



October 2021

VA REAL PROPERTY

Enhanced Communication and Performance Measurement Could Improve Capital Asset Management

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Why GAO Did This Study

In providing healthcare to over 9 million enrolled veterans, VA manages a portfolio that includes 5,625 owned and 1,690 leased buildings as of fiscal year 2020. VA has pressing needs associated with these assets, not only maintaining or replacing aging facilities but also adapting to changes in veterans' demographics and needs.

GAO was asked to review VA's management of these real property (capital) assets. This report examines: (1) VA's management of its staffing resources for constructing and maintaining its capital assets, (2) VA's communication among offices involved in and supporting capital asset management, and (3) VA's assessment of its performance in capital asset management. GAO reviewed VA documentation and prior GAO and other reports about VA's capital asset management. GAO also interviewed officials at VA headquarters offices involved in asset management, VA officials at a non-generalizable selection of eight geographically dispersed VA medical centers and seven regional offices that managed the various types of VA capital projects, and representatives from four veterans service organizations.

What GAO Recommends

GAO is making three recommendations, that VA: specify how construction and field offices should communicate during project development; define the information technology office's role in carrying out projects; and develop performance goals and measures to assess VA's capital asset management. VA concurred with the recommendations.

View [GAO-22-103962](#). For more information, contact Andrew Von Ah at (202) 512-2834 or vonaha@gao.gov.

VA REAL PROPERTY

Enhanced Communication and Performance Measurement Could Improve Capital Asset Management

What GAO Found

The Department of Veterans Affairs (VA) manages a vast portfolio of capital assets to provide healthcare to enrolled veterans. GAO found that VA has faced and continues to face challenges meeting three of the key GAO-identified characteristics of an asset management framework. These are (1) *leadership support that provides necessary resources, such as staffing*; (2) *communication across traditional agency boundaries*; and (3) *continuous assessment and improvement of asset management performance*. These characteristics are designed to optimize funding and agency decision-making.

- **Staffing resources.** Regarding *leadership that provides necessary resources*, GAO has previously identified staffing challenges that affected VA's ability to manage its assets and that resulted in consequences such as delayed projects and difficulties managing projects. VA officials continued to describe staffing challenges, such as difficulties in planning and executing projects and limits on the number of projects that facilities can undertake. VA officials described efforts they are making to address these challenges. Such efforts include, for example, developing new staffing models and establishing special salary rates for engineers. However, it is too early to determine the extent to which these efforts will improve staffing.
- **Communication.** Regarding *communication across traditional agency boundaries*, VA has taken steps to improve communication among offices with asset management responsibilities. Such steps include issuing an asset management directive that VA officials said would help to facilitate such communication. However, GAO found continuing instances of insufficient (1) communication early in project development between local offices and the Office of Construction and Facilities Management and (2) communication between construction offices and the Office of Information and Technology to ensure information technology needs are met when bringing facilities online. This lack of communication can be attributed, in part, to a lack of direction from VA on how and when to communicate. Improving communication between these offices could help prevent unnecessary delays in projects' development and execution and help VA bring space online more efficiently.
- **Performance measurement.** Regarding the need for *agencies to continuously assess the performance* of their asset management systems and implement necessary improvements, VA lacks sufficient performance goals and measures. Although it collects information on its facilities and has certain broad strategic goals, the agency does not have measurable goals to help assess its asset management and to determine how well that management is helping VA meet those broad strategic goals, such as a goal to reduce the amount of deferred maintenance. Although VA officials acknowledged the importance of such measures, they noted that they had found developing performance measures to be challenging, for reasons such as difficulty in attributing results to agency actions. Nevertheless, GAO's prior work indicates the value of doing so. In the absence of such measures, VA is limited in its ability to determine the extent to which its asset management is helping VA to achieve its strategic goals and objectives.

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Abbreviations

ISO	International Organization for Standardization
SCIP	Strategic Capital Investment Planning
VA	Department of Veterans Affairs
VHA	Veterans Health Administration
VISN	Veterans Integrated Service Network

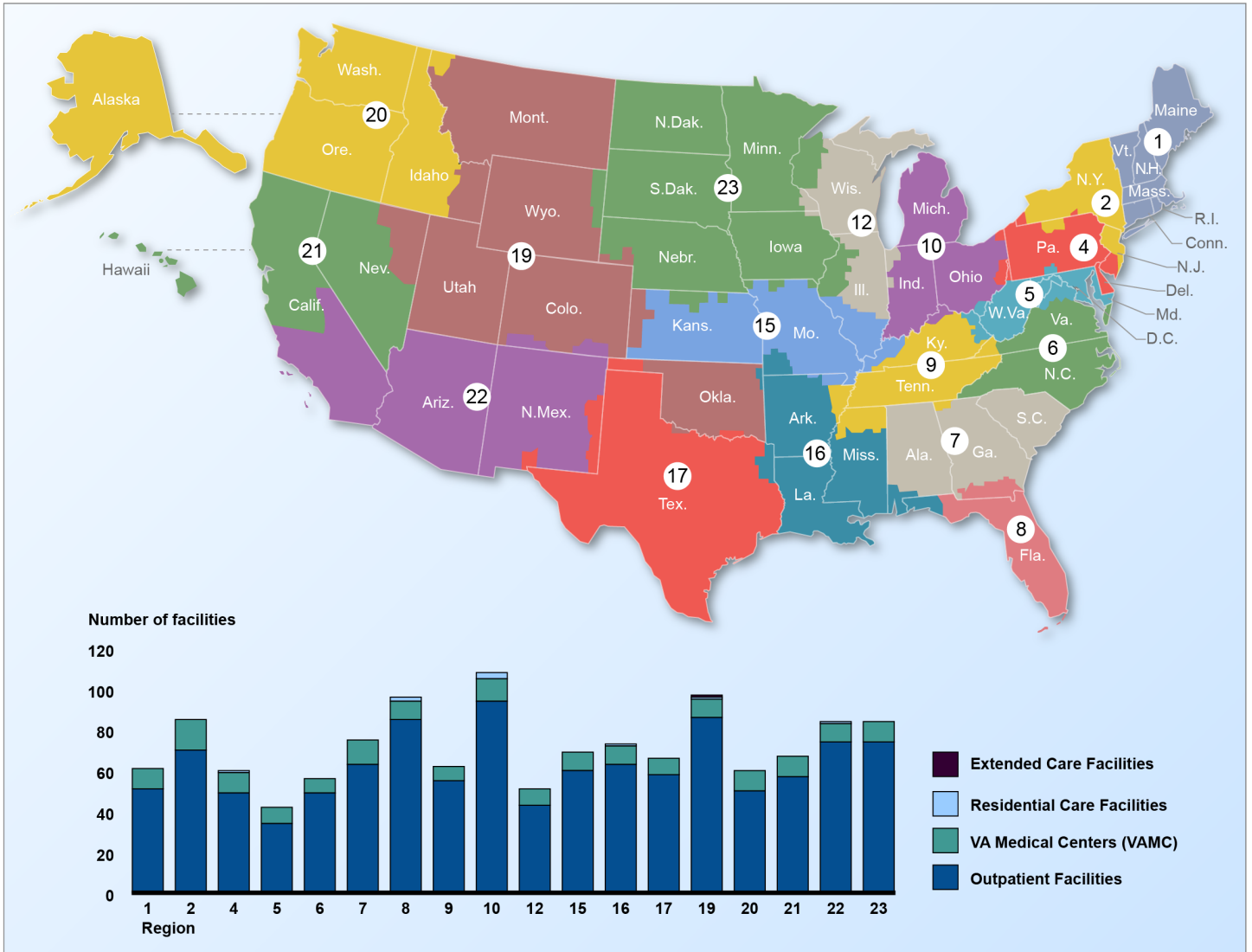
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October 29, 2021

The Honorable Jon Tester
Chairman
The Honorable Jerry Moran
Ranking Member
Committee on Veterans' Affairs
United States Senate

The Department of Veterans Affairs (VA) operates one of the largest health care systems in the country, providing care at 171 VA medical centers and 1,112 outpatient sites of varying complexity to over 9 million veterans enrolled in the VA health care program. To provide this care, the Veterans Health Administration (VHA) owned 5,625 buildings and leased an additional 1,690 buildings as of fiscal year 2020, including outpatient clinics and residential and extended care facilities. Figure 1 shows the numbers of VA's medical centers, outpatient clinics, and other facilities within each VA Integrated Service Network (region).

Figure 1: Map of the Veterans Integrated Service Network Regions and Numbers of Facilities in Each Region



Sources: Veterans Health Administration and Map Resources | GAO-22-103962

Data table for Figure 1: Map of the Veterans Integrated Service Network Regions and Numbers of Facilities in Each Region

VA Integrated Service Network (VISN)	Outpatient Facilities	VA Medical Centers (VAMC)	Residential Care Facilities	Extended Care Facilities
1	51	10	0	0
2	70	15	0	0

VA Integrated Service Network (VISN)	Outpatient Facilities	VA Medical Centers (VAMC)	Residential Care Facilities	Extended Care Facilities
4	49	10	1	0
5	34	8	0	0
6	49	7	0	0
7	63	12	0	0
8	85	9	2	0
9	55	7	0	0
10	94	11	3	0
12	43	8	0	0
15	60	9	0	0
16	63	9	1	0
17	58	8	0	0
19	86	9	1	1
20	50	10	0	0
21	57	10	0	0
22	74	9	1	0
23	74	10	0	0

VA faces a number of challenges in managing its real property (capital assets).¹ For example, the agency has a growing backlog of maintenance on its capital assets—assets that are considerably older than private-sector counterparts and costly to renovate and modernize. As of fiscal year 2020, VA estimated it had \$22.6 billion in costs to correct facility condition deficiencies.² Given that VA requested about \$4.5 billion for construction and non-recurring maintenance in its fiscal year 2022 budget request, it will likely take some time to address these deficiencies.³ (See app. I for further information on VA’s budget and maintenance backlog.) In addition to addressing the condition of its facilities, as we reported in

¹Real property is generally defined as land and anything constructed on, growing on, or attached to land. Capital assets are generally land, structures, equipment, intellectual property, and information technology that are used by the federal government and have an estimated useful life of two years or more. For purposes of this report, we have focused primarily on those capital assets that constitute land and structures.

²These costs represent the costs to correct all facility elements graded as D or F during VA’s facility condition assessments to A grades. According to VHA officials, these costs include facilities that VA may never repair because VA plans to dispose of them.

³Non-recurring maintenance projects are capital projects that are intended to improve existing space without constructing new space.

June 2019, VA must continue to adapt its capital assets to changes in veteran demographics and healthcare needs, such as those resulting from an influx of younger veterans returning from military operations in Afghanistan and Iraq and an increasing proportion of female veterans.⁴ However, we and others have previously identified a variety of concerns with how VA manages its portfolio of capital assets, such as weaknesses in its management of construction, maintenance, and lease projects.⁵

A recent administration proposal to provide additional funding for upgrades to VA medical facilities and recent legislation regarding modernizing and realigning VA facilities may provide opportunities to address some of these challenges. As proposed in March 2021, the administration's American Jobs Plan would provide \$18 billion for modernizing VA hospitals and clinics. In addition and prior to that, the VA MISSION Act of 2018 requires VA to establish criteria for assessing and making recommendations concerning the modernization and realignment of VA facilities.⁶ In May 2021, VA issued final criteria in response to this requirement.⁷ An independent commission, the Asset and Infrastructure Review Commission, is to review and analyze VA's recommendations and report its findings and conclusions to the President no later than January 31, 2023.

⁴GAO, *VA Real Property: Improvements in Facility Planning Needed to Ensure VA Meets Changes in Veterans' Needs and Expectations*, [GAO-19-440](#) (Washington, D.C.: June 13, 2019).

⁵See, e.g., GAO, *VA Construction: Management of Minor Construction and Non-Recurring Maintenance Programs Could Be Improved*, [GAO-18-479](#) (Washington, D.C.: July 31, 2018); GAO, *VA Construction: Improved Processes Needed to Monitor Contract Modifications, Develop Schedules, and Estimate Costs*, [GAO-17-70](#) (Washington, D.C.: March 7, 2017); Department of Veterans Affairs Office of Inspector General, *Management of Major Medical Leases Needs Improvement*, Report # 17-05859-131 (Washington, D.C.: July 2, 2019); and McKinsey & Company Inc., *Independent Assessment of the Health Care Delivery Systems and Management Processes of the Department of Veterans Affairs, Assessment K (Facilities)* (Sept. 1, 2015).

⁶Pub. L. No. 115-182, tit. II, § 203(a), 132 Stat. 1393, 1446 (2018). The Commission may meet only in 2022 and 2023.

⁷See 86 Fed. Reg. 28932 (May 28, 2021). These criteria include (1) veterans' need for care and services and the market's capacity to provide them (demand); (2) accessibility of care for veterans (access); (3) impact on mission; (4) providing the highest-quality whole health care (quality); (5) effective use of resources for veteran care (cost effectiveness); and (6) ensuring a safe and welcoming health care environment of care (sustainability).

In light of such challenges and opportunities, you asked us to review VA's management of its capital assets. This report examines what challenges, if any, VA faced and what if any of the challenges remain related to:

- managing staffing resources for constructing and maintaining capital assets,
- communicating among offices involved in and supporting capital asset management, and
- measuring the performance of capital asset management.

To obtain information on VA's management of its capital assets, we reviewed applicable VA directives, reports, and plans. We reviewed our prior reports that discussed VA's capital asset management and the challenges VA has faced in conducting it. (See app. II for a list of selected reports and challenges identified in them.) We also reviewed a 2015 independent assessment of VA's process for carrying out construction and maintenance projects, a document that we identified from our prior reports,⁸ and a 2020 National Academies of Sciences, Engineering, and Medicine review of VHA's facilities staffing requirements, a document that we identified during interviews with VA officials.⁹ In addition, we interviewed officials from VA headquarters offices involved in capital asset management, including the Office of Asset Enterprise Management, the Office of Construction and Facilities Management, the Veterans Health Administration's (VHA) Office of Capital Asset Management and Engineering Support, and VHA's Office of Policy and Planning. We also interviewed officials in headquarters offices that support capital asset management, including the Office of Information and Technology and the Office of the Chief Human Capital Officer.¹⁰ Although we interviewed officials from the Veterans Benefits Administration and National Cemetery Administration involved in VA-wide capital project selection, we focused

⁸This assessment was conducted by McKinsey & Company, Inc. in response to a requirement of the Veterans Access, Choice, and Accountability Act of 2014. Pub. L. No. 113-146, § 201, 128 Stat. 1754, 1769; McKinsey & Company, Inc., *Independent Assessment of the Health Care Delivery Systems and Management Processes of the Department of Veterans Affairs, Assessment K (Facilities)* (Sept. 1, 2015).

⁹National Academies of Sciences, Engineering, and Medicine, *Facilities Staffing Requirements for the Veterans Health Administration Resource Planning and Methodology for the Future* (Washington, D.C.: 2020).

¹⁰The Office of the Chief Human Capital Officer is an office within VA's Office of Human Resources and Administration/Operations, Security, and Preparedness.

our work on VHA because VHA has a much larger portfolio of capital assets to manage and because we focused on capital assets related to healthcare.¹¹

We also interviewed officials from a non-generalizable selection of eight medical centers and seven Veterans Integrated Service Network offices (regions) about VA's capital asset processes in general as well as about eight specific projects.¹² (See app. III for a list of these locations.) To identify the eight projects, we reviewed information from a selection of VA's fiscal year 2020 and 2021 projects prioritized through VA's Strategic Capital Investment Planning process. We included two projects each for four types of VA's capital projects—major construction, minor construction, major leases, and non-recurring maintenance.¹³ We chose these facilities to represent each of the four types of capital projects, as well as to illustrate a mix of geographic regions. We also interviewed representatives from four national veterans service organizations about their observations on VA's capital asset management. We selected them based on their policy statements and involvement in our prior work regarding VA's capital asset management.

Using information obtained from our document reviews, interviews, and previous work, we initially considered VA's approach to asset management in terms of six key characteristics identified by GAO for an effective asset management framework. As detailed in our prior work, these key characteristics call for (1) establishing formal policies and plans; (2) maximizing an asset portfolio's value; (3) maintaining leadership support (including providing the necessary resources for asset

¹¹For example, according to VA's fiscal year 2022 budget request VHA owned 5,625 buildings and leased 1,690 buildings as of September 30, 2020, as compared to 14 owned and 179 leased by the Veterans Benefits Administration and 606 owned and 9 leased by the National Cemetery Administration.

¹²We interviewed officials from seven Veterans Integrated Service Networks rather than eight because one Veterans Integrated Service Network contained two of our selected projects.

¹³In general, major medical facility construction projects are those estimated to cost over \$20 million. Major leases are those estimated to cost \$1 million or more per year. Minor construction projects are those estimated to cost equal to or less than \$20 million. Further, VA must contract with other federal entities to provide full project-management services for the design and construction of certain ongoing construction projects with a total estimated cost of \$100 million or more. See Pub. L. No. 114-58, § 502, 129 Stat. 530, 537-38 (2015); Pub. L. No. 114-92, 129 Stat. 726, 1020 (2015); Pub. L. No. 114-113, 129 Stat. 2242, 2691-92 (2015).

management to succeed); (4) using quality data; (5) promoting a collaborative organizational culture (including communication among offices responsible for asset management); and (6) evaluating and improving asset management practices (including assessing performance and implementing necessary improvements).¹⁴ Because of prior, in-depth work by GAO and others, as well as VA's own work, we focused our evaluation for this report on three of the six key characteristics—VA's management of its staffing resources for managing capital assets, its communication among offices responsible for asset management, and VA's measurement of its own performance in managing capital assets.¹⁵ In addition, we reviewed reports from the National Academies of Sciences, Engineering, and Medicine, and standards promulgated by the International Organization for Standardization (ISO).¹⁶ We found commonalities in these sources of criteria with the three selected key characteristics from the asset management framework, and we assessed aspects of VA's asset management against them.

¹⁴GAO, *Federal Real Property Asset Management: Agencies Could Benefit from Additional Information on Leading Practices*, [GAO-19-57](#) (Washington, D.C.: Nov. 5, 2018).

¹⁵For example, as described above, the VA Mission Act of 2018 requires the Asset and Infrastructure Review Commission to review VA recommendations concerning the modernization and realignment of VA facilities, which may help VA maximize the value of its asset portfolio, so we did not assess VA against the key characteristic of maximizing an asset portfolio's value. As described later in this report, VA has formal policies and plans for its asset management, including a December 2020 directive establishing a framework for VA's capital asset management policies. Department of Veterans Affairs, *Capital Asset Management*, Directive 4085 (Washington, D.C.: Dec. 2, 2020). Because VA is in the process of implementing new policies and procedures, including this new directive, it was too early to assess them against the key characteristic of establishing formal policies and plans. Other recent reviews have examined the quality of VA's data. See, e.g., Department of Veterans Affairs Office of Inspector General, *Inconsistent Human Resources Practices Inhibit Staffing and Vacancy Transparency*, Report No. 20-00541-133 (Washington, D.C.: June 10, 2021) and GAO, *VA Real Property: Clear Procedures and Improved Data Collection Could Facilitate Property Disposals*, [GAO-19-148](#) (Washington, D.C.: Jan. 9, 2019). In addition, VA issued a directive on enterprise data management in December 2020. Department of Veterans Affairs, *VA Enterprise Data Management (VADM)* (Washington, D.C.: Dec. 8, 2020).

¹⁶National Academies of Sciences, Engineering, and Medicine, *Facilities Staffing Requirements for the Veterans Health Administration Resource Planning and Methodology for the Future* (Washington, D.C.: 2020); J. H. Cable and J. S. Davis, in association with Federal Facilities Council Ad Hoc Committee on Performance Indicators for Federal Real Property Asset Management, National Research Council, *Key Performance Indicators for Federal Facilities Portfolios: Federal Facilities Council Technical Report Number 147* (Washington, D.C.: The National Academies Press, 2005); and International Organization for Standardization, *ISO 55001: Asset management – Management Systems – Requirements* (Geneva, Switzerland: 2014).

We conducted this performance audit from November 2019 to October 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

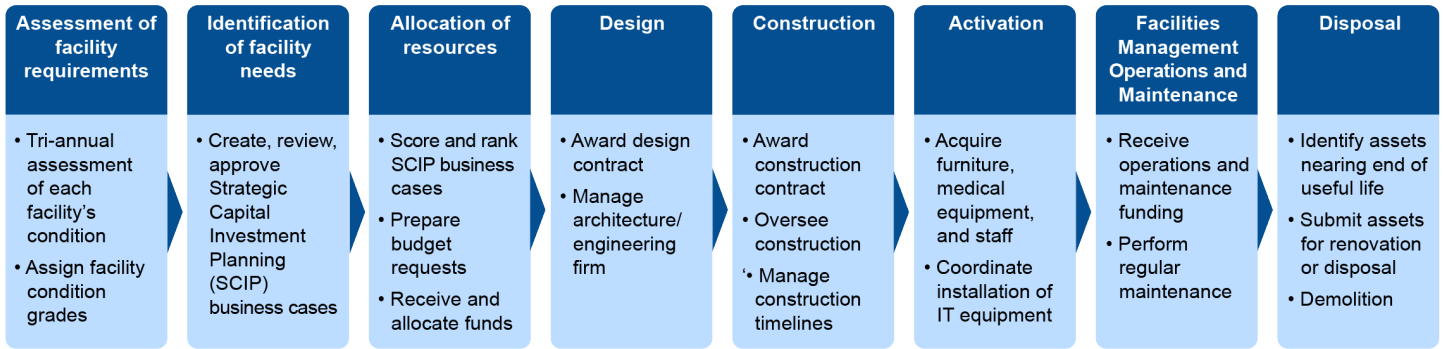
VA's Management of Capital Assets' Lifecycles and Offices Involved

VA seeks to achieve its overall agency strategic goals through, among other things, its capital assets. For example, one of VA's strategic goals is to transform the agency's business operations by modernizing its systems and focusing its resources more efficiently. One management objective related to this goal specifies that VA's infrastructure improvements will enable VA to adapt to changing business environments and veteran needs.

As part of its capital asset management, VA conducts various activities during each phase of a capital asset's lifecycle, from assessing its facilities' requirements, through design, construction, operation and maintenance, and finally to disposal of assets. See figure 2 below. Several documents lay out and guide these activities, including VA directives and other documentation establishing a framework for VA's capital asset management policies and providing guidance for VA's Strategic Capital Investment Planning process, a part of VA's asset management lifecycle.¹⁷ In addition, VA's annual budget submission contains VA's annual budget request for its construction programs and its long-range capital plan.

¹⁷Department of Veterans Affairs, *Capital Asset Management*, Directive 4085 (Washington, D.C.: Dec. 2, 2020); Department of Veterans Affairs, *Strategic Capital Investment Planning Process*, Directive 0011 (Washington, D.C.: Aug. 8, 2011); Department of Veterans Affairs, *Strategic Capital Investment Planning Process*, Handbook 0011 (Washington, D.C.: Aug. 8, 2011). VA updated VA Directive 4085, previously issued in 2003, in December 2020. The updates made various changes to the directive, such as delineating certain roles and responsibilities.

Figure 2: Summary of Steps in the Department of Veterans Affairs (VA) Asset Management Lifecycle



Source: GAO analysis of VA information. | GAO-22-103962

Text for Figure 2: Summary of Steps in the Department of Veterans Affairs (VA) Asset Management Lifecycle

- Assessment of facility requirements
 - Tri-annual assessment of each facility's condition
 - Assign facility condition grades
- Identification of facility needs
 - Create, review, approve Strategic Capital Investment Planning (SCIP) business cases
- Allocation of resources
 - Score and rank SCIP business cases
 - Prepare budget requests
 - Receive and allocate funds
- Design
 - Award design contract
 - Manage architecture/ engineering firm
- Construction
 - Award construction contract
 - Oversee construction
 - Manage construction timelines
- Activation
 - Acquire furniture, medical equipment, and staff
 - Coordinate installation of IT equipment

- Facilities management operations and maintenance
 - Receive operations and maintenance funding
 - Perform regular maintenance
- Disposal
 - Receive operations and maintenance funding
 - Perform regular maintenance

Note: These are examples of steps taken by VA and do not always comprise all of VA's efforts during each phase.

Source: GAO analysis of VA information. | GAO-22-103962

VA uses its Strategic Capital Investment Planning process to assess and identify long-term needs for its capital assets over a 10-year planning horizon. Jointly overseen and managed by the Office of Asset Enterprise Management and the Office of Construction and Facilities Management, the process is VA's main mechanism for planning and prioritizing capital projects. It informs VA's annual capital budget, and helps VA estimate future funding requirements.

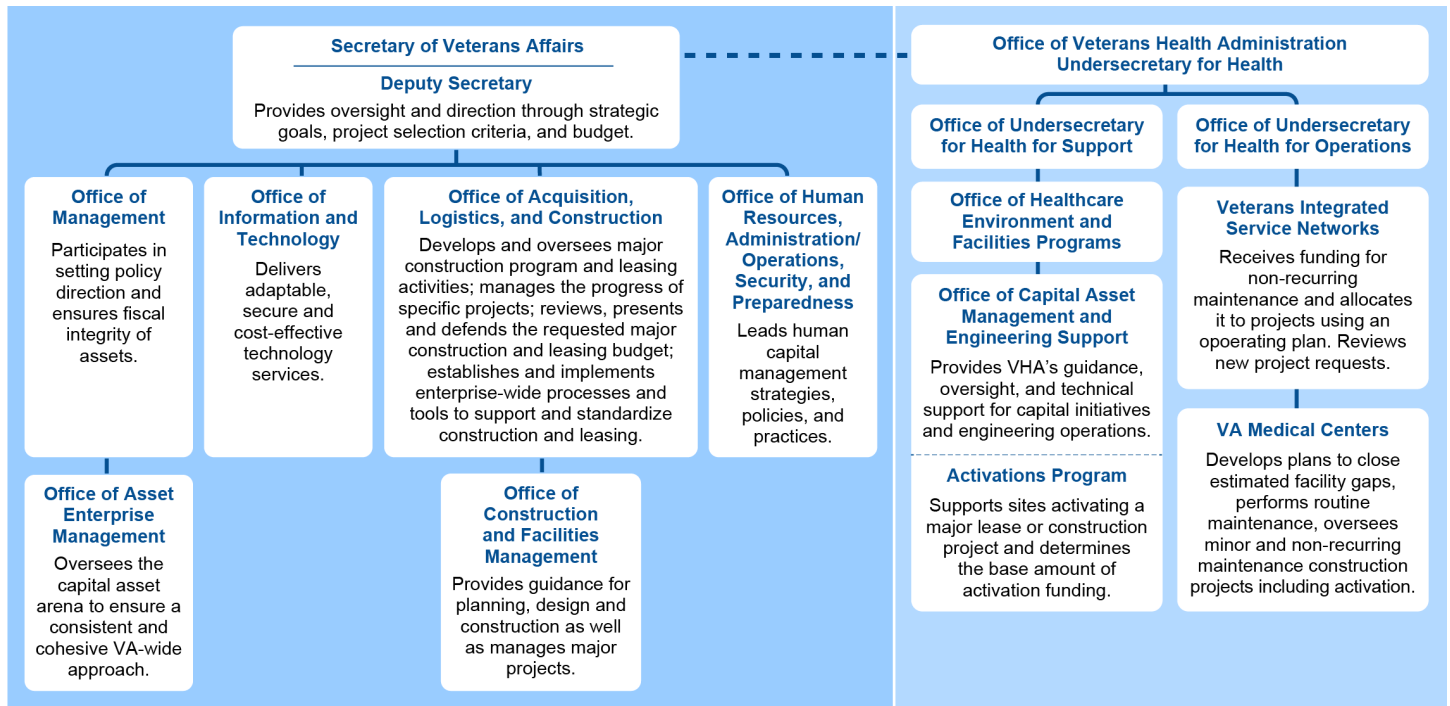
VA has dispersed responsibility for the various aspects of asset management among a range of offices at different levels within VA's organization. See figure 3 below.

For example:

- At VA headquarters, the Office of Asset Enterprise Management has responsibility for overseeing capital asset activities to help ensure a consistent and cohesive department approach to capital asset portfolio management. The Office of Construction and Facilities Management is responsible for planning, designing, and building all major construction projects, among other responsibilities.
- VA's programs are administered through three administrations—the Veterans Health Administration, the Veterans Benefits Administration, and the National Cemetery Administration—which also play a role in managing assets within their administrations. For example, VHA's Office of Capital Asset Management and Engineering Support manages the minor construction and non-recurring maintenance programs within VHA.
- VA officials at the regional and local level also play a major role in VA's work not only to deliver care but also to manage the agency's capital assets, including real property. VHA has 18 regional networks—known as VA Integrated Service Networks—that

coordinate and oversee all administrative and clinical activities conducted by medical centers, outpatient clinics, and other healthcare facilities within their specified regions of the country. These regions and medical facilities have a number of responsibilities related to capital assets. For example, the medical facilities submit, and the regions review, proposed capital projects.

Figure 3: Selected Department of Veterans Affairs (VA) Offices Involved in Capital Asset Management and the Roles for Which They Are Responsible



Source: GAO analysis of Veterans Affairs information. | GAO-22-103962

Notes: Activation is the process of bringing a new facility into full operation, such as purchasing and installing furniture and medical equipment and hiring staff.

Although the Veterans Benefits Administration and the National Cemetery Administration also are involved in capital asset management, we focused our work on VHA because VHA has a much larger portfolio of capital assets to manage and because we focused on capital assets related to healthcare.

Key Characteristics of an Asset Management Framework

We have previously identified key characteristics of an asset management framework that can help federal agencies manage their

assets and resources effectively.¹⁸ These key characteristics are based, among other things, on International Organization for Standardization 55000 standards, which are international consensus standards that describe leading practices for implementing, maintaining, and improving an effective asset management framework to manage all types of assets including real property assets.¹⁹ Effective asset management can help federal agencies optimize limited funding and make decisions to better target their policy goals and objectives.²⁰ As described above, we focused on three of these key characteristics for this report:



- maintaining leadership support, which includes providing necessary resources for resource management to succeed;
- promoting a collaborative organizational culture, which includes communication and information sharing across traditional agency boundaries; and
- evaluating and improving asset management practices, which includes measuring asset management performance and implementing necessary improvements. (See figure 4 below.)

¹⁸An asset management framework includes the processes, procedures, support systems, organizational roles and responsibilities, and policies organizations use to enable asset management decisions. See [GAO-19-57](#).

¹⁹These key characteristics are based on our analysis of ISO 55000 standards, asset management literature and interviews with experts. The “ISO 55000 standards” consist of three separate standards. The first standard, known officially as ISO 55000, defines asset management and asset management terminology and provides context for the other two standards. The second standard, ISO 55001, defines the asset management requirements for organizations to follow in seven areas: context of the organization, leadership, planning, support, operation, performance evaluation, and improvement. The third standard, ISO 55002, provides basic guidelines for applying the requirements in ISO 55001 including how the requirements should be interpreted and applied within a specific sector or to particular asset types. For the purposes of this report, we refer to the three standards collectively as ISO 55000 standards.

²⁰[GAO-19-57](#).

Figure 4: Selected Key Characteristics of an Asset Management Framework

Characteristic	Description
 <p>Maintaining leadership support</p>	Organizational leadership should clearly articulate its support for asset management and provide the necessary resources for asset management to succeed.
 <p>Promoting a collaborative organizational culture</p>	Organizations should promote a culture of information sharing and enterprise-wide decision-making regarding their assets.
 <p>Evaluating and improving asset management practices</p>	Organizations should evaluate the performance of their asset management system and implement necessary improvements.

Source: GAO analysis of the ISO 55000 standards, asset management literature, and interviews with experts. | GAO-22-103962

Table for Figure 4: Selected Key Characteristics of an Asset Management Framework

Characteristic	Description
Maintaining leadership support	Organizational leadership should clearly articulate its support for asset management and provide the necessary resources for asset management to succeed.
Promoting a collaborative organizational culture	Organizations should promote a culture of information sharing and enterprise-wide decision-making regarding their assets
Evaluating and improving asset management practices	Organizations should evaluate the performance of their asset management system and implement necessary improvements.

Note: The other three key characteristics of an asset management framework are (1) establishing formal policies and plans, (2) maximizing an asset portfolio's value, and (3) using quality data. See GAO, *Federal Real Property Asset Management: Agencies Could Benefit from Additional Information on Leading Practices*, [GAO-19-57](#) (Washington, D.C.: Nov. 5, 2018).

Source: GAO analysis of the ISO 55000 standards, asset management literature, and interviews with experts. | GAO-22-103962

VA Continues to Face Challenges Maintaining Sufficient Staff to Manage Capital Assets but Is Taking Some Steps Intended to Improve Staffing

We found that insufficient staffing resources have undermined VA's ability to manage its assets and to develop and execute capital projects. The key characteristic of maintaining leadership support states that for asset management to succeed, organizational leadership should provide the necessary resources. As described below, VA management has not fully ensured the agency has adequate staffing to manage its assets. According to VA headquarters, region, and medical center officials, the agency faces difficulties maintaining sufficient qualified staff to support asset management, including engineers and maintenance staff at medical centers, and other positions in the headquarters, regions, and medical centers, such as contracting officers. For example, VA human resources data we reviewed²¹ indicated that VA had vacancy rates for general engineers and biomedical engineers—the first and second most common types of engineer at VA—of 19 percent and 20 percent respectively as of July 1, 2021.²² Similarly, a 2020 VA Office of Inspector General report

²¹A June 2021 Department of Veterans Affairs Office of Inspector General report identified concerns with VA's staffing and vacancy data, including discrepancies reported by VHA and the Veterans Benefits Administration between vacant positions and corresponding position inventory in VA's human resources database. According to the report, as of November 2020, VHA's national discrepancy between the authorized number of positions and the corresponding position inventory in the database was 1.3 percent overall. Department of Veterans Affairs Office of Inspector General, *Inconsistent Human Resources Practices Inhibit Staffing and Vacancy Transparency*, Report No. 20-00541-133 (Washington, D.C.: June 10, 2021). VA officials said that they have been working to improve the quality of the data since that time, but we have not assessed the effectiveness of those efforts.

²²In comparison, the VA-wide vacancy rate across all full-time equivalent positions in July 2021 was 8 percent and the VHA-wide vacancy rate was 9 percent, according to VA officials. There is no generally agreed-upon standard for acceptable vacancy rates. However, as we have reported, VA faces long-standing challenges in maintaining sufficient clinical and other staff agency-wide. See, e.g., GAO, *Department of Veterans Affairs: Improved Succession Planning Would Help Address Long-Standing Workforce Problems*, [GAO-20-15](#) (Washington, D.C.: Oct. 10, 2019); GAO, *Veterans Affairs: Sustained Leadership Attention Needed to Address Long-Standing Workforce Problems*, [GAO-19-720T](#) (Washington, D.C.: Sept. 18, 2019); and GAO, *Veterans Health Administration: Management Attention Is Needed to Address Systemic, Long-Standing Human Capital Challenges*, [GAO-17-30](#) (Washington, D.C.: Dec. 23, 2016).

found that 48 of 139 facilities surveyed identified general engineers as a severe occupational shortage.²³

Our previous reports found that staffing problems reduce the ability of VA's engineering and other staffs to effectively manage the agency's assets.

- In 2019, we reported that VA officials said staff retention was a contributing factor to staff's lack of knowledge on procedures for disposing of properties.²⁴
- In a 2018 report on medical centers' oversight of facilities' conditions, VA headquarters and field officials told us that staff shortages are common and that they can affect the efficiency and speed of maintenance and repairs. Officials from all six medical centers in our selection for that report said that they endeavored to address all deficiencies in accordance with inspection requirements, but that shortages affected their ability to perform maintenance and repair functions.²⁵
- In a 2018 report on VA's management of minor construction and non-recurring maintenance projects, staff at six of the seven selected medical facilities we visited recounted that they did not have adequate staff to manage complex minor construction and non-recurring maintenance projects. In addition, medical-facility and regional-office staff indicated that the high turnover VHA experiences among engineering and contracting staff can lead to a lack of continuity of

²³Department of Veterans Affairs Office of Inspector General, *OIG Determination of Veterans Health Administration's Occupational Staffing Shortages, Fiscal Year 2020*, Report #20-01249-259 (Washington, D.C.: September 23, 2020).

²⁴GAO, *VA Real Property: Clear Procedures and Improved Data Collection Could Facilitate Property Disposals*, [GAO-19-148](#) (Washington, D.C.: Jan. 9, 2019). VA addressed a recommendation in this report by developing a guide that explains the various options available and the corresponding processes which should be followed when disposing of VA's real property assets.

²⁵GAO, *VA Medical Centers: VA Should Establish Goals and Measures to Enable Improved Oversight of Facilities' Conditions*, [GAO-19-21](#) (Washington, D.C.: Nov 13, 2018). This report did not have recommendations related to staffing, but rather recommended that VA establish goals and measures for its environment of care program, which conducts regular inspections of VHA's health care services to identify maintenance and repair needs.

staff and ultimately to project delays, given that new staff must get up to speed on a project.²⁶

We found that staffing issues we have identified in the past persist. VA officials we interviewed—both in headquarters offices and in selected regions and medical centers—as well as representatives at most of the veterans service organizations told us that staffing issues are still a major challenge to VA's ability to manage its assets. For example, Office of Asset Enterprise Management officials told us that staffing shortages are reflected in the poorer quality of proposed projects that are submitted for consideration into the Strategic Capital Investment Planning process, and may cause offices to have difficulty executing projects once approved. Officials from three regional offices told us that it is difficult for the regions to compete with other federal agencies for recruiting and retaining engineers.

When discussing their staffing shortages, officials from two urban medical centers provided examples of how factors such as cost of living or competition with the private sector and other federal agencies make recruiting engineers and maintenance workers difficult. Officials from another medical center told us that its vacancy rates are so high that it leads to unreasonably heavy workloads for engineers and other staff. They noted that as of August 2020, there were 11 staff engineering positions for the two medical centers in their system, and over half of these positions were vacant. In addition, officials from three selected regions told us that staffing shortages limit the number of projects that the regions' medical centers can complete. In addition, a VHA official indicated that they might wait to start a project if, for example, the medical center does not have a Chief Engineer to manage it at the time.

When asked about the challenges VHA faces maintaining sufficient staff, VHA officials indicated that they are often related to the amount of money VA can pay for engineering positions, a circumstance that can make it difficult to recruit engineers and can lead others to leave. For example, during years when the oil industry was expanding and thus hiring many engineers, obtaining any engineering expertise was difficult in areas where other employers could pay much more than VA, the officials said.

²⁶GAO-18-479. This report did not have recommendations related to staffing, but rather found that VA had started some actions to address this issue such as acquiring contracting and engineering support from the U.S. Army Corps of Engineers and working with the Office of Personnel Management on recruiting and retention.

The agency, meanwhile, has recently taken new steps intended to address its staffing challenges:

- **Special salary rates for engineers.** In May 2021, VA human capital officials said that VA uses special salary rates approved by the Office of Personnel Management in April 2020 to recruit and retain general engineers, mechanical engineers, civil engineers, and architects.²⁷ VA human capital officials said that these rates have helped VA respond to significant competition from private industry due to higher pay for these positions.
- **Creating a healthcare-engineering position.** In July 2021, VA human capital officials said that they had drafted a qualification standard for engineers who perform work in a hospital or health care setting.²⁸ For federal government positions, Title 5 of the U.S. Code describes non-medical or administrative positions, while Title 38 of the U.S. Code outlines VHA medical or health-care-related positions.²⁹ According to VHA officials, using hybrid Title 5-Title 38 engineering positions would give VA more flexibility in recruiting and retaining the best-qualified staff, those with both healthcare and engineering expertise. According to VA human capital officials, these hybrid-engineering positions would provide VA with access to a larger candidate pool and the ability to offer salaries that compete with the private sector. VHA officials said that they had set a target date for implementation of December 31, 2021, but noted that the standard had to pass internal review, and that the date could be affected by any concerns raised during that review.
- **Staffing model and tracking workforce data.** According to VA officials and documentation, in October 2019 the Department established a “manpower-management program” to refine the Department’s approach to managing positions, defining staffing requirements, and planning for vacant positions.³⁰ The program, established in response to Office of Management and Budget

²⁷We previously reported that VA was collaborating with the Office of Personnel Management to address challenges with recruiting and retaining engineering positions. [GAO-18-479](#).

²⁸Qualification standards describe the minimum qualification requirements (such as education, age, or experience) for occupations in the federal competitive service.

²⁹See 5 U.S.C. Part III and 38 U.S.C. Chapter 74.

³⁰Department of Veterans Affairs, *Manpower Management Policy*, VA Directive 5010 (Washington, D.C.: Oct. 28, 2019).

Memorandum M-17-22, is intended to ensure that VA has the right staffing levels and organizational structure to make the most efficient use of its resources.³¹ The manpower-management program does this by developing position and organizational management policies and processes, developing analytic tools to provide workload-based staffing requirements, and generating staffing documents and business intelligence tools to inform management decisions. According to the officials, the program's workload-based requirements should be used to inform decisions made by VA's Department-wide process for planning and prioritizing capital projects and reports on VA capacity such as personnel-related reports that are required by the VA MISSION Act of 2018.

- **VHA's engineering staffing model.** According to VHA officials, VHA is developing a regression model for engineering, maintenance, and project management staffing within VHA that VHA had developed in response to a 2020 National Academies of Sciences, Engineering, and Medicine report. The National Academies report addressed VHA's staffing challenges and made a number of recommendations to help VHA meet its mission goals through a national engineering resourcing and staffing methodology. Among other things, the report noted that VHA needed a staffing model for its facilities workforce to allow management to plan staffing targets for facilities management positions such as engineers.³² The officials said that the model they developed in response could help facilities determine their needs for additional staffing, provide support for local decision-making, and help facilities justify requests for staffing. However, the officials said that more work would have to be done to tie the model to outcome-based measures or to use the model at the corporate level.
- **Facilities management staffing review.** According to VA human resources officials, the Office of Construction and Facilities Management has begun a review within the Office to assess the requirements for major construction program and project-management staff; the review is estimated to conclude in October 2022. It is intended to improve VA's staffing model for facilities

³¹Office of Management and Budget, *Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce*, Memorandum M-17-22 (Washington, D.C.: Apr. 12, 2017).

³²National Academies of Sciences, Engineering, and Medicine, *Facilities Staffing Requirements for the Veterans Health Administration Resource Planning and Methodology for the Future (2020)* (Washington, D.C.: 2020).

management staff, such as engineers and architects, based on workload requirements.

It is too early to determine the extent to which VA's efforts to improve staffing will address its needs. VA officials said that they intend to continue to evaluate the effectiveness of VA's efforts to address its staffing challenges. For example, the officials said that they intend to assess recruitment and retention data to determine the effect of the conversion to hybrid Title 5-Title 38 engineering positions.

VA Made Some Improvements, but Responsible Offices Lack Integrated Communication for Certain Activities

As discussed earlier in this report, VA disperses authority and responsibility for asset management among several VA headquarters offices—including the Office of Asset Enterprise Management, Office of Construction and Facilities Management, Office of Information and Technology, and Veterans Health Administration—and field offices. (See fig. 3 above.) This dispersed nature, with many tasks involving more than one office, makes it important for different offices to effectively communicate with one another to accomplish asset management tasks. One key characteristic of an asset management framework—promoting a collaborative organizational culture—states that agencies should communicate information across traditional agency boundaries to ensure the organizations make effective decisions about their assets.³³ Effectively communicating information across an agency requires clear procedures and responsibilities. Federal internal control standards also call for documentation which helps communicate the “who, what, when, where, and why” to personnel.³⁴

We previously identified weaknesses in communication on asset management at VA that have caused delays or other negative

³³[GAO-19-57](#).

³⁴GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

consequences. VA has subsequently taken steps to alleviate some of these weaknesses:

- In 2019, we found that VA’s guidance for regional and local facility managers did not clearly communicate necessary information across the agency because it did not specify sequential steps and actions for carrying out the agency’s procedures for disposal of excess properties.³⁵ As a result, we recommended that VA develop clear procedures to help facility managers plan, implement, and execute projects to dispose of vacant and unneeded properties. In 2020, VA developed a guide that explains the various options available and the corresponding processes to be followed when disposing of real property assets.
- In 2017, we found that VA had not always communicated effectively with internal and external stakeholders in facility alignment decisions that affect veterans’ health care, and that failure to effectively engage with stakeholders could undermine or derail facility alignment efforts. For instance, VA had not followed best practices for effectively engaging stakeholders in facility consolidation efforts—such as in using two-way communication early in the process and using data to demonstrate the rationale for facility alignment decisions. We made two recommendations to VA to improve its communication with outside stakeholders and within VA, and VA has since implemented both.³⁶ VA officials in the Office of Asset Enterprise Management and Office of Construction and Facilities Management told us that they now meet regularly about asset management issues, a practice that they said was not always the case in the past.

In addition, in December 2020 VA updated its directive on Department-wide capital asset management in order to improve communications among its offices that have capital asset management responsibilities.³⁷ This directive defines capital asset management roles for the primary

³⁵[GAO-19-148](#).

³⁶We recommended that VA develop and distribute guidance for Veterans Integrated Service Networks and facilities using best practices on how to effectively communicate with stakeholders about alignment change. We also recommended that VA develop and implement a mechanism to evaluate Veterans Integrated Service Networks’ (region) and facilities’ (medical center) communication efforts with stakeholders to ensure that these communication efforts are working as intended and align with guidance and best practices. [GAO-17-349](#).

³⁷Department of Veterans Affairs, *Capital Asset Management*, Directive 4085 (Washington, D.C.: Dec. 2, 2020).

offices, the Office of Asset Enterprise Management and the Office of Construction and Facilities Management, involved in asset management. The directive requires that Assistant Secretaries of offices that support asset management—such as the Office of Human Resources and Administration/Operations, Security, and Preparedness and the Office of Information and Technology—have a centralized capital asset management representative to interact with the Office of Asset Enterprise Management. These changes updated the previous directive, which was published in 2003 and contained obsolete terms and relationships. According to officials in the Office of Asset Enterprise Management, this updated directive should facilitate communication among responsible offices by clarifying the current Department-wide process for planning and prioritizing capital projects and the responsibilities of various VA offices for that process.

However, our review found that some challenges persist, particularly when it comes to communication between VA headquarters offices—such as the Office of Construction and Facilities Management—and medical centers in the field. For example, officials both in selected medical centers and in the Office of Construction and Facilities Management described gaps in communication during the development of construction and maintenance projects:

- Officials from one medical center said that a lack of communication with the Office of Construction and Facilities Management during the planning and design phases increased the time between initial project approval and actual execution, resulting in frequent scope increases and contract modifications. Officials at another medical center stated that they seldom interact with the Office of Construction and Facilities Management regarding their proposals for new construction and maintenance projects and indicated that more communication earlier in the process would be needed. Officials we spoke with at other medical centers also said improved communication would help them develop their projects.
- Officials at the Office of Construction and Facilities Management noted that VA sometimes faces delays or finds that decisions regarding cost and schedule changes are not properly documented when trying to execute projects that were not adequately developed before being submitted to the Strategic Capital Investment Planning process. Officials stated that earlier involvement in project development could help address those issues. Specifically, the officials said that earlier communication between their office and VA medical centers regarding business case analyses for project

proposals could better ensure that capital projects are ready for execution prior to submission to Strategic Capital Investment Planning. The officials expressed a desire to be more involved in the planning and design for projects other than major construction projects in order to help standardize the planning process and ensure that each project is within budget and on schedule.

We also found that the Office of Information and Technology and selected medical centers do not always communicate effectively on facilities' activations—the process of bringing a new facility into full operation, such as purchasing and installing furniture and medical equipment, and hiring staff. For instance:

- Officials at two medical centers told us that they had encountered challenges communicating with Office of Information and Technology staff in headquarters to get funding for requested equipment. For example, officials at one of the medical centers said that their concern with the Office of Information and Technology is that it works independently of VHA and the medical centers and operates from a separate budget, making it challenging to coordinate the purchase and delivery of information technology equipment. Similarly, the other medical center's officials said that the Office of Information and Technology's separation from the medical center made communication difficult. For example, the officials explained that the equipment that the Office of Information and Technology would fund could change periodically, resulting in the medical center's incurring unexpected expenses for information technology needs toward the end of a project.
- Five medical centers told us they have experienced difficulties communicating with the Office of Information and Technology during activations, particularly when it comes to getting funding approved within the Office of Information and Technology's budget. While the Office of Information and Technology has local staff assigned to the medical centers, these staff are not uniformly part of construction and activation discussions. Officials explained that as a result, medical center needs are not uniformly conveyed to IT personnel so that they

can properly budget and plan the timing around provision of IT services that new facilities need.³⁸

- Both our past and current work identified issues with activation. During the course of our current review, we found that during the activation of a project in Omaha, the project did not have funding to obtain and install information technology equipment required for activation at the appropriate time. While the project ultimately received the necessary funding, and VA was able to order the equipment, it was not scheduled to arrive in time for the facility's opening. VA opened the facility on time largely due to the high priority of the project—a donated ambulatory care facility—as VA was able to obtain the necessary information technology equipment temporarily until new equipment arrived.³⁹ According to officials, VA was ultimately able to have the new equipment installed at a cost of some additional overtime hours.

In all of these instances, there was a lack of clear direction on how and when different offices should be communicating about their involvement in projects as leading practices recommend. For example, while VA's department-wide capital asset-management directive cites offices having focal points to communicate on asset management within VA, the directive does not specify how and when the Office of Construction and Facilities Management and individual regions and medical centers should communicate when developing project proposals. While according to officials, fiscal year 2022 and fiscal year 2023 Strategic Capital Investment Planning guidance contains specific contact information for regions and medical centers to contact for assistance, it does not explain how the Office of Construction and Facilities Management should collaborate with medical centers during project development. Such

³⁸The Office of Information and Technology has a budget that is separate from other VA funding sources, making it difficult to transfer funds from a construction budget to help fund building activations. Office of Information and Technology officials said that about 5 percent of their office's budget is available for discretionary activities such as activations; about 95 percent of the budget is spent on maintaining existing equipment, and information technology needs for new construction projects come into conflict with other budget items. Consequently, funding may not be available to get a facility online and serving veterans in the most timely manner. The Office of Information and Technology has prepared a legislative proposal to include an information technology line item in the overall VA construction budget request, but this proposal is pending.

³⁹[GAO-21-133](#).

guidance could assist VA in better vetting its Strategic Capital Investment Planning proposals and avoiding schedule delays and cost overruns.

Additionally, the directive does not outline how information technology needs should be integrated into the asset management process. VA has not specified within its capital asset management directive,⁴⁰ or elsewhere, the Office of Information and Technology's role in activating facilities, or how facilities should communicate with the Office during activations. While this directive indicates that offices—such as the Office of Information and Technology and the Office of Human Resources and Administration—are required to have a capital asset management function within their organization to interact with the Office of Asset Enterprise Management, it does not describe how the offices that work with asset management should communicate with each other.

The dispersed nature of VA's asset management structure increases the importance of clear and consistent communication, and lack of communication between different offices can cause delays or budget shortfalls. However, by improving communication during planning, development, and proposal of its capital projects, including specifying how and when communication should occur, VA will be better positioned to bring new space online in the most efficient manner and avoid costly delays. Furthermore, by better defining the Office of Information and Technology's role in developing and executing construction projects, VA's activation process will be better positioned to deliver needed services to veterans.

VA Lacks Measurable Goals to Assess the Performance of Its Capital Asset Management

While VA has some strategic level goals related to asset management, it lacks performance goals and measures needed to measure its progress in achieving them. VA's fiscal year 2018-2024 strategic plan and fiscal year 2022 *Annual Performance Plan and Report* lay out certain strategic-level goals for asset management, including overarching goals related to system modernization, infrastructure improvement, and timeliness of construction project execution. However, our review found that VA lacks

⁴⁰VA Directive 4085.

measurable goals that are linked to these strategic goals as leading practices recommend.

The key characteristic of evaluating and improving asset management practices states that organizations should evaluate the performance of their asset management systems and implement necessary improvements.⁴¹ According to this key characteristic, an agency's asset management plan should be evaluated and continuously improved over time to ensure it still reflects the organization's goals. In addition, continuously evaluating the performance of an asset management framework and implementing needed changes can optimize the value an agency's assets provide.⁴² Further, the National Academy of Sciences Federal Facilities Council found that key components of an effective performance measurement system for a federal facilities portfolio include clearly defined, actionable, and measurable performance goals for their asset inventories.⁴³ These goals should be coupled with key performance measures that can be used to assess how well agency goals are being met, provide feedback for how the agency is progressing in meeting its goals and timelines, and evaluate the outcomes of investments.⁴⁴ Similarly, the Government Performance and Results Act of 1993, as updated and expanded by the GPRA Modernization Act of 2010, calls for outcome-based metrics that are linked to goals, which allow a program to track the progress an organization is making toward achieving its intended outcome.⁴⁵

VA collects information on its facilities and has certain broad strategic goals but has not developed performance goals and measures to help it

⁴¹[GAO-19-57](#).

⁴²Based on literature reviewed and cited in [GAO-19-57](#).

⁴³Performance measurement is the ongoing monitoring and reporting of program accomplishments, particularly progress toward pre-established goals. It is typically conducted by program or agency management and is critical for providing information concerning whether a program is working well or not. GAO, *Performance Measurement and Evaluation: Definitions and Relationships*, [GAO-11-646SP](#) (Washington, D.C.: May 2011).

⁴⁴J. H. Cable and J. S. Davis, in conjunction with Federal Facilities Council Ad Hoc Committee on Performance Indicators for Federal Real Property Asset Management, National Research Council, *Key Performance Indicators for Federal Facilities Portfolios: Federal Facilities Council Technical Report Number 147* (Washington, D.C.: The National Academies Press, 2005).

⁴⁵Pub. L. No. 103-62, 107 Stat. 285 (1993), as amended by Pub. L. No. 111-352, 124 Stat. 3866 (2011).

evaluate its asset management or assess how well it is helping VA meet those broad strategic goals. VA's strategic goals largely relate to veteran care, and VA has linked its asset management to those strategic goals through one of the agency's management objectives that specifies that VA's infrastructure improvements will enable VA to adapt to changing business environments and veteran needs, among other things. VA operationalizes this orientation through its capital project selection. Specifically, when medical centers submit a new capital project for consideration for funding, the medical centers must explain how the project addresses these broadly defined goals. However, VA does not have clearly defined, actionable, and measurable goals, and associated performance measures specifically focused on its capital asset management that would allow VA to assess the extent to which its asset management is actually helping VA achieve its broad strategic goals. VA officials acknowledged that their asset management process should be tied to goals and performance measures that currently do not exist. For example, Office of Construction and Facilities Management officials said that VA could develop overall capital objectives, such as to decrease its facility condition assessment inventory by a certain percent, and measure the extent to which VA's efforts had achieved that objective.

VA officials said they intend to develop some performance measures, as described in the December 2020 department-wide capital asset-management directive, which states that VA will establish a system that allows it to evaluate capital asset performance in order to make sound decisions regarding acquisition, maintenance, and disposal of capital assets. Further, VA officials told us they intend to include some performance measures in the agency's 2023 budget request. This submission would include efforts to create performance goals in accordance with Office of Management and Budget guidance that would include space utilization, condition index, and operating cost measures.⁴⁶ Although this is an encouraging step, VA has yet to describe what other metrics it would include, or how it will use this information to improve its capital asset management process and support its strategic goals. While VA acknowledges the importance of having performance measures, VA officials said it is difficult to develop performance measures for asset management. For example, they said that if VA looked at the extent to which its investment projects met identified needs such as new

⁴⁶Office of Management and Budget, *Implementation of Agency-wide Real Property Capital Planning*, Memorandum M-20-03 (Washington, D.C.: Nov. 6, 2019). Condition index is a Federal Real Property Profile metric defined as the ratio of repair needs to asset replacement value.

square footage for spinal cord rehabilitation, the project might not meet the original need for a variety of reasons outside of the project per se. While it may be difficult to establish such links between agency actions and results, we have previously noted that performance measures can take different forms, including output measures to assess the products and services delivered by a program or outcome measures to assess the results of those products and services.⁴⁷

Although VA has not yet established measurable goals and related measures for asset management, VA officials explained that they collect information on the agency's assets that helps VA track the status of its assets and prioritize construction and maintenance projects. This information includes:

- **Space utilization.** VA tracks how much of its existing facility space is actively used, vacant, or underutilized. For example, VA determines utilization rates of its assets, which allows VA to determine whether an asset is a candidate for disposal. Further, regions and local facilities are responsible for identifying underutilized real properties and updating this information in VA's Capital Asset Inventory database, which VA uses to manage its real property.
- **Facility condition.** VA tracks the condition of each of its facilities by conducting condition assessments on a triannual basis. Teams of contractors, including architects and engineers, evaluate major components of each of VA's buildings and identify needed repairs and replacements. VA records in a database A to F grades for each system based on its condition. Using this information, VA also calculates the costs to correct identified deficiencies.⁴⁸
- **Operating and maintenance costs.** VA estimates operating and maintenance costs per square foot for each building owned and leased.

VA uses the information it collects on its facilities in a number of ways, such as to meet certain federal reporting requirements and to prioritize

⁴⁷[GAO-11-646SP](#).

⁴⁸According to VA documentation, facility correction costs represent the costs to correct all D and F graded facility elements to A grades. In the years between Facility Condition Assessment surveys, an escalation rate is automatically applied to the correction cost at a station specific rate based upon market conditions.

construction, lease, maintenance, and disposal projects.⁴⁹ For example, VA monitors certain asset data—including facility utilization, condition, and operating costs—collected to support a corporate-level data-reporting and analysis tool for its capital asset inventory and to meet such federal-reporting requirements.⁵⁰ VA also uses its facilities' condition and utilization information, among other data, to help prioritize construction and maintenance projects through its Strategic Capital Investment Planning process and to develop its annual budget request to Congress for these projects. In addition, VA reports, as required, a variety of information about its facilities—including their condition, utilization, and operating and maintenance costs—to the Federal Real Property Profile Management System. VA also calculates the total amount of its deferred maintenance and includes this amount in its annual financial report.⁵¹ Further, VA facilities with space utilization rates that are less than 50 percent—including vacant properties—are candidates for disposal and may vie for funding for a demolition project in VA's project prioritization process.

However, VA has not yet used this information to develop measurable goals or targets for asset management that would help VA determine whether its asset management is helping achieve its strategic goals. For example, VA has not established a performance goal to decrease the cost of its deferred maintenance by a certain percentage or dollar amount; such a goal could help VA determine how its asset management efforts are contributing to attaining its strategic goal of focusing its resources more efficiently. As a result, the agency is limited in its ability to assess whether the funding it receives and the projects it selects are improving the condition of its facilities as expected by meeting established targets, or to assess why and how those assets could be better managed. VA officials report having tracked the performance of capital assets

⁴⁹In 2004, the President issued Executive Order 13327 (69 Fed. Reg. 5897 (Feb. 6, 2004)) requiring federal agencies subject to the Chief Financial Officers Act of 1990 (Pub. L. No. 101-576, 104 Stat. 2838), including VA, to report data to the Federal Real Property Profile Management System on an annual basis. In addition, the Federal Assets Sale and Transfer Act of 2016 (Pub. L. No. 114-287, § 21, 130 Stat. 1463, 1477) requires each executive agency to submit specified types of federal real property information to the Federal Real Property Profile Management System.

⁵⁰VA's corporate-level data reporting and analysis tool is called the Capital Asset Management Service Business Intelligence system (CAMS-BI).

⁵¹Deferred maintenance and repairs are maintenance and repair activities not performed when they should have been or were scheduled to be and therefore, are put off or delayed for a future period.

through the Strategic Capital Investment Planning process; however, this process assigns facility “performance gaps” between the current and ideal status on measures such as facility condition or utilization. But the “gaps” themselves are not used as data to conduct retrospective evaluation of performance and outcomes, rather they are used as indicators for planning and prioritizing future projects.

Without measurable goals and related measures that assess the performance of its capital asset management, VA lacks reasonable assurance that it makes optimum use of its resources. Measuring performance allows organizations to track the progress they are making toward their goals and gives managers critical information on which to base decisions for improving their processes.⁵² Having performance measures that track progress made toward strategic goals is not only important for decision-making and program improvement, but could also prove useful should the healthcare environment change, such as with changing veteran demographics or a change in priorities from one administration to another. Without the use of such performance measures, VA’s ability to assess and communicate its performance to Congress is hampered, and this inability prevents Congress from fully understanding VA’s performance in managing its capital assets.

Conclusions

VA faces a range of challenges in managing, building, and obtaining leases for its vast capital asset portfolio to provide care to veterans. Given the size of VA’s maintenance backlog, in addition to the need for VA to adapt its facilities to meet changing veteran demographics, it is important for VA that its asset management process and the capital projects it pursues make the best use of its resources. VA could help ensure that it is making the best use of its resources by avoiding unnecessary delays and related costs caused by insufficient communication among different offices involved in the asset management process. For example, fully integrating information technology needs and costs into capital asset planning and project development, and ensuring ongoing communication between the Office of Information and Technology and the regions and medical centers, could help VA offices avoid challenges during facility activations that stem from insufficient funding or equipment. Similarly, ensuring better-coordinated reviews of construction and maintenance

⁵²GAO, *Tax Administration: IRS Needs to Further Refine Its Tax Filing Season Performance Measures*, [GAO-03-143](#) (Washington, D.C.: Nov. 22, 2002).

projects before their submission to the Strategic Capital Investment Planning process could help avoid delays in project development and execution.

Further, while VA uses its Strategic Capital Investment Planning process to prioritize its capital projects, without measurable goals for its capital asset management and associated performance measures to determine the extent to which VA is achieving those goals, VA lacks reasonable assurance that the agency is making optimal use of its resources. Further, VA could use such performance measures to guide future improvements to its capital asset management process and its selection, design, and execution of capital projects. Finally, performance measures could also help Congress evaluate VA's management of its capital assets and make decisions regarding those assets.

Recommendations for Executive Action

We are making the following three recommendations to the Department of Veterans Affairs:

- The Secretary of VA should ensure that the Office of Construction and Facilities Management and the regions and medical centers follow key practices for communication during planning, development, and proposal of all types of projects, including specifying how and when communication should occur. (Recommendation 1)
- The Secretary of VA should clearly define the Office of Information and Technology's role in developing and executing construction projects to include improved communication between the office and the regions and medical centers throughout the project to ensure all parties are aware of project status. (Recommendation 2)
- The Secretary of VA should develop a set of performance goals and related measures based on key practices to allow VA to assess the performance of its capital assets and make any necessary improvements to its management of those assets. (Recommendation 3)

Agency Comments

We provided a draft of this report to the Department of Veterans Affairs (VA) for review and comment. In written comments, reproduced in appendix IV, VA concurred with our recommendations.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees, the Secretary of Veterans Affairs, and other interested parties. In addition, the report will be available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-2834 or vonaha@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix V.



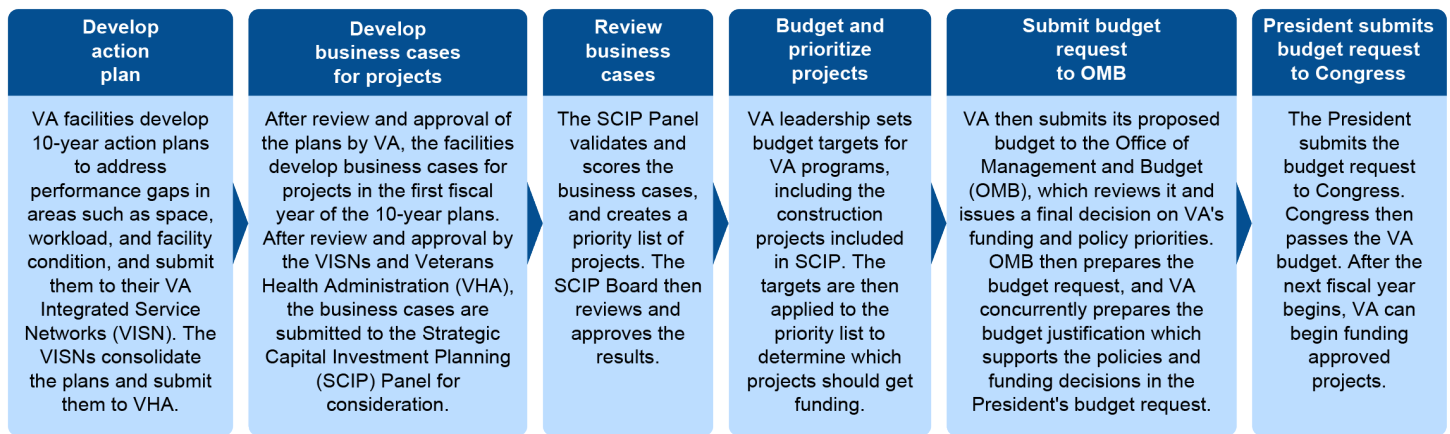
Andrew Von Ah
Director, Physical Infrastructure Issues

Appendix I: Information on VA's Capital Asset Budget Process and Maintenance Backlog

Budget Process

VA's budget process helps determine what funding resources the agency receives for asset management and how those funds are distributed. As previously discussed, VA uses its Strategic Capital Investment Planning process to prioritize its projects and to identify its overall capital needs and develop its budget submissions to Congress. More specifically, VA's leadership compares available budget information to the list of priority projects generated by the Strategic Capital Investment Planning process to determine which projects should get funding in its budget request. VA then works with the Office of Management and Budget to develop the President's budget request, and Congress ultimately determines the amount of funding VA will receive (see fig. 5 below).

Figure 5: Department of Veterans Affairs (VA) Process for Identifying, Prioritizing, and Funding Capital Projects



Source: GAO analysis of VA information. | GAO-22-103962

Text of Figure 5: Department of Veterans Affairs (VA) Process for Identifying, Prioritizing, and Funding Capital Projects

- **Develop action plan:** VA facilities develop 10-year action plans to address performance gaps in areas such as space, workload, and facility condition, and submit them to their VA Integrated Service

Networks (VISN). The VISNs consolidate the plans and submit them to VHA.

- Develop business cases for projects: After review and approval of the plans by VA, the facilities develop business cases for projects in the first fiscal year of the 10-year plans. After review and approval by the VISNs and Veterans Health Administration (VHA), the business cases are submitted to the Strategic Capital Investment Planning (SCIP) Panel for consideration.
- Review business cases: The SCIP Panel validates and scores the business cases, and creates a priority list of projects. The SCIP Board then reviews and approves the results.
- Budget and prioritize projects: VA leadership sets budget targets for VA programs, including the construction projects included in SCIP. The targets are then applied to the priority list to determine which projects should get funding.
- Submit budget request to OMB: VA then submits its proposed budget to the Office of Management and Budget (OMB), which reviews it and issues a final decision on VA's funding and policy priorities. OMB then prepares the budget request, and VA concurrently prepares the budget justification which supports the policies and funding decisions in the President's budget request.
- President submits budget request to Congress: The President submits the budget request to Congress. Congress then passes the VA budget. After the next fiscal year begins, VA can begin funding approved projects.

Source: GAO analysis of VA information. | GAO-22-103962

Facility Condition Correction Costs

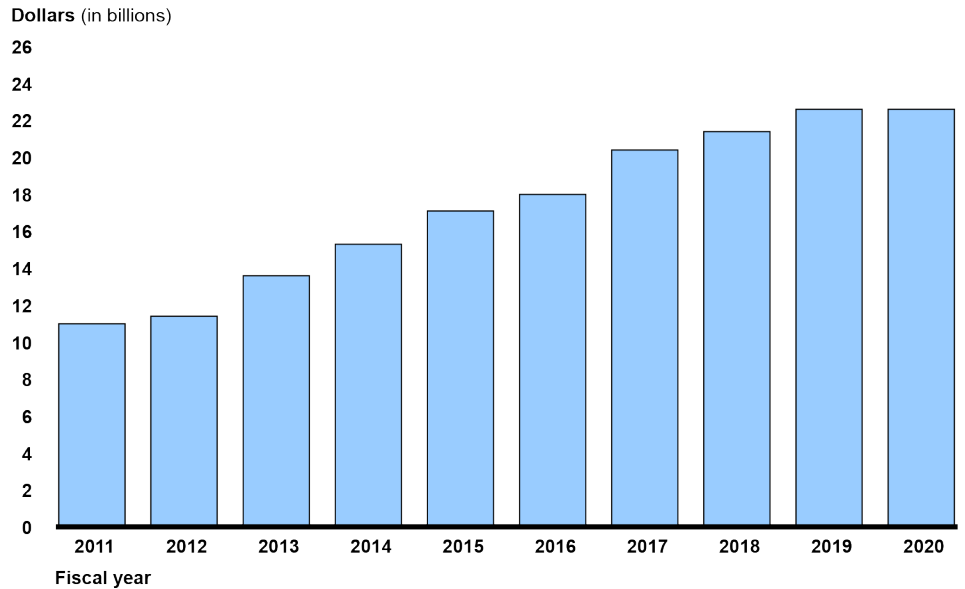
According to VA data, the estimated amount of funding that would be required to correct the agency's facility condition assessment deficiencies approximately doubled from fiscal year 2012 through fiscal year 2020, from around \$11.4 billion in fiscal year 2012 to around \$22.6 billion in

fiscal year 2020 (see fig. 7 below).¹ According to VA's Annual Financial Report, the agency has experienced an upward trend in deferred maintenance and repairs as a result of (1) increased maintenance and repair costs as buildings age; (2) maintenance and repair budgets that have not grown in proportion with an increasing portfolio of owned space and inflation rates; and (3) an expanded scope of facility-condition assessment survey requirements, which significantly increase cost estimates when sites are reevaluated.² For example, VA officials said that some deficiencies that were not originally part of the facility condition assessment, such as seismic deficiencies, were later added to the assessment, which contributed to the increasing amount of correction costs.

¹According to VA officials and documentation, these costs represent the costs to correct all facility elements graded as D or F during VA's facility condition assessments to A grades. According to VHA officials, these costs include facilities that VA may never repair because VA plans to dispose of them. VA regularly reports two other types of estimated maintenance and repair data: (1) deferred maintenance and repair data reported in its annual agency financial reports, and (2) repair need data reported to the Federal Real Property Profile Management System annually. We have previously reported that VA officials attribute the differences in these estimates principally to the exclusion of capitalized projects from its financial report estimate and inclusion of those projects as part of its Federal Real Property Profile estimate. GAO, *Federal Real Property: Improved Transparency Could Help Efforts to Manage Agencies' Maintenance and Repair Backlogs*, [GAO-14-188](#) (Washington, D.C.: Jan. 23, 2014).

²Deferred maintenance and repair activities are maintenance and repair activities not performed when they should have been or were scheduled to be and therefore, are put off or delayed for a future period. These activities include preventive maintenance; replacement of parts, systems or components; and other activities needed to preserve or maintain an asset.

Figure 6: Department of Veterans Affairs (VA) Estimated Facility Condition Correction Costs, Fiscal Years 2011 through 2020



Source: Department of Veterans Affairs data. | GAO-22-103962

Data table for Figure 6: Department of Veterans Affairs (VA) Estimated Facility Condition Correction Costs, Fiscal Years 2011 through 2020

Fiscal year	Dollars (in billions)
2011	11
2012	11.4
2013	13.6
2014	15.3
2015	17.1
2016	18
2017	20.4
2018	21.4
2019	22.6
2020	22.6

Source: Dept. of Veterans Affairs data. | GAO-103962

Note: According to Department of Veterans Affairs (VA) officials and documentation, the costs in the chart above represent the costs to correct all D and F graded facility elements to A grades. VA conducts facility condition surveys on a triannual basis. In the years between surveys, an escalation rate is automatically applied to the correction cost at a station specific rate based upon market conditions.

Appendix II: GAO Reports about the Department of Veterans Affairs' (VA) Asset Management, January 2016 to December 2020

We have previously found that VA faces challenges in managing its capital assets related to the provision of healthcare and have made recommendations as appropriate. VA has addressed some of these recommendations, but other recommendations remain open as VA continues to work to address them. Table 1 below highlights selected findings and recommendations on performance measures, human capital and staffing, communication, project management, and other areas.

Table 1: Selected GAO Reports Regarding the Department of Veterans Affairs' (VA) Capital Asset Management Challenges and Related Recommendations, January 2016 to December 2020

Challenge Area	GAO Report Number and Summary of Challenges	Summary of Select Recommendations and Status as of August 2021
Performance Measures	<p>GAO-21-133: VA has not consistently followed a lessons-learned process within its asset management program, resulting in the potential loss of valuable insight into cost and time savings for the entire construction program.</p>	<p>GAO-21-133: Complete a lessons-learned process that aligns with lessons-learned key practices, including documentation and dissemination of lessons. <i>(VA is in process of addressing recommendation. Recommendation status: open – in progress)</i></p>
	<p>GAO-20-169: The Veterans Health Administration (VHA) does not have a clear understanding of total costs and whether individual activation projects are spending funds effectively. Because VHA does not have a process for developing an estimate for the entire activation cost of a project, the agency lacks a critical baseline that can inform future spending decisions. In addition, VHA lacks a process that describes how officials should compare actual expenses to that estimate.</p>	<p>GAO-20-169: Develop and document a process for comparing actual activation costs for major medical facility projects to estimates. <i>(VA is in process of addressing recommendation. Recommendation status: open – in progress)</i></p>
	<p>GAO-19-440: VA did not provide VA medical center facility-planning officials guidance on how to assess veterans' needs and expectations or incorporate them into their facility planning.</p>	<p>GAO-19-440: Develop and implement a process to assess veterans' changing expectations and disseminate this information to VA medical centers. <i>(Recommendation status: open – not addressed)</i></p>

**Appendix II: GAO Reports about the
Department of Veterans Affairs' (VA) Asset
Management, January 2016 to December 2020**

Challenge Area	GAO Report Number and Summary of Challenges	Summary of Select Recommendations and Status as of August 2021
	<p>GAO-19-291: VA and the Indian Health Service are limited in their ability to measure progress and make strategic decisions about how and where improvements should be made to improve health care.</p>	<p>GAO-19-291:</p> <p>1) VA and the Indian Health Service should revise the memorandum of understanding and related performance measures. <i>(Recommendation status: open – in progress)</i></p> <p>2) Director of the Indian Health Service should ensure these measures are consistent with key attributes of successful performance measures. <i>(Recommendation status: open – in progress)</i></p>
	<p>GAO-19-117: Without clear objectives and assessment and evaluation plans, VA and Congress may have difficulty determining whether the pilot approach is an effective way to help address VA's infrastructure needs.</p>	<p>GAO-19-117: Ensure that internal stakeholders agree to and document clear, measurable objectives that will help inform decisions about whether and how to scale the program. <i>(Recommendation status: closed-implemented)</i></p>
	<p>GAO-19-21: VHA lacks performance goals, objectives, and measures for its Environment of Care Program that would enable VA to provide effective oversight, address challenges, and assess how well the program is achieving a clean, safe, and functional environment.</p>	<p>GAO-19-21: Set a timeline for defining goals, objectives, and outcome-oriented performance measures for the Environment of Care Program. <i>(Recommendation status: closed – implemented)</i></p>
Human Capital/Staffing	<p>GAO-20-169: Once construction is completed, the activation—the process of bringing a new facility into full operation, such as in purchasing and installing furniture and medical equipment, and in hiring staff—of VA medical facilities has been problematic.</p> <p>GAO-19-21: VA's Central Office has recognized staffing shortages among engineers and others (such as maintenance staff) as an issue.</p> <p>GAO-18-479: Staff at six of the seven selected medical facilities we visited stated that they do not have adequate staffing levels to manage complex minor construction and non-recurring maintenance projects, given the workload demands of the project engineers and contracting officers.</p>	<p>Human Capital/Staffing: No corresponding recommendations for this category</p>
Communication	<p>GAO-20-169: Once construction is completed, the activation of VA medical facilities has been problematic due to, among other things, misunderstanding about which costs are allowable and what entity is responsible for them.</p>	<p>GAO-20-169: Define and document what items and services officials can purchase with activation funds. <i>(VHA is in process of addressing recommendation. Recommendation status: open – in progress)</i></p>

**Appendix II: GAO Reports about the
Department of Veterans Affairs' (VA) Asset
Management, January 2016 to December 2020**

Challenge Area	GAO Report Number and Summary of Challenges	Summary of Select Recommendations and Status as of August 2021
	<p>GAO-19-462: VHA is unable to determine if VA Integrated Service Networks are meeting their objectives and responsibilities, and a lack of clearly defined roles and responsibilities limits the ability to monitor activities.</p>	<p>GAO-19-462: Establish a comprehensive policy that clearly defines VA Integrated Service Networks' roles and responsibilities for managing and overseeing medical centers. <i>(Recommendation status: open – in progress)</i></p>
	<p>GAO-19-440: Without clear internal communication explaining how it expects its stated goals to be achieved, VA cannot reasonably ensure that VA medical centers' future facility plans are designed to meet veterans' changing needs and expectations.</p>	<p>GAO-19-440: No corresponding recommendation.</p>
	<p>GAO-19-148: VA's guidance did not specify sequential steps and actions for carrying out the agency's procedures for disposal of excess properties.</p>	<p>GAO-19-148: Develop clear procedures for each of VA's disposal options to help facilities' managers plan, implement, and execute projects to dispose of vacant and unneeded properties. <i>(Recommendation status: closed – implemented)</i></p>
	<p>GAO-19-117: While VA has experienced some external and internal communication challenges about the pilot project, officials have taken steps to help resolve some of these challenges.</p>	<p>GAO-19-117: No corresponding recommendation.</p>
	<p>GAO-17-349: Local approaches to stakeholder involvement vary due to lack of VA guidance. VA does not know if the local officials are meaningfully or effectively engaging internal and external stakeholders in the capital alignment decisions that affect them.</p>	<p>GAO-17-349: Develop and implement a mechanism to evaluate VA Integrated Service Network and facility communication efforts with stakeholders to ensure that these communication efforts are working as intended and align with guidance and best practices. <i>(Recommendation status: closed - implemented)</i></p>
Project Management	<p>GAO-20-169: Once construction is completed, the activation of VA medical facilities has been problematic due to, among other things, inaccurate activation cost estimating, and tracking and general oversight of activation costs.</p>	<p>GAO-20-169: Develop and document a process for estimating total activation costs for major medical facility projects. <i>(VA is in process of addressing recommendation. Recommendation status: open – in progress)</i></p>
	<p>GAO-19-121: The National Cemetery Administration has been challenged in producing accurate estimates of construction costs for most of its rural initiative sites. Cost estimates have increased more than 200 percent (from about \$7 million to \$24 million) for these sites. The National Cemetery Administration's guidance for developing cost estimates for the cemeteries does not fully incorporate the 12 steps identified in cost-estimating leading practices.</p>	<p>GAO-19-121: Ensure that the Under Secretary for Memorial Affairs update its cost-estimating procedures for cemetery construction projects to fully incorporate the 12 steps identified in the GAO Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Capital Program Costs. <i>(VA is in process of addressing recommendation with new cost estimating guidance. Recommendation status: open – in progress)</i></p>

**Appendix II: GAO Reports about the
Department of Veterans Affairs' (VA) Asset
Management, January 2016 to December 2020**

Challenge Area	GAO Report Number and Summary of Challenges	Summary of Select Recommendations and Status as of August 2021
	<p>GAO-18-479: VHA's cost estimating guidance does not incorporate all the steps from the GAO Cost Estimating and Assessment Guide. Furthermore, cost estimates for projects reviewed in this report were found to be unreliable.</p>	<p>GAO-18-479: Ensure that VHA incorporates the 12 steps in the GAO Cost Estimating and Assessment Guide in VHA's updated construction projects' cost-estimating guidance. <i>(VA is in process of addressing recommendation with new cost estimating guidance. Recommendation status: open – in progress)</i></p>
	<p>GAO-17-70: VA continues to experience cost increases and schedule delays on major projects, and some VA cost estimates remain unreliable and do not meet the characteristics of reliable cost estimates.</p>	<p>GAO-17-70: Develop an activation cost estimate for the Denver project that is reliable and conforms with best practices as described in the GAO Cost Estimating and Assessment Guide. <i>(Denver project is complete. Recommendation status: closed-not implemented)</i></p>
Others	<p>GAO-19-148: Specific examples of challenges to managing property disposal include:</p> <ol style="list-style-type: none"> 1) Time needed to administer environmental reviews. 2) Time needed to administer historic reviews. 3) Competing priorities for VA funds: we found that if VA does not prioritize funding for disposals, then unused properties may be retained for many years. 4) Characteristics of VA properties affect their marketability and act as barriers for disposal. 5) VA's lack of clear procedures or processes related to asset management, such as facility planning. 	<p>GAO-19-148:</p> <ol style="list-style-type: none"> 1) Develop clear procedures for each of VA's disposal options to help facilities' managers plan, implement, and execute projects to dispose of vacant and unneeded properties. <i>(Recommendation status: closed - implemented)</i> 2) Develop clear procedures for each of VA's disposal options to help facilities' managers plan, implement, and execute projects to dispose of vacant and unneeded properties. <i>(Recommendation status: closed - implemented)</i>

Source: GAO. | GAO-22-103962

Appendix III: VA Regions and Medical Centers We Interviewed

We interviewed officials from a non-generalizable selection of eight medical centers and seven Veterans Integrated Service Networks offices (regions) about VA’s capital asset processes in general as well as about eight specific projects. To identify these eight projects, we reviewed information from a selection of VA’s fiscal year 2020 and 2021 projects prioritized through VA’s Strategic Capital Investment Planning process. We included two projects each for four types of VA’s capital projects—major construction, minor construction, major leases, and non-recurring maintenance. We chose these facilities to represent each of the four types of capital projects, as well as to illustrate a mix of geographic regions. See tables 2 and 3.

Table 2: The Medical Centers and the Veterans Integrated Service Networks (VISN) That Were Interviewed

Medical Centers	American Lake, Washington
	Canandaigua, New York
	Lawrence, Indiana
	Miami, Florida
	Iron Mountain, Michigan
	Marion, Indiana
	Temple, Texas
	Baton Rouge, Louisiana
VISNs	VISN 2 (New York/New Jersey)
	VISN 8 (Florida, Puerto Rico, Virgin Islands)
	VISN 10 (Michigan, Indiana, Ohio)
	VISN 12 (Wisconsin, Illinois)
	VISN 16 (Arkansas, Louisiana, Mississippi)
	VISN 17 (Texas)
	VISN 20 (Alaska, Washington, Oregon, Idaho, Western Montana)

Source: GAO. | GAO-22-103962

**Appendix III: VA Regions and Medical Centers
We Interviewed**

Table 3: Selected VA Strategic Capital Investment Planning (SCIP) Projects

Type of Project	Project	Veterans Integrated Service Network (VISN)	VA Medical Center	Fiscal Year
Major construction	American Lake, Washington Construct new specialty care building	VISN # 20	American Lake / Puget Sound Health Care System Medical Center	2021
Major construction	Canandaigua, New York Construction and renovation of community-living center, domiciliary, and outpatient facilities	VISN # 2	Canandaigua Medical Center	2021
Lease	Baton Rouge, Louisiana Outpatient clinic lease	VISN # 16	New Orleans Medical Center	2021
Lease	Lawrence, Indiana Outpatient clinic lease	VISN # 10	Indianapolis Medical Center	2021
Minor	Miami, Florida Construct cancer research facility	VISN # 8	Miami Medical Center	2020
Minor	Iron Mountain, Michigan Expand pharmacy and radiology	VISN # 12	Iron Mountain / Oscar G. Johnson Medical Center	2020
Non-Recurring Maintenance	Marion, Indiana Remodel building 3	VISN # 10	VA Northern Indiana Health Care System - Marion Campus / Medical Center	2021
Non-Recurring Maintenance	Temple, Texas Reconfigure outpatient rehabilitation medicine	VISN # 17	Temple, Texas Medical Center	2021

Source: GAO. | GAO-22-103962

Appendix IV: Comments from the Department of Veterans Affairs



DEPARTMENT OF VETERANS AFFAIRS
WASHINGTON

October 18, 2021

Mr. Andrew Von Ah
Director
Physical Infrastructure
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Von Ah:

The Department of Veterans Affairs (VA) reviewed the Government Accountability Office (GAO) draft report: ***VA Real Property: Enhanced Communication and Performance Measurement Could Improve Capital Asset Management*** (GAO-22-103962).

VA concurs with GAO's draft report recommendations and the enclosure contains the actions VA will take to address the recommendations. Thank you for the opportunity to comment on the draft report.

Sincerely,

A handwritten signature in black ink that reads "Tanya J. Bradsher".

Tanya J. Bradsher
Chief of Staff

Enclosure

Enclosure

Department of Veterans Affairs (VA) Response to the
Government Accountability Office (GAO) Draft Report
***VA Real Property: Enhanced Communication and Performance Measurement
Could Improve Capital Asset Management***
(GAO-22-103962)

Recommendation 1: The Secretary of VA should ensure that the Office of Construction and Facilities Management and the regions and medical centers follow key practices for communication during planning, development, and proposal of all types of projects, including specifying how and when communication should occur.

VA Response: Concur. VA's Office of Construction and Facilities Management (CFM) will do the following:

- a. Create and distribute a CFM planning and development communications plan. The target audiences are the Healthcare Engineering and Facilities Program (HEFP) Office within the Office of the Assistant Under Secretary for Health for Support; the Veterans Integrated Service Networks (VISN); and VA medical centers (VAMC). CFM will establish a baseline communications plan and requirements for generating new project requirements. The target completion date is January 2022.
- b. Create a VISN Level Project Planning Update. This will include a monthly update regarding possible meetings on specific issues, constraints and initiatives distributed through email from CFM to the HEFP Office, VISNs and VAMCs. The target completion date is January 2022.

Recommendation 2: The Secretary of VA should clearly define the Office of Information and Technology's role in developing and executing construction projects to include improved communication between the office and the regions and medical centers throughout the project to ensure all parties are aware of project status.

VA Response: Concur. VA agrees with GAO's conclusions and concurs with their recommendation to the Department. VA will provide the actions that will be taken to address the GAO draft report recommendation in the 180-day update to the final report.

Recommendation 3: The Secretary of VA should develop a set of performance goals and related measures based on key practices to allow VA to assess the performance of its capital assets and make any necessary improvements to its management of those assets.

VA Response: Concur. VA will review and identify key practices for capital assets, meet with internal partners to refine capital measures and utilize internal and external data and metrics to support VA capital goals. VA will also establish a working group to

**Appendix IV: Comments from the Department
of Veterans Affairs**

Enclosure

develop an implementation plan for measuring VA capital asset performance that will help inform VA capital decisions and enhance long-term improvement of VA's capital efforts. The target completion date is August 2022.

Page 2 of 2

Text of Appendix IV: Comments from the Department of Veterans Affairs

October 18, 2021

Mr. Andrew Von Ah Director

Physical Infrastructure

U.S. Government Accountability Office 441 G Street, NW

Washington, DC 20548

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Sincerely,

Tanya J. Bradsher

Chief of Staff

Enclosure

Department of Veterans Affairs (VA) Response to the Government
Accountability Office (GAO) Draft Report

VA Real Property: Enhanced Communication and Performance Measurement
Could Improve Capital Asset Management (GAO-22-103962)

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VA Response: Concur. VA will review and identify key practices for capital assets, meet with internal partners to refine capital measures and utilize internal and external data and metrics to support VA capital goals. VA will also establish a working group to develop an implementation plan for measuring VA capital asset performance that will help inform VA capital decisions and enhance long-term improvement of VA's capital efforts. The target completion date is August 2022.

Appendix V: GAO Contact and Staff Acknowledgments

GAO Contact

Andrew Von Ah, (202) 512-2834 or VonAhA@gao.gov.

Staff Acknowledgments

In addition to the individual named above, other key contributors to this report were Cathy Colwell, Assistant Director; Ed Laughlin, Assistant Director; Jessica Bryant-Bertail, Analyst-in-Charge; Tobias Gillett, Analyst-in-Charge; Sue Bernstein; Geoff Hamilton; Terence Lam; Serena Lo; Jon Melhus; Josh Ormond; Amy Rosewarne; Janet Temko-Blinder; Patrick Tierney; and Elaine Vaurio.

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