

STATEMENT FOR THE RECORD
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COMMON SENSE IN GOVERNMENT
PROCUREMENT
BEFORE THE COMMITTEE ON VETERANS'
AFFAIRS
UNITED STATES SENATE
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Chairman Moran, Ranking Member Blumenthal, and members of the Committee, I appreciate the opportunity to provide our views on S. 1591, the Acquisition Reform and Cost Assessment Act of 2025. All of us, including this Committee, Department of Veterans Affairs (VA), and industry want to provide our veterans, who have given this country and its citizens so much, the best possible service, including healthcare. We also all share the goal of being good stewards of taxpayer dollars and getting the best value from the goods and services the VA acquires to deliver service to our veterans. The Coalition for Common Sense in Government Procurement (Coalition) is appreciative of the efforts of the Committee, and we are pleased to share our thoughts, on behalf of our members, on the possible positive benefits of the proposed legislation.

By way of background, the Coalition is a non-profit association of firms selling commercial services and products to the Federal Government. Our members collectively account for more than \$145 billion of the sales generated through General Services Administration (GSA) and VA contracts, including the Multiple Award Schedule (MAS) and Federal Supply Schedule (FSS) programs. Coalition members include small, medium, and large businesses. Many of our members, including veteran-owned and service-disabled veteran-owned small businesses, provide commercial healthcare goods and services to the VA. The Coalition is proud to have collaborated with Government officials for 45 years in promoting the mutual goal of common-sense acquisition.

Below, please find our analysis of the Acquisition Reform and Cost Assessment Act of 2025.

Assistant Secretary of Veterans Affairs for Acquisition and Innovation

The proposed legislation would create an Assistant Secretary of Veterans Affairs for Acquisition and Innovation, who would serve as the VA's Chief Acquisition Officer and be responsible for managing the VA's logistics, innovation, and procurement offices. The legislation places all VA contracting officers and acquisition centers under the Assistant Secretary. We believe **elevating acquisition management to the Assistant Secretary level corresponds to the importance of the goods and services needed to care for and service our veterans.**

The consolidation of procurement operations will:

- *Lead to the development of standard operating procedures.* This will reduce lead times, inject greater consistency in requirements and interpretation of policies and procedures, make it easier to add products to contracts, and streamline solicitations, modifications, and awards.
- *Improve communication with industry.* This will result in lower costs and better performance, improving the healthcare of veterans. Currently, vendors have duplicative contracts with the VA for the same goods or services. For example, a small business vendor selling medical supplies to the VA may have both a blanket purchase agreement under the Medical/Surgical Program Office within the Veterans Health Administration (VHA) and an FSS contract managed by the VA. The costs on both sides of the relationship are duplicative. The government has two sets of contracting officers administering two different contracts in different ways, using different procedures, for the same goods and services. Vendors have to spend twice as much time bidding on, performing, monitoring and complying with the terms and conditions of each contract, to deliver the exact same product or service to the VA. Consolidating the contract offices for contracts that manage

the same goods and services under the same organization will create efficiencies that will lower administration costs for government and lower administration costs for vendors, which will result in lower prices and best value. This will be a win-win-win for veterans, taxpayers, and industry.

According to the VA Office of Inspector General, the VA spent approximately \$5.5 billion through government purchase cards during a one-year period between 2022 and 2023. Open market, one-off purchases of medical supplies via a credit card is not a cost-effective way to do business. The VA should adopt an online ordering system—a standard practice in the commercial market—to maximize purchases under VA contracts with negotiated prices and reduce use of government purchase cards. An online ordering system tied to existing contract pricing will save the government money by maximizing volume buying; give the VA better data on its buying patterns and trends; and protect the healthcare of the veteran from the potential purchase of counterfeit and lower quality goods that can be acquired, often from our adversaries, on the open market via credit card.

- *Leverage resources and workforce.* With one Assistant Secretary responsible for logistics, procurement, and innovation, the VA will be better positioned to manage its resources and workforces to ensure that VA acquisition policies and procedures are being followed and applied consistently across the agency, and to adapt to changing needs and emergency situations. Such flexibility is especially critical in the current environment as the VA goes through a transformation.

Consolidating procurement operations will also provide the Assistant Secretary with an opportunity to examine whether the VA should adopt GSA best practices associated with the MAS for its VA administered FSS contracts. For example, GSA refreshes its contracts periodically through a transparent process that seeks industry input. This ensures that both sides have a better understanding of contract requirements and the terms and conditions. GSA also does not require pre-award audits prior to every contract award, but instead audits after award, as necessary based on risk and resources. Adopting these GSA best practices for the VA FSS program could result in vital cutting-edge healthcare products and services reaching veterans more quickly.

Other Transaction Authority

The Coalition **strongly supports the proposal to extend other transaction authority (OTA) to the VA**, which would enable the VA to acquire cutting-edge technologies and solutions. However, if the VA really wants the best solution, the opportunity should be open to all potential contractors, without limitation. Limiting the parties that participate will limit the benefits achieved. Under the existing procurement system, it is difficult for the government to acquire the goods and services that the government knows are best value without a long solicitation and award process that is subject to protest. This is one of the primary reasons OTAs were created. The definition of a non-traditional contractor in the proposed legislation, “an entity that is not currently performing and has never performed any contract or subcontract for any department or agency of the Federal Government,” is extremely limited and we fear will severely hamper the ability of the VA to utilize the OTA authority.

We also recommend increasing the proposed \$5 million threshold (including options) above which approval is required. Requiring approvals adds bureaucracy and time to the acquisition process. Setting the threshold to \$15 million would better strike the balance between oversight and providing flexibility and authority to the acquisition workforce. With respect to the cost sharing provision, we believe that such a provision adds unnecessary restrictions to OTAs. If the VA needs something that will benefit veterans, the priority should be getting what the VA needs when it needs it, not on having OTAs be conditioned on funding structures. Finally, instead of separate notifications to Congress each time an OTA is executed, we recommend requiring an annual report that includes details on all the participating providers and the associated benefits resulting from each OTA award over the preceding year.

Independent Verification and Validation

We believe **that the independent verification and validation requirements of Section 5 of the proposed legislation is a best practice** that will likely benefit the VA and ensure that taxpayer money is well spent and that the VA, and the veterans it serves, are getting best value.

Independent Cost Estimate

Section 6 of the proposed legislation creates a Director of Cost Assessment and Program Evaluation, who will report directly to the Secretary of the VA. **We also support this as a best practice to help the VA judiciously spend taxpayer dollars** on critical systems that are vital to servicing its veteran constituents. Independence is vital to provide the Secretary the best advice on spending taxpayer dollars on critical systems and procurements.

Clinician Input

Of course, it is imperative that the centralized contracting organization and its personnel respect and honor clinician input when making contracting decisions to ensure that veterans receive the best possible healthcare outcomes.

We stand ready to provide you with any additional information at your request. Thank you.