

2 April 1974

MEMORANDUM FOR THE RECORD

SUBJECT: OL's 8th FY 1974 Objective (Report on Agency Dispersion Problems and Inefficiencies)

Evaluation of the reported information

1. I have no comment on Scope, Background and Facts....
2. My comments are directed toward the elements making up the Discussion portion of the report. In an earlier Note for the File dated 5 February 1974, I pointed out a major flaw in the dollars and man years associated with the "resource requirements directly attributable to dispersal at the fifteen

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Factors discussed by OL:

a. SLUC -- What happens to SLUC charges as dispersal changes? If a new building is built on the Headquarters compound, and the 15 dispersed facilities are phased out, there will be a SLUC charge for the new Headquarters building. There would be fewer dollars in the Agency budget for SLUC if and only if the buildings on the Headquarters compound (including a new building) were granted an exemption to SLUC charges. So far this has not occurred for present buildings for which exemptions have been requested. Therefore, centralizing at Langley will probably still require the SLUC resource requirement.

OL concludes that elimination of one or more of the dispersed locations will result in a substantial reduction in resource requirements (primarily in SLUC and guard costs). OL probably meant elimination of dispersed facility and not replacing the facility. We know one of the dispersed facilities will be eliminated soon

But it is being replaced by the new Headquarters garage. OL notes SLUC charges for the new garage have not yet been established by GSA. Will the SLUC charge be higher or lower There are other economies involved in having the garage facility at Headquarters not discussed by OL. Another

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dispersed location (Magazine Bldg) is scheduled for elimination, but OL is looking for replacement space. (Talk has been that OL is looking in the [REDACTED] area.) The Magazine Building has a SLUC charge of \$577,803 plus a contingent of GSA guards. Since Magazine space is being replaced -- not eliminated as a requirement -- there will be a SLUC charge for the replacement building and a contingent of GSA guards at the relocation site. Assuming a relocation site in the [REDACTED] area of the [REDACTED] people now at Magazine added to people already in that area, there may be a demand for shuttle service to the [REDACTED] area.

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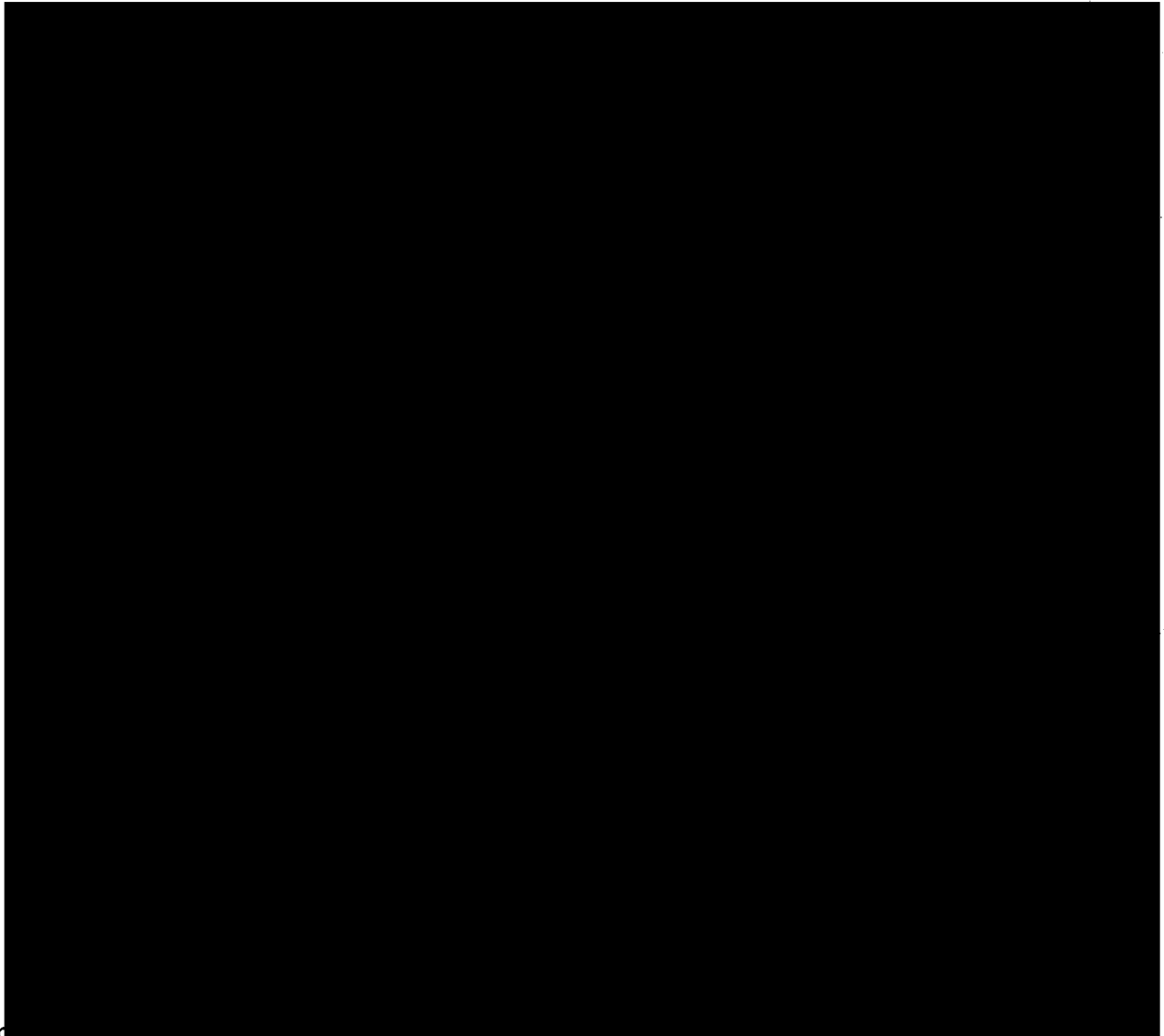
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Basically, then, SLUC will follow us whether we are dispersed or not, unless we get an exemption for Agency unique space. The question is open as to changes in SLUC charges once we are not dispersed.

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d. Shuttle Bus Service -- As the study points out, the costs of people's lost work time shuttling between Headquarters and the dispersed locations (\$930K and 51.4 man years) is the greater cost. The shuttle bus service is quite a bit smaller. With consolidation at Langley we should save approximately \$100K in constant FY 1974 dollars. Some form of shuttle service would remain to service the State Department and the Pentagon. Possibly we could use 9-11 passenger vans instead of the larger Blue Bird buses. Rather than direct runs to State and Pentagon, our future shuttle could run to Rosslyn where our employees could transfer to State or DoD shuttles. If our dispersal comes to an end, by that time Metro subways should be in from Rosslyn to State and Rosslyn to the Pentagon -- our shuttle could run people to Rosslyn and they would have at least two ways to reach State and the Pentagon. It may be easier to just run the Agency shuttle to State and Pentagon. There will be some costs (\$60K+ in constant FY 74 dollars) for shuttle service after a Langley consolidation. Without consolidation (i.e., if Rosslyn buildings are replaced with building in [redacted] area) our shuttle costs could go up from present levels.

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e. Motor Pool Service -- I buy OL's conclusion (c) on page 9 of the report regarding the chauffeured motor pool service. With consolidation at Langley there would be about \$93K in constant FY 74 dollars in savings from a trimmed chauffeured motor pool service. OL's data showing that 78% of today's chauffeured motor pool service involves passengers transported to buildings served by the shuttle bus stands out as a wasteful duplicative service. It's hard to argue with a cost difference of \$0.91 for shuttle bus/passenger versus \$22.90 for chauffeured service per passenger. As OL points out, transporting [redacted] in the chauffeured service to buildings served by the shuttle buses costs \$161.3K versus the \$159K it takes to shuttle [redacted] people on buses. What needs of a higher priority than chauffeured service to buildings serviced by the shuttle buses could be satisfied in the DD/M&S with the \$161.3K that could be saved by trimming the chauffeured motor pool service? Beyond the economic question looms the moral and ethical question of - is this the best use of the public's resources (taxpayer dollars)?

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f. U-Drive Agency Vehicle Service -- No comment, except that this service would offer an alternative to shuttle bus service should chauffeured motor pool service be curtailed. The costs of U-Drive vehicle trips are substantially less than chauffeured trips.

g. POV's and Taxis -- I can accept OL's conclusion (b) on page 9 regarding the use of POV's between Headquarters and the Metro dispersed locations. Tied to this should be strong management pressure to get people to use the shuttle buses in lieu of POV's. The new parking regulations at Headquarters may aid this effort. I think

too many petty cash reimbursements are made to people for use of POV's just because the individual amounts are so small. With the continuing energy crisis, management has a duty to see that people use more communal forms of transportation when possible (i.e, shuttle buses between Headquarters and dispersed locations vs. reimbursable POV's). With consolidation the figure of \$120K (in constant FY 74 dollars) for reimbursable POV mileage between Headquarters and Metro dispersed locations should be saved.

h. Courier Service and Supply Deliveries -- Accept the estimated \$70K savings in constant FY 1974 dollars with a Langley consolidation.

i. Loss of Time -- The most important cost savings identified should be the people at the dispersed locations be centralized at Langley (\$930K).

j. Employee Parking -- OL centers on costs to employees of parking in private lots at dispersed locations. If we are considering centralizing at Langley, then there will be added costs re parking for the Government. If we add [redacted] employees to the Langley complex we will need more parking space than now exists. This is complicated by the possibility (with associated high probability) that present parking spaces may have to be used during construction at Langley. The new building itself may eat up some present parking spaces. During construction workmen will also need parking spaces. Should we centralize we will have to consider building new parking lots in present green or wooded space, or as part of the construction build a several story parking garage (i.e., park vertically vs. spreading lots horizontally), and consider having employees pay for parking at the Langley complex to deter bringing automobiles and to offset costs of new parking facilities. Automobiles and parking automobiles certainly weighs heavy among the political, economic and environmental impacts to be studied in any Langley consolidation plan.

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k. Office Moves and New Headquarters Garage -- No comment.

1. Energy Loss Due to Dispersion -- Assume these dollar costs are included in previous paragraphs. The social costs associated with the 118,350 gallons of fuel per year used in dispersed location travel are part of the favorable argument for Langley consolidation.

3. OL's Conclusions -- I've commented on OL's conclusions in paragraphs 2.a, 2.e., and 2.g.

4. OL's Recommendations -- We have a proposed (accepted) DCI objective for the DD/M&S to conduct a Langley consolidation study. This will involve representatives of the other Directorates. The present FY 1975 personnel ceiling reduction exercise (ADD'ers Group) should address the chauffeured motor pool service issue. This leaves the establishment of management objectives on achieving related efficiency improvements re dispersed locations (e.g., on lessened use of POV when shuttles are available, etc.).

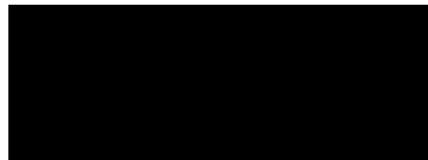
5. Summary of potential dollars savings by consolidating at Langley and eliminating the dispersed locations (to apply to amortizing cost of new construction).

SLUC	Unknown
Guard & Receptionist	Unknown
Communications Services	\$200K
Shuttle Bus Service	\$100K
Chauffeured Motor Pool	\$93K
U-Drive Service	Unknown
POV's and Taxis	\$120K
Courier Service	\$53K
Supply Delivery	\$13K
Loss of Time	\$930K*

Total

\$1.509 million/year in
constant FY 74 dollars.

*The return on investment of the 51.4 man years associated with Loss of Time in travel to dispersed locations may well be greater than the dollars spent on salary costs for these man years.



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