

12110 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

6. Agencies Are Not Sufficiently Participating In The Federal Cataloging Program

a. The Study Group in its review of the field installations' purchase documents, noticed that very few civil and military agencies were complying adequately with the Federal Cataloging Program. Agency purchase documents did not indicate the appropriate FSN although their local storeroom catalogs and stores issue listings had an assigned Federal Stock Number for the items being ordered.

b. Military activities' purchase documents, likewise, did not indicate the appropriate FSN on the ordering document. In many instances they did indicate an 11 digit number with the first four numbers containing the appropriate FS Class; however, the remaining 7 numerics were locally assigned with insertions of alphas. These items were for issue from local field installation storeroom distribution systems indicating that these items were repetitively used. There is no need to go into the reasons or citing the economic benefits as to why an activity should apply through their agency's channels for the assignment of a Federal Stock Number. The benefits from the use of such a system have been well publicized. The Cataloging program operated by the Defense Logistics Services Center, Battle Creek, Michigan, is geared to support all Federal agencies in this endeavor.

7. Each Agency Operates Its Own Quality Assurance Program

a. Each of the four agencies presently purchasing medical material for depot storage and distribution conduct, to some degree, independently operated quality control programs. Each agency's quality control office has its own system for inspection and testing of the items they contract for. This effort, however, is