

10442 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

formulating their offers to DPSC. Procurement personnel at DPSC are continuing their efforts to obtain additional pricing information from the drug manufacturers. Hopefully, the additional pricing information will provide better support that the prices paid under DPSC contracts for these items are fair and reasonable.

The Center is expanding its use of requirements-type and indefinite quantity contracts. The requirements-type contract fixes the price for a one year period, while the indefinite contract reduces inventory investment and assures the customer fresh stock. To broaden the base of competition the Center continues to place emphasis on preparing competitive (generic) specifications and on converting purchase descriptions to formal specifications. Directly related is a continuing review of all specifications designed to increase competition by removing non-essential or other restrictive features from the specifications.

The Defense Medical Materiel Board commenced in August 1973 reviewing all essential characteristics in the drug and biological group to eliminate those essential characteristics which might be unduly restrictive in nature. To date, approximately 400 items have been reviewed. This review is coordinated with projected procurements by the Defense