

DLA Troop Support Medical national contract means savings for customers

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By Dena Selkow, DLA Troop Support

Defense Logistics Agency Troop Support Medical awarded its first national contract under agency cost reduction initiatives, saving customers about \$1.4 million annually, a official with the supply chain said.

Awarding a national contract for the generic drug Omeprazole, used to treat peptic ulcer disease, directly aligns with one of DLA Director Navy Vice Adm. Mark Hamitchek's "Big Ideas" to decrease direct material costs by being "smart buyers of the right stuff," said John Gagliardi, chief of the DLA Troop Support Medical strategic materials sourcing group.

The contract will save about 24 percent off the current Department of Veterans Affairs Federal Supply Schedule pricing, used prior to the award, said Alexander Quiñones, DLA Troop Support Medical integrated supply team chief for Defense Department national contracts.

National contracts decrease the costs incurred by the customers purchasing items through prime vendor programs and ensure product availability, Quiñones said. Product availability, he noted, is very important to customers, especially for medical items.

"In the past, the Department of Veterans Affairs took total responsibility for awarding national contracts," he said. "DoD recently decided to build its own team to join in the process and assist the customers in achieving more cost savings than they would if only one agency was awarding these contracts."

The contract was awarded to Golden State Medical Supply Inc. for one year with four one-year options valued at an estimated \$30.2 million over five years.

Teamwork had a lot to do with the progression of the program and the successful award, Gagliardi said. The buying team in the strategic materials sourcing group, pharmacists in the DLA Troop Support Medical customer pharmacy operation center, and the DoD Pharmacoeconomic Center collaborated to make this program work.

"My team worked together and put forth a maximum effort every step of the way during this process," Quiñones said. "Their exemplary teamwork helped them resolve any issues that came up quickly and correctly, which helped us in meeting our deadline for award."

Three additional medical items are being worked through the national contracting process, and the agency expects to see savings on those items also, Gagliardi said.

"This is a wonderful initiative, since it leverages the buying power of the entire federal government to negotiate lower prices for DLA customers and other federal consumers of pharmaceuticals," he said.



[Enlarged View](#)

A Soldier checks a prescription in a Defense Department pharmacy. Defense Logistics Agency Troop Support Medical awarded its first national contract under agency cost reduction initiatives to Golden State Medical Supply Inc. for a generic drug used to treat peptic ulcer disease that will save customers about \$1.4 million annually. Photo by Jeff Crawley



