

only upon the quality assurance work of the FDA. We suggested in our statement that consideration should be given to assigning sole responsibility to FDA for inspecting drug contractor plants and testing products and quality control procedures.

So far as we are aware no action has yet been taken to consider the advisability and feasibility of centralizing drug inspection along these lines. The estimates of manpower requirements and administration costs, including inspection activities, involved in the DoD and VA procurement systems for drugs are provided in Appendix II.

COOPERATION AND COORDINATION AMONG AGEN-
CIES MAKING DIRECT PROCUREMENT OF DRUGS

In our previous statement we suggested that closer cooperation between VA and DPSC could result in substantial savings in the procurement of drugs. Our subsequent review work confirms that improvements can be made.

We found little exchange of requirements data or coordination of procurements for drugs which are centrally stocked by both organizations, or those centrally stocked by one system but procured from either Federal Supply Schedule contracts or from local vendors by the other system. The VA negotiates several special contracts which exclude military activities and, in some cases, other civilian agencies from using them. The military uses Federal Supply Schedule contracts for its requirements for items in these special contracts and pays prices higher than those in the contracts. The lack of adequate cooperation and coordination has resulted in increased drug costs to the Government.