

**VA SUPPLY CHAIN MODERNIZATION:
READY FOR PRIME TIME?**

HEARING
BEFORE THE
**SUBCOMMITTEE ON TECHNOLOGY
MODERNIZATION**
OF THE
COMMITTEE ON VETERANS' AFFAIRS
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SUBCOMMITTEE ON TECHNOLOGY MODERNIZATION,
COMMITTEE ON VETERANS' AFFAIRS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

The subcommittee met, pursuant to notice, at 4:34 p.m., in room 360, Cannon House Office Building, Hon. Matthew M. Rosendale, Sr. (chairman of the subcommittee) presiding.

Present: Representatives Rosendale, Self, and Cherfilus-McCormick.

OPENING STATEMENT OF MATTHEW M. ROSENDALE, CHAIRMAN

Mr. ROSENDALE. Good afternoon. The subcommittee will come to order.

Today we will examine the Department of Veterans Affairs (VA) Supply Chain Modernization (SCM) project. The VA refused to share basic information about this effort until a little more than 24 hours ago, giving us no choice but to hold this hearing.

We know the Department spends billions of dollars each year on medical supplies and other goods, and struggles to manage its inventory effectively. The Government Accountability Office (GAO) and the inspector general has written a mountain of reports documenting these problems.

There is waste and dysfunction in every step of the process, and it is frustrating to the healthcare providers who expect to get the right supplies in a timely fashion to care for our veterans. The broken supply chain was on full display in 2020 when COVID-19 caught the VA completely unprepared, and medical center managers were desperately compiling and exchanging inventory lists and rationing supplies to their frontline staff.

After that, the VA attempted to install the Department of Defense's (DOD) medical supply chain system but had to abandon it in 2022 when it failed to meet the most VA requirements.

More recently, the VA put together the Supply Chain Modernization project, which is even more ambitious. I absolutely agree that the VA needs to modernize some key systems and connect purchasing to inventory and payment, but the Department already has a project to do that called Financial Management Business Transformation (FMBT), which we have had several hearings about, and is struggling to finish.

The Supply Chain Modernization project is a gigantic effort, the likes of which we have only seen in the Electronic Health Record (EHR), and we know how that has turned out. It would not only replace the systems I mentioned, it would try to knit together an all-encompassing system to manage every aspect of a unified VA supply chain, from tongue depressors to x-ray machines to printer paper to headstones.

The VA has been soliciting proposals from contractors to do this for nearly a year. Now, we are hearing that a contract award is imminent, but we still have only a rough idea of what the project may entail. The lifecycle cost estimate is stratospheric, huge, and there does not seem to be any approved budget. The effort may extend for a decade, but there is no schedule. The concept is grandiose, but there is very little detail about how it might be accomplished. The VA may actually be preparing to pay a contractor to finish writing its work plan as scheduled.

May—we hear May, May, May, but we do not have any details about this. Our witnesses will assure us the VA's financial liability is limited. However, I am concerned that, in effect, the government will be paying a contractor in order to find out what the government will be buying from that company. That does not bode well. I cannot be the only person that sees this conflict.

In the real estate development business, if you start a project without blueprints or a budget, you are sure to end up with a half-built empty building. This is much the same.

Without a doubt, the VA and the veterans it serves would benefit from a functional inventory management system, and the Department could make better use of taxpayers' dollars if the system used to order medical supplies were connected to the systems that pay for and track them. However, what is described in the VA's request for proposals (RFP) seems to be a bureaucratic empire building mega project.

This needs to come down to Earth before it is too late. We have had expert testimony time and time again come before this committee and say these large software programs do not work. We need to break it down into smaller bites and allow competition to bring the prices down and the strongest vendors to come forward, instead of relying upon two or three of the largest vendors that continue to show up before us that are not delivering on what they are supposed to.

This subcommittee expects truthful and complete answers so we can carry out our responsibility to make sure VA's Information Technology (IT) modernization efforts are on solid ground and prevent more costly failures.

With that, I would like to yield to Ranking Member Cherrilus-McCormick for her opening statement.

**OPENING STATEMENT OF SHEILA CHERFILUS-MCCORMICK,
RANKING MEMBER**

Ms. CHERFILUS-McCORMICK. Thank you, Mr. Chairman.

Thank you to our witnesses for being here today.

This committee takes up many important issues, from ensuring quality healthcare access to efficient and effective benefit delivery.

Underscoring many of these efforts is a timely, successful, and integrated supply chain process.

The Veterans Health Administration (VHA) oversees 170 medical centers that serve over 9 million veterans. VA is one of the most largest purchasers of goods and services in the Federal Government, both in obligations and number of contract actions, spending tens of millions of dollars on medical equipment and supplies, construction, and other purchases each year.

In my 14 years as a healthcare executive, I have seen the importance and necessity of an accessible and effective supply chain system. Without these tools, the hospitals remain ill-equipped to handle the demand. This became painfully evident during the COVID-19 pandemic, when VA facilities were forced to use Excel spreadsheets to report Personal Protection Equipment (PPE) inventory up to the central office.

VA patients and providers deserve a modernized supply chain resources, and it has yet to be proven that VA has the capacity to provide this solution. The COVID-19 pandemic also revealed longstanding vulnerabilities in VA's aging supply chain management system, which led to gaps in the availability of essential supplies and equipment for patient care and safety.

VA's attempt to modernize this system through the Medical Surgical Prime Vendor program and the Defense Medical Logistics Standard Support, or DMLSS, system have been lackluster at best. Government Accountability Offices VA ultimately enlisted in using the DMLSS and is currently in the final steps of procuring a new contract.

Last year, VA testified that it was far along in the process of selecting a modernized enterprisewide supply chain and logistical management tool at least in its third attempt to provide these key services to VA. Yet VA is still operating off a coal-bolted together system as we wait for this new contract to be awarded.

Chairman Rosendale's IT Reform Act, which was passed last Congress, thanks to the support from this subcommittee, requires VA to submit information regarding contracts for major IT modernization projects prior to the award of these contracts to ensure adequate congressional oversight. However, VA has not labeled the supply chain modernization effort as such, leaving the committee largely in the dark regarding to this contract.

To this end, in preparation for this hearing, committee staff have been requesting briefings on the supply chain modernization effort for months. However, VA has dragged its feet on getting information to us in a timely manner. For instance, to date, we have yet to receive an official briefing on this project. Further, just 24 hours ahead of this hearing, VA dispersed nearly 200 pages of documents connected to this supply chain project and forthcoming contract award. This is unacceptable.

Large modernization efforts, specifically those that are highly integrated across the VA enterprise, such as electronic healthcare records and supply chain modernization, require the full breadth of VA support. VA must maintain a leadership role in the modernization and not allow its vendors to dictate product requirements, success metrics, and implementation plans.

I acknowledge VA's assertion that this project is one that expands beyond the Office of Information and Technology (OIT), spanning across the VA's enterprise. However, I remain concerned that the Office of Acquisition, Logistics, and Construction is leading this effort rather than OIT.

I look forward to hearing how VA has strengthened its acquisition framework requirements following DMLSS setbacks and how they plan to develop specific requirements for the eventual vendor of this supply chain modernization solution. I do believe VA can be successful in this effort if they communicate requirements and resources related to programs effectively, and as of now, we have not seen that effective communication.

Thank you, Mr. Chairman. I yield back.

Mr. ROSENDALE. Thank you very much, Ranking Member Cherfilus-McCormick.

I will now introduce our witnesses on our first and only panel today. First, from the Department of Veterans Affairs, we have chief acquisition officer, Michael Parrish. We also have Dr. Ronald Miller, the deputy assistant under secretary for health and support. Finally, we have principal deputy chief information officer (CIO), Mr. Dewaine Beard.

The acting executive director of the Veteran Affairs logistics redesign program, Ms. Chanel Bankston-Carter, is not appearing to testify today. It is deeply concerning that the director of the office running the project that we are here to discuss has either refused to appear or has been prevented by the VA from doing so. We will continue to pursue that matter.

I ask the witnesses, please stand and raise your right hands.

[Witnesses sworn.]

Thank you. Let the record reflect that all witnesses have answered in the affirmative.

Mr. Parrish, you are now recognized for 5 minutes to deliver your opening statement on behalf of the VA.

STATEMENT OF MICHAEL PARRISH

Mr. PARRISH. Good afternoon, Chairman Rosendale, Ranking Member Cherfilus-McCormick, and members of the subcommittee. I am pleased to appear before you today to discuss VA's supply chain modernization achievements thus far and next steps for this critical initiative. Joining me today are my colleagues, Dr. Ronald Miller, deputy assistant under secretary of Health for Support for the Veterans Health Administration, and Mr. Dewaine Beard, principal deputy assistant secretary for the Office of Information and Technology.

VA supply chain's mission is to ensure cost-effective, clinically focused delivery of the highest quality care and benefits with the greatest value in customer experience for our veterans, their families, and our VA's workforce. The success of this mission depends on the input and support of VA's many stakeholders, and we are committed to engaging them throughout this process. This includes Congress, and I welcome today's discussion with you to provide an update of this critical project.

Modernizing today's VA's supply chain is much more than just mechanically deploying an IT system. It also presents us with op-

opportunities to transform the way we fundamentally do business and deliver healthcare in VA. It also allows us to standardize that delivery using an integrated approach to achieve improvements in patient safety and efficiency, all while focusing on human center design to ensure user acceptance across the enterprise.

It is also important to note that there is no singular technology solution that will modernize VA's supply chain because VA's supply chain is not a singular system but a combination of multiple component supply chains, including but not limited to, facilities, high-tech medical equipment, IT, medical supplies, the National Cemetery Administration, pharmaceuticals, prosthetics, and the Veterans Benefit Administration.

Through this supply chain modernization effort, VA is changing how complex systems are acquired in VA by incorporating lessons learned from previous programs, as well as the GAO and Office of Inspector General (OIG), as well as industry recommendations, to ensure success. Additionally, we are using the Supply Chain Modernization program as our initial pilot for the deployment of our new acquisition lifecycle framework process known as ALF.

ALF aligns acquisition and program management practices with laws, regulations, and policies, including leading industry acquisition and standards. This has been and will continue to be a deliberate, field-driven, iterative process in that the project has to complete multiple milestones before we fully commit to spending taxpayer dollars in deploying the expected enterprise solution.

This effort has been ongoing for several years now, which is necessary to get the hard decisions right before we commit taxpayer dollars. For example, in September 2023, VA appointed VHA as a supply chain modernization executive agency and chartered the VA Logistics Redesign, or the VALOR program office, to oversee this Supply Chain Modernization program.

VA also established an enterprise supply chain board, known as ESCB, to integrate VA supply chain efforts under a single governing body to bring together the goals, governance structure, and roles and responsibilities of this program. The ESCB also governs the overall enterprise effort by establishing supply chain policy, alignment of enterprise supply chain operations, and standardizing systems and data management.

Additionally, VA conducted an enterprise assessment of our existing supply chain structures, processes, and technologies. This was followed by a visualization of what VA needs to modernize the supply chain. Finally, we established measurable outcomes to define what success looks like when we get there. All of these were required building blocks prior to getting to the final decision of determining the appropriate industry solutions needed to accomplish this modernization.

We have also recently completed a rigorous phase solicitation that culminated with a prototype evaluation by our field users. In any acquisition will be an indefinite delivery, indefinite quantity, or IDIQ, cloud-based services contract. It is important to note that only task order one, the validation phase, has been approved through the Federal Information Technology Acquisition Reform Act (FITARA) process led by our chief information officer. This initial phase will last no longer than 5 months, and it is designed to

validate the winning bidder's proposal, as well as define the pilot phase and establish incremental deployment strategy.

Upon completion of this initial phase, VA will accomplish a milestone review, including, again, a FITARA compliance, to determine whether to proceed with our pilot phase. Like the solicitation process, the pilot phase requires our industry partner to conduct a technology demonstration and satisfactory user acceptance testing by our field users before we commit to full-scale deployment, by functionality, not location of each component.

Upon completion of these initial phases, a go/no-go milestone review will be held to determine if this effort should proceed to the next phases, which are deployment and sustainment.

Completion of the pilot milestone review will also inform determination by the CIO of this program being designated as a major IT project pursuant to the Cleland-Dole Act of 2022, which VA has not yet assessed this program as a major IT project.

VA remains committed to getting supply chain modernization right for veterans, and we aim this to serve as a model for innovation, applying industry best standards with an eye toward adapting for the future as veterans' needs evolve. To that end, we are committed to working with VA stakeholders, including this subcommittee, to accomplish this important initiative.

Chairman Rosendale, Ranking Member Cherfilus-McCormick, and members of the subcommittee, this concludes my testimony. Thank you for the opportunity to speak about VA supply chain modernization, and my colleagues and I are pleased to answer any questions you may have.

[THE PREPARED STATEMENT OF MICHAEL PARRISH APPEARS IN THE APPENDIX]

Mr. ROSENDALE. Thank you, Mr. Parrish. The written statement of Mr. Parrish will be entered into the hearing record. We will now proceed to questioning, and I recognize myself for 5 minutes.

Mr. Parrish, why is not someone here from the VA Logistics Redesign, or VALOR program, testifying today?

Mr. PARRISH. Thank you for that question, Congressman Rosendale. We do have Dr. Miller, who is the lead of that VALOR office in part of his role.

Mr. ROSENDALE. Okay. Mr. Parrish, Dr. Miller, or Mr. Beard, have any of you read the contractor's proposal for the supply chain modernization project or otherwise familiarized yourselves with the details of that—of what the VA is about to buy?

Mr. PARRISH. No, none of us are involved in that solicitation effort.

Mr. ROSENDALE. We have got information that was presented to us yesterday afternoon, several hundred pages dating back to December, that you actually had access to it. This is information that I have been trying to get for a year.

Do you understand how insulting it is to this committee and to the taxpayers to come up here deliberately uninformed to be the folks that are supposed to be the face, the front of this project?

Mr. PARRISH. Yes, sir, I believe so.

Mr. ROSENDALE. Mr. Parrish, almost a year ago, I sent a letter asking VA to comply with the IT Reform Act and report this project's costs, schedule, and the objectives. You and your col-

leagues repeatedly insisted that you do not have to report to Congress because the project does not meet the major IT project threshold of \$1 billion in lifecycle cost. Lo and behold, yesterday afternoon, the VA finally produced some of the documents and the lifecycle cost is somewhere between \$9 billion and \$15 billion.

Mr. Parrish, please explain to me why you believe this project is exempt from the reporting requirements.

Mr. PARRISH. Thank you for that question, Congressman Rosendale. The key reason it is not a—considered a major IT program is because we have not established a firm budget or a firm schedule, and that is the way we have structured this organization in this process to make sure that whatever we decide to do is established and has been validated upfront. The very first phase, once this contract is awarded, is to ensure that the—that this—

Mr. ROSENDALE. Mr. Parrish, if we—we just received documents yesterday that you have been sitting on for several months—

Mr. PARRISH. Sure.

Mr. ROSENDALE [continuing]. that says that the lifecycle cost is going to be somewhere between \$9 billion and \$15 billion. How can you—how can you exempt yourself from that when the legislation and the law says that you are supposed to report?

Mr. PARRISH. Well, first of all, that was an initial cost assessment, and that is a working estimate that is changing as we get more information. There is a significant amount of assumptions that have been found to be ultimately incorrect, and so that is not a valid budget to be able to commit to yet with VA.

Mr. ROSENDALE. Did the VA design the project specifically to avoid those reporting requirements process?

Mr. PARRISH. No, sir.

Mr. ROSENDALE. I am still befuddled, Mr. Parrish, when you have documents, again, that you have been sitting on, that we have been trying to get, that you have intentionally been keeping away from this committee that shows that you are well over the amount that the law requires you to report, and that you are keeping it from this committee. I do not see how you can tell me that you are looking at scaling back the program to the point that it is going to get below. You are going to take one-tenth? You are going to take 90 percent of those costs and somehow eliminate them?

Mr. PARRISH. Well, Congressman Rosendale, to use your comment that we have talked about multiple years is your concern that this is too big of an effort, and what we are doing is we are modularizing this. Think of subcomponents as I talked about. Each one of those are separate technology solutions, and we are doing it as a service, so we are not buying any hardware that otherwise would be obsolete over time. We have that flexibility based upon integrating with other major programs that we have in VA to assess that at a later time.

Mr. ROSENDALE. Mr. Parrish, according to the documents VA provided, you will be asking Congress for hundreds of millions of dollars every year until 2043 for this supply chain project. Do you think that hiding information until you are forced to provide it the day before you testify under oath inspires confidence in this project and your management?

Mr. PARRISH. I am sure you can see it that way, Congressman, but I will tell you we are not committed to hundreds of millions of dollars per year on this program yet.

Mr. ROSENDALE. Yet. Mr. Parrish, you are not coming—you are not being forthright with this committee when we ask you for information about what you are even planning. We have—you have not come forward and presented a reasonable plan that we can sit down and have a conversation to try and help the VA, and that is where this committee gets very upset.

I will now yield back to Ranking Member Cherfilus-McCormick for 5 minutes of questioning.

Ms. CHERFILUS-McCORMICK. Thank you, Mr. Chairman.

I just have one follow-up question. Could you please go through the budget process of how you came up with that estimate?

You made a little comment earlier when you were answering the chairman's question about how you came up to that estimated amount that you provided to us last night.

Mr. PARRISH. The initial lifecycle cost has been part of the documentation that were provided or the new requirements we have established through this rigorous and methodical process of the acquisition lifecycle framework. One of those components is to get an initial lifecycle cost estimate, and so working with the teams and working with the functions of the enterprise, because that is another big difference and what I consider a major success in VA working transparently and jointly across the enterprise. It is the field and it is those functional areas that establish what we call objectives, not requirements but objectives, to be able to assess that.

Then the cost estimate was established based upon some major assumptions initially that we have subsequently found out was—is—are incorrect, that put that based upon previous experience and other efforts.

Ms. CHERFILUS-McCORMICK. What would you say that budget is now?

Mr. PARRISH. I think that would still be – it is still a work in progress, ma'am.

CHERFILUS-McCORMICK. Are you certain that it does not meet the threshold for reporting?

Mr. PARRISH. I am not convinced of that yet, no.

Ms. CHERFILUS-McCORMICK. Okay. The documentation that we received does say that it meets the threshold, so we are trying to figure out why is it that you came to the conclusion not to report. If at this moment you are not substantially sure that it meets below the threshold, the documentation says that it meets the threshold, where is the ambiguity that makes you think that you did not have to report?

Mr. PARRISH. Well, it is the uncertainty. We do not know that it is going to meet it or not meet it. The initial assessment has some hard assumptions that is allowed us to change—as I mentioned, we are using this as a service-based contract. We are not buying hardware. Some of the assumptions, if you look in there, assume that we are buying billions of dollars of hardware and we are not, and that—

Ms. CHERFILUS-McCORMICK. The main assumption that you have to negate it is that you are not buying billions of software. Is that

what it is, because I am trying to see where the ambiguity is so we can understand.

Mr. PARRISH. Sure. The uncertainty is understanding the actual technology solution that is going to be provided to be able to achieve what we are—you know, what we have asked to do, and that is exactly what the validation phase is for, is we have gotten the proposal, there is an apparent winner, none of us know who that is yet because we have not awarded that contract. When we are ready to do that, that first phase, that apparent winner is going to have to validate what they had proposed to us for what they think the technology is.

Ms. CHERFILUS-McCORMICK. Then you believe that the reporting standard is meant to be after you give the actual contract and they give those numbers?

Mr. PARRISH. We anticipate it actually being after the pilot phase. The other greatness of this—the way we have structured this is the flexibility that we are not obligating taxpayer dollars without fully understanding what our veterans are going to get and our workforce are going to get for a solution. If the solution does not work after the pilot phase—so first phase is to validate that, you know, what is being offered is indeed what is going to—what they are going to deliver as opposed to changing assumptions or getting more—applying more risk back to government. If they pass that threshold, we have another go/no-go milestone, do we continue this project or not?

Assuming they pass it, then we have them do a pilot, in DOD terms low-rate initial production, at a singular location per component, not this massive, you know, silver bullet as we say, so it is per component, say for example, an inventory management system. Then we would have the field come in and test-drive whatever that inventory management system, at that point, knowing what that technology is, because technology obsolescence happens—

Ms. CHERFILUS-McCORMICK. I understand what you are saying. I just want to lean back on to the letter of the law and what the actual act was designed to do, which was to create a transparent conversation and relationship between Congress and the VA, and that is not being met. We just want to make sure that that reporting is being met. Right now, with everything you submitted to us and everything you just mentioned, it has met the threshold. I have not heard anything yet to see—to say that, you know, with a substantial certainty it has not met it.

I do want to shift over—I just wanted to give you an opportunity to explain that, because everything we are looking at says you have met it.

Just switching gears a little bit to talk about the Reform Act compliance. Last Congress, we were able to pass the IT Reform Act, which provided guidelines and support for the VA before it began its new large IT modernization project. Is the VA actively complying with the IT Reform Act for its major IT projects?

Mr. PARRISH. Beyond supply chain you are asking, ma'am?

Ms. CHERFILUS-McCORMICK. Yes.

Mr. PARRISH. I believe we are, and I will pass that to Mr. Beard if he wants to clarify that.

Mr. BEARD. Yes, ma'am. The two major other projects are EHRM, Electronic Health Record Modernization, and our financial management modernization program, and both of those are reporting.

Ms. CHERFILUS-McCORMICK. What are the guidelines for what the VA determines to be a major IT project?

Mr. BEARD. We are using the letter of the law, as passed. I could go back and talk about why this project, we feel at this point, does not yet meet the threshold. The initial cost estimate was unconstrained based on no particular assumptions and was provided to us by an independent contracting organization that looked at everything we could possibly want for a supply chain project. As you can see from the estimate provided, it is quite large and unconstrained.

Then we went through the solicitation process evaluating what really is the realm of the possible. Then we scoped—so after we get a particular vendor that seems usable to work with them in the validation phase to understand, with very modest \$5 million, to see what would be possible, and then from that unconstrained universe that was actually unreasonable to come back to something more constrained. We only believe after we get that nailed down would we be able to, with confidence, have a better budget, and then—

Ms. CHERFILUS-McCORMICK. Well, before my time runs out, I just want to actually—could you explain why the supply chain does not meet that threshold?

Mr. BEARD. Right now, in our budget we do not have any budget beyond 23 and 24 dollars to put toward it, and we do not yet know what we could put in that budget. Right now, it is under 50 million that we are looking at, so we do not really feel that it is risk enough, and we do not feel like we have enough information to give you to have a useful conversation yet about the project.

Ms. CHERFILUS-McCORMICK. I yield back.

Mr. ROSENDALE. Thank you very much.

I recognize the Representative from Texas, Self.

Mr. SELF. Thank you, Mr. Chairman.

If I am right, at least four major areas in VA have been addressed recently. Construction was taken away from the Veterans Administration and given to the Corps some years back. We are dealing with an EHR today, massive failures there. You are trying to do financial management to upgrade, I believe, as a major project, and now we are adding an IT major project. Even if we do away with the construction, you have got three major projects going on, and this seems to be a major IT project regardless of your protestations to the contrary.

If I read the history right, your system, your Generic Inventory Package (GIP), which is abandoned, mainly—many people keep their inventory manually today; you attempted the Catamaran, which was abandoned in 2017; and you adopted the Defense Medical Logistics Standard Support system, which was abandoned in 2022; and now we have got the VALOR program, which you are going to try to establish.

I cannot reconcile—you intend the new contract to be 10 years in length, and yet you tell us that you are going to have—you are going to spend between 12 and 15, initial estimate, between now

and 2043, which is about 20 years. I am trying to reconcile all the information we have gotten from the committee staff here to see exactly what is truth. Then you say this is a services contract, and yet your seventh—what do you call these things—objective talks about optimizing warehouse processes and bulk inventory tracking, and then your number eight, which is more important, is involving the purchase, maintenance, and replacement of medical devices and equipment and their components.

Are you purchasing medical devices and equipment and their components or are you contracting for the services by those devices?

Mr. PARRISH. Congressman Self, for the latter question you are asking about, are we purchasing medical devices and products, we are absolutely doing that today, and that is where we are buying—that is part of medical services buying vendor and it is also buying some of the high-tech equipment and other things.

The supply chain services contract is about creating that backbone to be able to get us that enterprise visibility into order management, asset management, IT—or inform—inventory management, as well as supply chain risk management, and—

Mr. SELF. Yes. Number nine is your IT hardware and software.

One of the weaknesses that apparently you determined was your organizational structure to even support this huge contract. Why are you moving forward—my question is, why are you moving forward with even a pilot if you do not have the organizational structure within the VA to handle this huge contract?

Mr. PARRISH. I will have Dr. Miller answer, but first I will just highlight that a lot of the documents—and I acknowledge that we could and should do better and be more timely in providing documents, but to realize a lot of these were written and established back in 2021 and 2022, some of the earlier times, and we—I think we are in a much better place over the last 2-plus years.

Congressman Rosendale, as we have had these different hearings, you know, we have talked about as we are going through this process, and we have delivered what we have—you know, what we have committed to as far as establishing that roadmap to get to the point that we are at. From a people standpoint, a resources, I will pass it to Dr. Miller.

Mr. MILLER. Congressman, currently the VALOR program is sufficiently staffed for its current activities. As the supply chain modernization effort progresses and we identify the need to increase the staffing, we will appropriately do so expeditiously.

Mr. SELF. Okay. Before I run out of time, what do—what is the output of the 5-month contract? You talk about stakeholders. In 5 months, how are you going to get significant input from your stakeholders, and I assume that is more than VA headquarters?

Mr. PARRISH. I will ask, Congressman Self, is some of the great wins we have had in this project beyond just the IT, because, remember, technology is the last decision in this effort and that is where we are. The first steps were that jointness and transparency and establishing what success looks like, and we had that established. Those requirements, those objectives were developed by the field and tested by the field.

This 5-month initial validation phase is to then create a work breakdown structure and a commitment by the vendor, working in partnership with us, to deliver what we have asked for to ensure we get a level of comfort in our decision-making before we commit to spending, again, taxpayer dollars. That first effort is to validate, because we have seen too many times around Federal Government when projects are—you know, they look good on paper and then, when they get delivered, you have change orders and you have everything else, and we are trying to avoid that from lessons learned from previous projects and previous efforts.

Mr. SELF. Okay. Before I yield, I will just say, every IT project for everyone that does a IT project, remember, it is always over budget, over time, and less capable than suggested. Just remember those three principles of IT projects.

I yield back.

Mr. PARRISH. Congressman, I will acknowledge that. It is the reason we canceled the DMLSS program, exactly because of that.

Mr. ROSENDALE. Thank you very much, Representative Self.

According to the lifecycle cost estimate, the site hardware and infrastructure total is \$1.1 billion. If you take that out of the cost estimate, you are still looking at a \$14.7 billion obligation by the taxpayers. I think it was you, Mr. Parrish, that said that the numbers included a lot of hardware.

Mr. PARRISH. Yes, sir. It was me.

Mr. ROSENDALE. Maybe it was Mr. Beard, one or the other, said that it—that that was not going to be necessary investment, that that could immediately be taken off the bill, if you will. That still is leaving us with \$14.7 billion, which is well within the amount. It is 14 times the amount that you would be obligated to come before this committee and have this conversation about.

Mr. Beard, my question to you is that—so have we dramatically narrowed the scope of the request of the work that is going on? Again, we are talking about an enormous project, and if you are going back in and trying to modify and massage these numbers, there is a dramatic difference in what has been requested and what is going to need to be requested in order to fall within the guidelines that you are not obligated to come before this committee and start making requests and have a conversation about what is going to take place or what is not going to take place or, in your words, what would be possible.

Are you trying to talk to the contractors about what would be possible to get below the \$1 billion range, or are you talking about what is going to be possible in the scheme of technology to deliver a system? One means that you should be before this committee on a regular basis giving us our updates and the other is not. Where are you landing on that, and what are we to expect?

Mr. PARRISH. Congressman, let me jump in first, and I will pass it to Dewaine, is, again, I will just reiterate that this is a services contract, and we are not committed to what is on that piece of paper that you saw originally from a—the—a—

Mr. ROSENDALE. Well, then why is that the only information that I received, because that is the information that we have received and that is what we have to base our questions upon, because,

quite frankly, you have kept us in the dark on the whole system and providing us what in the heck is going on.

Mr. PARRISH. Noted, Congressman.

Mr. BEARD. Congressman, to return to your question, as I said before, the initial estimate was all the universe of the possible. As you know, our budgets are quite constrained, and we have—as Mr. Self said, we have plenty of other projects that are competing for those limited budget dollars.

Mr. ROSENDALE. Are we looking to narrow the scope of the work or are we looking to start having a good, honest conversation with Congress about what you are going to develop?

Mr. BEARD. We first need to understand the scope and understand what is affordable, what are the foundational things we must do in order to get a great result for veterans and those that are being served in VA.

Mr. ROSENDALE. Simple question, Mr. Beard: Are you narrowing the scope so that you can get down below the \$1 billion level or are you going to be coming forth and being forthright with us about what you are planning to do?

Mr. BEARD. Congressman Rosendale, our goal is not to game the system in attempt to get below the reporting threshold that is in law. We are trying to understand what it is possible for us to afford and then roll forward.

Mr. ROSENDALE. Then we should be expecting to get regular reports from you, because, clearly, you are not going to get below that \$1 billion level, okay.

Mr. BEARD. Absolutely, sir.

Mr. ROSENDALE. Okay. Then what the other thing is I want to make sure we are exceedingly clear about, any kind of proposal that starts getting structured that says and this will be added on later and this will be added on later, those costs are all going to need to be identified upfront, because we are tired of going through a process where the software companies continue to milk the American taxpayers on change orders and additions later on that we are not aware of what the prices are.

Mr. BEARD. Absolutely, Congressman.

Mr. PARRISH. Absolutely.

Mr. BEARD. I agree with you completely.

Mr. ROSENDALE. We can establish, then, that this is going to be a program that is going to be well above the criteria that is necessary for you to be reporting here?

Mr. BEARD. Absolutely, Congressman.

Mr. ROSENDALE. Okay. We are going to be looking forward to having those.

Dr. Miller, which of these systems are you planning to keep—oh, I am sorry. I need to go—are we ready to bring the honeycomb up? I will do that on the next round of questioning because it is going to—yes, yes, yes. We will get ready for the next round of questioning.

I am going to go head and yield to Ranking Member Cherfilus-McCormick.

Ms. CHERFILUS-McCORMICK. Thank you, Mr. Chair.

My question is for Mr. Beard. It seems that VA is increasingly moving its major IT modernization efforts out of the Office of Infor-

mation and Technology. What concerns do you have with this trend, and do you feel that the business lines have the requisite capabilities to develop these efforts?

Mr. BEARD. I really appreciate the question. In my experience, whenever IT has tried to lead a project, there is significant pushback from stakeholders and end users. The perception is often that IT is trying to do something to the user community that forces changes in business practices and is uncomfortable for them, which leads to many projects failing because users failed to adopt them.

What we have determined in VA is it is better to partner with the stakeholders, understand what the outcomes are that they are after and bring them along every step of the way, so that they are driving the outcomes that any technology solution must deliver, so that they are owning their requirements, they are understanding the changes in business processes that may be required in order to implement a technology solution effectively.

While it may seem unorthodox to have IT not at the helm, rest assured we are integrated fully throughout the process, but we are letting the business lead the requirements and the change management so that they feel complete ownership of the project. Gartner and others say a best industry practice is to have a unified team where there is no separation between the business and IT as we develop especially these large projects that will have a significant impact on business processes.

Ms. CHERFILUS-McCORMICK. You do not have any concerns?

Mr. BEARD. I do not have concerns about the past as well as the future. Every IT project, especially one of large scope, is fraught with risk. It requires active management and constant attention. That is why we show up every day shoulder to shoulder with our business partners to work on this project. It is not something we do as a part-time effort. We are dedicated to making this work as we are with EHRM and FMBT.

Ms. CHERFILUS-McCORMICK. Mr. Parrish, in June 2023 letter, the Secretary noted that the supply chain modernization solution would seek to facilitate enterprisewide integration and data sharing between other VA modernization efforts, like electronic health records and the Financial Management Business Transformation program. We have already seen delays occur with the FMBT program due to forced interdependencies with EHRM and the previous supply chain modernization efforts. How does VA plan to align supply chain efforts with the EHR in the midst of these nationwide pauses?

Mr. PARRISH. Well, thank you for that question, Congresswoman Cherfilus-McCormick. I will add to the earlier question also, I will say that part of our acquisition maturity and acquisition processes that we are putting in place around governance, I think that we are very comfortable working across the enterprise with the OIT team as well as the functional champions, if you will.

To your point specifically about how we are integrating with other programs, part of the maturity, again, is developing that integrated master schedule and saying here is where supply chain fits. Supply chain is what we have established working already with the EHRM program and the FMBT program is they are the leads on their current efforts because they are ahead of supply

chain. Technologically that we have to meet their requirements, whatever it is at that point, so that we are not going to disrupt that, and we are not going to go back to the change orders, and we are not going to make a lot of dependencies on vendor lock, if you will. We want to keep the maximum flexibility to the government to minimize those taxpayer dollars and the reuse.

Ms. CHERFILUS-McCORMICK. How does the fact that VHA is currently using two different EHRs and the lack of a baseline EHR impact plans for supply chain modernization?

Mr. BEARD. Can I take that one?

Mr. PARRISH. Sure, go ahead.

Mr. BEARD. The integrations that we have with our legacy systems, including our financial management systems and our legacy inventory systems for the EHR, have already been worked through at our initial sites. Those interfaces are well established and are functioning today. That is already well known, and we have a clear path for the same interfaces or same types of interfaces for any supply chain modernization effort. We are really clear about what is required for the—both electronic health records for use of any supply chain modernization.

Ms. CHERFILUS-McCORMICK. Mr. Beard, according to VA's Office of Inspector General, one of the main operational gaps was the deficiencies in managing data and information sharing. How does the VA plan to reinforce the privacy of veterans' data in the new supply chain modernization solution?

Mr. BEARD. Right. In cooperation and collaboration with our Data Governance Council and our chief data officer, we are baking privacy and security in at the beginning. We are looking at categorizing data as private or secure based on its—what it is, where it rests and the systems that it is in, and then throwing—flowing through data loss protection around those as they are used by individuals based on their role. That is part of our enterprise data warehouse and data management strategy and the technologies we are building today.

Ms. CHERFILUS-McCORMICK. I yield back.

Mr. ROSENDALE. Thank you very much, Ranking Member Cherfilus-McCormick.

I now recognize the gentleman from Texas, 5 minutes of questioning.

Mr. SELF. Thank you, Mr. Chairman.

I want to go back to the governance. You said, Mr. Parrish, that you answered the—you corrected the governance several years ago. When did you identify the weakness most recently to us?

Mr. PARRISH. Are you addressing the DMLSS program, sir?

Mr. SELF. I am addressing your needs statement, your business and mission needs statement.

Mr. PARRISH. Please repeat the question.

Mr. SELF. I believe it was written this year, in January of this year, and identified the weaknesses in your governance program. I question your memory on when you actually identified the weaknesses that you are going to have to correct.

How in the world—I want to ask you what you mean by the analysis said you are going to leverage the supply chain program to gain consensus from all of your stakeholders. I do not even know

what that means. You are going to leverage the supply chain program that we are developing on the fly now to gain consensus or you are going to gain consensus before you move forward?

Mr. PARRISH. We are gaining—we already have consensus and are gaining consensus as we continue this process across the enterprise.

Mr. SELF. Okay. Before you go to your validation phase, you have gained consensus?

Mr. PARRISH. From——

Mr. SELF. If I went to the Veterans Integrated Service Networks (VISN), the various VISNs, all of your offices, they would agree that what you have outlined is what they want, what they need?

Mr. PARRISH. Congressman, I will defer to Dr. Miller to validate that, but we have—part of—what we have done here successfully is ensure that the field from the very beginning is involved in the decision-making as well as involved in the establishment of those objectives.

Mr. SELF. When did you establish VALOR?

Mr. PARRISH. VALOR was established before DMLSS. It was the program office that was running the DMLSS program before we stopped that, and they just—they transitioned into operating here.

Mr. SELF. That is right. Evolved from the failed DMLSS, is that the way you say it?

Mr. PARRISH. DMLSS, yes, sir, Defense Medical Logistics——

Mr. SELF. Okay. So—but you transitioned in probably 2022 or 2023?

Mr. PARRISH. 2022, yes, sir.

Mr. SELF. 2022.

Mr. PARRISH. What we did is we took a step back after we saw how DMLSS was over budget, behind schedule, and not delivering what was needed in the field.

Mr. SELF. Those are my three points.

Mr. PARRISH. Yes, sir. Cost, schedule, performance. That is what we believe.

Mr. SELF. I am telling you, that is what we are going to see here. I question the fact whether you have consensus in that short a period of time.

Mr. PARRISH. In the last 2 years?

Mr. SELF. Absolutely.

Mr. PARRISH. Okay. I will——

Mr. SELF. You are still designing the program. You cannot even give us a budget, which means you do not have the program designed, de facto.

Mr. PARRISH. I respectfully disagree with that, Congressman, but I will pass it off to Dr. Miller.

Mr. MILLER. Congressman, I will go back to your earlier question and answer both your questions. The field has been involved since day one, and I will start back from governance, on your question of governance. The gap analysis that was completed in early 2023 identified the need to restructure the governance. Because of that, we have established an enterprise supply chain board that is represented by every administration and every program office, to include having a network director on the supply chain board as an adviser who keeps the field abreast.

We also keep Greg Goins, from VISN 9, network director. He is also the person I keep informed throughout the process that informs the field. Not only do we—do I inform the field through him, I inform the field through VHA small group meetings and established governance boards as well.

Mr. SELF. Okay. Let us explore that. The supply chain board I was going to ask you about because that is something that VA does very well, establishes new organizations to do things that you have been doing. If I went to Jason Cave, the director of the Dallas big VA, what is he going to tell me about this program? What is he going to know about this program, the director of the second largest VA medical center (VAMC) in the system?

Mr. MILLER. I will not—Congressman, I will not speak to what he knows, but I will tell you that he is aware of the supply chain modernization effort. He has been—the field has been involved in that, to include the acquisition process as well, and as we established governance. I am not—I cannot say what he knows and does not know.

Mr. SELF. I am going to ask him, Dr. Miller, because I think that is a great way to figure out who knows what. If you say—tell me that you have got consensus from the stakeholders before you even do your 5-month validation, I think you used the word, I am going to ask Jason Cave what he knows about this program. I think that is—I think we ought to probably ask that question of all of the VISN directors, just to see what the field knows before we go further, Mr. Chairman. I recommend that.

I yield back.

Mr. ROSENDALE. Thank you very much, Representative Self.

I find it fascinating that we sit here and you claim that this was not necessary to bring before this committee, and yet then, as you sit there and talk to Representative Self, you say that we have had these discussions with all of these key players, and we have been gathering all this information. We have documentation that shows that you have financial information brought, but yet you tell us that we really were not committed to anything yet. That is doublespeak.

The American public is sitting here listening to this, and they are hearing you say we did all this work, we got all this information, we got all these estimates, and then you sit here and say, but we are not committed to anything because we did not have to talk to you folks about it.

Can we bring the honeycomb up now? Thank you.

Mr. Parrish, I want to bring this project down to Earth. If you can find commercial software to meet your requirements, you may be able to succeed, otherwise you will wind up like the EHR Modernization program paying a company to rebuild its software to meet your needs.

We are up there. Okay.

Mr. Parrish, this is VA's diagram of all its systems related to supply chain.

Mr. PARRISH. Yes, sir.

Mr. ROSENDALE. I think that you are familiar with this.

Mr. PARRISH. Very much, yes, sir.

Mr. ROSENDALE. What is the commercial software, either as one system or a combination, able to accommodate out of that honeycomb right now?

Mr. PARRISH. Well, Congressman, I do not know any particular singular solution that does that, as I mentioned. You know, back to your earlier point, we are very much—

Mr. ROSENDALE. Do you know of any system that is able to accommodate some, part of that, that you are talking to?

Mr. PARRISH. I think there is—there are a couple of known products that we are using already that could take over some of those different sections, but I am not going to comment on current technology.

Mr. ROSENDALE. Okay. Dr. Miller, which of these systems are you planning to keep and integrate with the new software? Approximately how many new systems do you expect to buy, and how will all that work together?

Mr. MILLER. Congressman, to answer your question what do we expect to take off line, that is an unknown right now. As we work through the objectives and the requirements of what the functionalities are, then we will assess each of these to see which can come offline at that time.

Mr. ROSENDALE. Okay. This is heading us down the exact path that we saw EHR go through, and that is we want to develop a system that is going to accommodate all this data. It is going to accommodate the pharmaceutical department, it is going to accommodate all the records for the veterans, and it is going to flow very smoothly, as we were told. Yet all these different components had never been put together by one software company to manage all that data before. We, as taxpayers, are on the hook now for a \$9 billion system that is supposed to be functioning at 179 hospitals, and it is rolled out at five and is not even fully functioning at them.

I am very concerned, again, that you are heading down this exact same path where you are going to get into work orders, you are going to get into these different contracts that are making long-term commitments based on additional components being brought in that a current software company is not able to accommodate right now that we are going to be on the hook for. This is how, unfortunately, I believe that you are avoiding bringing all this information before this committee, because you are taking a small component at a time and you are putting us on the hook for all of that.

Mr. Parrish, when your requirements are this massive, you limit the pool of companies that can compete for this work, and we have had many hearings about that. We held a hearing last May examining this exact problem.

Did you consider this problem when you came up with your strategy, and do you agree that it is even—is a problem?

Mr. PARRISH. I do agree that single contractors or vendor lock-in are a major problem inside Federal Government, and I think that a key component of this is maintaining that main flexibility. What we are not buying, to your earlier point, Congressman, is we are not committing to a singular technology. We are committing to partnering with someone who has a service who then can find those multiple technologies. Again, it is sort of like a Rubik's Cube. It's subcomponents. It is not a singular silver bullet. It is seven to

ten different types of technologies for that honeycomb structure that you show, which is also a great win when we finally figured out how many different systems we had. That was up in the very beginning of this as-is process.

We are not committing dollars. We are committed to solving the problem, but we are not going to commit taxpayer dollars or technology to something that is going to be obsolete in a year or two that we are going to be stuck back here again, to your point, Congressman.

Mr. ROSENDALE. Well, we expect for you to be back here before us as we go through this process, as Mr. Beard has said. We have already established that you are going to be well above the threshold in order to keep this from this committee, so we expect to have you back before us on a regular basis now.

Mr. PARRISH. Thank you.

Mr. ROSENDALE. I yield back to Ranking Member Cherfilus-McCormick.

Ms. CHERFILUS-McCORMICK. Thank you, Mr. Chairman.

One of the foundational issues the VA cites as a barrier to effective managing the full supply chain modernization effort is adequately staffing levels, citing that these responsibilities are often an additional duty rather than a core responsibility. What steps is the VA taking to bolster its modernization workforce? Amidst the rollout of several modernization efforts like supply chain, the electronic health records, and others, why has the VA not prioritized a modernization workforce?

Mr. PARRISH. Well, ma'am, I will start, and then I will pass it to my colleagues. I will say that, you know, one of the successes we did with the EHR program, if you recall from last year, is it was establishing dedicated functional champions, and going—taking that lesson learned as a best practice inside this program with supply chain is we have functional champions from those different functional groups, pharmacy and whatnot, that are dedicated to doing this effort. We have teams that are co-located, you know, between OIT and VHA to—that are dedicated to this project.

I do not know if you want to add on there?

Mr. BEARD. I cannot speak to what the other components of VA are doing around modernization workforce. In terms of the IT department, our entire workforce is committed to becoming a continuously evergreening model of software. We have done a lot to componentize our software, to make Application Programming Interface (API) and platform-based decisions so that we can continuously modernize without doing big bang waterfall-based projects.

You can see this in our approach to VA.gov, to our flagship mobile app, to our benefits platform, where we are able to break things into small pieces and update them without breaking the entire system so that components seamlessly update throughout its lifecycle. That is a mindset and skill set shift we have undertaken in the Office of Information and Technology. We are committed to continuing that in perpetuity because that is just the way modern IT systems are delivered. Again, the modernization workforce outside of OI&T, I cannot speak to how they are applying the similar principles.

Mr. PARRISH. Ma'am, we will—Dr. Miller, go ahead.

Mr. MILLER. Ma'am, I will speak to the supply chain modernization effort. Currently, as I spoke to Congressman Self, the VALOR program is sufficiently staffed for its current activities. The personnel that are there are adequately certified and credentialed for project management and as well as program management, acquisition management at higher level. We are appropriately staffed at the current time.

Ms. CHERFILUS-McCORMICK. What barriers are you facing in recruiting talents when it comes to implementation and hiring and keeping employees?

Mr. MILLER. I think we face the same barriers as the rest of the Federal Government when it comes to certain certified positions. It is—because program manager requires certain certifications, and not having those—and finding the qualified staff with those certifications is a challenge for all of us. What we do is we bring in staff, we train our staff internally to get those certifications to build them up.

Ms. CHERFILUS-McCORMICK. Go ahead.

Mr. MILLER. No, that was it, ma'am.

Ms. CHERFILUS-McCORMICK. Do you have any recommendations that you would like to bring forth on how we can help you overcome those barriers to acquiring talent?

Mr. MILLER. Not at this time, ma'am. I owe you a response for that.

Ms. CHERFILUS-McCORMICK. Mr. Parrish.

Mr. PARRISH. Well, ma'am, I think that—to Dr. Miller's point, I think that the challenge of the Federal Government is the way the entire Federal Government acquisition—or hiring process is. It takes significant time. You know, when we find qualified candidates, taking 3 or 4 months to vet them and get them on board, by then they will already have found another job and they will not wait for us, and that is an observed and acknowledged problem across all of government.

Ms. CHERFILUS-McCORMICK. Now, the DMLSS project faced several setbacks, as identified by the committee and the VA's Office of Inspector General. We had a number of hearings last Congress and sent numerous letters expressing the flawed approach that VA was taking. What steps has the VA taken to reinforce its acquisition framework requirements and rectify the mistakes of the past to ensure it will be investing in a solution that meets the requirements of its workers?

Mr. PARRISH. I think the biggest thing, Congresswoman Cherfilus-McCormick, is I was the one who kind of initiated the effort with our OIT and VHA teams to identify that it was above budget, behind schedule, and not delivering what was promised. We took—we have taken those challenges and applied it to this process here. This is why it is a services-based contract, not buying a single technology that otherwise will be obsolete.

The evergreening idea is sort of like—is the idea where technology can renew and refresh over time. Once the technology becomes obsolete, the obligation on the services winning bidder or vendor is going to have to apply any new technology. That is why we are technology agnostic more than we are buying a piece of

hardware or buying a piece of equipment or software that we are going to be locked into for 10 or 20 years.

We are focusing on taking those steps methodically and with the field upfront to ensure that we are getting what we want and we are buying and we are not going to commit to moving forward unless we know for sure, testing it, that it is working. We are not going to rely on a contractor to tell us what it is we want. We have got standardized service-level agreements, part of another best practice we took out of EHR effort, if you recall from last year, was those service-level agreements have become the standard across all of these major programs. They are incorporated here inside the supply chain modernization effort as well.

The vendor has the obligation to pick the technology. We have the obligation and we have the oversight and the checks and balances to make sure that we are not going to buy something that is going to be obsolete or buy that service, and that is exactly why we are having these tollgates, these small, methodical, slow tollgates, so we are not committing these billions of dollars on what you see on that piece of paper there.

Ms. CHERFILUS-McCORMICK. Thank you. I yield back.

Mr. ROSENDALE. Thank you very much.

Representative Self.

Mr. SELF. Thank you, Mr. Chairman.

We have talked a lot about this services contract. This is an IDIQ contract, sir. That scares me to death, because this is what gets out of hand. We are \$34 trillion in debt. My colleague, Mr. Crane, is not here today but always makes the point that dollars are going to be really scarce in the future. I think we just need to realize that. An IDIQ, even if you have got all of your validation down and you are confident going forward, IDIQ scares me to death going forward.

I do not understand the chain of command. Would you just—for just three organizations. VHA is the SCM executive agency. Then you have got VALOR underneath the VHA, I believe, and then you have got the Enterprise Supply Chain Board.

Is the Enterprise Supply Chain Board the senior organization in this chain of command?

Mr. PARRISH. No, sir. If I can go back to your comment about IDIQs, I think the greatness of the IDIQ is we do the actual obligation of funds based on task orders. We are not committing billions of dollars upfront. We are only committing a little bit upfront.

Mr. SELF. Yes, but this is where it gets out of hand because you nickel and dime Congress to death. That is what I have—that is the problem I have with an IDIQ.

Mr. PARRISH. Sure, understand.

Mr. SELF. Because long history with IDIQ, that is what happens is, once you establish the program and you start these task orders, they just start rolling. I am very concerned about that.

I think Congress needs to take a hard look at the IDIQ nature of this contract because I want to know how you are going to cap this thing. I do not care if it is 12 billion or 1 billion. How are you going to cap this IDIQ?

Mr. PARRISH. Exactly through that governance structure you were asking about. I will start from there, sir, is we designated the

VALOR office as part of VHA as the executive agent. Then the Enterprise Supply Chain Board is an enterprise across the entity with all stakeholders involved, and that is co-chaired by my deputy, along with Dr. Miller. That reports up to—the operational aspect of supply chain is on that VHA side. I am the program decision authority from the acquisition decisions, if you will, for getting through the milestones.

The next level up above ESCB, not as a senior authority, is our VAOB, which is our VA Operating Board, which is chaired by the deputy secretary. From there it goes to the VA Executive Board (VAEB), which is chaired by our secretary.

Mr. SELF. You are the Chief Administrative Officer (CAO)?

Mr. PARRISH. Yes, sir.

Mr. SELF. I did not understand that. You are the actual CAO that you reference here?

Mr. PARRISH. Yes, sir.

Mr. SELF. Go through the chain of command again. I have got a couple of minutes. We have got time to do this, because I want to understand.

Mr. PARRISH. Sure. At the operational level is—it is the VALOR office. That is the day-to-day cost schedule performance effort.

From a supply chain management, beyond just the contract, the management structure, it is the ESCB, which is the Enterprise Supply Chain Board. That board consists of the functional champions, functional members from each of the different organizations.

Mr. SELF. Including cemeteries?

Mr. PARRISH. Including cemeteries, yes, sir.

Mr. SELF. Okay. Which I—

Mr. PARRISH. Which includes hospitals and everyone else.

Mr. SELF [continuing]. I questioned. Okay, go ahead.

Mr. PARRISH. They are at the table, along with OIT and the lawyers and otherwise.

Mr. SELF. Right.

Mr. PARRISH. From an acquisition standpoint, this is where I am the decision authority from an acquisition component.

ESCB also then goes up to—both of us then go to the VAOB, which is led by our deputy secretary, Bradsher.

Then above VAOB is the secretary, who is the ultimate decision authority, the VAEB, the executive board. Operating board, executive board. That is how it flows up.

Day-to-day operations is with Dr. Miller.

Mr. SELF. Okay. That helps my understanding.

You may be about to address this, Mr. Chairman, but I think we need to be looking at H.R. 2499. I just do. If you do not address it, I will.

Thank you, Mr. Chairman. I yield back.

Mr. ROSENDALE. Thank you very much, Representative Self.

Dr. Miller, I want to dig into what you are requiring the contractor to do so that we can establish this work. You have 10 big requirements, each of which would cost hundreds of millions of dollars. Let us start with the high-tech medical equipment. X-rays, MRI machines are a lot different than bandages and gloves.

Roughly, how much high-tech medical equipment does the VHA have now, and how many machines do you buy in a typical year?

Mr. MILLER. Congressman, I am not able to answer that question. I owe you a response on that.

Mr. ROSENDALE. Okay. Have you estimated the cost of the systems to manage the high-tech medical equipment supply chain?

Mr. MILLER. The current system we have or the new system?

Mr. ROSENDALE. Going forward, have you estimated the cost of the systems to manage the high-tech medical equipment supply chain, that segment?

Mr. MILLER. The process is the functionality. We inventory for all, all equipment and supplies across the enterprise. In the validation phase, which I have not seen the proposal, we will get the proposal, and we will validate what the awardee states that they can do and what that cost will be.

Mr. ROSENDALE. You have not estimated the cost of the system to manage that high tech segment of the supplies that you—

Mr. MILLER. In an independent government cost estimate, that is laid out, Congressman, and I do not have that in front of me because it is acquisition sensitive. I did not bring it with me.

Mr. PARRISH. Congressman, if I could add to that. What we do not know is, for us here on this panel, is we do not know what was in the proposals because we have not awarded the contract yet. In the proposals there is a number somewhere that we are not privy to because it is still sole source selection sensitive. There is an estimate in there for each one of those components, because that was one of the deliverables out of the sole source.

Mr. ROSENDALE. Okay. See, this is the kind of information, again, that we need to have, and without having the proper people here to provide it for us, we are not able to do our jobs.

Mr. PARRISH. Correct. I do not think any of us could provide that to you just yet because we do not know it.

Mr. ROSENDALE. Mr. Beard, VA's request for proposal also includes the IT hardware and software supply chain. According to OIT's budget, you support more than 1.95 million pieces of IT equipment, including 600,000 computers and 120,000 smartphones.

How many systems do you have now to order, receive, inventory, and dispose of all that hardware? How many systems do you have now to take care of that?

Mr. BEARD. Ordering, we use a standard ordering process. We use a couple of different systems in VA to receive the equipment. We have Maximo at some facilities, and we have our old Veterans Health Information Systems and Technology Architecture/Integrated Funds Distribution Control Point Activity Accounting and Procurement (VistA/IFCAP) system that we use, or Automated Engineering Management System/ Medical Equipment Reporting System (AEMS/MERS), to bring supplies in through the warehouses.

Mr. ROSENDALE. To inventory and dispose of the hardware as well?

Mr. BEARD. Correct.

Mr. ROSENDALE. Okay. Mr. Beard, are you expecting to consolidate all those functions into one system, and how do you envision that working as we move forward?

Mr. BEARD. Again, I would love to have one system, but I do not know what the proposals have come back as. I cannot speak to

what our ultimate product would be. It is too early for me to say that there would be a product.

Mr. ROSENDALE. Okay. Again, what this demonstrates is that the people that are here to provide us information do not have the information that we need in order for us to do our job.

Mr. Parrish, another one of your requirements is facilities management. Roughly, how many buildings does the VA have, including owned and leased, and how many VA employees maintain those buildings?

Mr. PARRISH. I will take that for action, Congressman. I am not aware.

Mr. ROSENDALE. Okay. Mr. Parrish, how does facilities management relate to medical supplies or high-tech medical equipment or IT hardware? What benefit do you expect to realize from integrating all of those functions together to justify the cost?

Mr. PARRISH. Again, Congressman, it is a separate component, subcomponent of this overall idea. It is not going to integrate necessarily from a technology solution to the medical/surgical prime vendor.

I will add that, for example, part of the challenge is not having this visibility, and that is what the technology solution is going to get us. Like, what is the status of a certain facility?

For example, pharmaceuticals. Some of the Consolidated Mail Outpatient Pharmacies (CMOP), you know, some of the pharmacy efforts are inside some of the facilities that we have. To understand that and to understand how those systems are operating and understanding what the maintenance status is or what the preventive maintenance is, all that is the kind of information that we look to get out of this effort, which we—

Mr. ROSENDALE. I understand that, but here is what I will tell you. Having an extensive real estate background myself, okay, the guy who is managing the grounds and the building for the pharmacy does not know how much penicillin is going out that week. Okay? They are two different things.

Mr. PARRISH. Yes, sir. That is right.

Mr. ROSENDALE. To try and integrate all of that information together does not sound like a really good idea to me.

I yield to Ranking Member Cherfilus-McCormick.

Ms. CHERFILUS-McCORMICK. Thank you, Mr. Chairman.

Mr. Parrish, both GAO and OIG have voiced continual concerns regarding the acquisition design and implementation plans for the supply chain modernization project. GAO specifically included five leading practices for effective pilot design, to include establishing clear and measurable objectives, data collection strategies, implementation plans, and stakeholder communication pathways.

Do you feel that the VA's approach to the supply chain modernization efforts have followed these practices thus far? If so—

Mr. PARRISH. Yes, ma'am. When we get to the pilot phase, we absolutely do that.

To go back to Chairman Rosendale's comment, we are not integrating between pharmacy supplies and facilities. Each one of those components, when they do the pilot phase, will be separate and distinct to their specialty and to their area.

We are working with GAO, and we have those best practices, along with OIG, to make sure that we are incorporating those into that phase when we get to there.

Ms. CHERFILUS-McCORMICK. I believe you mentioned that you have defined successful matrix for the validation phase of this modernization effort. Did I hear you correctly?

Mr. PARRISH. Repeat the question again, ma'am.

Ms. CHERFILUS-McCORMICK. That you have identified successful matrix for the validation process.

Mr. PARRISH. We have identified success measures of this program, which is enterprise visibility of, as I mentioned, asset management, order management. Asset management applies to the facilities. Order management applies to ordering those systems widgets or whatever.

Inventory management applies to knowing how many cotton swabs we have across the enterprise and in each VAMC, which as you rightly mentioned, ma'am, we identified that gap during COVID when we had to go out and count, you know, manually what all these items are.

Then the last one is supply chain risk management, to understand multiple levels down where the material is coming from, China or otherwise. That is the kind of visibility that we are looking for the definition of success.

Ms. CHERFILUS-McCORMICK. Did you define these matrices or did the vendor define these matrices?

Mr. PARRISH. Oh, definitely not the vendor, ma'am. This came from the field. I am not a vendor person, so I do not—I do government-only meetings.

Ms. CHERFILUS-McCORMICK. How will you ensure that these matrix that come out of this actually measures the success of the product?

Mr. PARRISH. That is exactly where the pilot phase comes in. Also, once something is deployed, there is, just like we have in those, established now, service-level agreements from EHR, is there is continuous, on a monthly, quarterly basis, whatever gets established, the reporting structures.

The other part we are including and looking at including is independent validation and verification, and not just independent from a vendor doing it, but independence so there is no dependency of whoever is doing that validation to have that separate. That is kind of a big, you know, operational thing that we need to incorporate into this going forward. That is years down the road, but we are looking at incorporating that in other projects right now as well.

Ms. CHERFILUS-McCORMICK. As these matrices and requirements are addressed during the validation phase of the supply chain project, will you commit to sharing these documents with the committee?

Mr. PARRISH. Yes, ma'am.

Ms. CHERFILUS-McCORMICK. Thank you. I yield back.

Mr. ROSENDALE. Thank you, Ranking Member Cherfilus-McCormick.

I recognize Representative Self.

Mr. SELF. Thank you, Mr. Chairman.

How much independent authority do your—and I will call them senior directors—across all of your enterprise have? For instance, VISN directors, because you are going to establish a services contract, and, from my limited experience, they are so individual in their authorities, in each of the major medical centers.

For instance, are you sure that what you provide, what you determine will be the project, is going to be accepted by your senior directors? What independent authority are they going to have to do something different? There is where the nickel-and-diming comes in.

If your VISN directors, for instance, and there are many, many other across the enterprise, but just taking those, for instance, there is where your IDIQ could get out of control. How in the world are you going to limit their authority to run their medical center in the way that they see fit? One size does not fit all.

Mr. PARRISH. Congressman Self, thank you for that question. I will say that we have spent a lot of time, and this is why we have not committed billions of taxpayer dollars on this, to make sure that we have got jointness across the enterprise and we have worked with the field, the VISN directors and the VAMC directors, to make sure that they are buying into this. We do not want the challenge that when something gets deployed that nobody accepts. That is the qualitative aspect. That is why the concept of human center design and change management is done at the very beginning, before we even start spending a dime. That is where a lot of the processes have been done to improve this.

Today, separate from this—or a part of this is the idea of category management. We are working on standardizing some contracts to make their life easier. That is the real intent of this is to make our VA teammates out in the field, make their lives easier to order equipment and make sure it is delivered there on time when they need it.

I do not know if you want to add anything to that, Dr. Miller.
Mr. MILLER. No.

Mr. SELF. Okay. I go back to the 5-month project for validation. Five-month projects probably do not scale to a 10 or 20, depending on which you read here, project. I am very concerned about the way you have structured this.

I think to protect the American taxpayer, Mr. Chairman, I am recommending that we take a look at the 2499 in full committee, and I recommend we take that to the full committee and examine it based on the information that we are just now getting out of the VA.

With that, I yield back.

Mr. ROSENDALE. Thank you very much.

Mr. Parrish, you have told us that the VA is buying functionality, not software, but you have been describing a process where the VA pays a contractor to tell you what software provides the functionality that you need. How are you going to know whether their advice is biased or not before we start obligating ourselves to big dollars?

Mr. PARRISH. I think a key component of that is that Independent Verification and Validation (IVV) process that I talked about. The other comment I would make, Congressman Rosendale,

is the fact that we are not relying on the contractors to tell us what we need. We have specific objectives that we expect them to deliver.

For example, I will use just the cliché of scrambled eggs when you go to a diner. We are not going to dictate. We are not going to over-engineer something to a vendor to tell us we want the size of the spatula or the temperature of the oven. We just want our scrambled eggs on time and on budget, and that is what we are expecting them to deliver. How they do it is up to them.

We do not want to be locked in to a single vendor. You know, just for example, I grew up under Jack Welch in my GE days, and if we have to rely on a vendor to tell us how to do our job, we do not need ourselves.

Mr. ROSENDALE. I mean, that sounds like a great answer. The problem is, when we bring the honeycomb up and we show you all the different components that you need to address, and you cannot really answer any questions about how much of that is going to be removed, how much of that is going to be connected. You are relying, you are relying on the contractors.

The contract structure, scope of work, and technology challenges for the Supply Chain Modernization project all sound very familiar and similar to what we have been dealing with in the EHR Modernization. Quite frankly, we have paid \$9 billion out for Oracle to use taxpayers' money and veterans as guinea pigs so they can develop a new system. That is what it has been used as. The veterans are being used as guinea pigs, and the taxpayers are footing the bill for this grand experiment.

This project sounds very similar to it. How is it going to be different?

Mr. PARRISH. I think the big thing is, and we have said here multiple times, Congressman Rosendale, is we are not committing billions of dollars upfront on day one. We are making sure they prove it to us that the system works. We are making sure that the field is the one that is accepting this at that pilot phase.

Once we know that, once we are able to mitigate that uncertainty, having imperfect information, understanding what it is that we are actually going to get, then we can make that informed decision. We cannot make that informed decision upfront saying we are going to commit billions of dollars today when we do not even know what the offer is, to your point, Congressman.

Mr. ROSENDALE. Again, but if we are going to be phasing this in and we are making financial obligations and we have not had any kind of commitment or information, dialog back and forth from VA about this process, we do not know, quite frankly, what you are up to. We do not know what these agreements are going to look like, if they are going to be obligating the taxpayers later on for additional work and for improvements. We have not seen so far from the VA their judgment being very sound about investments in software programs based on future promises of how they are going to perform.

With that, I would yield to Ranking Member Cherfilus-McCormick.

Ms. CHERFILUS-McCORMICK. Thank you, Mr. Chairman.

The Fiscal Year 2025 budget request proposes major cuts in OIT's IT modernization fund. How will you ensure that the supply chain modernization efforts get the resources it needs to be successful?

Mr. BEARD. Thank you for the question. We understand that the 2025 budget really has no development and modernization funds in it, very, very minimal. We do have 2-year funds. Our development and modernization funds are 2-year funds.

We are planning to use in Fiscal Year 2024 our 2023-'24 funds, and then in 2025 to use our 2024-'25 funds to carry this through at a very modest level just to get us through the pilot. We would submit anything that we learn from this. Additional budget requirements would go into the 2026 budget and beyond.

Again, understanding Federal caps on spending, there would be severe tradeoffs within VA to establish any additional funds above these very modest levels based, again, as Mr. Parrish said, on the functionality that we think could be accomplished with the resources available to do anything meaningful.

Ms. CHERFILUS-McCORMICK. Thank you. I yield back.

Mr. ROSENDALE. Thank you very much, Ranking Member Cherfilus-McCormick.

I now yield to Representative Self from Texas.

Mr. SELF. Thank you, Mr. Chairman.

How many primes bid on your—or responded to your RFP?

Mr. PARRISH. The way we did this process is—again, a methodical process from the very beginning. We had a multiphase effort. First phase, we looked at the past performance and the fiscal ability of said bidders to be able to meet the goals that we were looking for. That whittled it down to, I believe, four or five bidders.

Then we have the traditional multiple layers of volumes of paper, if you will, for the different offerings, and we were able to get it down to some finalists.

The other unique thing we added into this process was we had that final test-drive of a—based upon some use cases. We had the field again, the guys actually—you know, the ones in the field actually doing the logistics, coming in and test-driving those finalists, and that is where they picked that final potential winner that we do not know about yet because we are still trying to, you know, establish our final checks and balances, if you will, before we commit to actually going forward.

Mr. SELF. You may not be able to answer my next question. Is Microsoft in the final tranche?

Mr. PARRISH. I do not know that. I am pretty sure, from what little I know, is they were not one of the actual bidders as a prime.

Mr. SELF. Okay. It is a real problem in the defense industrial base the limited number of primes that we have, and I think it probably is the case in the IT world as well, especially with the size of this.

Do you have any security concerns about cloud-based enterprise systems?

Mr. PARRISH. Very much so, absolutely. We make sure that we are, you know, we are complying with all the laws and all the cyber rules of zero trust. Also, the Federal Risk and Authorization Man-

agement Program (FedRAMP) rules and requirements, those have been baked into some of those—in the proposals.

I do not know if you want to add anything to that or——

Mr. BEARD. Nothing is safe, Congressman, on-prem, in cloud, unless it is buried in the ground and unplugged from anything. It really—some great benefits come from cloud-based solutions where vendors really have dedicated teams focused on hardening those, especially our FedRAMP and high requirements for those cloud providers. We really would insist on those same things for any of our cloud providers.

Again, nothing is safe. That is why zero trust is a very important framework for us and where we are looking at everything we buy to make sure that we limit risk.

Mr. SELF. I yield back, Mr. Chairman. Thank you.

Mr. ROSENDALE. Thank you very much, Representative.

I now recognize Ranking Member Cherfilus-McCormick for her closing remarks.

Ms. CHERFILUS-McCORMICK. Thank you, Mr. Chairman.

I appreciate the testimony and answers from our witnesses this afternoon.

Our last oversight hearing on this topic was November 2021, which predated my time in Congress. I believe this hearing has been a necessary and helpful step in the committee's oversight over the supply chain modernization efforts.

From what I have heard here today, I believe we are all—we can all agree on one point: providing a modernization enterprisewide supply chain solution is an incredibly complex process.

How VA steps forward in these next phases will be incredibly formative for the pilot program and a potential deployment of a new supply chain process. It is absolutely imperative that the VA works toward directing and implementing a matrix of success through all phases of this modernization rollout.

If VA wants to reach a fully efficient and effective model, it must put in the work to ensure that these outcomes actually exist. VA cannot idly sit by as its vendors develop, modify, and implement these systems. The road to an effective and enterprisewide solution is before us.

While I maintain my concern, I look forward to working with everyone, both in the VA and with the chairman, to ensure that the VA is prepared to implement a solution that supports all of VA's supply chain needs.

Thank you. I yield back.

Mr. ROSENDALE. Thank you very much, Representative Cherfilus-McCormick.

I want to thank the witnesses for joining us this afternoon. I will be following up to make sure the subcommittee gets the information we need from the witness who did not appear.

This project does not seem to have the confidence of VA senior leaders, and unless I see some radical improvements in transparency, it will not have my confidence or support either. The only fact that we have established here today is the VA's obligation to report and request funding for this proposed project instead of keeping this committee in the dark.

I ask unanimous consent that all members have 5 legislative days to revise and extend their remarks and include extraneous material.

Without objection, this meeting is adjourned.

[Whereupon, at 5:56 p.m., the subcommittee was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF WITNESS

Prepared Statement of Michael Parrish

Good afternoon, Chairman Rosendale, Ranking Member Chertoff-McCormick, and Members of the Subcommittee. I am pleased to appear before you today to discuss VA's Supply Chain Modernization (SCM) achievements thus far, and next steps for this critical initiative. Joining me today are my colleagues, Dr. Ronald Miller, Deputy Assistant Under Secretary for Health for Support for the Veterans Health Administration (VHA), and Mr. Dewaine Beard, Principal Deputy Assistant Secretary for the Office of Information and Technology (OIT).

VA's supply chain mission is to ensure cost-effective, clinically focused delivery of the highest quality care and benefits with the greatest value and customer experience for Veterans, caregivers, survivors and families, and VA's workforce. The success of this mission depends on the input and support of VA's many stakeholders, and we are committed to engaging them throughout this process. This includes Congress, and I welcome today's discussion with you to provide you a long overdue update of this critical project as we mark a key milestone.

Modernizing VA's supply chain is much more than just mechanically deploying a new information technology (IT) system or software implementation. It also supports the effort to enable fundamental change in how business and health care work processes are performed within VA. It presents us with opportunities to transform the way we do business and deliver health care, as well as to standardize that delivery using an integrated approach to achieve improvements in patient safety and efficiency in health care all while focusing on human centered design to ensure user adaptability across the enterprise. It is also important to note that there is no singular technology solution that will modernize VA's supply chain because VA's supply chain is not a singular system, but a combination of multiple component supply chains including, but not limited to, facilities, high tech medical equipment, IT, medical supplies, the National Cemetery Administration, pharmaceuticals, prosthetics, and the Veterans Benefits Administration.

Through this SCM effort, VA is changing how complex systems are acquired in VA by incorporating lessons learned from previous programs, the Government Accountability Office, Office of Inspector General, and industry recommendations to ensure success. Additionally, we are using this SCM program as our initial pilot for the deployment of our new Acquisition Lifecycle Framework (ALF) process. ALF aligns acquisition and program and project management practices with laws, regulations, and policies; includes leading industry acquisition standards such as the Capability Maturity Model Integration Acquisition; and is customized to the VA environment. To date, VA has followed this enterprise-wide methodical process to begin to modernize our supply chain utilizing these acquisition best practices and incorporating appropriate governance and oversight that previous efforts could have benefited from. This has been and will continue to be a deliberate, field-driven, iterative process in that the project has to complete multiple milestones before we fully commit to deploying the expected enterprise solution. Because the initial tasks of the contract are designed to assess the feasibility, approach, and scope of the supply chain effort, the SCM effort has not yet been assessed as a major IT project as defined in the Joseph Maxwell Cleland and Robert Joseph Dole Memorial Veterans Benefits and Health Care Improvement Act of 2022. VA's overarching business objectives of the SCM program are to:

- Provide enterprise visibility of inventory management, asset management, order management, and supply chain risk management;
- Enhance the accessibility and availability of vital medical supplies, equipment, and pharmaceuticals to better meet the needs of our Veterans;
- Streamline procurement processes, minimizing delays and ensuring timely delivery of critical resources;

- Embrace advanced data analytics and forecasting capabilities to optimize inventory management and reduce waste;
- Improve transparency and accountability across the supply chain, promoting efficiency and cost-effectiveness; and
- Foster collaboration with industry partners and leverage their expertise to drive innovation and maximize value for Veterans and VA employees.

SCM: Program Management and VA Governance

In September 2023, VA appointed VHA as the SCM Executive Agency and chartered the VA Logistics Redesign (VALOR) Program Management Office to oversee the SCM program. VALOR plays a pivotal role in overseeing the comprehensive transformation of VA's existing enterprise supply chain infrastructure. VHA was selected as the Executive Agency through VA's governance process to lead the enterprise supply chain effort as they had the already established VALOR office with trained acquisition personnel in place.

By leveraging cutting-edge technology, advanced analytics, and industry best practices, VALOR, working with OIT, will drive innovation and implement state-of-the-art supply chain capabilities that optimize efficiency, minimize costs, and ensure timely availability of critical resources across the Department.

VA also chartered an Enterprise Supply Chain Board (ESCB) to integrate VA's supply chain efforts under a single governing body to bring together the goals, governance structure, and roles and responsibilities of the Enterprise Supply Chain program. The ESCB also governs the overall enterprise SCM effort by framing issues, establishing and addressing priorities, approving recommendations, and driving leadership approval. During its first meeting in October 2023, the ESCB established three supply chain committees that will ensure alignment of VA supply chain operations. The Supply Chain Policy, Business Operations, and Systems and Data Management committees will support current operations by fostering integrated planning and collaboration on approved objectives, initiatives, processes, and performance indicators. The ESCB may continue to develop committees, as needed, and is in the process of establishing a change management and communications strategy. Furthermore, the structure has checks and balances in place to ensure enterprise involvement to include OALC as the Co-Chair of the ESCB, as well as manages any contract actions and program management and logistics reviews that may occur, and the CAO as the Program Decision Authority.

SCM and Contract Award

Any SCM acquisition will be an Indefinite Delivery, Indefinite Quantity (IDIQ) Services contract. It is important to note that only Task Order 1 – Validation Phase, has been approved through the Federal Information Technology Acquisition Reform Act (FITARA) review led by VA's Chief Information Officer (CIO). This initial task will last no longer than 5 months and is designed to define the pilot and incremental deployment strategy. This strategy will become the framework for an implementation schedule.

Upon completion of this initial phase, VA will accomplish a milestone review, including FITARA compliance, to determine whether to proceed with the Pilot phase. Upon completion of the Validation and Pilot phases, a go/no-go milestone review will be held to determine if this effort should proceed to the next two phases: Deployment and Sustainment. The implementation strategy for deployment will inform the assessment and determination by the CIO of this program being designated as a major IT project, pursuant to the VA IT Reform Act of 2021.

Through the Consolidated Appropriations Act, 2024 and the President's Budget for Fiscal Year 2025, VA will have the necessary resources to begin the outlined activities. VA remains committed to getting SCM right for Veterans. We aim to serve as a model for innovation, applying industry best standards with an eye toward adapting for the future as Veterans' needs evolve. To that end, we are committed to working with VA's stakeholders, including this Subcommittee, to accomplish this important initiative.

Conclusion

Chairman Rosendale, Ranking Member Cherfilus-McCormick, and Members of the Subcommittee, this concludes my testimony. Thank you for the opportunity to speak about VA SCM. My colleagues and I are pleased to answer any questions that you may have.