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CONFIDENTIAL

[Nov. 28, 1951]

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CONTRACTOR FOR

: Provisation and Responsibilities

- 1. Your memorandum of 17 November proposing cortain organisational and personnel actions is returned becauth.
- 2. Confirming our provious verbal discussions, it is not possible for as at this time to make any specific organizational changes in the areas of frocurement and idministrative Services. No final determinations will be practicable until next January at the earliest.
- 3. Pending final determinations on organizational matters in the administrative field, I wish to continue our current status as indicated below:
 - a. The Progressent Office will remain a commute and independent obtainistrative Office and its Chief will be responsible directly to me. So action affecting his Office will be taken without his prior resonantation or concurrence stated by him to me.
 - t. The Administrative Services Office will be similarly main-
 - c. Your status will remain on an "in training and indoctrinetion" beats. You should use this period to broaden your knowledge of "It's and its functions as they may relate to the Procurement and Idministrative Carvices fields. You should not assume any command or supervisory position over those activities.
- in them definite, final, functional responsibilities have been determined, a propose to confer with you and the Office Chinfs concerned in order to arrive at a concerted agreement on future organization and operating responsibilities. It will be necessary for up to set the timing for this purpose and you will be informed when such timing has been determined.

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WALTER REID HOLF Tepaty Director (Administration)

cor Chief, Adm Serv Chief of Proc AD/Core

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Deputy Director (Administration)

17 November 1951

Director of Supplies and Services

Organisation of Supplies and Services Office

- 1. This organization is headed by a Director and three Deputy Directors. The work of the Deputies divides itself materially between Plans, Intelligence, and Administration. Under this level of authority come Assistant Directors and Administrative Office Chiefs. The general worth of the Administrative staff divides itself naturally into "things", "money", and "people".
- 2. The job of the Director of Services and Supplies is to direct the performance of purchasing and services and to coordinate the functioning of these divisions throughout both the overt and covert sides of the Agency.
- 3. The funds used to provide the financial support of these overt and covert functions is taken care of by and Mr. Saunders, the Comptroller.

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4. The procurement of personnel to staff these overt and covert sides of the Agency is taken care of by and his Deputy, Mr. Meloon.

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- 5. It is hoped by the Deputy Director (Administration, Walter Reid Wolf, that the three facets of Administration, namely, "people", "things", and "money", will be brought closer and closer together so as to eliminate as much waste effort and waste of money as possible. Each of these facets of Administration is staffed with personnel ranging in age of service from ten years to the most recent acquisition, such as myself.
- 6. It is hoped, in combining the functions of Administrative Services and Procurement, that I will be able to utilize the existing cadre to the fullest possible extent in order to benefit from the experience of these old-time CIA workers. However, in Procurement I find that the Table of Organization is wholly inadequate, both in number of positions and in amount on the budget approved for the Fiscal Year 1952, to handle the doubling of work, particularly on the covert side. Therefore, I propose that several technicians be employed in Procurement and Inspection so that the Agency will be self-contained and have its own people to answer technical questions, rather than to continue to draw

Deputy Director (Administration)

17 November 1951

That procedure would enable us to get started with our huge processment program. We become more and more involved in a "seeld war", and could at any time be involved in a "hot war", we need to be more and more "self-contained".

7. I have studied the possibilities of consolidating the two facets of Services and Supplies into one integrated body headed by an Assistant Director equal in authority to Assistant Director with the title of Director of Supplies and Services.

8. I find the demand on Producement, especially from OPC, to be completely beyond their ability to cope with the increased demands that are proposed for the Fiscal Tear 1952 from FE and soon from EE. The personnel are wholly inadequate, both in number and in quality, and I recommend that we use the existing eadre consisting of trained Procurement people that have been obtained through other agencies and augment this cadre with technical people qualified to furnish answers to technical questions. I estimate that perhaps 10 good technicians can serve this Procurement force and not greatly increase the T/O and, at the same time, turn out more quality in the placing of contracts.

from the General Counsel's Office who has been assigned full time to Procurement. This is necessary because the contracting officer, does not have sufficient legal training to be able to properly draw contracts. I feel that, in examining the various lawyers whom I have met in my indestrination course, the counseledge of CIA matters (having served in the organization for ten years) and legal special knowledge which we need in Frocurement. I would highly recommend that he be assigned as a legal advisor to Mr. James Carrison.

- position to assume responsibility and make decisions, I would say that if the same way in which they are now functioning that by I January 1952 I will be able to take some of the administrative load off your shoulders.
- 11. Attached find a rough draft of the combined organisation chart proposed for the Director of Supplies and Services.

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Deputy Director (Administration)

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17 November 1951

Slot No. 1	Director of Supplies and Services
Slot No. 2	Combining the administrative support) of both Administrative Services and) Procurement in one location, Quarters) Eye.
Slot No. 3	A new division called "Field Instal") lations" should be created to give) direct administrative support to the)
	and "safe houses" in Washington and) perhaps other field installations) abroad. The determination of this) latter concept will be left to you.)
Slot No. 4	as Chief, Administrative Services to) Mr. Garrison, Chief, Procurement Office.
Slot Nos. 5a, 5b, 5c, 5d, 5e	These slots for Chiefs of Trans- portation, (a); Real Estate and Construction, (b); Building Main- tenance and Utilities, (c); Records Management and Distribution, (d); and Machine Records, (e), have no suggested changes at this time.
Slot No. 6	Printing and Reproduction to be) renamed Reproduction Division to) avoid competition with the G.P.O.)
Slot Nos. 6a, 6b, 6e	These slots have Chiefs of Plant Services Branch, (a); Photography Branch, (b); and Printing Branch (c).) I have no suggested changes at this time.
Slot No. 7	I propose a revision of Procurement Office as follows: 25X1A
Slot No. 7a	Supply and Warehousing Branch now) headed by to be augmented by) Bivision Chief,

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25X1A 25X1A 25X1A	Slot No. 76	Procurement Branch - No change is suggested. Will retain Chief of Civilian Purchases, Chief) of Military Purchases, Chief) and Chief of Covert Purchases (un- vouchered funds),
25X1A	Slot No. 7c	Contract Branch - as) Assistant Chief of this Branch to be) strengthened by new Chief with GS-li) rating.
25X1A	Slot No. 7d	Procurement Planning and Requirements) Branch is headed by Division Chief,) no change is recommended.)
25X1A 25X1A	Slet No. 7e	Technical people as suggested in paragraph 8 to be secured from electronics industries on my trip from 1 December through 6 December 1951.
25X1A	Slot No. 7f	Property Accounting is headed by Chief, As suggested above, this Branch should be divorced from Slot No. 7a and made a separate Branch.
25X1A		All of the above-mentioned slats are headed up by three Assistant Division Chiefs as follows:
25X1A		Contract Branch, who should be helped with a Chief from Industry: Assistant Chief of Procurement and Assistant Chief of
25X1A		Procurement Planning and Requirements Branch; and

12. I request your approval to proceed on this personnel procurement program as laid on by per travel order submitted 15 November 1951.

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Assistant Chief of Supply and Ware-

housing, who should be helped with a new Chief from Industry; making three Division Chiefs reporting directly to the Director of Procurement and Supply.