Does this situation still exist, and if so, what is being done to change it?

Mr. ZECHMAN. Well, it does exist, and that is one of the reasons for this study and the work of the committee. You know, one of the biggest problems we have, not only in Government, but in our society, is the lack of communication, and our role at least the role of my office, and of course Mr. Witt's responsibility, is to coordinate and be sure that we do exercise prudent management and take advantage of quantity buys for all agencies.

Mr. GORDON. And how would the adoption of one system affect the Federal supply schedules and local purchasing?

Mr. ZECHMAN. I will let Mr. Sorett answer it.

Mr. SORETT. The items that are now being purchased from other than depots are purchased either from such contracts that appear on multiple award or competitive Federal Supply Schedules, and also just simply open market purchase.

As we develop a data collection system, which will tell us which of these items are worth managing from the standpoint of dollars, usage, and so forth; the predetermined criteria that we referred to; we will then take these items which are currently appearing on these schedules and transfer them to what will ultimately be this single, Government supply catalog.

Therefore, these woud be stripped from the schedules, so the impact would be considerable.

The CHAIRMAN. Please go ahead.

Mr. ZECHMAN. The committee on February 20, 1975, directed the task group to amplify its concept. We anticipate receiving their recommendations within 30 to 60 days. If adopted, the recommendations will then be the basis for the actual establishment of the single management system.

The details, including specific purchasing assignments, will then become definite. The concept will become the plan. When completed, this system should lead to significant economies not only in drug procurement but also for medical devices and nonperishable food. Since the total dollar volume of all those items was $1.5 billion in fiscal year 1972, the savings should be significant.

Finally, the supply system should be more responsive to the needs of the users when the effort is supported by the yet-to-be-developed Government-wide quality assurance system.

This completes my written testimony, Mr. Chairman. We would be glad to answer any questions which you or your staff might have.

The CHAIRMAN. As I understand the issue of quality assurance and production of drugs, that whole responsibility now would be transferred to the Food and Drug Administration. Previously the Department of Defense inspected drug manufacturers for quality of procured products, the FDA would do its inspections of drug manufacturers, and, as I understand it, the VA also did some, but not much. Is that correct?

Mr. ZECHMAN. That is correct.

The CHAIRMAN. And that responsibility of quality assurance is going to be placed solely within the Food and Drug Administration?

Mr. WITT. That is correct. There will of course be a close coordination between agencies, but FDA will in effect be a single point of