

APPENDIX II



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-146857

AUG 11 1971

Dear Mr. Chairman:

During testimony before your Subcommittee on January 19, 1971, concerning competitive problems in the drug industry and specifically the present status of competition in the pharmaceutical industry, you requested that we obtain information on the number of personnel and cost of purchasing drugs at the Veterans Administration and at the Defense Supply Agency.

By letters dated January 26 and 29, 1971, we asked the Administrator of Veterans Affairs and the Director of Defense Supply agency to furnish estimates of manpower requirements and administrative costs involved in the operation of their procurement systems for drugs. The information furnished is summarized below.

Veterans Administration
Drug Procurement Activities
Costs and Personnel
Fiscal Year 1970

<u>Activity</u>	<u>Operations Included in Activity</u>	<u>Average Number of Personnel</u>	<u>Annual Cost</u>
Marketing Center	Contracting (including Federal Supply Schedule), procurement, and control of stock.	13	\$160,716
Depot Operations	Warehousing, distribution, accounting, and cataloging	61	577,380
Miscellaneous	Transportation, testing, inspection, etc.	13	574,491
	Total	<u>87</u>	<u>\$1,307,017</u>