

Logistics Planning Conference

The Logistics Planning Conference was opened by Dan King expressing his intent to get away from the pressures of the daily routine and establish a sense of the future. A review was requested of the Office of Logistics' (OL) original 5-year plan with its changes, assumptions, goals, and impact. From Mr. King's perspective, 1983 was a very good year for OL. Even with more work and lean manpower, the morale was high. Respect for the Office is universally good due primarily to the higher profile of the covert activities in which we are involved. Our well-qualified people can serve in a variety of jobs, be moved and readily reassigned at all levels, and this is not the case with all offices in the DDA. It is forecast that 1984 will probably be a peak year for the OL budget and personnel. This cyclical peak will be followed by a downswing. If this peak is well utilized it should carry us through the next few years with new initiatives and resources.

Following the opening session, each division and staff chief gave a presentation on the new initiatives OL might request for the 1986 budget. Each component's current status on the 5-year plan, their accomplishments for the past year, and their expectations for the oncoming year were also discussed. Further, each chief addressed a topic of interest in which innovative and controversial ideas were freely discussed and analyzed.

The following subjects were discussed during the two-day conference.

New Initiatives for FY 1986

1. Interns for a long-term Logistics Officer Training Program.
2. Furniture purchases for both stock and standardization, the latter to utilize interchangeable and modular components for new systems.
3. Assumption of the O&M for Headquarters Building and the powerplant, as well as all other federally-owned and leased space.
4. Alternative and more efficient secure trash disposal methods and facilities.
5. Construction of an annex or new storage facility for the

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6. Development of an expanded offshore capability and proprietary in Europe.
7. Expansion and capitalization of P&PD bindery, press, and equipment enhancements.



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MBO Discussion

OL had supported the MBO concept as a convenient tool to cover the range of services that OL provides. Previously, we made our strategic plans without the input of other Agency initiatives we would have to support, forcing us to anticipate the average number of support personnel. The DDA and other Agency components are now presenting their future plans first, giving OL the opportunity to respond with more accurate support estimates. Although these MBOs do give a general idea of what is happening in each office and allow an interface and a dialogue, there appears to be too many MBOs to deal with effectively. The consensus advocated delegating the MBOs and letting the staff concentrate on major level items. MBOs should allow individual components possible success or failure in meeting their MBO's and to adapt as required. OL's flexibility and dynamic change give us the incentive to succeed in the use of these MBO's and to produce tangible results.

Standard Support Requirements

25X1 [redacted] reviewed the history of the DDA budget, which previously had little support from the other Directorates. Now the DDA reviews the other directorates' initiatives first, and our resources can be applied to provide the correct response and support to them. A formula has been developed that will generate the number of personnel required for a specific level of increased service. All the chiefs were asked to review this formula for its implied impact on OL support capabilities, and provide the appropriate feedback as it concerns their division or staff.

25X1 [redacted] Improving the Requisitioning Process

25X1 [redacted] indicated that he did a survey among some Procurement Division (PD) and Supply Division (SD) personnel to find out the areas of most concern regarding the adequacy of requisitions. Problems identified are listed as follows:
(1) non-existent or inadequate sole source justification;

(2) unrealistic delivery dates with the time critical requirements being unknown; (3) insufficient item identifications; (4) too many items or unrelated items on a single requisition; (5) lack

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(6) necessary approvals missing when required by regulation; (7) contract officer unaware of true requirement; (8) insufficient use of imprest funds.

25X1 The potential solution to these problems could evolve from a constructive educational program designed to put more discipline in the system by emphasizing the key role the requisitioner plays in the logistics process. The necessity of knowing how to identify requirements and to be aware of necessary management approvals will become more and more important when LIMS comes on line. [REDACTED] suggested that some degree of fanfare should accompany any major initiative to improve the requisitioning process. This could include anything from a simple Logistics notice to an organization change to establish an up front review committee to include representatives from the Procurement and Supply Divisions.

25X1 Another area of concern mentioned was the end-of-the-year crunch. [REDACTED] stated that the inefficiencies built into the annual year funding constraint are readily apparent to even the most casual observer. Stricter enforcement of cutoff dates would help, but the main contributor to the problem is the fact that all Agency funds are "annual funds." As long as the Agency is faced with annual-year funding, this problem will probably continue; therefore, both the Offices of Logistics and Finance should encourage the Comptroller to look at these inefficiencies and recommend multi-year funding as the most practical way to better manage the Agency's financial and personnel resources as they pertain to the procurement process.

25X1 [REDACTED] next turned to a rather controversial concept related to the assignment of requisitions and the goal of increasing responsiveness. The punchline was that by increasing the throughput time for each of the elements in the Procurement Division, the responsiveness of the Division as a whole would increase. By assigning additional requisitions to the Small Purchases Section (SPS) of the General Purchasing Branch (GPB), there would be a slight increase in the throughput time for that section. The other two sections of GPB, would also experience some increase in throughput time because the overall complexity of their workload would also change because they would no longer be handling a lot of small dollar requisitions. Work from the ADP & Engineering Branch and the Production and Services Contract

section. The other two sections of GPB, would also experience some increase in throughput time because the overall complexity of their workload would also change because they would no longer be handling a lot of small dollar requisitions. Work from the ADP & Engineering Branch and the Production and Services Contract Branch could then be moved back to GPB, thus allowing personnel in these two branches to concentrate on more complex procurement actions. As a result, PD would be able to increase its overall responsiveness and yet free up more time for such things as competitive procurements and cost of price analysis both of which could result in significant cost savings.

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[redacted] then proceeded to highlight the merits of competition in the procurement process. He indicated that more and more of the requirements personnel, including the office directors, are recognizing the benefits to be gained from competition. These benefits include such things as cost savings and better products and services. Reactions to these comments varied from the perspective of the participants in the conference. The Director of Logistics wanted more responsiveness vis-a-vis the additional time and effort involved in running competitive procurements. Chief, SD felt that responsiveness was more important and could be enhanced by transferring more actions to OL proprietaries and with better utilization of SPS. The Chief, Procurement Management Staff, stated that he leaned towards responsiveness and that too much competition may be going on which would hinder the throughput time for processing requisitions and cause a drain on our scarce personnel resources.

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[redacted] Type of Organization Responsible for Expanded Headquarters

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[redacted] began discussed significant future occurrences. A drastic change is anticipated for the Logistics Services Division (LSD) in 1986 and 1987 with the impact of handling the O&M of the Washington area locations- [redacted]

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[redacted] A name should be considered for both the new and old buildings to alleviate any psychological differences and competition between the different residents. Many renovations and capital investments will have to be considered for the 25-year old present Headquarters Building.

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[redacted] suggested that the organizational changes could be made in combining the present LSD and Real Estate and Construction Division (RECD) into a Facilities Management Division which would coordinate support both to the physical workplace and individuals. Four further sections would be established covering (1) O&M - HVAC, A&D, custodial, utilities, and maintenance;

(2) Space Acquisition and Management - parking, space maintenance, domestic acquisitions, contract administration and property management; (3) Design and Engineering - interior decoration, Headquarters, [redacted] and pneumatic tube operations; and (4) Services - mail and courier, building services, executive dining room and transportation. OL will also take over all the receiving, shipping and transportation for the new building. The work will increase, but so will the efficiency and professionalism.

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Alternative suggestions to this presentation ranged from contracting out a majority of these functions, shifting the safe-house section to covert support, transferring mail and courier services to the Office of Information Services and retaining RECD for overseas responsibilities alone. These suggestions could cut down on the number of overhead support people need for the Headquarters buildings and retain a staff that handles a scope of activity and administrative skills, but had the greater number of personnel working outside the Agency, employed by private contractors.

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[redacted] - Impact on New Building on OL Responsiveness

Reminding everyone that the move would be very traumatic if the changes are not considered and dealt with now, [redacted] suggested that a single building manager would be necessary to supply all OL services and provide quick reaction capabilities. Distribution services must be colocated with combined office copy rooms and registries on each floor. Besides a building manager, OL should still retain a separate field engineering organization. OL personnel will peak in 1986 and 1987 for the transition period only, and OL should contract out for these additional resources. OL must take control and manage the shipping docks by considering the security aspects, the accountability, better delivery, coordination, and the storage problems. The procurement function anticipates a centralized paperless atmosphere, but it is our responsibility to coordinate this with the receiving and distribution duties that will be under our purview.

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[redacted] Quality Circles Revisited

The two major objectives of the Printing and Photography Division (RECD) Quality Circle (QC) Program are: (1) to improve the quality of work life in P&PD, and (2) to improve productivity and produce quality products. These objectives evolved from a Division-wide survey conducted by a Quality Circle consultant in November 1982. Subsequent to the survey, Division management (branch and above) arrived at a consensus concerning the goals of a Quality Circle Program in P&PD and developed a governing policy statement. All first-line supervisors participated in a full

week of instruction in the Quality Circle process and group dynamics. The program commenced in early January with the formation of seven teams. Each team consisted of a first-line supervisor (Leader) and personnel from the same work unit. All personnel are volunteer. The team training phase lasted until mid-May 1983. The teams utilized a series of twelve, one-hour video taped instructional sessions in their training. By mid-May, all teams were fully trained and were actively involved in identifying work-related problems for consideration.

In late June 1983, our quality circle consultant conducted an interim survey of team progress. He found the real progress had been made in establishing an appropriate environment and structure to permit the program to flourish in P&PD. He did point out that there was a sense among some employees that not all managers were fully supportive of the program.

Since full-scale operation commenced in May, the following QC initiatives have taken place:

Team	Item	Benefit	Savings
Press Branch	Rehabilitate Press Skids	Safety and Efficiency	\$3,000
Photography	Analyze videotapes returned from Field for reuse	Defective tapes identified prior to reuse	\$5,000
Prepress Branch	Revise stripping production process for CBJB	Reduce errors and save material	\$2,000

Although the primary purpose of the program is to improve the quality of work life and the quality of P&PD products, tangible savings are possible as demonstrated above. The program currently costs the Division approximately 33 hours of production time per week (approximately \$500). The tangible savings, to date, do not cover the program's costs, but we are optimistic that substantial dollar savings will be realized in the near future.

We are in the process of developing tools to measure the value of the program to the Division. One interesting insight is the finding that employees in the program are utilizing substantially less overtime than other employees. It should be noted that these employees are volunteers and are also some of the most productive and motivated personnel in the Division. An Agency-wide customer survey of P&PD services was conducted in July.

Initial survey results indicate that P&PD's responsiveness and product quality is very good. We will follow up on the problems and recommendations made by our customers. By the end of December, we hope to be in position to objectively judge the success or failure of this pilot program.

Some of the lessons learned from the pilot Quality Circle Program to date are: establish a full-time facilitator/administrator to the program, ensure that management at all levels is fully committed to the program, and ensure that the program receives continuous and enthusiastic support by all managers. Employees are naturally cautious of management initiatives and will not become totally involved unless they perceive there is real management commitment to the concept of employees solving their own problems.

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User Involvement in LIMS

During the development stage of LIMS, the salient challenge had been to secure user involvement in the identification of requirements and then subsequently to verify that the identified requirements were accurately translated and included in the contract for system development. The challenge was difficult because LIMS is large and complex and its operation crosses many organizational lines, with attendant problems of communication and parochial interests competing with efficiency and sound system logic. Although the documented LIMS requirements are massive and technical, and thereby somewhat difficult to relate to the real world operational needs, each division did provide component personnel and project leaders are satisfied with this stage of development.

The project has not matured and the character of user involvement is changing. Even more user involvement will be required for future tasks. Involvement may now be classified as functional/technical as one area and managerial as the other. Concerning the former, specialists will be required to help devise the test plan to ensure that the delivered system meets requirements and thereby ensures LIMS will be a most useful tool. The test plan will require innovation and creativeness and must attempt to make the system fail by introducing mistakes and atypical data that are likely to be generated in system use. The plan must test that the system has the appropriate verifications, edits, and logic to produce complete, accurate, timely, and reliable data. As a result of these tests, feedback will be provided to correct system bugs or institute system enhancements required to meet the functional objectives of each division. In the latter area of management, each division chief will have to identify the data necessary to effectively manage his respective activity. The data then must be reliably captured at the most convenient point and the computer programmed to manipulate the data so that user output is available in convenient format.

Anticipating and capturing data at the most judicious point in the data flow and the provision of a powerful user-friendly reports writing package through active user involvement will lead to definitive requirements and thereby will ensure that LIMS will indeed be an essential tool, allowing OL to professionally and responsively meet Agency support requirements.

25X1 Career Management in OL

25X1 The question of whether OL should have a systematic program for employee career development, was discussed by He defined career management as "the fullest development of an employee's knowledge, skills and abilities." Personnel feedback to OL's expectation that each employee take the initiative in managing his/her career resulted in some dissatisfaction with this approach and the feeling that OL management should initiate more action. There is formal training and a variety of assignments for new and junior employees; however, at the mid-level grades and beyond, initiatives for career management should be a shared responsibility between the employee and OL management. Experience is often used as a basis for assigning people, rather than giving people new experiences for their personal development. This is primarily to satisfy the needs of the service versus the needs of the individual. It should be a management initiative to design and implement this development and to emphasize to the panels their role of spotting people for placement into new opportunities and programs.

25X1 Recruitment and Management of New, Sophisticated OL Talent

The challenge for OL is to tap, challenge, and utilize the resources of new college professionals without alienating the presently employed OL core group. These newer graduates appear to have very different values from our long-time employed managers. Some appear to want short term and immediate opportunities and to start at higher salaries, they have a broader education and ask what we can do for them rather than the reverse. Also, the private sector in competing for these graduates has a much quicker hiring reaction, perceived better salaries and benefits, and stress a greater opportunity to participate in the mainstream of technology and management. There does not seem to be as many disadvantages in competition with other government agencies for such talent except for our lengthy hiring time and security requirements.

Recruiters have not had the resources or specific knowledge of OL needs to interface with the specific skill requirements that we seek. OL must package, market, present and sell the total logistics system. Then either the Office of Personnel recruiters or our own personnel could provide a better understanding to the college placement people of our requirements and present a new thrust that would challenge and motivate as well as exploit the skills we need. Other selling points in an OL brochure might emphasize rotational assignments, a student trainee program, Agency involvement with state of the art technology, professionalism and intellectual growth, etc. The SOT program, as an example, sells variety versus specialization. OL must also exploit the Officer Career Program, develop skills and provide job enrichment with objectives and goals for personal development. A task [redacted] will be to establish an interactive study group of 4 or 5 recent EODs to work on ways that we might use their newer educational skills, talents, and ideas in improving the way we do to our daily work.

[redacted] Reassessment of Industrial Security Program

Discussing better ways to relate to the major problems faced by Security Staff (SS), [redacted] presented three problem areas.

(1) The proliferation of information in the computer area by both the Agency and contractors results in the availability of too much unknown data. Access to terminals, tempest considerations, the physical building security, and paper retention desired by contractors who may need the data for later expertise knowledge, make the security officer's job very time consuming as well as difficult. To handle this, security officers must investigate and polygraph the contractors and then trust the contractors to do their jobs.

(2) The control of clearances in private industry is a major problem. Requests for clearances have been increasing at a phenomenal rate. Matching names in the system, eliminating names because of movements and changes of contractors, and reverifying the [redacted] names in the system cannot be properly done by the present staff. Only by utilizing retirees does there appear to be the answer for keeping this massive pool of information current and up-to-date.

(3) The education and reeducation of the contractors' security officers are handled by phone whenever possible. Solutions to contractors' problems and the interface with them occupies extensive time. The acquisition handbook is being rewritten to enable the contracting officer's technical representative to be more knowledgeable of the requirements levied on them and the contractors regarding security issues and thereby assist their contractors in security and contractual problems as they arise.

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[REDACTED] Reorganization of OL to Support SD and PD Process

The advent of LIMS will require some realignment, both functionally and organizationally, of Office of Logistics line activities. The Supply Division and the Procurement Division will particularly be impacted by the new system and we forecast a closer amalgamation of these disciplines. With LIMS two years away, it is too early to forecast the exact impact of this automation on our organization, but we do know that the environment in which we all work will be less paper dependent, bring all line activities closer together, provide management with information that will allow it to closely monitor and measure the responsiveness of the system, and call for more discipline.

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Bringing [REDACTED] on line with Headquarters is viewed as a major enhancement in our ability to support covert actions. Future management of Agency inventories will be more along Depot lines than commodity lines as is the process today. Future requisitioning processing will require a more educated and disciplined customer and the new organization will require front end policing actions levied on the Office of Logistics. This new organization will be staffed by both procurement and supply professionals responsible for material and services source selection, prioritization of requirements entering OL, material management of Depot stocks, a services activity which will audit/monitor system responsiveness, and serve as a point of contact for all customers of the system.

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[REDACTED] Changes in the Procurement System and Senior Management Rotation

In the field of procurement, changes in federal laws requiring procurement reforms with the development of an Agency procurement executive, regulations to improve the access of small business advertisement requirements, and approvals for sole source contracts are all currently being handled. PMS is looking

at the delegation system using centralized controlled data and a warrant system, as well as a single rather than dual delegation of procurement authority. The constant influx of changes in procurement has PMS responding in the appropriate and specialized manner as it concerns the Agency and its regulations.

A discussion of the senior rotation policy within OL indicated that rotation is generally good in that it raises the professional management skills for OL and allows for different perspectives in each job. It should, however, be done slowly and not be disruptive to the overall OL operations.

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Daniel C. King - Summary

Mr. King felt that the meeting was well worth the time to establish a sense of where the Office was going, and to enable all to understand the necessity of compromise as well as cohesion. Last year saw many capital improvements, travel, and the spending of much money. Now it is important for us to recognize our resources and risks and to concentrate on what we want to do in 1984, realizing the limitations that may be imposed in 1985.

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