

product line. This is done prior to the contractor being awarded any contracts so that the Veterans Administration can be assured that the supplier is suitable for any of the products it may offer to the Government. These initial contractor plant inspections represent about 60 percent of all inspections.

The remaining inspections are reinspections on a cycle basis. All inspections evaluate such areas of contractor operations as the adequacy of quality control, test facilities, and sanitation.

All plant inspections are made by two Veterans Administration pharmacists.

During fiscal year 1970, the two pharmacists performed 134 inspections at 122 contractor's plants. The inspections resulted in 37 disapprovals, the most common reason being the lack of following adequate quality control procedures. Veterans Administration does not utilize military inspections of domestic plants except as a supplement to its own inspection. Veterans Administration does rely upon Department of Defense inspections of foreign plants.

The Food and Drug Administration performs testing of selected drug samples for the Veterans Administration. Brand-name drug items which are centrally stocked are tested on a sample basis once a year. Each order of generic drug items which are centrally managed is tested.

Drug items under Federal Supply Service Contracts administered by the Veterans Administration are rarely tested except that the products of any new contractor under Schedule contracts are tested.