 2027 Advance Appropriation: Hearing before the Comm. on Veterans' Affairs, U.S. House of Representatives, 119th Cong. 11 (2025)* (statement of Douglas Collins, Secretary, U.S. Dept. of Veterans Affairs). The Reorganization Implementation Cell has yet to develop a reorganization plan for VA's acquisition function.

<sup>28</sup>GAO, *Federal Contracting: Senior Leaders Should Use Leading Companies' Key Practices to Improve Performance*, [GAO-21-491](#) (Washington, D.C.: July 27, 2021).

<sup>29</sup>Skills gaps, both within federal agencies and across the federal workforce, pose a high risk because they impede the government from cost effectively serving the public and achieving desired results. Agencies experience skills gaps when they have an insufficient number of individuals or individuals without the appropriate skills or abilities to successfully perform their work. In our body of work on VA Acquisition Management, we've consistently found that developing adequate strategies and policies and managing its acquisition workforce remain acquisition management challenges. To make progress in this high-risk area, the agency needs to improve strategic workforce planning, among other things. See [GAO-25-107743](#).

<sup>30</sup>[GAO-18-427](#); The Federal Employee Viewpoint Survey measures employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. See GAO, *Federal Workforce: Additional Analysis and Sharing of Promising Practices Could Improve Employee Engagement and Performance*, [GAO-15-585](#) (Washington, D.C.: July 14, 2015).

<sup>31</sup>The U.S. Office of Personnel Management paused and subsequently cancelled the FEVS for fiscal year 2025. See U.S. Office of Personnel Management, *2025 Federal Employee Viewpoint Survey and Compliance with Recent Executive Orders*, Memorandum to Heads and Acting Heads of Departments and Agencies, Feb. 28, 2025; and August 15, 2025 email regarding the cancellation of the 2025 FEVS, as quoted in Senator Chris Van Hollen, et al., Letter to the Honorable Roger C. Mosley, Acting Director, U.S. Office of Personnel Management, Sept. 29, 2025.

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<sup>32</sup>Department of Veterans Affairs, Office of Enterprise Integration, *Functional Organization Manual*.

<sup>33</sup>MITRE Corporation, *Independent Assessment of the Health Care Delivery Systems and Management Processes of the Department of Veterans Affairs*. Volume 1: Integrated Report and Assmt. J (Supplies); see also Pub. L. No. 113-146, § 201(a).

<sup>34</sup>FPDS captures most federal contract obligations; exclusions such as real property leases and transactions beneath micro-purchase thresholds do not materially affect the reliability or sufficiency of FPDS data for contract obligation analyses presented in this report.

<sup>35</sup>We have found that effective reform efforts require a combination of people, processes, technologies, and other critical success factors to achieve results. Our prior work describes 12 leading practices that federal agencies can use in agency reform efforts, including efforts to streamline and improve the efficiency and effectiveness of operations. See [GAO-18-427](#).