

DD/ST# 2089-69

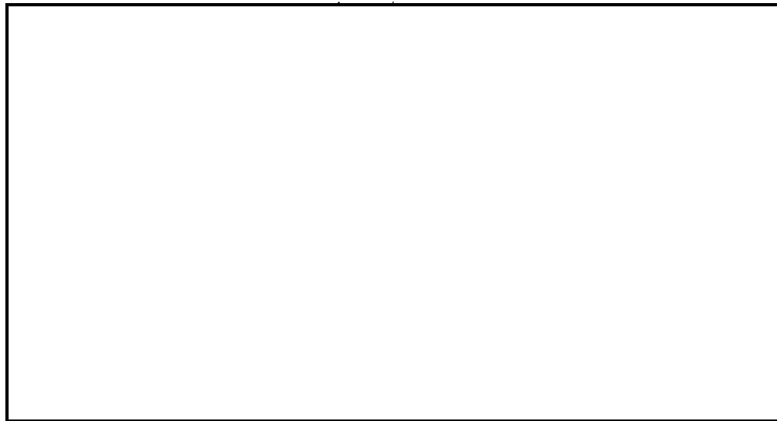
22 MAY 1969

No. 69-5

Minutes of the Procurement Officers' Meeting

12 May 1969

PRESENT: John F. Blake, DD/L (Chairman)



1. The meeting was called to order by Mr. Blake at 10:30 a.m.

2. Prior to discussing the items on the formal agenda, Mr. Blake presented three subjects he considered to be of general interest to those in attendance. These items were:

a. It is the policy of the Office of Logistics that no contracting officer or negotiator be permitted to attend any school, whether internal or external, during the last quarter of a fiscal year. Mr. Blake directed that all requests for either internal or external training involving an SL procurement designee be routed through the Chairman, Agency Contract Review Board (ACRB), for the Director of Logistics' approval.

b. Nominations are now being processed for attendance at the senior military schools during the calendar year 1970-1971 session. Mr. Blake reminded all those present that job requirements must be given priority over attendance at these long-term schools.

c. Mr. Blake summarized a recent exercise conducted by Agency personnel at [redacted] Security Staff, OL, together with Messrs. [redacted] [redacted] completed a purge of contract files located at [redacted] [redacted] to insure that any documents identifying CIA in connection with a contract be physically removed from the files. The material removed is now being stored at the [redacted] The Director has suggested that this approach be taken with respect to files located in other

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colleges and universities. The Office of Logistics is currently studying this matter in order to identify those institutions holding contracts which represent the greatest threat to the Agency. The threat will be calculated on the basis of the classification and/or cover of the contract itself, the sensitivity of the undertaking, the volume of material at the institution, and an assessment of the degree of militancy present at the campus. Upon the completion of the exercise, a briefing will be given to the Deputy Director for Support and additional visitations to campuses will be made.

3. Following this general discussion, Mr. Blake then began the coverage of the formal agenda:

a. The group was briefed by Mr. Blake on the history of the Contract Information System (CONIF) now being developed by the Office of Logistics. Following his briefing, he mentioned that we recently received a memorandum dated 25 April 1969, signed by [redacted] MRS/IPB/SSS, which makes the following proposals for Office of Logistics consideration:

(1) [redacted] group does not propose to develop any new contract information system.

(2) The Materiel Resources Section considers the Office of Logistics Contract Information System (CONIF) and the Directorate of Science and Technology Contract Information System (ACORN) to be the only such systems which will exist under the total support system now being developed.

As information, Mr. Blake stressed the fact that the procurement subsystem envisioned by MRS will not provide a general contract information capability, as this subsystem will only be concerned with Office of Logistics procurements and other acquisitions triggered by a formal requisition and will not be an Agency-wide system. (Action to be taken: This entire subject will be reviewed by a study group to be formed under the supervision of [redacted])

b. Mr. Blake requested comments developed as the result of the formal study on Government-Furnished Equipment (GFE) prepared under the auspices of the Chairman, ACRB, and previously distributed to attendees at today's meeting. [redacted] remarked that he considered the report to be quite good. [redacted] stated that he anticipates problems in the dissemination of pertinent information among the technical officers concerned. Mr. Blake agreed that there are some problems of implementation and noted that these would be corrected as they come up. He believes that the present plan of requiring semi-annual lists of excess GFE, which in turn are to be compiled into a master list for general

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distribution, will be adequate. [ ] desired to know if there were plans to appoint a property specialist charged with maintenance of GFE lists. Mr. Blake answered that this had been considered, but no further action could be taken until the Director of Logistics has made a decision as to how this might best be accomplished. In addition, it will be necessary to obtain Office of Planning, Programming, and Budgeting concurrence before we can establish a pool of excess property to be issued to activities other than the original budgeting component. (Action to be taken: All participants at today's meeting were requested to submit their comments on this study, in writing, to the Director of Logistics no later than 19 May 1969.)

c. As the interested project officer, [ ] gave the group a briefing on present plans for Office of Logistics control over contract files following their retirement to the archives. He stated that a basic agreement had been reached with the several procurement team chiefs to separate contract files from the project case files maintained by the technical officers concerned. At least for the immediate future, the record retirement forms for the contract files only will be processed through the Records Management Officer, Office of Logistics. This approach will insure that the Director of Logistics will, at any given time, have a complete listing of all Agency-funded contract files in the archives. (Action to be taken: [ ] will prepare a Procurement Note setting forth the procedure to be followed in retiring contract files.) 25X1

d. [ ] next discussed the proposed ACRB policy of having contracting officers present on a selective basis to assist in the presentation of the more complicated requests for contract action. He stated that such appearances would be held to a reasonable number. It is his belief that maximum benefit would be realized if these appearances before the Board were made after the contract was written but before implementation. [ ] 25X1  
[ ] asked whether this new approach would preclude a contracting officer's requesting an appearance before the Board to insure that controversial or confusing aspects of a proposed contractual action are fully understood by the Board. [ ] assured [ ] 25X1  
[ ] that the Board would honor any such requests. Mr. Blake then asked [ ] 25X1  
to discuss a proposed DD/S&T change to current ACRB practice. Under existing policy, the Board, ideally, reviews proposed contracts prior to negotiation, and again just before implementation of a negotiated contract. The DD/S&T is suggesting that, at least during the final quarter of a fiscal year, this procedure be modified to permit a single review to be made prior to negotiation. [ ] believes that this approach would reduce the amount of administration necessary in the processing of a proposed contract and would cut down on the potential delays built into the present procedure. At this point, [ ] 25X1  
stated that, in his mind at least, there were some confusions with respect to the Board's prerogatives of review of contract actions. He suggested that a Procurement Note, identifying the Board's specific charter and method of operation, be written at the earliest

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possible time. (Action to be taken: A careful review is to be made of both [redacted] 25X1  
proposal and [redacted] suggestion.)

e. Mr. Blake informed the group that, based on a recently completed nine-month analysis, research and development contracting money is being obligated at a rate far below that of FY 1968. (Action to be taken: Although there is no way the Office of Logistics can improve this situation, we will again analyze the obligation rate based on the report of contractual actions through April 1969.)

f. At the Procurement Officers' Meeting held on 14 April 1969, attendees were requested to submit statistics on contract settlements completed or in process by the various decentralized teams. To date, [redacted] of NPIC and [redacted] on behalf of DD/S&T, have filed their positions with us. 25X1

g. Mr. Blake briefed the group on the results of a study recently completed covering Agency accommodation procurement, now occurring at the rate of nearly [redacted] 25X1  
[redacted] yearly. It was noted that the bulk of the funds were obligated in support of "joint" (e.g., Agency/DOD) activities. (Action to be taken: None.)

h. [redacted] stated that he has had occasion to question the adequacy of price analysis studies made by Industrial Contract Audit Division, OF, auditors assigned to the Technical Services Division. In his estimation, we are not getting the information necessary to permit a contracting officer to negotiate such things as labor inputs. [redacted] believes that an auditor should have access to all data available and could develop this type of information. Following some general discussion among the group, it was agreed that more specific audit data could be obtained if the contracting officer specifically identified those areas to be covered. In closing, Mr. Blake suggested that we invite [redacted] Deputy Director for Accounts and Audit, to attend the next Procurement Officers' Meeting for the purpose of briefing the group on ICAD potentials which possibly have not been fully utilized by contracting officers. Mr. Blake further stated that he would ask [redacted] to be prepared to answer any questions. (Action to be taken: Mr. Blake will make the necessary arrangements to invite [redacted] 25X1  
[redacted] to the next meeting.)

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