

APPENDIX II

includes items in Federal Supply Group 65 (Medical Materiel) that are available to civil agencies; (c) DSA/VA Interagency Supply Support Agreement, 4 November 1968, subject: Medical and Non-perishable Subsistence, which provides for DSA support of VA with drug items centrally managed by DPSC. These are evidence of DoD interest in fostering interagency cooperation and coordination in the best interests of the government.

Your report notes that the 1971 DoD/GSA Agreement specifically assigns Government-wide support for medical materiel, which includes pharmaceuticals, to DoD and that the Agreement pertaining to this commodity has not been implemented pending the outcome of a study being led by the Office of Management and Budget. 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.

DEVELOP SPECIFICATIONS ON ITEMS CENTRALLY PROCURED BY VA

DoD will assist the VA in any manner deemed appropriate. The DSA currently provides VA a copy of all specifications developed on pharmaceuticals.

REVISE DOD POLICY ON ADOPTING ITEMS FOR CENTRAL PROCUREMENT

DoD policy provides for central procurement whenever the expected volume/demand indicates a savings will result. There are other factors such as generic equivalency, drug efficacy, expiration periods, and special storage requirements which influence the adoption of pharmaceuticals and must be considered in arriving at the final decision to catalog a pharmaceutical item. The Defense Medical Materiel Board (DMMB) is currently receiving and reviewing consolidated reports on local purchases from the military departments. The Board evaluates this data along with the above mentioned factors in finalizing a decision on standardization. DoD will again review the criteria used and the standardization procedure for cataloging pharmaceuticals to insure compliance with the intent of the basic policy.