

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY 8061

APPENDIX B

COMPARISON OF DRUG PROCUREMENTS VA SOLE-SOURCE PROCUREMENT VS DPSC COMPETITIVE PROCUREMENTS

Date of Contract	Procurement Method	Quantity Purchased		Unit Price		Amount of Contract	
		VA	DPSC	VA	DPSC	VA	DPSC
<u>AMPICILLIN CAPSULES</u>							
<u>6505-770-8343</u>							
7-14-67	Negotiated	5,400		\$12.48		\$ 67,392	
8-31-67	Negotiated	9,600		12.48		119,808	
10-13-67	Negotiated	11,400		9.97		113,658	
12- 7-67	Negotiated	16,800		9.97		167,496	
5-23-68	Negotiated	17,568		9.77		171,639	
7-23-68	Negotiated	15,168		9.19		139,394	
1- 9-68	Negotiated ^a		4,800		\$ 9.62		\$ 46,176
1- 9-68	Negotiated ^a		9,600		9.45		90,720
3- 6-68	Negotiated ^a		24,000		9.24		221,736
4-23-68	Negotiated ^a		22,752		8.86		201,559
4-23-68	Option ^b		11,376		8.86		100,780
9-25-68	Negotiated ^a		26,112		7.18		187,484
11-14-68	Option ^b		52,224		7.18		374,968
4-23-69	Formal Advertised		31,128		5.95		185,212
7-22-69	Formal Advertised		23,346		5.40		126,068
10-21-69	Formal Advertised		26,784		5.23		140,054
Total		75,936	232,122			\$779,387	\$1,674,757
Average Unit Price				\$10.26	\$ 7.22		
Potential VA Amount Using DPSC Average Unit Price at VA Quantity						\$ 548,258	
Difference in VA Amount and VA Potential						\$ 231,129	
Percentage Difference						42%	

^a Competition solicited - one or more bids received

^b Option exercised under preceding contract