

U.S. Senator Mark Udall (CO)  
Statement for the Record

House Veterans Affairs Subcommittee on Oversight and Investigations  
Hearing: “Construction Conundrums: A Review of Continued Delays and Cost Overruns at the  
Replacement Aurora, Colorado VAMC”  
April 22, 2014

Chairman Coffman and Ranking Member Kirkpatrick, the subject of today’s hearing is of great importance to Colorado and veterans from throughout the Rocky Mountain west. When completed, the VA Medical Center currently under construction on the Fitzsimons campus in Aurora will provide the world-class medical care and facilities that our veterans have earned, and your attention to the project is appreciated.

The demand for an on-time, on-budget completion of this critical project has united the Colorado veteran community and our congressional delegation. It is important that Congress continue to exercise its oversight authority to ensure that taxpayers and veterans receive the best possible facility for their tax dollars.

We must also continue to identify and correct the systemic issues that have led to significantly delayed payments for many of the small businesses employed as subcontractors on this project. While there is no doubt that significant disagreements exist between VA and the prime contractor, it is not acceptable to delay payment to subcontractors for work already completed. VA and its contractors must take immediate steps to establish management practices and contract agreements that provide for far quicker review of change order requests. As I have stated repeatedly, VA should adopt standards and best practices long used by other federal agencies such as the Government Services Administration and the Army Corps of Engineers (USACE) to streamline the change order approval process. Those actions do not require congressional authority and should be taken by VA as soon as practicable.

While the contract dispute between VA and the prime contractor is still pending review and adjudication in the U.S. Civilian Board of Contract Appeals, there are other immediate steps VA can take to ensure that best practices are being followed during the construction of the Aurora hospital and other major VA projects. USACE has significant experience and expertise in the management and construction of large military medical centers—as well as a record of delivering on-time, on-budget major medical facilities to the Department of Defense. In light of that fact, I—along with Senator Michael Bennet and Rep. Ed Perlmutter—wrote to VA Secretary Shinseki in March of this year urging VA to allow USACE to conduct a Design-Construction Evaluation, or DCE on the Aurora project.

DCEs are a common practice used to provide construction managers with a full review of the procurement, engineering, construction and project management processes in order to identify problems and recommend solutions going forward. The Army Corps regularly completes DCEs on its own projects and has worked with other federal agencies—including VA—to conduct evaluations of construction practices that improve project management and increase the

likelihood of on-time completion. Such an evaluation would only look at the project going forward and would have no effect on the pending litigation. A DCE does not require a congressional mandate and could be underway in a matter of weeks. I would once again urge VA to take this common-sense, practical step as soon as practicable for the good of this project, Colorado veterans, and taxpayers.

Again, I thank Chairman Coffman and Ranking Member Kirkpatrick for their attention to this important issue, and I appreciate the willingness of the witnesses to provide their important perspectives regarding this matter. As evidenced by the collaboration and united efforts of our veterans, state and local leaders, and the Colorado congressional delegation, the on-time, on-schedule completion of the replacement medical center is of extreme importance to all of us. We will not ask our veterans to wait any longer than absolutely necessary for this hospital. Through their service and sacrifice, they've earned the best medical care our country can offer, and every effort must be taken to deliver that care as promised. Anything less is simply not acceptable.