

Congress of the United States

U.S. House of Representatives

Committee on Small Business

2361 Rayburn House Office Building

Washington, DC 20515-6315

June 30, 2010

The Honorable Eric K. Shinseki
Secretary, the U.S. Department of Veterans Affairs
810 Vermont Avenue, NW
Washington, DC 20420

Dear Secretary Shinseki:

We are writing to request an update on concerns identified by the Government Accountability Office (GAO) in November 2000 with respect to Department of Veterans Affairs (VA) laundry services. These practices adversely affect the ability of small businesses to provide laundry services to the VA while raising the cost of operating the Department. Given current budgetary consideration, the VA should be assessing every opportunity to reduce cost without adversely affecting the services provided to our nation's veterans.

In November of 2000, at the request of the House Committee on Veterans Affairs, GAO issued a report concerning the outsourcing of the VA laundry services. The report was entitled *Consolidations and Competitive Sourcing Could Save Millions* (GAO-01-61). GAO assessed initiatives VA has taken to reduce inpatient laundry service costs by consolidating laundry facilities and allowing the private sector to compete for more of the work currently performed by VA employees. GAO also examined the extent to which these initiatives saved taxpayer dollars and what additional savings may be possible if they are implemented in other locations.

In general, the report showed that closing and consolidating several laundries could potentially reduce operating costs for the VA and avoid several one-time costs for building and equipment upgrades. Additionally, GAO found that competitive sourcing of VA laundry services could result in lower costs and a net savings for the federal government and taxpayer.

GAO recommended that VA review its laundry operations and determine if its recommendations to consolidate several government owned laundry facilities, utilize competitive sourcing albeit with a more careful contract monitoring process, or both, would provide the most cost-effective option for the taxpayer while maintaining quality services. In the report, GAO noted that VA was amenable to the recommendations;

however, to the best of our knowledge no concise plan or timetable was ever brought forward to implement or study the recommendations.

We believe that the VA, although not statutorily obligated to comply with the recommendations of the GAO, should fully address wasteful practices identified in that report. Given the current economic climate and need to conserve scarce resources to provide for our veterans, inaction would be inexcusable.

In order to better assess what VA has done to lower costs and limit wasteful practices, we respectfully ask that you provide the following information within 30 calendar days of the date of this letter:

1. Has the DVA taken steps to address the concerns brought to light by the 2000 GAO report? If so, please detail those items.
2. Is there an on-going review of the VA's practices in order to ensure that the least-costly options are being implemented?
3. What steps are you taking to address capacity issues at your laundry facilities?
4. Since the GAO's 2000 report, has the VA reduced the costs of operating their laundries?
5. Have you found to be true that competitive sourcing saves taxpayer dollars?

Maintaining a federal government that is constantly evaluating its practices will ensure a more efficient use of taxpayer's money. The information you provide will enable us to determine whether appropriate steps are being taking by the VA to address wasteful practices or if more guidance is needed from Congress. Thank you for your attention to this matter.

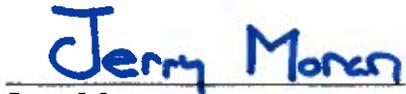
Sincerely,



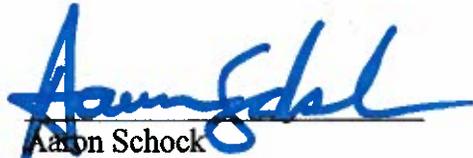
Sam Graves
Ranking Member
Small Business Committee



Vern Buchanan



Jerry Moran



Aaron Schock