

Why GAO Did This Study

For certain service functions, OFPP guidance identifies agency responsibilities for addressing possible risks. These risks include the potential for contractors to inappropriately influence the government's authority, control, and accountability for decisions. Contracts with these risks need heightened management attention. GAO has previously reported how other federal agencies could better mitigate challenges to overseeing service contracts involving functions that need heightened management attention, such as by developing related guidance.

GAO was asked to review VA's use of service contracts involving functions needing this heightened attention. This report assesses, among other things, the extent to which VA uses and oversees these contracts.

GAO analyzed data that VA personnel entered in the Federal Procurement Data System from fiscal years 2018–2022; selected a sample of 12 contracts reflecting a range of contracting activities for in-depth review; interviewed VA officials and contracting personnel; and reviewed policies, guidance, and documentation.

What GAO Recommends

GAO is making seven recommendations to VA, including that it improve the completeness of its service contract data, and that it more fully implement OFPP guidance by issuing additional VA guidance, analyzing its workforce needs, and improving training. VA agreed with GAO's recommendations.

View [GAO-24-106312](#). For more information, contact Shelby S. Oakley at (202) 512-4841 or OakleyS@gao.gov.

VA ACQUISITION MANAGEMENT

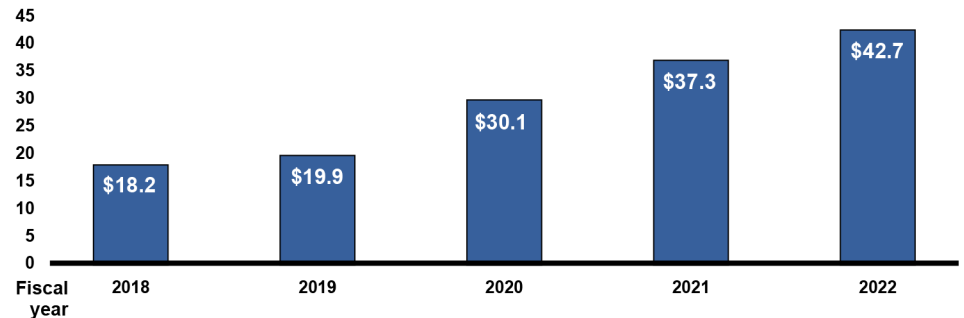
Oversight of Service Contracts Needing Heightened Management Attention Could Be Improved

What GAO Found

The Department of Veterans Affairs (VA) has increasingly relied on contractors to perform tasks and services—such as medical, professional and management support, and hospital construction and maintenance services—to achieve its mission.

Department of Veterans Affairs (VA) Obligations on Service Contracts, Fiscal Years 2018 through 2022

Service contract obligations (fiscal year 2022 dollars in billions)



Source: GAO analysis of VA data in Federal Procurement Data System, fiscal years 2018–2022. | GAO-24-106312

GAO cannot report on VA's use of service contracts involving functions needing heightened management attention because VA's data are unreliable and incomplete. VA is required by law to analyze data about its service contracts annually to ensure, among other things, oversight of service contracts involving functions that need heightened management attention. However, VA's data analysis excluded contracts for medical and social services, which accounted for most of VA's obligations on contracts coded as needing heightened management attention. This is in part due to VA misinterpreting guidance from the Office of Management and Budget's Office of Federal Procurement Policy (OFPP) when selecting functions for the analysis.

OFPP issued guidance in 2011 to assist agencies in managing potential risks associated with contracts including functions that need heightened management attention, but VA has not fully implemented it. Specifically:

- VA guidance does not provide directions for how to plan and conduct oversight of these contracts.
- VA has yet to strategically plan its workforce to ensure sufficient personnel are available to provide heightened management attention.
- VA does not routinely offer related training to its employees.

VA officials for the 12 service contracts that GAO reviewed also reported uneven awareness and limited oversight of contracts including functions needing heightened management attention.

By taking steps to more fully implement OFPP guidance and improve the completeness of its service contract data, VA can position itself to better ensure it mitigates the potential risks associated with contractors performing functions that need heightened management attention.