

APPENDIX II

B-146857

Defense Supply Agency
Costs and Manpower for Providing
Drug Support
Fiscal Year 1971

<u>Activity</u>	<u>Operations Included in Activity</u>	<u>Personnel Equivalents</u>	<u>Cost</u>
Defense Personnel Support Center	Procurement (excluding contract administration)	50	\$ 619,000
	Materiel management (item supply studies and accountability procurement requests, requirements determinations, and requisition processing)	32	368,000
	Technical support (cataloging, specification development and revision, quality assurance, laboratory analyses, and coordination with other Government agencies and professional activities)	44	640,000
Defense Contract Administration Services	Preaward surveys, postaward planning, contract administration, quality control and product inspection	32	438,000
Storage	Warehousing and distribution	<u>479</u>	<u>3,689,000</u>
	Total	<u>637</u>	<u>\$5,754,000</u>

Neither agency separately identifies and accumulates costs related to all elements of their drug procurement systems. Accordingly, certain assumptions were made by each agency for the purpose of allocating costs to the above operations. The agencies' replies specify their assumptions and allocation methods used. It should be noted also that the estimated