

which are in fact available from a single source and advertise for them by generic designation. This would not make a meaningful contribution to the competitive process.

The Federal Supply Schedules for drugs are negotiated with manufacturers or distributors who offer us a discount over the normal market price. We obtain pricing data from them on the various categories of customers (wholesalers, non-profit hospitals, retailers, pharmacies, etc.) and make awards when the drugs are not available to federal users from other sources at comparable prices. In addition, we make available to other federal agencies who have drug requirements, our catalog and other publications regarding our central procurement of drugs. The prices we quote them include all our central system costs and all overhead. A number of agencies procure drugs from us, and we base our projections for items to be procured in volume quantities on the record of past years, supplemented by information from them on anticipated program changes.

A question has been raised as to why VA does not make available some of its contracts to other federal agencies. I can find no instance in which the VA has not made its contracts available to other federal users when we were asked to do so; in fact, the Federal Supply Schedules for drugs are available to all federal agencies. The files of this agency contain records of many instances in which we have made our contracts available to other federal agencies at their request. As I have already said, there are no recorded instances of a refusal to do so. We have refused some