

STATEMENT OF  
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NATIONAL LEGISLATIVE SERVICE  
VETERANS OF FOREIGN WARS OF THE UNITED STATES  
  
BEFORE THE  
  
COMMITTEE ON VETERANS' AFFAIRS  
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS  
UNITED STATES HOUSE OF REPRESENTATIVES  
  
WITH RESPECT TO  
  
**H.R. 2006, H.R. 2749, H.R. 2781, and DRAFT LEGISLATION**

WASHINGTON, D.C.

JUNE 29, 2017

Chairman Bergman, Ranking Member Kuster, and distinguished members of the Subcommittee, on behalf of the men and women of the Veterans of Foreign Wars of the United States (VFW) and its Auxiliary, thank you for the opportunity to present the VFW's thoughts on these proposed bills.

**H.R. 2006, VA Procurement Efficiency and Transparency Act**

For years, the Department of Veterans Affairs (VA) has not properly tracked cost savings in the competitive bidding process. Simple databases would allow VA to have a uniform tracking system that would keep track of savings and allow for enhancements across the entire contracting system. The savings provided for VA would ultimately mean a savings for the taxpayers, and allow for money spent by VA to be better used to support veterans.

The VFW supports this bill which would calculate and track cost savings from competitive bidding. This proposal would implement a database that could track the cost of the average bids, and the winning bid, and produce a cost savings analysis for future use. Having the ability to track cost savings is an essential tool VA can use to award contracts more efficiently, providing more potential savings for VA in the long run. Additionally, the VFW thinks using standardizing procurement templates across the entire department would only streamline the procurement process and help VA become more efficient across the board.

**H.R. 2749, Protecting Business Opportunities for Veterans Act of 2017**

Pass-through contracts have been a problem in the Veteran Owned Small Business (VOSB) community for far too long. Hard working veterans who are trying to advance their businesses are plagued by others who are taking advantage of loopholes and under-scrutinized regulations.

It has been far too easy for business owners operating in bad faith to pass off work as their own in order to make a quick buck off the system.

The VFW supports this legislation which would help strengthen the regulations regarding VOSBs, and keep those who abuse the system from continuing to do so. VOSBs provide an integral part of our country's business community. They provide veterans with the outlet to start up their businesses and take part in our Nation's free market system. There are, however, some bad actors who take advantage of the VOSB programs offered and try to abuse the system. This legislation would provide the VOSBs operating in good faith the opportunity to flourish, by removing those so-called VOSBs that do not adhere to the rules and regulations. Removing VOSBs that act as a pass-through for larger entities will clean out the field and give those VOSBs that are doing the right thing the ability to grow.

### **H.R. 2781 Ensuring Veteran Enterprise Participation in Strategic Sourcing Act**

Certain contracts in VA are only attainable by certain larger corporations, and smaller VOSBs cannot compete at that level. For example, contracts for items such as office supplies and janitorial equipment are written in ways that allow large suppliers to attain the contracts, but not smaller companies. Making the contracts more open would allow competition and possibly more cost savings. The VFW feels that having certain contracts unattainable for VOSBs is unfair for competitive contracting and this is something that needs to change.

The VFW supports this legislation that would help improve the abilities of VOSBs to attain federal contracts. If the Department of Veterans Affairs Secretary deems the number of VOSBs awarded contracts under the Federal Strategic Sourcing Initiative to be insufficient, the secretary can consult the Administrator of the General Services Administration to increase the number of awarded contracts. This would help raise the number of VOSBs working under federal contracts and help strengthen the VOSB community. Additionally, if the number of contracts awarded in certain categories is too low, the secretary can order the stoppage of contracts awarded in that category if it is too restrictive for VOSBs to participate.

### **Draft Legislation**

Government agencies have been using internship programs to move veterans into their ranks for years and they are highly successful programs. Thousands of veterans have joined the federal government's workforce through programs such as the Warriors to Workforce Program and the Acquisition Internship Program (AIP). However, VA has been adding veterans to their workforce at a slower rate through these programs. In recent years there have been roughly twenty to thirty participants in VA's AIP, while other agencies are placing almost one hundred candidates annually. Expanding the program to bring in dozens of more veterans is an excellent way to make VA a better government agency.

The VFW strongly supports expanding the AIP. This bill would increase the number of participants in the AIP, more than doubling the current amount. The Warriors to Workforce Program and the AIP provide great pathways for veterans to join VA in procurement or logistics supply chain management fields. More veterans within the ranks of VA will only make it a

stronger agency within the federal government. These programs provide in depth on-the-job training that results in well-rounded VA employees at the completion of these two programs. The VFW strongly supports increasing the number of personnel taking part in the AIP.

The VFW supports developing a plan to reduce duplication and to increase efficiencies within the logistics and supply chain management programs within VA. This effort would reduce unnecessary expenses from matching programs running concurrently. This cost savings could be better spent on improving the existing programs instead of being wastefully spent on similar efforts. Consolidating or abolishing duplicate functions of the Procurement and Logistics Office of VA will help eliminate wasteful spending and make the entire office more efficient.

Mr. Chairman, this concludes my testimony. I will be happy to answer any questions you or the subcommittee members may have.

**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 2017, 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.