

12106 COMPETITIVE PROBLEMS IN THE DRUG INDUSTRY

own system with laudable effectiveness but with little evidence of coordinating with other agencies.

This lack of government-wide management by one agency, endowed with proper legal authority, has led to a situation which is replete with unnecessary costs to the government.

At present, each agency which operates a system is at the same time its manager. This has caused a parochialism which has resulted in the needs of the government on an overall basis to be obscured.

This can be seen readily at the central management level merely by examining the contents of applicable supply catalogs which disclose duplication of items.

At the field level, an analysis of procurement and supply management by the Study Team displayed the fact that field activities' management needs were not being met by central management.

a. There are four major agencies currently involved in the management and operation of supply systems in the medical and nonperishable subsistence commodity groups. Each agency is operating primarily with one objective in mind, and that it is to satisfy the needs of its own constituent users. While there are many supply support cross-servicing agreements in effect, their use is not mandatory. The Study Group found that within the VA and DoD stores distribution systems, over 90 percent of the items were issued to their own customers. Other agencies' requirements were satisfied outside the wholesale systems.