

Congressman Ed Perlmutter (CO-7)
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, Ranking Member Kirkpatrick, thank you for your efforts regarding the new stand-alone U.S. Department of Veterans Affairs Denver replacement medical center at the Fitzsimons medical campus in Aurora, Colorado.

This hospital has been one of my top priorities for seven years, for six of those the project was in my congressional district, only to be removed in the redistricting process. This hospital has been promised to our veterans for nearly fifteen years. The project has gone through a number of iterations over the years under two Presidents and four Secretaries of the VA. The hospital is well underway and I appreciate the Committee’s interest in it, but the time has come to focus our efforts on ensuring the completion of this hospital. Our veterans deserve nothing less and the people of Colorado and our nation expect it.

Once completed, this medical center will serve hundreds of thousands of veterans across the Rocky Mountain West. The 182-bed facility will include a full range of medical, laboratory, research and counseling services, a 30-bed spinal cord injury unit, a 30-bed community living center and a PTSD rehabilitation clinic.

The original design called for an approximately \$1.1 billion state-of-the-art medical center, but Congress authorized and appropriated \$800 million for acquisition of approximately 40 acres of land and several buildings, as well as design and construction. The original design appears not to have significantly changed, and consequently a funding gap exists between the authorized amount for the contract and the overall cost of the project. This dispute is leaving the sub-contractors who are small businesses left footing the bill as they are required to continue construction without the guarantee of getting paid for work completed. The contract dispute will be heard next month by the U.S. Civilian Board of Contract Appeals.

Completely separate from the decision by the U.S. Civilian Board of Contract Appeals, the project would immediately benefit from insights provided by independent, external experts regarding the VA's construction policies and procedures going forward. I have urged the VA to work with the U.S. Army Corps of Engineers (Army Corps) which has decades of technical and managerial experience in hospital construction, as well as a remarkable track record for completing major construction projects on time and on budget. The VA has the authority to enter into an Interagency Agreement as soon as practicable to allow the Army Corps to conduct a Design-Construction Evaluation (DCE) on this project. This evaluation is a common practice to provide the VA with a full review of the procurement, engineering, construction and project management processes to identify problems and recommend solutions the VA can implement.

The Army Corps regularly completes DCEs on its own projects at major milestones or when potential funding or schedule delays arise.

The Army Corps has also worked with other federal agencies on a number of occasions to conduct evaluations on their construction practices to improve project management and timely project completion. The VA has a strong history of collaboration with the Army Corps on construction projects, and discussions are ongoing for the use of these DCEs on major construction projects, including the Aurora medical center. This approach can be done today, without any congressional action, and I continue to urge the VA to enter into this agreement as quickly as possible.

Our veterans deserve the best hospital possible built at the best price as quickly as possible. They should not be forced to wait even a day longer than necessary for the timely, world-class care this medical center will provide. The U.S. Army Corps of Engineers has the expertise to assist the VA in fulfilling this promise to Rocky Mountain veterans.

I look forward to continuing to work with the VA on this critical project to ensure our veterans receive the healthcare they earned.