



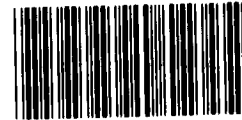
COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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JANUARY 25, 1980

The Honorable Henry A. Waxman
Chairman, Subcommittee on Health
and the Environment
Committee on Interstate and Foreign Commerce
House of Representatives *HSE02-304*



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The Honorable John D. Dingell
Chairman, Subcommittee on Energy
and Power
Committee on Interstate and Foreign Commerce
House of Representatives *2303*

Subject: GAO Recommendation for Future
Flu Vaccine Contracting Procedures
(HRD-80-40)

As you requested on May 14, 1979, this report provides our recommendation for future flu vaccine contracting procedures. We believe the contracting procedures described in existing Federal procurement regulations are adequate, and should be followed to the extent possible for future vaccine purchases.

The Department of Health, Education, and Welfare (HEW) *AGC00022* usually follows the prescribed procurement regulations in purchasing vaccine. For example, HEW purchased vaccine for its childhood immunization initiative and its 1978-79 flu program using standard contracting procedures, without incurring the problems experienced in purchasing swine flu vaccine. During the swine flu program, significant deviation from normal procurement practices occurred primarily because of the legislative requirement that profit not be made on swine flu vaccine. HEW's swine flu vaccine contracting officer attributes much of the contracting problems to changes in procedure necessitated by legislation.

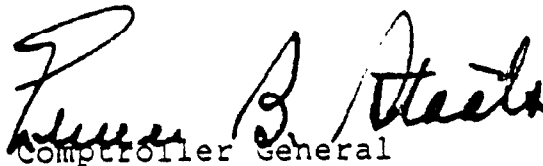
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The need for or the type of deviations from standard procurement procedures which might occur in future flu vaccine purchases cannot be predicted. The merits of such deviations should be decided and evaluated case-by-case. However, we recommend that any deviations from standard procurement procedures be considered only when following existing procedures would not result in timely vaccine procurements. Moreover, any deviation from Federal procurement regulations should be made in accordance with the regulatory provisions for obtaining a deviation.

As arranged with your offices, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its issue date. At that time we will send copies to the Secretary of HEW and the Director, Office of Management and Budget. Copies will be available to other parties who request them.


Comptroller General
of the United States