

# GAO Highlights

Highlights of [GAO-23-105446](#), a report to congressional requesters

## Why GAO Did This Study

VA continues to face long-standing challenges managing its IT projects. These include delays to the department's multibillion dollar electronic health record modernization initiative. In 2015, GAO added VA health care to its High-Risk List due, in part, to these challenges.

GAO was asked to assess IT contracting at VA. This report addresses, among other things, trends in VA IT contracting; the extent to which VA competitively awarded IT contracts; and the extent to which past performance was an evaluation factor in the source selection process for selected VA IT contracts and orders.

To conduct this work, GAO collected and analyzed data from fiscal years 2017 through 2021, and selected and reviewed contract files for a nongeneralizable sample of 25 IT contracts and orders from fiscal years 2017 through 2021, each with more than \$1 million in obligations, among other characteristics. GAO also reviewed VA documents and interviewed agency officials.

## What GAO Recommends

In prior reports since 2010, GAO made 35 recommendations to VA related to its health care IT challenges. As of July 2022, VA implemented 22 of them. Thirteen recommendations had not yet been implemented, including five related to electronic health record modernization.

View [GAO-23-105446](#). For more information, contact Shelby S. Oakley at (202) 512-4841 or [OakleyS@gao.gov](mailto:OakleyS@gao.gov).

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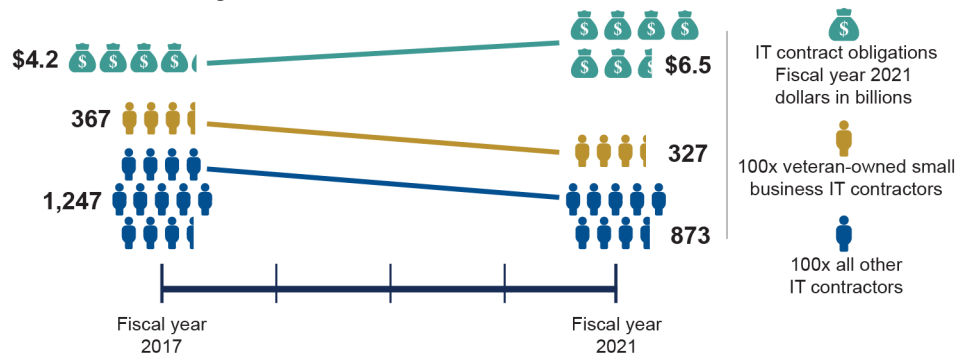
## VA IT CONTRACTING

### Observations on Trends, Competition, and Past Performance Information

## What GAO Found

From fiscal years 2017 through 2021, the Department of Veterans Affairs (VA) obligated over \$25 billion to procure a range of IT products and services—among the highest IT obligations in the federal government. GAO identified two major trends across this period: total contract obligations increased, while the number of contractors receiving awards decreased. Technology modernization initiatives and COVID-19 pandemic response efforts drove the growth in IT contract obligations. However, the number of new IT contracts awarded and orders issued decreased by more than half during this period—a potential driver of the decrease in the number of contractors. Overall, 30 contractors received about 75 percent of all IT contract obligations from fiscal years 2017 through 2021.

#### VA's IT Contract Obligations Increased as Number of Contractors Decreased



Source: GAO analysis of Federal Procurement Data System data as of May 2022. | GAO-23-105446

From fiscal years 2017 through 2021, 76 percent of VA's IT contract obligations were for contracts or orders identified as awarded competitively. VA's competition rate for non-IT contracting across this period, by comparison, was 82 percent. However, one multibillion dollar noncompetitive contract—for VA's electronic health record modernization initiative—accounted for about half the obligations for noncompetitive contracts and orders.

From fiscal years 2017 through 2021, the portion of VA's IT contract obligations grew on two particular contracts, which by fiscal year 2021 accounted for over half of all VA's IT contract obligations. VA achieved high competition rates on these two particular contracts. Specifically, over 90 percent of IT obligations on these contracts from fiscal years 2017 through 2021 were for orders identified as involving fair opportunity, which allows for competition among the contract holders.

The Federal Acquisition Regulation generally provides that federal agencies should consider contractor past performance when conducting competitive acquisitions. Examples of past performance include adherence to schedules and standards of good workmanship. GAO found that past performance was an evaluation factor for all 19 competitive IT contracts and orders it reviewed.