



Department of Veterans Affairs
Office of Inspector General

News Release

Washington, DC 20420
(202) 461-4683

FOR IMMEDIATE RELEASE
September 21, 2016

VA Office of Inspector General Releases Denver Construction Report *Replacement Medical Center Delayed and Over Budget*

WASHINGTON – The VA Office of Inspector General (VA OIG) issued its report, [*Review of the Replacement of the Denver Medical Center, Eastern Colorado Health Care System*](#), identifying significant factors that increased the cost for the Denver replacement medical center in Aurora, Colorado. Costs increased from \$800 million originally budgeted by Congress to the current estimated cost of \$1.675 billion. The project has also experienced years of schedule slippages.

“OIG staff conducted an extensive review into the causes of the significant delays and cost overruns related to this project,” said Michael J. Missal, Inspector General, U.S. Department of Veterans Affairs, Office of Inspector General. “The lessons learned from the Denver replacement medical center can be applied to future construction projects to prevent similar problems.”

VA Inspector General Michael J. Missal and Deputy Inspector General Linda A. Halliday toured the construction site in June 2016 to review the status of the construction and to understand better the complexity of issues associated with a major capital asset project of this scope.

The OIG’s review identified major points of failure that encompass a series of questionable business decisions by VA senior officials concerning planning and design, construction, acquisition, and change order issues. Congress appropriated \$800 million between 2004 and 2012 for land acquisition, design, construction, and consult services. VA’s 2009 acquisition plan initially estimated construction would be finished in 2013. However, 2015 project estimates place the final cost at approximately \$1.675 billion, or more than twice VA’s fiscal year 2009 approved \$800 million project budget. The project is estimated to be completed in mid to late 2018, or almost 20 years after VA identified the need to replace and expand its aging facility in Denver.

The VA OIG conducts oversight of VA and its programs and operations, providing independent and objective reporting to the VA Secretary and the Congress for the purpose of preventing and detecting fraud and abuse, and bringing about positive change in the integrity, efficiency, and effectiveness of VA. To report potential criminal activity, fraud, waste, mismanagement, or other abuse, contact the VA OIG hotline at vaoighotline@va.gov or www.va.gov/oig/hotline/default.asp.

###