

## U.S. House of Representatives

COMMITTEE ON VETERANS' AFFAIRS

ONE HUNDRED EIGHTEENTH CONGRESS

364 CANNON HOUSE OFFICE BUILDING

WASHINGTON, DC 20515

<http://veterans.house.gov>

February 9, 2023

The Honorable Denis R. McDonough  
Secretary  
U.S. Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, DC 20420

Dear Secretary McDonough:

The Department of Veterans Affairs' (VA) spending on contracts has grown substantially over the past decade to more than \$38 billion in fiscal year 2021, in line with the doubling of the overall budget.<sup>1</sup> Within this total contract spending, professional and management consulting services have proliferated along with the growth of administrative bureaucracy. These companies, some of which are the largest multinational consulting firms, hold VA contracts collectively worth billions of dollars. Some such contractors, including those known colloquially as "staff augmentation," are providing duplicative services, performing inherently governmental functions, functions that are closely associated with inherently governmental activities, or constitute outsourcing.

I urge you to review VA's inventory of professional and management consulting services contracts for duplication and waste. Given the rampant deficits and inflation our country faces, I believe it would be responsible to capture these internal savings wherever possible to enable new investments in health care and benefits.

In particular, I request that you examine whether all existing professional and management consulting contracts are necessary. I ask that you explore whether multiple VA organizations truly need separate, though similar, contracts or whether these contracts could be consolidated. I also recommend that you review when in-house performance by VA employees would have been less expensive than outsourcing. Even where pay increases for federal employees are in order, utilizing the enhanced recruitment and retention authorities Congress has granted over the past year, insourcing may be less expensive overall due to eliminating the overhead costs and turnover associated with contracts. Finally, I request that you scrutinize personal services contracts and those contracts for functions closely associated with inherently governmental activities. It is not unusual for such contractors to drift into performing inherently governmental functions, although this is unlawful.

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<sup>1</sup> GAO-22-105195: VA Acquisition Management, August 2022, p. 4.

I believe these measures could generate hundreds of millions and even billions in savings that would be better invested in veterans' health care and benefits. While VA is no doubt an enormous organization with considerable needs for technical and administrative support, we must never lose sight of the mission—to care for him who shall have borne the battle, and for his widow, and his orphan. Thank you for your attention to this proposal.

Sincerely,



**MIKE BOST**  
Chairman

Cc: The Honorable Mark Takano, Ranking Member