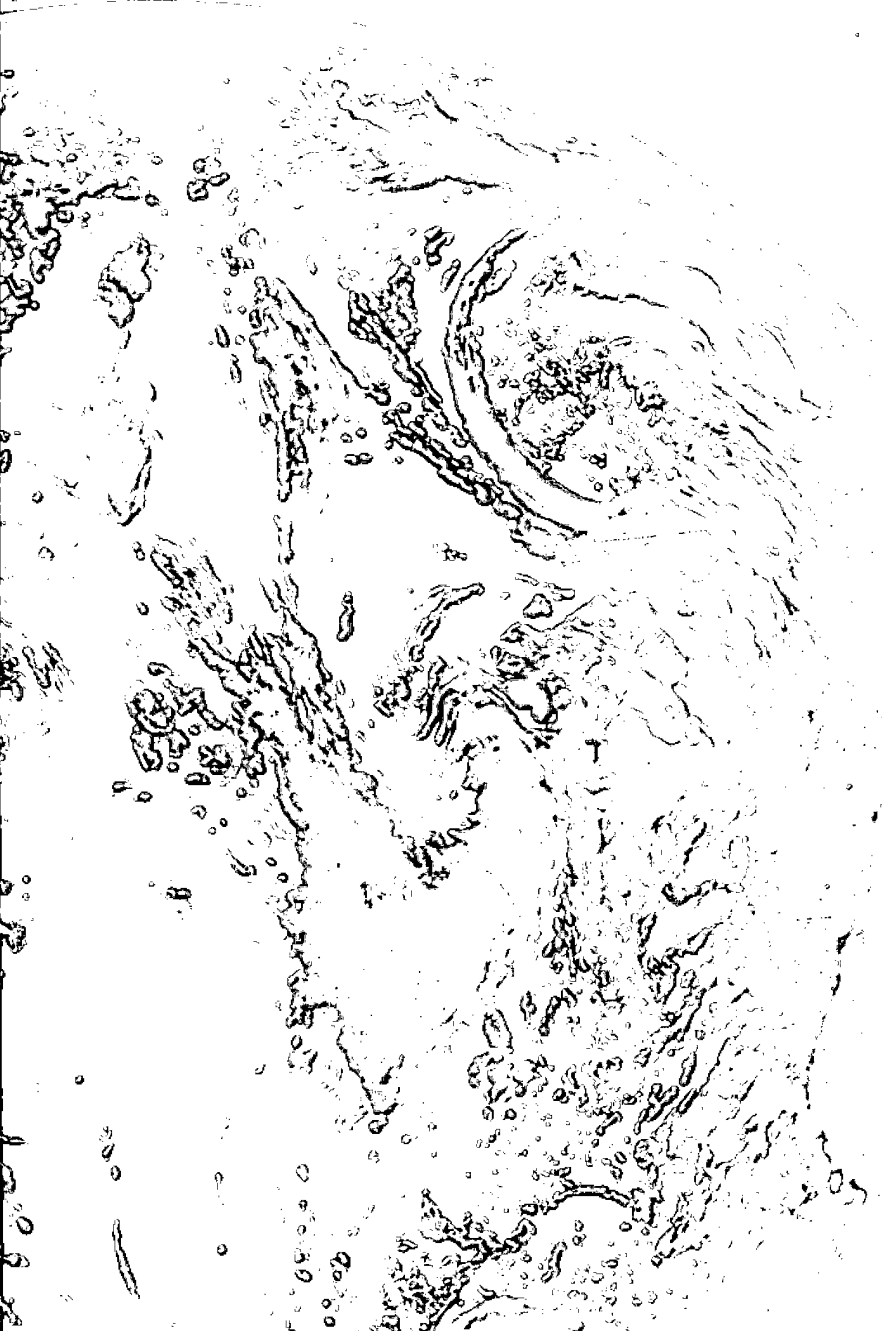


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# OFFICE OF LOGISTICS

ANNUAL REPORT

JUNE 1989



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## A MESSAGE FROM THE DIRECTOR

The past year has been one of change for the Office of Logistics. After many years of planning and construction, the New Headquarters Building is completed and its occupants are moving in and adjusting to their new quarters. For those responsible, it has been an arduous time. For those of you who have been to any extent involved in this task—and in a way that is all of us in Logistics—the Agency owes you its thanks for a job well done.

The changes brought about by the reorganization are having the desired effect. The concentration of covert services in one functional area has resulted in substantial dividends. The streamlining of the OL organization, together with the emphasis on service and better communications, has given us a less bureaucratic, more responsive organization, in tune to the needs of our customers. It remains for us to continue the work we have begun, so that excellence of service becomes a part of our everyday approach to everything we do.

The past year has been one of slowing down, after a period of unprecedented need for covert action support. Although demands upon the Office have not lessened significantly, we have entered a period of relative calm, giving us an opportunity to reflect on how we can do our job better, to be even more timely and effective in meeting the needs of others. We have no excuse not to be the best at everything we undertake.

And finally, there have been the inevitable departures. Recently we said goodbye to John Ray, after a long and distinguished career with the Office of Logistics, including three years as its Director. For me, it has been an interesting time working under his direction. His mark on the Office will be felt for many years. We wish him well in his new career.

As your new Director, I want you to know how much I value your support and friendship. We are all part of an excellent organization engaged in a task of profound importance to the nation. The success of our mission depends upon all of us. I look forward to working with you in the year to come.

Director of Logistics

22 June 1989

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## OFFICE OF LOGISTICS ANNUAL REPORT 1988 - 1989

The past year has presented a different kind of challenge to the Office. With covert activities no longer requiring a maximum support effort, we have had an opportunity to examine more closely ourselves and our mission, to see where we are going and how best to get there. As a result, we have been able to turn our attention and energies to new challenges.



*This has been the year of the New Building*

This has been the year of the "New Building" and the "Big Move". After five years of planning and construction, the New Headquarters Building was finally completed. At year's end, more than half the offices scheduled to occupy their new quarters have been moved, with the building scheduled for full occupancy in the spring of 1990.

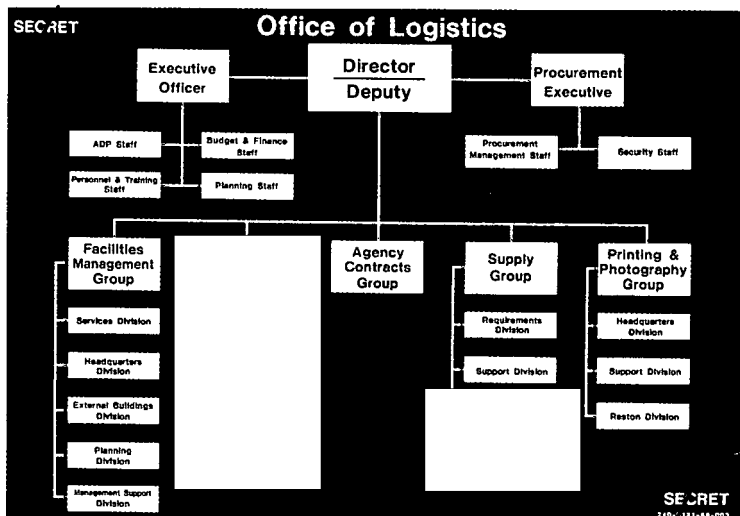
With the new building substantially under its belt, OL's attention turned to the substantial task of renovating and refitting the original building. This project, begun in 1988, will result in a complete makeover of nearly two-thirds of the building. When completed in 1994, the Headquarters complex

will provide space

It has been also a year of restructuring. The reorganization undertaken in 1988 has taken hold, and its full impact is

now beginning to be felt. Although some details and minor restructuring still need to be worked out, the new organization is now fully in place. It remains only for us to make it work more effectively for ourselves and our customers.

Much emphasis has been placed on the people of OL. Training and career development have received new emphasis at the same time that career opportunities are being enhanced. Components have established new courses and the number of OL careerists taking advantage of training opportunities far



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## FACILITIES MANAGEMENT

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The year 1988 saw a substantial change in the places where Agency people work. The New Headquarters Building (NHB), completed last summer, became home for an increasing number of employees. OL designed space, installed partitions, outfitted the public areas (signs, plants, etc.), and planned and coordinated moves involving more than [redacted] employees. Among the major moves were the Office of Technical Services, the Office of Scientific and Weapons Research, the Office of Inspector General, the Office of General Counsel, the Counternarcotics Center, the SE Division of the DO, the Offices of East Asian Analysis, Near Eastern and South Asian Analysis and three major computer centers for the Office of Information Technology.

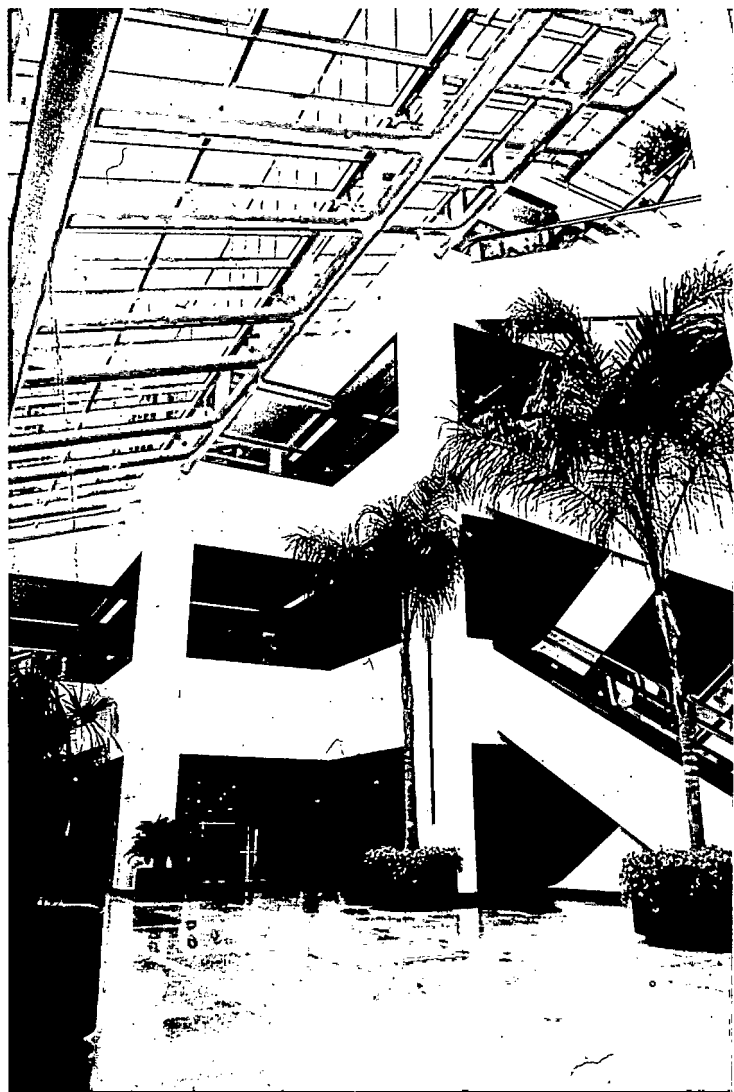
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By mid-year 1989, the new building will be more than 70% occupied, with all tenants expected to be in place in early 1990. When fully occupied, the NHB will be "Agency home" to approximately [redacted] employees.

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The Backfill Program, a six-year, \$100 million project to renovate the Original Headquarters Building, moved into high gear. Approximately 100 projects were begun, completed, or were underway during the year. By yearend, some 150,000 square feet of permanent office and computer space will have been renovated or under contract.

Among major Backfill projects, designs were completed and contracts awarded on a long-term project to provide raised



*The atrium in the New Headquarters Building suggests an outdoors environment*

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access flooring for all office and computer room renovations. Renovation was completed or is underway to offices in G corridor (ground, 4th, 5th, 6th, and 7th floors), D corridor (ground and 1st floors), and B corridor (3rd and 5th floors), as well as to major utility and fire protection upgrades for the building.

A contract to retrofit tinted, double-glazed, energy efficient windows throughout the OHB was awarded in May. This project, which will extend over the entire period of the Backfill Program, will cost over \$4 million. It is expected that this outlay will be recovered in energy savings in 15 years.

Construction began in May 1988 on a major expansion of the Headquarters cafeteria. Phase I of this project was opened in April 1989, adding a new serving line and 200 seats to the cafeteria. Phases II and III, scheduled for completion in October at a cost of nearly \$5 million, will provide for a fast food court with seven serving areas and 440 seats, the enclosing of 2 courtyard areas with a new serving line and 550 seats, as well as installation of new equipment.

In October, construction was started on a 10,000 square foot, \$1.7 million building to house a day care center for children of Agency employees. The Center, the initial planning for which dates back to 1984, will be completed in late summer of 1989. Located on the Scattergood-Thorne property adjacent to the Route 123 entrance to Headquarters, the Center will provide day care for 104 children in three age groups. Placement selection will be by lottery. Once completed, the Center will be turned over to the Office of Personnel for operation by a contractor.

Major external building projects underway or completed during the year include an interior renovation of the 2430 E

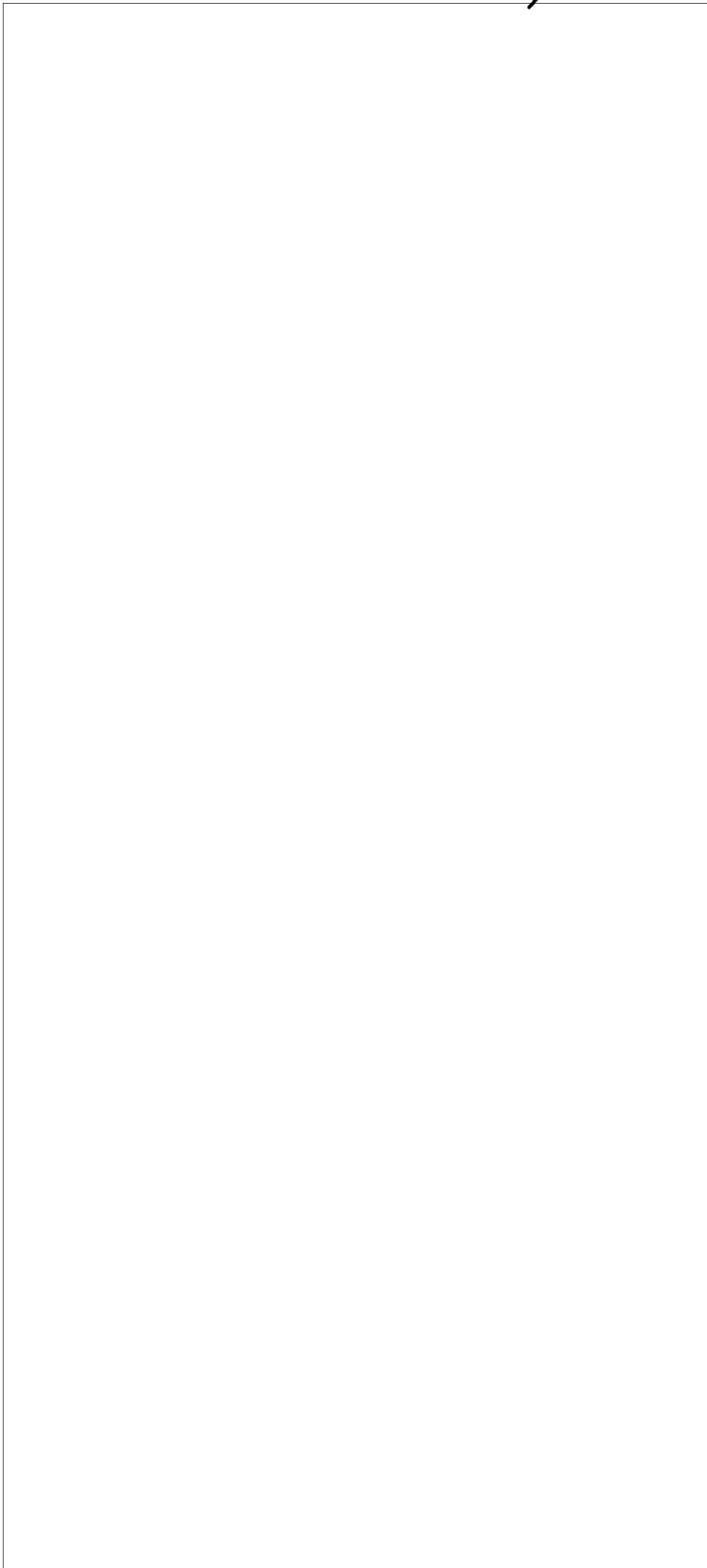
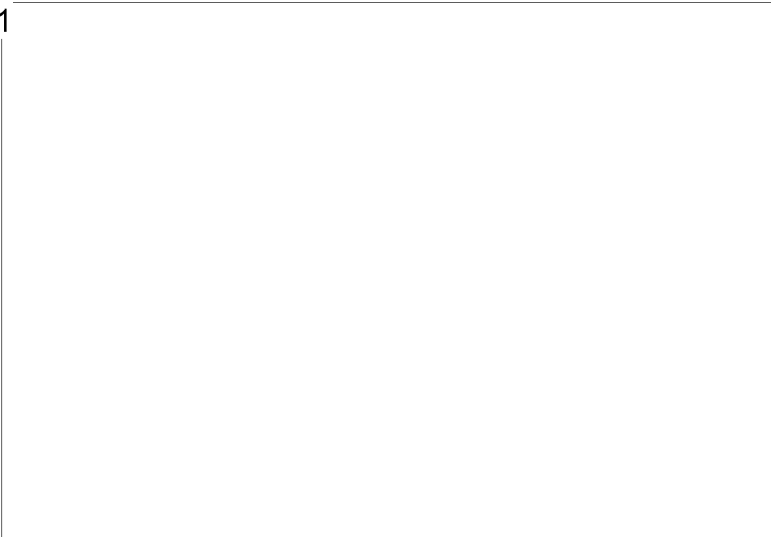


*The Agency's Langley Child Care Center nears completion*

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25X1 Street complex to accommodate the former occupants of  
25X1 [redacted] The E Street complex has significance in the  
history of the Agency since it was the first home of the CIA  
when it was established in 1947. Other major projects include  
25X1 construction of a 34,000 square foot [redacted]  
25X1 [redacted]  
25X1 [redacted] and renovation of  
the 11th floor of Key Building for the DCI's Security Evalua-  
25X1 tion Office. [redacted]



On the artistic side, FMG arranged a number of exhibits:  
"Physically Challenged Artists, Man, Woman and Child ";  
"Voices from Afghanistan"; and "A Noble Vision," a tribute  
to the 200th anniversary of the Bill of Rights. Permanent  
artistic works include two carved brick murals for the Office of  
25X1 Security [redacted] and installation  
of a bronze statue of William J. Donovan, Director, Office of  
Strategic Services, fore-runner of the CIA, in the Headquar-  
ters lobby.

Some relief for the parking woes of Agency employees  
will come with the paving and lighting of an area adjacent to  
the existing West lot. Designed to accommodate 1,000 cars,  
the area is scheduled for completion in late summer.

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## SUPPLY SERVICES

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*A major function of the Office of Logistics is to provide materiel and transportation support for the worldwide operations of the Agency. Responsibility within the Office for planning and fulfilling the Agency's materiel needs falls to the Supply Group.*

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The year was another record-breaker for Supply Group.  
In the twelve months through March 1989

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25X1 [Redacted]

[Redacted]

25X1 The OL Flying Squad, established in 1986, now has [Redacted]  
members. Since its inception, members of the organization  
25X1 have served [Redacted] around the world as well as  
25X1 domestically for other Agency components, completing [Redacted]  
assignments. Flying Squad members last year provided such  
varied services as moving equipment, renovating facilities,  
guarding warehouses, inventorying equipment, and unloading  
25X1 aircraft. [Redacted]

25X1 [Redacted]  
25X1 [Redacted] The Office of  
Logistics takes great pride in the work of the Flying Squad  
and the Agency owes much to the efforts and actions of its  
members. It is a prime example of teamwork in action.

The effort to make Agency employees more aware of  
their responsibilities to account for Government property  
continued to receive heavy emphasis during the year. The

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Supply Group's program to train supply officers in accountability procedures had by yearend resulted in the certification of 224 persons. Other efforts to improve accountability included assisting supply officers in conducting inventories and providing ad hoc advice on logistical problems.

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[Redacted]

The final move of Agency offices from [Redacted] to new quarters at 2430 E Street was completed in February 1989 and involved the turn-in of 29 truckloads of property and equipment [Redacted]

A Logistics Officers Conference was held [Redacted] from 27 February to 3 March, 1989. [Redacted]

[Redacted]

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## PRINTING AND PHOTOGRAPHIC SERVICES

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*The Office of Logistics, through its Printing and Photography Group, operates a major facility to produce printing, graphic materials and photographic products for use by the Agency and other members of the Intelligence Community. Tasks include meeting priority requests for materials to brief the President and other ranking policymakers, ad hoc photo and printing jobs in support of specific projects and programs, routine production requirements to assist components and other agencies to fulfill intelligence missions, and providing copier and video replication service for the Agency.*

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25X1 The overall demand for printing and photographic services over the past 12 months has stabilized compared to the dramatic increase evident in recent years. Service was provided to all major components of the Agency and to most members of the Intelligence Community. In the 12 months ending in March, the Printing and Photography Group received 31,472 requests for service, a decrease of 19% over the previous year. However, requests for visual aids from the Design and Presentation Center increased by 38% and Agency photographer assignments increased 47%.

Major individual efforts during the year included the publication of two intelligence assessments on behalf of the Agency to assist in the transition into office of the new Administration. The first, completed shortly after the election of President Bush, consisted of 22 leather-bound and 200 soft-bound copies of a global intelligence review containing 70 pages of text, 33 maps, 69 graphics, and over 70 photos. In January, 3,000 copies of a 35-page, multi-colored brochure entitled *President Elect Transition Papers Update* were also printed for use by the Administration. These publications were delivered to the White House for redistribution to Administration staffers and appointees.

Other major printing jobs undertaken during the year included a 300-page unclassified edition of the *World*

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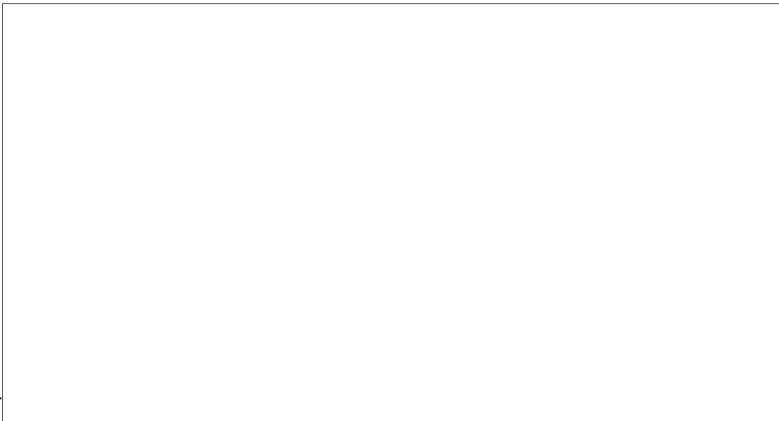
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*Factbook*. Over 25,000 copies of this volume were distributed to the Agency, the Government Printing Office and the Department of State. An additional 6,000 copies of a 110-page classified supplement were also provided to the Directorate of Intelligence, Office of Current Production and Analytical Support.

A publication of unusual interest on behalf of the Office of Security features photographs of persons involved in espionage from Mata Hari, executed by the French for spying for Germany in World War I, to Clayton Lonetree, implicated in the recent Moscow Embassy penetration. The volume contains 228 pictures, culled from books, magazines and other sources. It will be used as a briefing aid by OS and will be placed on exhibit in the Intelligence Museum in the atrium of the New Headquarters Building.

In March,  copies of a new Agency telephone directory, updated from the 1987 edition, were printed and issued for the Office of Information Technology. For the first time, the Directory was printed in loose-leaf form, simplifying future revisions. The first revision was completed in May.



For the Intelligence Community Staff and the Office of Personnel, 400 copies of a two-volume, 350-page report entitled *The Intelligence Workforce for the 1990's* were printed. Also in support of the Office of Personnel, P&PG published a

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25X1 [ ] Personal Benefits Statement for each of the approximately [ ] persons in the Agency. The statements, a service provided annually to Agency employees, were distributed in early April.

25X1 Other annual publications included the Congressional Budget Justification Books (CBBJ). The CBBJ, which this year consisted of 14 volumes and four annexes, is an annual effort in support of the Intelligence Community's portion of the President's budget message to Congress.

A major effort in support of the Foreign Broadcast Information Service (FBIS) saw the addition of three composers to P&PG's personnel complement in the Reston Complex. This augmentation represents a 33% increase in P&PG dedicated support to the FBIS publication center.

25X1 The videotape replication center established by P&PG in [ ] last year became fully operative in the summer. Made necessary by the increasing demand for videotape services, the facility nearly triples the Agency's tape duplication capacity. The 200 on-line recorder system provides the capability of converting from one format to another and producing tapes in any standard format.

25X1 Major photographic efforts during the year included coverage of President-elect Bush's visit to the CIA in late December, [ ]  
25X1 [ ] and coverage of several VIP visits, in addition to numerous ad hoc requests for photo support from components of the Agency and Intelligence Community.

Consolidating the management of the Agency's copier service—now centered in P&PG—was a major concern in 1988. Acquiring, servicing and maintaining supplies for over 600 copying machines in the Washington Metro area

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has become a full-time job for six employees. Some idea of the magnitude of their task is evident from the fact that in a typical twelve-month period, more than 130 million copies are made on this equipment and over 100 machines are replaced due to wear and tear.

The Printing and Photography Customer Service Center—the first to be established in the Office of Logistics—opened for business in February on the ground floor of the Original Headquarters Building. It provides a single point of contact for all inquiries with regard to photographic, design, and printing services available in the Agency.

Recent equipment upgrades have helped P&PG keep pace with growing production requests. New equipment installed in the Computer Output Microfilm (COM) Center has drastically shortened the time required for the Center to handle its biggest production job, microfilming payroll records for the Office of Financial Management.

Other new equipment includes an automatic punch which substantially decreases the production time required for many jobs; a Wire-O binding system, installed in March 1989, which reduces the number of jobs previously bound by the cumbersome and time consuming GBC process and a new labeling system which applies address labels automatically to publications as they are bound, thus avoiding additional handling by the Dissemination Section.

With no expectation that printing requirements will decrease, replacement and upgrade of equipment, particularly with respect to color reproduction, will become imperative over the next several years. A master plan to acquire new state-of-the-art equipment, at a cost of \$15.7 million, has been drawn up. Efforts to identify funding for this major upgrade—the first in over ten years—are currently in progress.

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## CONTRACT SERVICES

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*The Central Intelligence Agency is the fourth largest purchaser of goods and services of all Federal civilian agencies. In the most recent year for which figures are available, Agency acquisitions, including those for national programs, [redacted] The Office of Logistics, through its Agency Contracts Group (ACG) and Science and Technology Group, is responsible for staffing and managing the procurement work force. Overall policy with respect to the Agency's procurement process is provided by the Procurement Management Staff (PMS). ACG is also responsible for procurement of commercial and industrial products and services in support of general Agency needs.*

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Agency procurement activity (excluding national program acquisitions) totalled [redacted] in FY 1988, a decline of 11 percent from the record set the previous year. The number of funding actions, however, decreased 14 percent to [redacted] continuing the trend to consolidate contract activities.

Competitive procurement by Agency components, in response to the Competition in Contracting Act, has increased steadily since the law was passed in 1987. During the most recent year, the number of contract actions completed totalled [redacted] an increase of 47% over 1987. Dollar value was [redacted] compared to [redacted] in the previous year.

The decentralization of contracting activities within ACG continued during the year. Under this program, recommended in a 1987 study by Coopers and Lybrand, consultants, self-supporting teams provide contracting service for individual Agency components, with whom they are collocated. With the establishment of teams to support the Offices of Security, Communications, and Information Technology, the number of contract support teams is now [redacted]

In the policy area, PMS is undertaking a major revision of the CIA Contracting Manual. Principal revisions include guidance on improper business practices and personal conflict of interest by government employees and incorporating the

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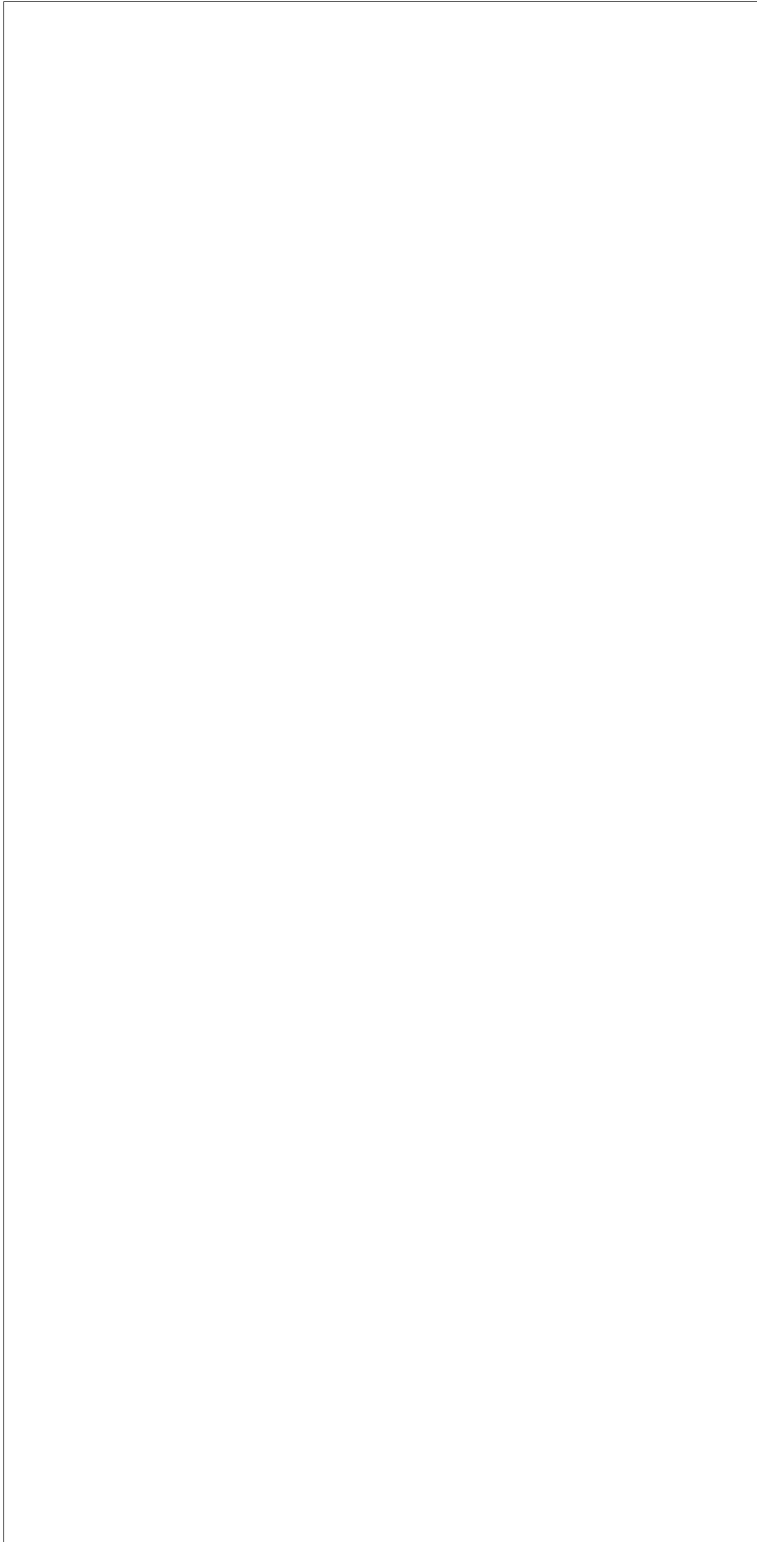
provisions of various Procurement Notices issued since the last update. Also undergoing revision, for the first time in 5 years, is the Acquisition Handbook, which is the principal policy guide for contracting in the CIA.

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During the past year, 12 members of the contracting staff completed the requirements for the Agency's contract officer's intern (COI) program. This brings to 22 the number who have completed the program and received appointments as contracting officers. Initiated in 1987, the COI program is a two-year internship consisting of formal coursework and on-the-job training with a contract team.

Automation of the Agency's contracting effort made progress during the year. In mid-March, the Core Team of ACG began using a new system which enables contracting officers to incorporate automatically any standard clause into a contract in final written form. A more comprehensive program, which would automate all Agency contract actions, was still in the development stages by yearend. This system will permit instant retrieval of any regulation or contract clause and automatic updating of databases. It will make possible uniform contract documentation throughout the Agency.

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## INTERNAL SUPPORT FUNCTIONS

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*Support for the OL mission is provided internally by staff organizations in the areas of personnel administration and training, data processing, budget and fiscal matters, industrial security, and planning.*

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**Personnel and Training.** Training and career development continue to receive major emphasis in OL. A 4-day course on supervision was introduced during the year and made mandatory for all supervisory personnel. A workshop was also initiated aimed at making PARs a more meaningful tool for assessing employee performance.

**Data Processing.** Data handling in OL made advances during the year. The installation of a Wang VS computer significantly upgraded office automation. Local Area Network (LAN) technology also was introduced with one system operational and two others in development. CLAS program milestones included two new modules to automate the supply and parts catalog.

**Security.** Ensuring that contractors doing business with the Agency meet security requirements is a continuing concern. Recent efforts have been directed at increasing contractor inspections to ensure security compliance and conducting seminars and workshops on industrial security.

**Budget and Fiscal.** Financial management for the Office of Logistics includes budgetary and fiscal planning, management of internal finances, and maintaining control of funding resources for Agency procurement. Assistance is provided to components to ensure that limitations of requisitioning authority are not exceeded.

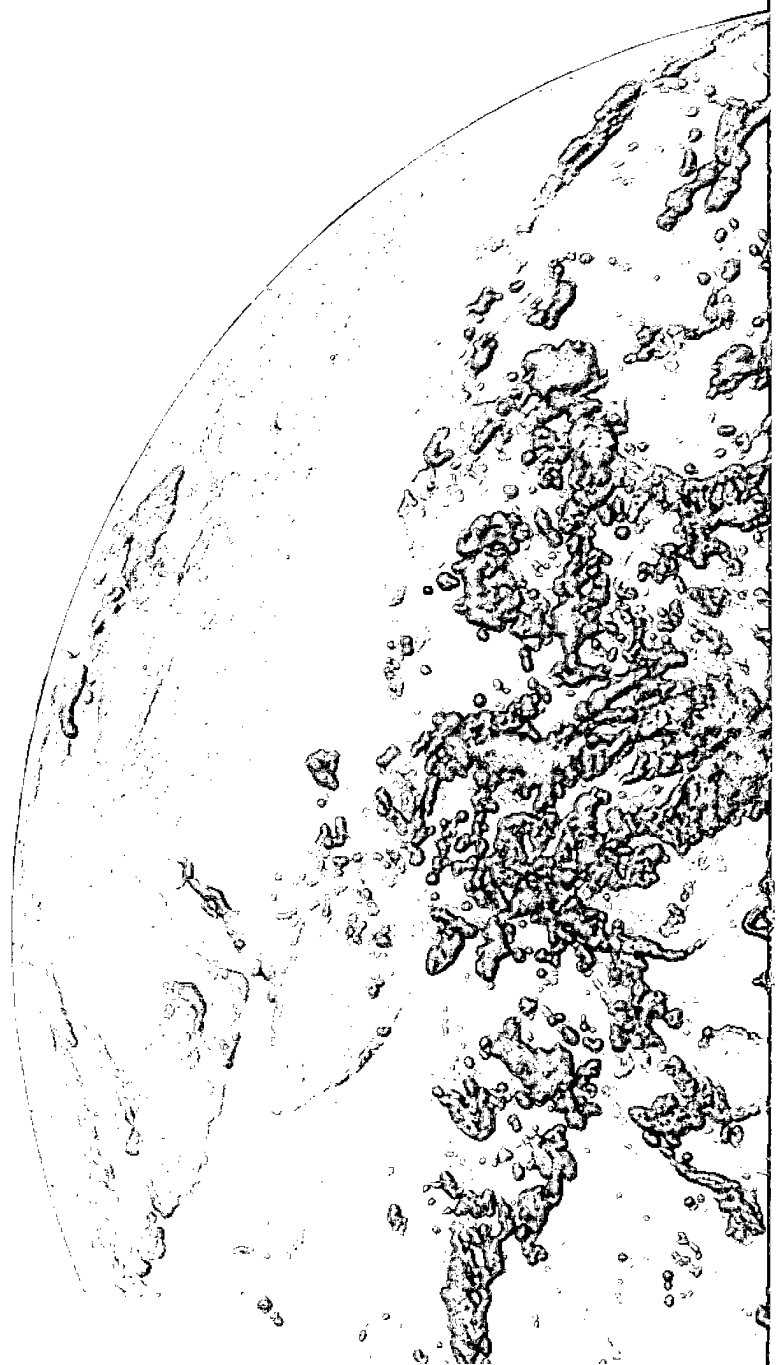
**Planning.** OL's planning function responds to planning and reporting requirements from inside the Office as well as from the Directorate and other Agency components. A recent in-depth review of Agency delegations of authority resulted in major redelegations to the Office of Logistics.

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