



Highlights of [GAO-06-144](#), a report to the Chairman, Subcommittee on Oversight and Investigations, Committee on Veterans' Affairs, House of Representatives

Why GAO Did This Study

The Department of Veterans Affairs (VA) is among the largest federal acquisition agencies, spending \$7.3 billion on product and service acquisitions in 2004 alone. Recent reports by VA and other organizations identified weaknesses in the agency's acquisition function that could result in excess costs to the taxpayer. One report by the Naval Supply Systems Command (NAVSUP) made 24 recommendations to improve VA's acquisition function. VA has accepted these recommendations. GAO was asked to review the progress VA has made in implementing the key NAVSUP recommendations. GAO identified 7 of the 24 recommendations as key, based primarily on its professional judgment and prior experience.

What GAO Recommends

GAO recommends that the Secretary of Veterans Affairs direct the Deputy Assistant Secretary for Acquisition and Materiel Management to

- identify specific time frames and milestones for completing actions on the key NAVSUP recommendations and
- establish a method to measure progress in implementing the recommendations.

VA concurred with GAO's recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-06-144.

To view the full product, including the scope and methodology, click on the link above. For more information, contact William T. Woods, 202-512-4841, or woodsw@gao.gov.

CONTRACT MANAGEMENT

Further Action Needed to Improve Veterans Affairs Acquisition Function

What GAO Found

Progress made by the Department of Veterans Affairs in implementing the key recommendations from the NAVSUP report has been limited. In fact, a year after the report was issued, VA has not completed actions on any of the seven key recommendations GAO identified. While VA agrees implementation of the key recommendations is necessary, the steps it has taken range from no action to partial action. No action has been taken on three key recommendations: to develop a long-term improvement plan, adequate management metrics, and a supplement to the agency's strategic plan. No more than partial action has been taken on four others: establishment of a contract review board for reviewing files at key milestones along with improvement of postaward contract management, customer relationships, and employee morale.

Status of Key Recommendations

Key NAVSUP Recommendations	Status
1. Develop a long-term improvement plan	No action
2. Develop adequate management metrics	No action
3. Supplement strategic plan	No action
4. Establish contract review board	Partial action
5. Improve postaward contract management	Partial action
6. Improve customer relationships	Partial action
7. Improve employee morale	Partial action

Source: GAO analysis.

A lack of permanent leadership in key positions has contributed to the lack of further progress in revising acquisition policies, procedures, and management and oversight practices, according to VA officials. For example, two key VA acquisitions management positions were unfilled—one for 15 months and the other for 25 months. In addition, VA has neither set time frames for completing actions on the NAVSUP recommendations nor established a method to measure progress. Until VA establishes a process for completing action on the NAVSUP recommendations, the benefits of the study may not be fully realized.