

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY 12113

access to all central supply systems.

3. Computer Analysis Of Field Installations Indicate Unreliability Of Agency Reports On Procurement Actions

a. On November 15, 1972, GSA assumed the responsibility of processing for computer application the purchase data for 11 of the 55 selected medical facilities covering drugs and other medical items.

Based on the ADP machine runs for 11 field installations, total local purchases amounted to \$3,491,879 which includes orders placed against Federal Supply Schedule Contractors and local vendors. If this figure (\$3,491,879) were projected to the 55 activities who responded to questionnaires, the total amount expended would amount to \$17.5 million annually. This figure (\$17.5 million) is in conflict with the \$12.2 million reported by the 55 field installations in their questionnaires. The \$5.3 million dollar difference for these 55 activities, when extended to the total 419 medical activities in CONUS (\$5.3 million x 7.6), indicates possible unreported procurements of \$40.2 million in the drug commodity area. According to the computer runs, approximately 64 percent of actual purchase orders were made against Federal Supply Schedule contractors. Based on this percentage (64%), the total local purchases extended to the unreported figure of \$40.2 million indicates that more than \$20.0 million of sales against Federal Supply Schedules is not being reported by Federal Supply Schedule Contractors.

In the area of local purchase actions which covers orders placed with Federal Supply Schedule Contractors and open market order placed with