

8628 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

An additional 34 drugs are in the process of specification development prior to competitive solicitation. Of the remaining 37 items, bids were solicited on 23 without improving competition. In the interval, 14 are being deleted from our list of requirements.

We have examined these actions carefully and can state that the specifications or purchase descriptions used were not restrictive to the products of any single manufacturer. It is too early to establish the total potential savings, but we can identify an annual saving of \$939,500 or a net of 27.4% to date. We shall continue to seek items potentially available for competitive procurement, and we shall try to develop specifications and tests that will assure us of high quality products.

Drugs not Found in USP or NF

We have been questioned about the procurement by VA of drugs not listed in the USP or NF, and we have been asked to assess the impact on this agency if we were restricted to drugs listed only by these organizations. First, we must recognize the fact that a very large number of drug preparations in use by the medical profession of this country are not listed by either of these bodies. The listings are confined to drugs that have been evaluated by cooperating members of the organizations at the specific request of their Committees on Scope or Revision. Listings are not automatic and they are not intended to be comprehensive. A drug may be omitted from USP or NF simply because it has not been brought to attention of the organizations.