

STATEMENT OF
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FOR THE RECORD

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

“The Denver Replacement Medical Center: Light at the End of the Tunnel?”

WASHINGTON, D.C.

JANUARY 17, 2018

Chairman Roe, Ranking Member Walz and members of the Committee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, I want to thank you for the opportunity to present the VFW's views on the Denver Medical Replacement Center.

The Denver Replacement Medical Center in Aurora, Colorado, has been an embarrassment for the Department of Veterans Affairs (VA) for years, and its completion date does not mean the end of the struggle for this project. Overdue and over budget is simply not enough to describe how badly this project was mismanaged. Without the voices of local veterans and their representatives in Congress, this hospital project would still be floundering.

Major construction on the hospital is set to be completed this month, with the majority of the building work coming to an end. This does not mean the project is complete by any means, there is still millions of dollars' worth of work to be done. The major construction milestone can sound misleading as some may think the work is done, but there are still months ahead of this project before they can start operating fully.

In the next six months, VA has to fully stock the hospital with furniture and medical equipment which will cost hundreds of millions of dollars. Even though substantial completion will be reached this month, the building will still not be ready to receive significant numbers of patients until this summer.

Activation and startup costs are typical for every project, but every additional dollar spent on the Aurora hospital continues to erode public trust for an already extremely expensive project. Supplying the hospital with equipment, testing and approving the equipment, and staffing the facility are all part of typical startup costs. Transparency in all the additional time and money

needed for the actual completion of the project is one important step in regaining the public's trust in how tax dollars are spent.

The Aurora hospital project was mismanaged from the start and is a clear indication that the VA construction division is not up to speed with innovative and progressive construction practices. Many have stated that the leadership of this project lied to Congress and the public about the progress and costs associated with the hospital from the beginning. It took the U.S. Army Corps of Engineers to take over control of the project for any significant headway to be made toward completion. VA and Congress must make certain this is not allowed to occur again and that those responsible are held accountable.

For future VA major construction projects to succeed, the personnel within VA managing those projects need to be empowered to be decision makers on the ground and be given the authority to make changes to stay ahead of schedule and under budget. The VFW has been an advocate for VA construction to fully embrace the Integrated Design-Bid-Build (IDBB) process for all projects. Until they do so, construction projects like Aurora will continue to hit unnecessary pitfalls like they have in the past.

IDBB allows contractors, designers and owners representatives to come together in the early stages of the entire project in order to avoid conflicts during the building process. By integrating the early phases of the project, designers and the contractors building the hospital can easily navigate conflicts and changes that would typically stall progress during key phases of the project. Avoiding having to redo work that does not fit for the staff using the facility saves costs to the tax payer.

Small issues like electrical outlets needing to be replaced in Aurora due to incompatibility with the types of patients being seen in certain clinics, could have been avoided if the end users had input from the beginning. Having to go back and redo work-in-place only adds to the already staggering cost of the facility. The IDBB process helps reduce overall time and cost of any project by overlapping early phases of the project and bringing all stakeholders to the table in order to get the work done right the first time.

Projects like Aurora should never have reached the level of mismanagement that it did, but once the waste and abuse of government money was fully brought to light, Congress stepped in and demanded change. A shining example of Congress getting it right is Representative Mike Coffman who was one of the leaders in demanding change and accountability for the Aurora project. The VFW shares Mr. Coffman's frustrations with the project, and are happy to see members of Congress taking the right approach to correcting the problems associated with it.

Another key voice in calling out the problems associated with this project are the local veterans themselves. Nobody knows their own communities better than the people living in them. Whenever issues that involve honesty and transparency arise it is important to listen to the voices most affected by them. The VFW's local leadership has been extremely vocal about this project since the beginning. With such a large veteran community surrounding the hospital, there are thousands of local area veterans that will benefit once the hospital obtains fully operational

status. That is why the combination of local leadership, with that in Congress are so integral in making future projects a success.

The VFW has called on VA to reform its construction process so facilities can be delivered on time and on budget. Previous errors must be corrected to ensure the issues in Aurora, Colorado, never occur again. However, Congress and the Administration must not ignore the growing capital infrastructure needs of the VA's health care system. When VA asked its Veteran Integrated Service Networks to evaluate what they need to improve its facilities to meet the increased outpatient demand, VA determined that "improving the condition of VA's facilities through major construction projects (96) accounted for the largest resource need.¹" Yet the Administration's major construction request for the Veterans Health Administration is 36 percent less than FY 2017 and 85 percent less than actual expenditures in FY 2016. Aurora must not deter Congress and VA from continuing to invest in major projects like this in the future in order to continue providing world class care to our veterans.

Another area of major concern for the VFW is the lack of a comprehensive replacement plan for the existing services offered at the original Denver hospital. The new Aurora facility has less primary care services offered and substantially less PTSD services. The original hospital will need to remain open for years to keep serving primary care patients, and there is currently no plan to have a replacement PTSD facility built on the new Aurora campus. VA needs to provide an accurate and transparent plan for making sure the new facility offers better support for veterans, and does not represent a step backward. It is unacceptable for VA to invest almost two billion dollars in a new facility that does not offer the same measure of care as the hospital it is meant to replace. New VA hospitals should be expected to meet current demands, and have the capacity to address future needs as well.

While the Aurora hospital project will remain in the memory of those associated with it for years to come, we hope it also serves as a reminder of why getting it right the first time is the best case scenario. Transparency is an absolute must in all future projects in VA construction, and bringing in all key stakeholders as early as possible will help mitigate unnecessary cost overruns and ensure the timely completion of future projects.

¹ Department of Veterans Affairs 2018 Budget and 2019 Advance Appropriations Requests, Volume IV: Construction, Long Range Capital Plan and Appendix. Long Range Capital Plan, page 8.3-8.

Information Required by Rule XI2(g)(4) of the House of Representatives

Pursuant to Rule XI2(g)(4) of the House of Representatives, the VFW has not received any federal grants in Fiscal Year 2018, nor has it received any federal grants in the two previous Fiscal Years.

The VFW has not received payments or contracts from any foreign governments in the current year or preceding two calendar years.