

8634 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

state and local government requests, since we have no authority to permit them to use our stocks. We make contracts for our specific use. When these contracts are competitively advertised, there are general government regulations applicable to all such procurements against changing the terms, conditions, quantities, etc. after the bids have been opened. If a contract is negotiated, it is also not subject to modification to include additional users or quantities without the agreement of both parties.

Plant Inspections and Drug Testing by One Federal Agency

This Subcommittee has asked about the VA's efforts to centralize plant inspections and drug testing in one federal agency. We can and do use other federal agencies to provide us with plant inspection and testing services where available. This practice is not confined to drugs, but is generally applicable to all our procurement. Unfortunately, in the area of drug testing, we are finding it increasingly difficult to obtain needed product testing from the Food and Drug Administration. Just last month, we authorized the payment of premium testing costs to FDA to enable them to reduce a backlog of tests for the VA by the use of overtime services. On May 26, 1972, we received a letter from FDA stating that the pressures of their regulatory work may require that their analysts be reassigned from testing VA samples to their own samples. Thus, they may not be able to guarantee the usual 45 day testing cycle. We have recently experienced delays of 60 days or more after we have procured a drug before we can obtain a final test report from FDA. Unless FDA is adequately staffed to perform this service for us, it is not possible to rely on them