

10596 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

or appropriate regulations providing for (1) periodic determinations of the joint requirements of the agencies--and others they support--for individual drugs and (2) joint procurement arrangements so that the most advantageous prices can be negotiated with suppliers for bulk quantities, with specified quantities delivered during a specified period (or other bases) direct to agency facilities where the drugs will be used or to Government storage and redistribution depots.

Within this framework, provision could be made for special requirements of the agencies, such as the special packaging and specifications for longer shelf life sometimes required for items for military use. Field installations should be authorized, except in emergencies or other justifiable circumstances, to obtain their drug requirements from any centralized Government supply source.

AGENCY COMMENTS AND GAO EVALUATION

DOD cited its current agreements with VA, GSA, and other civilian agencies as evidence of its interest in fostering interagency cooperation and coordination in the best interest of the Government. DOD stated that:

"Pending final resolution of this matter DOD is willing to discuss further arrangements to prevent purchases of an item by one agency when the item is available from stock of the other agency, and to obtain the most advantageous prices in the purchase of pharmaceutical drugs."

In its comments VA stated that:

"We agree with the major recommendation that there should be greater cooperation and coordination among Federal agencies buying drugs. Since the actual items involved will be determined by the nature of the programs served and will reflect the differences in mission, the degree of standardization will be limited by those factors. However, this should not limit other advantages to the Government which would stem from a viable program of interchange of procurement and supply techniques, ideas, and innovations."