

20 April 1981

REQUEST FOR RELIEF FROM GSA REGULATIONS FOR JUSTIFYING  
WORD PROCESSING EQUIPMENT ACQUISITIONS

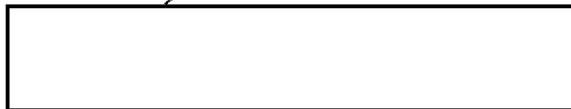
Problem

Advancing technology in the word processing equipment (WPE) field has increasingly blurred the distinction between WPE and automatic data processing equipment (ADPE). In a February 1980 GSA Bulletin (Federal Property Management Regulation (FPMR) A-75), GSA recognized this and reclassified WPE as ADPE for management purposes. However, GSA saw fit to require that determination of need for WPE (i.e., justification) be governed by the rules set forth in the Archives and Records subchapter of the FPMR's (FPMR 101-11.9). These rules promulgated by the National Archives and Records Services Administration (NARS) require that WPE be justified as a typewriter replacement on the basis of savings in typing time. Our view is that this approach is technologically out-of-date and does not recognize that WPE ideally is used as part of an integrated office automation network. An office automation network offers capabilities such as electronic mail, automated registries, access to printing and publishing facilities, electronic filing, etc. Use of WPE is, in fact, a method for capturing keystrokes, which is the first step in automated information resources management. The current NARS procedures take a much narrower, frankly old-fashioned view. Currently four (4) ODP personnel are required to perform the NARS justification studies. If WPE were treated as ADPE, without regard for the NARS procedures, these resources could be largely redirected to office automation studies. WPE would then be justified on the basis of the overall benefits to be derived from attaching an additional workstation to the office automation network and not exclusively for its value as a typewriter replacement. Thus, if relief from the NARS procedures were obtained for CIA, a more realistic justification procedure could be used for WPE as well as significant personnel savings achieved.

Request

That the Administrator of GSA grant CIA authority to treat WPE as falling exclusively within the existing CIA delegation of procurement authority for ADP. Specifically, the CIA be relieved from following NARS justification procedures (FPMR 101-11.9) for acquiring WPE and be permitted to follow the ADP procedures outlined in FPMR 101-35.

*For meeting with  
Chief, GSA on  
22 April.*



STAT

ODP-81-269  
3 MAR 1981

**MEMORANDUM FOR: Deputy Director for Administration**

**FROM: Bruce T. Johnson**  
**Director of Data Processing**

**SUBJECT: Waiver of GSA Regulations Governing**  
**Word Processing Equipment**

1. Attached is a staff study, coordinated with the Office of Logistics, which addresses the problem created for us because GSA regulations fail to treat word processing equipment (WPE) as an integral part of ADP and particularly office automation systems. Because of the relationship of WPE procurement with the procurement of other ADPE under our delegation of procurement authority (DPA) I have provided some information about the DPA and our success in employing it. I believe it will give you what you need to prepare for discussion of this subject with the new Administrator of the GSA.

2. The staff study is longer than I had hoped, but the subject is a technical one and difficult to summarize. Since your time is limited you may wish to concentrate on the sections I have highlighted, Sections I (Problem), III (Discussion, paragraphs E, F and G), IV (Conclusions), and V (Recommendations).

3. You may have concluded from our introductory discussion of ODP that I felt we had some fundamental problems with ADPE procurement in general. My intention was to acquaint you with the ways in which the procurement process impinges on our operation, and indeed we are forced to invest considerable effort in support of procurement. As the staff study shows, however, I consider the requirement for competitive procurement to be reasonable and I believe our delegation of procurement authority from GSA serves our purposes extremely well. It is only in the area of word processing where some changes are needed.

4. Preparation of a formal request for waiver (or "deviation," as it is called) to permit CIA to proceed with its word processing/office automation program unhindered by GSA regulations will require additional time. The staff study was

the first step, outlining the basis for the case to be made to GSA in making the request. Unless instructed otherwise as a result of your discussions at GSA, I will collaborate with OL/Procurement and the Office of General Counsel in the preparation of the formal request.

/s/ Bruce T. Johnson

Bruce T. Johnson

Attachment: a/s

cc: PD/OL

[Redacted]

Information Handling Systems Architect

DISTRIBUTION:

- Original and 1 - Addressee
  - 1 - PD/OL w/att.
  - 1 - DD/A/ODP w/att.
  - 1 - DD/P/ODP w/att.
  - 1 - PE/ODP w/att.
  - 1 - [Redacted] Information Handling Systems Architect w/att.
  - ✓ - O/D/ODP w/att.
  - ✓ - ODP Registry w/att.
- ODP/FC/ETJ:jal [Redacted] (3March1981)(waiver-dda)

*Copy of attachment only to C/IMS on 3/12/81.*

3 March 1981

WORD PROCESSING AS AN INTEGRAL PART OF AN  
OFFICE AUTOMATION PROGRAM

~~Problems associated with the National Archives and  
Records Administration (NARS) for General Services  
Administration (GSA), word processors are created and installed  
in large quantities to be justified only when  
volume production requirements can be cited. The acquisition of  
information management instead of records management  
and valuable manpower that could be addressing the  
challenges and opportunities of office automation must be invested  
instead in volumetric studies of the ways in which word pro-  
cessors are to be used in offices requesting installations.~~

II. Facts Bearing on the Problem:

- A. In April 1979 GSA, citing technological advancement which made it "increasingly difficult to differentiate between WPE [word processing equipment] and ADPE," redefined all WPE as ADPE and subjected WPE to the procurement regulations which implement the Brooks Act.
- B. The redefinition of WPE did not remove it from the purview of NARS, and regulations governing its acquisition and use remain in the Records Management (FPMR 101-11) section of the FPMR's, just after Vital Records and Forms and preceding Reports Management and Audiovisual Records.
- C. Acquisition of automatic data processing equipment (ADPE) for the Federal Government is governed by the Brooks Act, PL 89-306, 40 U.S.C. 759. The Act authorizes and directs the Administrator of the GSA "to coordinate and provide for the economic and efficient purchase, lease and maintenance of automatic data processing equipment by Federal agencies." It permits him to delegate authority to other federal agencies to acquire and operate ADPE when "necessary for the economy and efficiency of operation, or when such action is essential to national defense or national security." It stipulates, however, that the Administrator is not to "interfere with, or attempt to control in any way," the use made of ADPE. The Act also gives the Secretary of Commerce certain authorities regarding the establishment of uniform Federal ADP standards. The language of the Brooks Act gives it preeminence over other inconsistent provisions of law, so CIA cannot employ the extraordinary authorities of the DCI to avoid application of GSA's implementing regulations, except insofar as the Administrator grants a waiver.
- D. In December 1973 GSA issued to CIA a delegation of Procurement authority (DPA) for "the lease, purchase and/or maintenance of ADPE and related items." The DPA prescribed, however, that the Agency must follow all applicable procurement

regulations and it cited a number of specific Federal Property Management Regulations (FPMR's) which were to be followed. It also provided for an annual review of procurement actions. In an amendment dated 29 September 1978 GSA added ADP services to the DPA and updated the references to various applicable regulations. The DPA carries the stipulation that it can be voided for "failure to operate within the established limitations."

E. GSA's regulations, supplemented by instructions and circulars from OMB (e.g. Circular A-71 on Responsibilities for the Administration and Management of ADP Activities), establish comprehensive rules governing the acquisition of ADPE. Prime among the requirements is the need to demonstrate a maximum reliance on competition to ensure the advantages of lower costs and to give as many vendors as possible access to the Federal market. In their broad interpretation of the Brooks Act GSA has had the consistent and active support of Congressman Brooks, who has made himself the watchdog of ADPE procurement and use in the Federal establishment.

F. CIA and the Intelligence Community have supported the concept of competitive procurement. In NFIB 74.2/25, 8 November 1977 on NFIP Procurement Policy, the then DCI stated that "all procurement, whether by formal advertising, or by negotiation, within the limitations of statutory responsibilities to protect sensitive intelligence sources and methods, should be made on a competitive basis to the maximum practical extent." In  31 May 1978, on CIA Procurement Policy, the then DDCI reiterated this NFIP policy and stressed the need for thorough justification wherever sole-source procurement is proposed.

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G. In December 1980 the so-called Paperwork Reduction Act of 1980 (P.L. 95-511) was passed. Among its purposes was "to ensure that automatic data processing and telecommunications technologies are acquired and used by the Federal Government in a manner which improves service delivery and program management, increases productivity, reduces waste and...the information processing burden..." Because the Act would give additional oversight authorities to the Director of OMB, ADPE and telecommunications equipment used for military or intelligence activities were excluded. During legislative debate on the bill, however, Senator Jackson found the opportunity to assert that "to the maximum degree feasible... competitively bid procedures would continue to be employed in the acquisition of...ADP equipment used in support roles for military and intelligence activities," and Congressman Brooks, in accepting the proposed exclusion amendment, asserted that "existing statutes [e.g. the Brooks Act] covering these activities are not affected by this amendment." Thus the Paperwork Reduction Act became at once a form of reinforcement for the application of GSA regulations to CIA's ADPE procurement, and a source of new guidance regarding the ways in which WPE, as a subset of ADPE, could be used "to improve the effectiveness of the use and dissemination of data in the operation of Federal programs..."

H. In the CIA report of October 1980 to the National Academy of Public Administration (NAPA) in support of NAPA's in-depth review of GSA, the Agency used the delegation of ADPE procurement authority as the model for the kind of shift in responsibilities needed if other services essential to CIA were to be at all adequate.

### III. Discussion:

A. Word processing aside, the procurement of ADPE under the Agency's DPA is working extremely well. At a time when critics of GSA (such as the General Accounting Office and the Federal Data Processing Reorganization Study) are pointing out that it can (and usually does) take from 2 to 6 years to procure new computer systems through GSA, CIA is issuing Requests for Proposal (RFP's) and bringing in CPU's, other peripheral hardware, and various ADP services in a fashion that is the envy of other Federal ADP managers who come to us for advice. Our last CPU, for example, took 74 days from issuance of RFP to award. The current procurement of our 3033 MP, interrupted by the equipment moratorium, could have been completed in 102 days (71 from the date of the last RFP amendment). ODP and OL/Procurement work closely and in harmony to obtain the equipment and services needed to keep CIA's data processing establishment equipped with the latest technology. Our management of these processes under the DPA is audited periodically but not disruptively by GSA, which has consistently found our procedures to be legal and proper. Given continuing Congressional concern over maintenance of a competitive approach to ADPE procurement, such audit reports represent an excellent defense against any charges by critics of CIA that we high-handedly ignore the FPMR's and the will of Congress. In a time of strong sentiment for checks and balances on Federal authority, the relationship represented by our DPA can be perceived as clearly advantageous to CIA.

Nor does the subordination of the ADPE procurement process to another agency's delegation inhibit our ability to protect sensitive sources and methods information. We have been supported in our insistence that the routine publicity attending most Federal procurement cannot be provided, and the language of the DPA, which says that the limitations imposed must be followed "within the bounds of security," has provided the necessary latitude for our procurement officers to adapt their procedures to meet the needs of security.

One additional factor should be cited. Competition has not infrequently brought real savings. Care must be taken to ensure that we do not take on long-term, hidden systems maintenance costs when we accept a "bargain" proposal, but as we have grown more sophisticated in our use of this procurement tool, we have been able to avoid most such pitfalls. For a combination of security and system stability reasons we have insisted on limiting the number of vendors with whom we deal, and OL/Procurement has supported us in this regard.

B. Turning to word processing, it is possible to see how the requirement to follow GSA regulations can become burdensome when those regulations are out of step with the technological facts of life. [REDACTED] The regulations push us constantly toward competition and require careful documentation when security or technical reasons call for sole source procurement, but the GSA review does not speak to the ways in which we use ADP. As noted above, the Brooks Act prohibits such involvement. [REDACTED] The regulations consider word processing equipment as a separate function. Little consideration has been given to the emerging technological merger of these two fields. [REDACTED] The [REDACTED] of ADP and telecommunications have been carried out as [REDACTED] Little consideration has been given to the emerging technological merger of these two fields. [REDACTED] [REDACTED] for the management of word processing equipment and [REDACTED] [REDACTED] in ADPS, but rather in FARS. Thus, at a time when the technologies underlying the ADP, telecommunications and office and records management are becoming virtually indistinguishable parts of common information system technology, [REDACTED] responsibilities are fragmented among a variety of [REDACTED] independent elements within GSA, resulting in [REDACTED] unnecessary duplications, inefficiencies, and lack of a coordinated approach."

C. The NARS approach to WPE is illustrated dramatically in the January 1979 GSA Bulletin FPMR B-86 on "Use of word processing equipment," which used a cost comparison of WPE with electric typewriters as a basis for imposing cost-effectiveness determinants for the justification of acquisitions of WPE. No reference is made to the increasing concern for the effective capture of keystrokes as an essential first step in the automation of office functions. In the February 1980 Bulletin (FPMR A-75) which enunciated the reclassification of WPE as ADPE, GSA saw fit to require that the determination of need for WPE was to be governed by the rules set forth in the Archives and Records subchapter of the FPMR's. Those rules speak of ensuring "that an objective need for increased efficiency and effectiveness has been established and that all reasonable alternatives...have been considered," among those alternatives being typing training, work simplification and increased use of dictation equipment (FPMR 101-11.9).

D. GSA Bulletin FPMR A-75 announced the formation of a GSA task force to review "necessary FPMR revisions regarding the application of WPE to office automation consistent with management and acquisition provisions for ADPE...as an information technology resource." The target date for issuance was 31 December 1980, but we have not seen any results.

E. The approach taken by the vendors of WPE has, until recently, encouraged narrow views of the significance of this technology. Emphasis has been on the secretary's efficient manipulation of textual material; systems integration has only



recently become a significant part of the sales pitches as new networking capabilities have come into vogue.

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F.

[REDACTED] One of the most popular forms of word processing has been and continues to be the SCRIPT facility under our interactive VM system. We have built text processing capabilities into our new standard terminal and plan a software package for the terminal to provide basic word processing capability. As newer generation VDU word processors have come into use we have collaborated with NFAC to create effective links between their interim standard (NBI) word processor installations and ODP's computers, and thence to OL's Electronic Text Editing and Compositing System (ETECS).

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H. The Paperwork Reduction Act requires each agency to designate a senior official to oversee its major information systems and ensure their effective coordination. (As noted, CIA's ADPE was excluded from the Act, but OGC is currently reviewing the other provisions to determine how they affect CIA.) With establishment of the position of Information Systems Architect, CIA has already begun to address the coordination problem which was one of the Act's targets. The development of SAFE, while not the only sign by any means, is perhaps the most dramatic piece of evidence that CIA has attempted to do one of the things the Act calls for, that is, promote the use of ADP to improve effectiveness in the use of data. Now that we have in place an official whose task it is to

ensure information systems compatibility, we would seem to be in an excellent position to urge GSA to take the redefinition of WPE the final logical step, to let it be treated as an integral part of larger ADP-based information systems.

I. The Federal Procurement Regulations (FPR's) provide for what are termed "deviations," which may be authorized by the GSA Administrator or his designee. Requests must be in writing and must describe the nature of the deviation and the reasons for it.

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[Redacted]

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The restrictions under which we operate are those laid down in principle by Congress, and although not without burden, keep our procurement program in line with prevailing convictions about what is "right" for the country's economy.

B. The management of word processing equipment is inappropriately divorced from the rest of ADPE by GSA and the FPMR's, thus inhibiting efforts to move systematically in the direction of greater automation in our information handling systems.

C. CIA has the structure, the expertise and the organizational discipline to develop effective office automation programs.

D. General relief from the limitations on procurement of WPE (FPMR 101-11.9) for those agencies with effective controls over the growth of ADP systems would release resources for development of forward-looking information management systems. If general relief is not feasible at this time, a specific waiver for CIA would permit us to get on with the task.

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V. [Redacted]

A. That the DDA call the problem of word processing management as described above to the attention of the newly-appointed Administrator of GSA;

B. That the Administrator be urged to reposition WPE management under FPMR 101-35; and,

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[Redacted]

**SECRET**

## LETTERHEAD

The Honorable Gerald P. Carmen  
Administrator  
General Services Administration  
18th and F Street, N. W.  
Washington, D. C. 20405

Dear Gerry:

The Central Intelligence Agency is constantly seeking and testing new technology as one means of more effectively performing its mission. One objective is to employ our automatic data processing (ADP) capability to streamline our information handling process, to reduce the time required to exchange information particularly between Agency components that are widely dispersed; and to use our central computing facilities as part of our movement towards our office of the future. This is to permit us, for example, to link electronic mail, registry systems, budgeting systems, inbound and outbound cable dissemination, and publications preparation to our central computer systems and use our computers to store, collect, process, and distribute information. (S)

We use the processes outlined in Federal Procurement Regulation (FPR) 1-4.11 and Federal Property Management Regulation (FPMR) 101-35.2 for the procurement and management of automatic data processing equipment (ADPE). During the time frame that the notion of word processing (WP) and word processing equipment (WPE) was becoming popular, we installed a capability on our large, time-sharing computers that would permit, using remote terminals, the development, modification, electronic distribution, and printing of documents such as handbooks, memoranda, etc. For example, in 1977 we procured in conformance with the procedures established in Public Law 89-306 (Brooks Act) a standard terminal for Agency-wide use. This procurement action was in accordance with Government wide procedures for ADPE acquisitions and included a requirement, among others, for a word processing capability for a class of "smart" terminals. (S)

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**SECRET**

**SECRET**

Thus, we have been moving in the direction of word processing for some time. Because of the advent of WPE with the capability to communicate with our central computing facility, we wish to treat WPE as we would treat any other piece of ADPE. For example, we wish to establish a standard for WPE that includes a family of equipment that is upward compatible and able to communicate with our computers. As a matter of fact, this Agency has arrived at a point where WPE is increasingly used as a data entry device to our ADP services, rather than just a typewriter, and where in our mind WPE is another type of ADPE. (S)

At present, we are devoting the services of four highly trained systems analysts to determine and document the need for WPE as prescribed by FPMR 101-11.9. These analysts' services are sorely needed and could be better utilized in our program of seeking, testing, and implementing new technology to assist in the performance of our mission. For example, we wish to move our precious technical talent from the marginal activity of justifying WPE (the data entry device) to the real problem of electronic records control. It seems that we are entering a revolutionary period in information management and should be looking at such questions as how to control information in the "paperless world" before it gets lost in the "electronic information sea", or how to relate information in the "paper world" to the "paperless world", or what is the future role of Records Management Officers? We find that justifying WPE on the basis of cost effectiveness as required by FPMR 101-11.9 and determining the cost effectiveness in acquiring WPE as required by GSA Bulletins FPMR B-86, 17 January 1979, and FPMR A-75, 14 February 1980, is not cost effective in itself and consumes manpower that could be more productively used elsewhere. (S)

I ask for a deviation for the Central Intelligence Agency to use the processes outlined in FPR 1-4.11 and FPMR 101-35.2 for the procurement and management of word processing equipment without regard to FPMR 101-11.9. Trusting that you agree, I have attached a letter for your signature that grants a deviation to the Central Intelligence Agency. (U)

Sincerely,

Max Hugel  
Deputy Director  
for  
Administration

Attachment: a/s

**SECRET**

The Honorable William J. Casey  
Director of Central Intelligence  
Washington, DC 20505

Dear Mr. Casey:

Based on the justification appearing in Mr. Hugel's letter of \_\_\_\_\_, 1981, please be advised that Federal Property Management Regulation 101-11.9 shall have no application to word processing equipment included within the definition of automatic data processing equipment provided for in FPMR 101-35.202-1, and meeting the requirements of the Central Intelligence Agency.

This deviation for the Central Intelligence Agency is authorized on the basis that all Federal Procurement Regulations and Federal Property Management Regulations applicable to procurement and management of automatic data processing equipment, Federal Procurement Regulation 1-4.11, and Federal Property Management Regulation 101.35 shall be followed for word processing equipment.

Sincerely,

Administrator

**SECRET**

**ROUTING AND RECORD SHEET**

SUBJECT: (Optional)  
 Waiver of GSA Regulations Governing Word Processing Equipment

FROM: Bruce T. Johnson  
 250/ODP  
 2D00, Headquarters

EXTENSION: [Redacted]

NO. [Redacted]

DATE: 30 March 1981

TO: (Officer designation, room number, and building)

	DATE		OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
	RECEIVED	FORWARDED		

1	DDA/EO 7DI8, Headquarters				<p>Max:</p> <p>My 3 March 1981 memorandum to you (ODP-81-269) contained a discussion of the problems encountered in the procurement and management of word processing equipment (WPE) as defined and managed by GSA's National Archives and Records Services Administration (NARS). My memorandum also indicated we would prepare a formal request for waiver, or "deviation" as it is known, so that the CIA could procure WPE following the GSA procedures for any other automatic data processing equipment (ADPE).</p> <p>Attached is a letter to Administrator Carmen for your signature formally asking for a "deviation" and a suggested response from the Administrator to the DCI. Carmen has not yet been confirmed, so you may prefer to hold the letter until he is officially installed as Administrator.</p>
2	ADDA				
3	ODA				
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12					

[Redacted Signature]

Bruce T. Johnson

cc: [Redacted] OGC  
 C/ADP&E/DP/OL  
 PD/OL  
 DD/A/ODP  
 C/D Div/ODP  
 C/MS/ODP  
 DD/P

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