



*News From The ...*

## **COMMITTEE ON VETERANS' AFFAIRS**

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### **Savannah Construction Issues Example of a Nationwide Problem**

**WASHINGTON, D.C.**—Today, the Subcommittee on Oversight & Investigations (O&I) held an oversight hearing to examine the Department of Veterans Affairs (VA) construction contracting practices. The Subcommittee examined the proposed construction of the community based outpatient clinic in Savannah, Georgia as a case study of VA construction contracting practices nationwide.

“We have evidence of similar dubious practices taking place at other locations, and our intent is to have VA fix the problems and conduct necessary oversight at all of its construction sites,” stated Rep. Bill Johnson (OH-6), Subcommittee Chairman of O&I.

Rep. Johnson noted that the Subcommittee brought these matters to VA’s attention last year, but VA ignored them and continued their flawed process, “This Subcommittee contacted VA last year with several specific concerns about this site in Savannah with the hopes of helping VA conduct better business. The response was disheartening; despite the specific concerns cited, VA dismissed the Subcommittee’s efforts to reach out and work together, instead giving a cursory response.”

Johnson expressed further dissatisfaction with regard to the way VA worked through the acquisition process. “VA stumbled through [this] process, using an incomplete and careless appraisal process that according to many involved in commercial real estate lacks common sense. To veterans, taxpayers, and Congress, the resulting concern is that VA is failing to get the best value.”

VA witnesses failed to adequately answer how their initial estimate of needs in Savannah had been so significantly miscalculated, and admitted to not being forthcoming to Congress about significant changes to the size and scope of construction projects. Based on its interpretation of a long-standing practice, VA has provided notice to Congress of large-scale changes only after new leases had been executed, prompting members of the Subcommittee to suggest changes were needed to improve transparency and oversight.

Construction delays, faulty contracting practices and cost overruns were other major failures discussed by the Subcommittee during today’s hearing. Noting that these delays reach beyond contracting, Johnson stated that “veterans in need of services are the ones being harmed by delays, cost overruns, and failure to thoroughly analyze costs and benefits associated with every alternative.”

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