

FW-1

14 SEP 1988

MEMORANDUM FOR: Deputy Director for Administration

VIA: Executive Assistant to the DDA

FROM: John M. Ray
Director of Logistics

SUBJECT: Reducing Transactional Costs

1. Attached are action/status reports for each of the 17 transactional costs issues the Office of Logistics (OL) was assigned to respond to in September. Responses were collected from the responsible components within OL as input to OL's reply. Where suggestions regarding issues are to be adopted, timetables for implementation are provided. Where suggestions are not deemed to be acceptable for the Agency, reasons are provided.

2. If you have any questions, please contact [redacted] Executive Officer/OL on extension [redacted]

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John M. Ray

Attachment

OL 0118-88

SUBJECT: Reducing Transactional Costs

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Distribution:

- Orig - Addee
- 1 - IMSS/Official
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A T T A C H M E N T

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ISSUE

Improve delivery of immediate priority mail to customers.

ACTION/STATUS

The Office of Logistics (OL) feels that it may be feasible to develop a reliable, controllable method of moving and tracking time-critical material through the use of OL resources, coupled with the Information Service Center (ISC) and Registry (REG) network. As conceived, the mechanism to accomplish the movement of immediate/priority (I/P) material requires the following:

- Development of a means of distinguishing and segregating I/P material from routine material.
- Creation of two additional document distribution runs (DDR) serviced by two dedicated, internal couriers. These DDRs would be distinct and separate from the routine courier runs currently provided to customers.
- Providing I/P service to the ISC and REG network, only. This service would result in visits to ISCs and REGs four times per day, in order to "guarantee" delivery of I/P material within one workday, for material originating from or destined for addressees outside Headquarters Building, and delivery of I/P material within four working hours, for material originating from and destined for addressees inside Headquarters Building.

OL will complete a feasibility study on this subject within 30 days. If deemed feasible, OL will implement within 90 days, which will allow for the acquisition of needed equipment, the preparation of procedures, and for the coordination of activities of the various components involved.

ISSUE

Provide shuttle service to and from central commuting areas to alleviate future parking crunch.

ACTION/STATUS

The Headquarters area does not have a parking problem and none is anticipated in the foreseeable future. Based upon OL's present staffing levels and existing transportation requirements, additional service could be provided to outlying commuting areas early in the morning from 0600-0730 hours. The majority of shuttle runs do not start until 0730 hours and we would be able to provide this type of service until that time when we would begin our normal daily bus runs. Service in the afternoon, however, would be limited as OL personnel would still be out on their regular runs. The best we could hope for would be one 37 passenger transit bus in the afternoons unless the commuting areas were located close to one of our existing shuttle routes.

ISSUE

ACTION/STATUS

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Improve delivery of items to destination; e.g. lost and misplaced items, infrequent delivery runs.

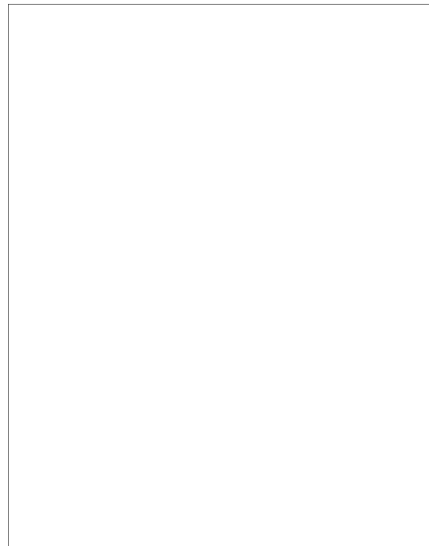
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ISSUE

ACTION/STATUS

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Improve delivery of items to destination; e.g. lost and misplaced items, infrequent delivery runs. (cont)



ISSUE

Ensure supply rooms in outbuildings are kept adequately stocked.

ACTION/STATUS

Surveys have been undertaken by the Office of Logistics (OL) to identify deficiencies in stocking external building supply rooms. Included have been onsite unannounced inspections and scheduled meetings with Logistics Officers, Administrative Officers, secretaries, and other component representatives. Recently, service was increased to each building to include two surveys for stock replenishment and actual replenishment effected two days per week. In the past, only one employee was handling this requirement. With two employees there have been minimal complaints from outlying buildings. Additionally, a campaign has been launched to advertise that assistance can be obtained from the Headquarters Supply Room.

OL will also improve its service to supply room customers via a reorganization that will occur on 1 October 1988. Briefly, the responsibility for the management of supply rooms, stock, inventories, issues, etc., will be transferred from the Facilities Management Division to the Supply Group, OL. It is felt that this transfer of responsibility places the supply room function in its proper organizational niche and that significant improvements will be apparent to customers almost immediately.

ISSUE

Reduce the burdensome procedures and approval time required by the Fine Arts Commission's regulations.

ACTION/STATUS

The Fine Arts Commission (FAC), at each monthly meeting, reviews proposed projects that affect the appearance of public areas of Washington Metropolitan Area facilities. A decision is normally made at the same meeting. Occasionally the determination will be delayed until the following month so members can inspect the area to be changed. These requests pertain to signs, colors, plants, exhibits, and some physical structures.

Employees may perceive that the FAC controls selection of furniture, carpet, and accessories. It does not. These are controlled by federal regulation and, in many cases, are regulated by Congress. The Office of Logistics is charged with verification of compliance concerning these rules. The regulations are defined in [redacted] and are illustrated in several, frequently updated publications of standard, approved furniture and furnishings. All items shown in these publications are manufactured to Government standards for safety, economy, comfort, durability, uniformity of style, and practicality.

Review and approval of those orders which are in compliance with the standards are acted upon immediately and forwarded for processing in the next courier run. Orders that have errors or that do not comply with standards must be delayed until they are made acceptable for processing. FAC is of the opinion that a more responsive action on requests is unattainable.

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ISSUE

Improve the quality of janitorial services in Ames Building.

ACTION/STATUS

Janitorial Services in the Ames Building are provided by Dominion Management, the Building Manager, who subcontracts for these services. These services are monitored by the Office of Logistics. The restrooms, elevators, lobbies, and hallways have been found to be exceptionally clean. Improvement is needed, however, in the vaulted areas. The vaulted rooms must be cleaned during the regular work day hours to allow access for cleaners. The amount of vaulted space has more than doubled in FY 88 and management is currently increasing the daytime cleaning force to handle the additional workload. OL expects a noticeable improvement in this building's vaulted areas and will monitor the situation carefully in the future to ensure that our expectations are in fact fulfilled.

ISSUE

Expand the use of Form 2420 to include procurement of goods.

ACTION/STATUS

The Office of Logistics (OL) is actively pursuing a practical means to consolidate procurement request forms 2420 and 88. The goal is to have the new form in use by 1 October 1988. A working group has been established with representatives from several components in OL and a component logistics officer. The working group has reviewed the form 88 (Requisition for Material) and the Form 2420 (Request for Procurement Services) to determine if the forms could be consolidated and made more user friendly. After several meetings and lengthy discussions, the working group has developed a consolidated form. The proposed form will be sent to all groups, divisions, and staffs in OL for review and comment. It is anticipated that a final decision will be made by 1 October 1988 regarding the feasibility of the new form. This would be an interim solution since this would occur electronically when the Commercial Logistics Applications System is fully operational in October 1989. A menu screen will be utilized to request either goods or services and, hopefully, for inventory issues as well.

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ISSUE

Raise the dollar threshold required for Contract Review Board action.

ACTION/STATUS

The dollar threshold for ACRB review was increased via Procurement Note 140, Revision 7, from
[redacted] 29 July 1988.

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ISSUE

Institute procedures for notifying originating offices (of Form 88s) expeditiously when items will not be received by required delivery dates.

ACTION/STATUS

When a contractor encounters difficulty in meeting the delivery schedule or date, the contractor is required to notify the Office of Logistics (OL) contracting officer in writing. It then becomes the contracting officer's responsibility to notify the appropriate officers of failure to meet the delivery date. OL has emphasized to its contracting officers that this procedure should be followed when possible. Inasmuch as contracting officers are responsible for as many as 100 contracts and more, the futility of applying this procedure in every case becomes apparent.

Additionally, procedures are available from the Materiel Support Branch, Supply Group, OL (MSB/SG/OL), which enable customers to query the Inventory Control System database to determine the status of their requisitions. One of the objectives now being developed is to issue retrieval passwords to customers and instructions for querying the Inventory Control System. The MSB will notify requisitioners of all items being issued from stock which will not meet the required delivery dates at the time requisitions are edited. Subsequently, the customer will be able to query the system or contact the MSB for status information. The customer may also contact them in order to expedite the order. The Data Management Branch, Supply Group, OL, encourages customers to use the query function. OL officers are available to train all customers interested in this procedure.

ISSUE

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Increase the contracting delegation of authority to offices from []

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Increase from [] the office limit per line item not requiring Agency Contract Group's approval.

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Increase the amount of office [] funds and office authority to make local procurements to at least double the present level.

ACTION/STATUS

The Office of Logistics intended to complete an appropriate response to these issues in this reporting period after conducting a survey on the subject. Unfortunately, we have had to curtail this effort, which involves procurement activity, due to the heavy workload we are experiencing in end-of-year procurement actions. OL will complete its study and report on its findings in the next period.

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ISSUE

Automate forms required to initiate various actions (procurement; repair, etc.) and allow for on-line coordination.

ACTION/STATUS

Automation of forms can be responded to in two ways:

1. Automation in terms of creating electronic versions of forms: The Office of Information Technology has begun a project with a goal to capture Agency Standard forms in an electronic format from a control design station, and electronically disseminate them through the mainframe computer to decentralized stations where they can be accessed on a computer terminal, filled out and "demand" printed on a laser printer. This will enable forms to be revised in a more timely fashion, and will eliminate the need for formal printing and stocking of forms in supply rooms. It will also prevent stocking outdated forms. It will not automate the approval cycle. The Office of Logistics (OL) has volunteered to be the initial decentralized test bed site for this project, and it should be implemented on a test basis during FY 89.

2. Automation in terms of electronic approval and routing: For some forms this has already been instituted via AIM (Form 73, Visitor Request Form, etc.). Other forms that require a minimum of approvals are candidates for this solution, such as PTI forms. However, forms that require multiple approvals, such as the Form 88 or 2420, are more difficult to automate in the Wang due to the reluctance of managers to accept

ISSUE

Automate forms required to initiate various actions (procurement; repair, etc.) and allow for on-line coordination.
(cont)

ACTION/STATUS

electronic signatures or to utilize terminals to provide the required electronic signatures that only they can provide. OL and the Office of Finance have planned to automate the approval of requests for goods and services and inventory issues through the BARS/CLAS system when it is fully operational in FY91. The software will queue these requests to the appropriate officials for financial and logistical approvals in the proper sequence. However, special approvals will continue to be obtained in hard copy for items such as ordnance.

ISSUE

Authorize office directors to approve up to \$1,000 in claims.

ACTION/STATUS

Personal property claims are settled under the authority of the Military Personnel and Civilian Employees' Claims Act of 1964, as amended, which is implemented in the Agency

Per the Legal Advisor, HCRB, the Government has strict statutes governing the settlement of claims requiring legal knowledge only lawyers or claims experts can provide. To protect office directors from violating Federal law by approving a claim that is not allowable under the law, this suggestion should not be adopted.

The adjudication of a claim, which can be very complex in nature regardless of its monetary value, requires a working knowledge of the law, past Agency policies and precedent, and a consistency in arriving at the final determination to provide a fair and equitable settlement to the claimant and the U.S.G.

These judgments and technical yardsticks can best be applied by professionals who work with the subject on a daily basis. Each claim must be researched to determine such considerations as:

- Is the employee an eligible claimant under the Act (staff employee, staff agent, contract employee, detailee, survivor(s) of employee, etc.)? Independent Contractors are not covered under the Claims Act.

ISSUE

Authorize office directors to approve up to \$1,000 in claims. (cont)

ACTION/STATUS

- Has the claim been filed with the Agency or other U.S.G. office within the mandatory 2-year timeframe required by law (2-year timeframe cannot be waived)?
- Is the loss considered incident to service (lost, damaged, or destroyed during authorized Gov't. service)?
- Is there negligence (any degree) present on the claimant's part, his agent, or his employee which would bar payment under the Claims Act?
- Is there enough credible evidence to support the claim? Evidence includes details of the circumstances of loss including signed/dated inventories noting loss/damage, written repair estimates, appraisals, etc. Police reports are needed for POV accidents. Police reports are also needed for thefts along with details of the theft noting what extra precautions were taken to protect the item(s), particularly in loss of cash and other small easily pilferable items such as jewelry, watches, etc. Was there positive evidence of theft or was the loss an unobserved mysterious disappearance? Thefts/losses assessed as mysterious disappearances or having no positive evidence of a theft normally are not allowable under the Claims Act.