

Congress of the United States
Washington, DC 20515

June 18, 2020

The Honorable Robert Wilkie
Secretary
U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary Wilkie,

We are writing on behalf of our constituents, specifically the nearly half a million of veterans¹ we represent, who are frustrated by the systemic issues with the Veterans Affairs' (VA) Major Medical Leasing process that have resulted in cost overruns and lengthy delays, some of nearly a decade, in delivering sorely needed new VA clinics and hospitals.

As you are aware, in July 2019 the VA's Office of Inspector General (OIG) released a report titled "Management of Major Medical Leases Needs Improvement" that focused on whether the VA effectively managed the development and acquisition of 24 major medical leases authorized under the Veterans Access, Choice, and Accountability Act of 2014 (VACAA). Several of the OIG's key findings include:

- As of September 30, 2018, over four years after Congress authorized 24 major medical leases in VACAA, VA had opened two leased facilities, awarded 15 contracts, was continuing to negotiate two contracts, and reissued five solicitations.
- The two completed facilities opened and began serving veterans an average of about 13.9 months beyond the estimated timelines approved in VACAA.
- VA's Office of Construction and Facility Management (CFM) estimated that the remaining 22 facilities will begin serving veterans at an average of about 22.3 months beyond the estimated timeline authorized under VACAA.
- CFM also estimated all 24 leased facilities will be open by April 2022, more than seven years and seven months after VACAA became law.
- Due to these delays, if the VA had awarded the leases two years earlier it could have avoided paying over \$152.3 million in inflated costs over the 20-year life of the leases.

Based on the enclosed information provided to our offices, it appears that the VA continues to struggle with its major leases almost a full year after the VA OIG issued its report. The VA has not

¹ https://www.va.gov/vetdata/Veteran_Population.asp

awarded leases for three major facilities (Honolulu, Hawai'i; Brick, New Jersey; and Cobb County, Georgia), and the VA has not moved into at least 19 additional facilities. As a result, only 3 of the 25 facilities approved by Congress in 2014 are currently serving our nation's veterans.

As Representatives of facilities that have been severely delayed, we believe it is vitally important to fully implement the OIG recommendations and improve the Major Medical Leasing process to save taxpayer dollars and prevent additional delays in getting the improved access to healthcare that our veterans desperately need and deserve. Thus, we respectfully ask for answers to the following questions:

1. For each recommendation in the VA OIG's report, what is the timeline for closing the recommendation and what action has the VA taken or intend to take to close out the recommendation:
 - For Recommendation 1, regarding increasing the funding for adequate lease planning, how much does OALC plan to increase for FY21 and FY22?
 - For Recommendation 3, regarding ensuring CFM have adequate staffing needed to deliver leases on time, has CFM staffed up to industry best practice to ensure 8 projects per manager? If not, why?
 - For Recommendation 6, regarding CFM's application of appropriate and not overly stringent security requirements during the leasing process, has the process been changed to allow locally appropriate exemptions that would help speed up the leasing process and reduce costs?
2. Please provide an update on the status and completion timelines of all current major medical leasing facilities nationwide, to include the Planned or Actual Award Date and the Planned or Actual Patient First Use Date.
3. What is the VA doing to expedite those major medical leasing facilities that are already behind schedule and/or past their statutory deadline?
 - If the VA is unable to expedite these facilities, please explain why and outline your recommendations and needs (resources, staff, etc.) in order to do so.
 - If any lease is currently under review by the General Services Administration (GSA) and the Office of Management and Budget (OMB) as part of the lease award process, please summarize the key concerns raised by GSA and OMB for any major lease that was not approved by them within 30 days of submission.
4. What is the status of the Major Leasing Modernization Proposal briefed to then VA Secretary David Shulkin in January 2018?

Thank you in advance for your time and attention to these important concerns. We stand ready to work with you and your team to ensure that our veterans receive the medical care they deserve from an eternally grateful nation. We respectfully request your written response by July 20, 2020. Please do not hesitate to contact us directly to discuss these issues further at any time.

Sincerely,



Andy Kim
Member of Congress



Ed Case
Member of Congress



Kevin Hern
Member of Congress

/s/

Sanford D. Bishop Jr.
Member of Congress

/s/

Louie Gohmert
Member of Congress

/s/

Juan Vargas
Member of Congress

/s/

James P. McGovern
Member of Congress

/s/

Ruben Gallego
Member of Congress

/s/

Julia Brownley
Member of Congress

/s/

Greg Stanton
Member of Congress

/s/

Lucy McBath
Member of Congress

/s/

Scott H. Peters
Member of Congress