

C O N F I D E N T I A L

B+63-1

25 NOV 1987

MEMORANDUM FOR: Chief, Management Staff, DDA

FROM: John M. Ray
Director of Logistics

SUBJECT: Resource Implications - New Headquarters
Building (NHB)

1. Following is a review of the resource implications of delaying occupancy of the NHB until June 1988. All projected savings, deferrals and unfunded requirements fall within the Headquarters Facilities Upgrade program. Although some external buildings are being retained longer than originally planned, those increased FY 88 costs have been previously identified as unfunded requirements and are not attributable to this projected six-month slippage. Other Office of Logistics (OL) programs (i.e. the cafeteria expansion and the Headquarters renovation program) will not be adversely affected by this delay.

2. A six-month delay in occupancy of the new building will result in savings of approximately \$5.3 million in FY 88 representing the avoidance of costs normally associated with building occupancy:

Utilities	\$1,000,000
Maintenance and Operations	900,000
GSA Rent	<u>3,400,000</u>
Total	\$5,300,000

3. The occupancy slippage will result in a delay in the relocation of some components and equipment. Consequently, the following FY-88 budgeted resources will need to be deferred until FY 89:

Hardware Relocation	\$ 500,000
ADP Relocation	500,000
WANG Relocation	1,000,000
Moving Costs	<u>470,000</u>
Total	\$2,470,000

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C O N F I D E N T I A L

OL 0047-87

SUBJECT: Resource Implications - New Headquarters Building (NHB)

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25X1 5. In summary, savings, deferrals [Redacted] resulting from the six-month delay in occupancy of the NHB are as follows:

	<u>FY 88</u>	<u>FY 89</u>
Savings	(\$5,300,000)	
Deferrals	(2,470,000)	2,470,000
Unfunded	<u>200,000</u>	<u>200,000</u>
Totals	(\$7,570,000)	2,670,000

25X1 [Redacted]

John M. Ray

It should be noted that this memo addresses very "narrowly" resource implications for Headquarters/DC only. A much more comprehensive paper is being prepared regarding adverse consequences which the Agency will incur with this² suppose.

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OL/B&F



(25 Nov 87)

Distribution:

Orig - Addressee

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Responded to OL-0047-87

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Perspectives and Guidance for 1990-94

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FROM: 	EXTENSION	NO. <i>COMPT 1535-87</i>
Chief, DDA Management Staff 7D18 HQS		DATE 19 November 1987

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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. See Distribution				<p>FYI -- This is the only formal feedback we have received so far from the 13 November Comptroller FY 1988-90 Planning Conference. We will keep you posted as soon as we hear anything else.</p> <p style="text-align: right;">DR</p> <p>Distribution:</p> <ul style="list-style-type: none"> 1 - each Office Director 1 - each Office B&F Officer 1 - each Office Plans Officer
2. Director of Logistics		<i>19/11</i>	<i>DL</i>	
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17 NOV 1987

MEMORANDUM FOR: Deputy Director for Administration
Deputy Director for Intelligence
Deputy Director for Operations
Deputy Director for Science and Technology
Administrative Officer/DCI Area

25X1 FROM: [Redacted]
Executive Director

SUBJECT: Perspectives and Guidance for 1990-94

1. Current efforts by the Administration and Congress to reduce the federal budget deficit will have far-reaching implications for the CIA program. Information available at this point suggests that reductions to our FY 1988 request from Gramm-Rudman legislation and Congressional actions could be substantial. This clearly will not be a one-time fix; these cuts will sharply reduce the availability of new funds over the next several years. Thus, Agency managers will have to make tough decisions on program priorities to ensure that we are able to meet both the current and future needs of the policymakers. [Redacted]

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2. At our planning conference last week, we agreed to modify our existing priorities to reflect the completion or changing focus of some programs and the need to address emerging, new requirements. We noted, for example, that we had made significant progress in our effort to establish a comprehensive counterterrorism program, and as a result, this issue is no longer a major investment priority. We also noted the need to recast our emphasis on communications and ADP systems so that we are able to provide unique services--such as electronic dissemination of time-sensitive analytic products--to key policymakers. At the same time, we agreed to continue to focus on critical security, housing, and technology issues. Finally, we adopted as new priorities the requirement to provide a growing amount of intelligence support on Soviet strategic issues and to recapitalize [Redacted] action infrastructure. We now must construct our 1990-94 program to ensure that we are addressing these priorities within available resources.

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3. The base program. In recent years, we have had several discussions about the size of our base program and have scrubbed the base to make room for new investment. In the current resource environment, we will have to take an even closer look at how we can absorb new requirements within our base resources. I urge each of you to take a hard look at those resources to see if savings can be found to fund new starts in our priority areas.

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4. Growth in the workforce. Each year the directorates request additional positions to cover important new analytic, operational, and support efforts, and we have been successful in accommodating these requests and rebuilding our workforce to an historic high. In their review of our FY 1988 request, however, our congressional committees unequivocally signaled an end to this era. I recognize that new demands for positions will occur, but in the future we will have to make a much greater effort to meet new requirements from within existing resources.

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5. My goal is to construct a balanced program for 1990-94. In this period of fiscal restraint, we will have to examine our resources carefully to make room for new ideas and new programs. I urge you to review carefully the proposals made by your program managers to ensure that they are in accord with our priorities and the realities of a restricted resource environment.

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