Post Hearing Questions for the Record from
Chairman, The Honorable Steve Buyer
House Committee on Veterans' Affairs
September 14, 2005 Hearing on
Questions on Information Technology Infrastructure Reorganization

1. There have been numerous major VA IT investments that have failed. Who was in charge of each of the following programs when they began: VETSNET, CoreFLS, and VISTA? Who is currently in charge of managing these programs? What are the current costs and total costs to date for these programs?

When the Veterans Benefits Administration (VBA) initiated VETSNET, Rhoda R. Mancher, Director, Office of Information Technology, was the manager in charge. The present manager is Adair Martinez, VA Deputy Chief Information Officer for Benefits. VBA has invested a total of $69.1 million on VETSNET applications. The VA budget for fiscal year 2005 includes $16.9 million for VETSNET.

CoreFLS costs to date are $304 million. At start up (1999), CoreFLS Executive Manager was Edward A. Powell, Assistant Secretary for Management. Currently, Robert N. McFarland, Assistant Secretary for Information and Technology, has oversight responsibility.

Craig Luigart recently was named VHA's Chief Information Officer. He is the present manager for VistA. At start up, Dr. Robert Kolodner MD, VHA Health Informatics Officer, provided oversight responsibility.

The expected obligations for operating and maintaining VistA Legacy in FY 2005 are $437.7 million. Of this, $247 million is for salaries for the approximately 2,800 full time employees (FTE) in the medical centers that run the program and our maintenance staff, $138.7 million is for hardware and software maintenance contracts, $44.6 million is for equipment and software and $7.4 million is for supplies, travel and other related costs.

Spending for VistA Legacy from FY 1999 thru 2005 was $2.861 billion. The supporting records are available in the FY 2001 Office of Management and Budget (OMB) Exhibit 53 and thereafter. Consistent with OMB reporting requirements, VistA Legacy project costs are available in Department records from FY 1999 through 2005.

2. One of the significant contributing factors to the problems associated with the CoreFLS program was that the same contractor hired by VA to provide independent advice and assistance was then given responsibility to implement the program. One of the conclusions of the Carnegie Mellon report on CoreFLS was that in allowing this, VA created an inherent conflict of interest. What is VA doing to prevent contractors hired to provide independent Information

Technology (IT) advice and assistance from then being hired to implement the work and approach they recommend?

VA program management and contracting personnel are trained in Government ethics and work closely together to identify conflicts of interest and the appearance thereof. Additionally, the One-VA Enterprise Program Management Office (EPMO) was formed on August 8, 2004, it is designed to improve and standardize the management of IT projects and the IT Portfolio by defining VA-wide policies, procedures and best practices, providing tools to facilitate the successful management, reporting and oversight of VA's IT project. When fully implemented, EMPO will conduct periodic Program Management Reviews (PMRs) of all major projects. A key component of reviews will focus on the acquisition strategy, supporting acquisition plans and implementation. This will provide a greater level of scrutiny of the contracting process and ensure that contracting strategies are sound and proper. Administrations will be encouraged to implement similar internal reviews to ensure appropriate contracting methodologies are used.

3. Which of the Gartner Report's recommended options has the VA chosen to address the reorganization of the IT infrastructure? What is the Department's implementation plan, and has implementation begun?

In the wake of the difficulties with CoreFLS, as a new Deputy Secretary, I asked Assistant Secretary McFarland to undertake a study of our IT system and to pursue outside assistance if necessary. In December 2004 he contracted with The Gartner Group to conduct an Organizational Assessment of VA IT.

This assessment was to enhance the effectiveness of VA's IT by first baselining how it operates today, then developing organizational models that increase VA's IT value (in terms of greater efficiencies, economies of scale, and added business value), and finally, charting the path VA IT can follow to deploy its new organizational model to truly deliver value. The completed assessment was delivered to the Assistant Secretary for Information and Technology in May 2005, and the Secretary, the Deputy Secretary and the Under Secretaries were then briefed.

A decision is forthcoming. The next step will be to systematically and methodically plan, organize, and transition to the new organization.