

11892 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

The VA has developed lists of summary and exception data as recommended. There are several computer reports which enable us to comply with that portion of this recommendation that is directed toward improved use of our feedback drug reports. We have programmed semi-annual listings of locally purchased items showing total quantities, dollar value, number of orders, and number of ordering offices, as well as summary listings of all drugs purchased that are not stocked but go directly to the users. Exception reports listing all purchases deviating from our established sources of supply showing detailed information are provided for. With reference to the latter part of the recommendation which would require us to have vendors report their sales on an individual item basis, we have researched this and believe it to be impractical. To begin with, the amount of effort it would require by contractors, we are convinced, would raise their prices. On the other hand, the volume of data received, from our standpoint, would be unmanageable and to cope with it would require an unreasonable Government resource. In other words, we do not believe the effort would be cost productive and would have a particular adverse effect on the small business firm.

In an effort to get more detailed information from Schedule contractors, we surveyed 33 of our largest contractors. Each one was asked if he could furnish the detailed report suggested by the General Accounting Office. None of the firms solicited were able to supply the information. Some of them replied that if they were forced to furnish the information, new programs would have to be written and implemented. The implication was strong that cost of this would be passed on. VA has, however, written into its Sections A and C, Federal Supply Schedule contracts, a requirement that the contractors must furnish a report of sales on a line item basis, quarterly. For Section B, the only change we have made is to require quarterly, rather than semi-annual reports.