

Summary of the January 21, 2015 Testimony of Mr. Lloyd C. Caldwell, P.E. U.S. Army Corps of Engineers before the House Committee on Veterans Affairs

The U.S. Army Corps of Engineers (Corps) is one of the Department of Defense (DOD) Construction Agents, who execute infrastructure projects for DOD. Interagency collaboration is an important element of the Corps' work as a part of its service to the nation. My testimony will address the Corps' assistance to the Department of Veterans Affairs (VA), the project acquisition process, and our experience with medical facility construction.

The Corps has an established relationship with the VA, from the national headquarters level to our regional offices working with the 21 Veterans Integrated Service Network offices and the National Cemetery Administration on a broad range of construction, maintenance and cemetery requirements totaling \$1.59 billion since 2007. Authority for the Corps' work with VA is based on the Economy Act, which provides both parties with sufficient authorities to work collaboratively on VA funded projects.

In December 2014, the VA requested our assistance to complete the Aurora, Colorado Replacement VA Medical Center project, and we have agreed to do so. We are assessing the requirements of the project and developing a new interagency agreement that would transition Construction Agent responsibility for this project to the Corps. We are also advising the VA in the management of their interim construction contract with the contractor, Kiewit-Turner, to allow continued progress on the project.

The Corps has developed processes and capabilities for design and construction, which have been refined over many years. Our project management process brings together multi-disciplined teams of diverse professionals' necessary across the project life-cycle to deliver a successful project, to include our design, construction, acquisition, and project management professionals. These teams work collaboratively to account for project delivery methods, scope, schedule, and cost. With an assessment by our teams and collaboration with the VA, we are confident that we can bring the project to completion.

Budget and schedule risk is inherent in executing any construction projects, and medical facilities are among the most complex facilities we construct and deliver. They require exacting technical design and construction standards, which must be carefully managed and are subject to changing requirements due to evolving medical technology – even during construction. To assure the standards and criteria of the Defense health system, we established our Medical Center of Expertise, which applies a full range of specialized knowledge to address demanding health care facility requirements.

The Corps has a long history of executing some of the nation's most challenging construction programs. In the past 13 years, the Corps physically completed 2,499 military construction projects with a combined programmed amount of \$52 billion. The Corps has delivered, or is in the process of designing and constructing, a full range of medical facilities for DOD, to include very large hospitals valued near a billion dollars that are capable of delivering world-class medical services for the members of our Armed Forces and their families. Our relationship with VA is strong and we look forward to working with VA as Construction Agent to complete the Aurora Hospital project.