

11756 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

[The information referred to follows:]



VETERANS ADMINISTRATION
OFFICE OF GENERAL COUNSEL
WASHINGTON, D.C. 20420



May 7, 1975

IN REPLY
REFER TO: 025

Mr. Benjamin Gordon
Select Committee on Small Business
Room 424
Russell Senate Office Building
Washington, D. C. 20510

Dear Mr. Gordon:

This will serve to furnish additional information requested by Senator Nelson in relation to the statement presented on April 25, 1975, by Dr. Lyndon E. Lee, Jr., Assistant Chief Medical Director for Professional Services, of the Department of Medicine and Surgery of the Veterans Administration, before the Subcommittee on Monopoly, of the Senate Select Committee on Small Business.

The information requested is in relation to Dr. Lee's statement on page 4 wherein two examples of recent generic procurement of drugs was made. The more specific information desired has been furnished by the Veterans Administration Marketing Center at Hines, Illinois, and is as follows:

Nitrofurantoin Tablets, US P 50 mg., 1000s.
M5-24-75 Total Small Business Set Aside

<u>Firm</u>	<u>Bid</u>	<u>Terms</u>
Bolar Pharmaceutical Company	\$ 3.95	Net
The Lannett Company	\$ 7.80	2% - 30

Note: The firm supplying this product on a branded basis did not bid as it is a big business.

Bisacodyl Suppositories, NF. 10 mg., 500s.
M5-23-75

<u>Firm</u>	<u>Bid</u>	<u>Terms</u>
Boehringer - Ingelheim	\$38.00	2% - 30
G & W Labs.	\$38.50	Net
C. B. Fleet	\$48.00	Net

Very truly yours,

John T. Manning
JOHN T. MANNING
Assistant General Counsel

Show veteran's full name, VA file number, and social security number on all correspondence.

Dr. LEE. On generic procurement, this is not the only source of recent cost savings in our central drug program. You may remember in our testimony before this subcommittee a little over a year ago, we described an experiment in a Federal supply schedule procure-