

COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY 12109

5. There Is No Unified Government Reporting System or Centralized Market Research Effort to Determine Agency Requirements or New Market Trends

a. In order for the Study Group to determine the scope of central management and the extent to which user requirements are presently satisfied outside the central systems, the Study Group gathered approximately 125,000 purchase documents from 55 field stations for computer analysis. See attachment 2 for listing of agencies who submitted data.

b. None of the major agencies concerned with the management of these commodities could furnish the Study Group with the required detailed procurement information as to what was being purchased locally on an item by item basis. Although various reports are prepared by FS Schedule contractors and field installations, the reports spoke only in terms of total dollar volume of sales.

c. A review of field installations ordering documents indicate that there are many items being repetitively purchased, in considerable quantities that are not available from any government wholesale system. Based on statistics submitted by field installations, the civil and military agencies wholesale systems are not their primary source of supply support.