

VAMC and DPSC central supply stocks to all field facilities should reduce costly buys through FSS contracts and buys directly from vendors. Because central supply organizations supply drugs to other Federal agencies, as well as to the medical facilities they support, the overall benefits to the Government could be considerable.

To facilitate coordination, DPSC, VAMC, and other affected agencies may have to adjust their methods of determining requirements to insure that all work together with compatible supply levels and frequencies of review of inventory status. Contracts for procuring common drugs should include each agency's special requirements and delivery needs.

OMB should resolve the question of the type of joint arrangements that should be made for buying the common items and should make the solution a matter of record, in a DPSC-VAMC agreement or in appropriate regulations, by clearly setting forth the arrangements and how they should be implemented. The objectives of the arrangements should include (1) the elimination of avoidable duplication between the DPSC and VAMC procurement and supply systems and those of other Federal agencies that buy, store, and supply drugs and (2) a management plan permitting DOD and VA medical facilities to order from each other's central stocks when this would be beneficial.

Such an agreement could be patterned after the existing DSA-VA agreement, which prescribes necessary funding and material-requisitioning arrangements. To obtain maximum benefit from interagency transactions, the agreement should provide that interagency purchases be mandatory, except in emergencies.

Procurement consolidation would be a good first step toward eliminating duplication in procurement. This, and making the supply services available to all agencies, should also improve supply support for medical activities.

RECOMMENDATIONS

We recommend that the Director, OMB, lead in developing--with GSA, DOD, HEW, and VA representatives--policies and procedures to provide greater coordination and cooperation among Federal agencies in buying drugs. These policies and procedures should include agreements between the parties