

ACQUISITION OF LEASED SPACE

1. Mr. Fitzwater then addressed the first item on the agenda, Acquisition of Leased Space. He stated the following points:

a. New activities have been approved by the Congress and the President with inherent increases in personnel.

b. Today we have a new need for 15,000 square feet of space and management is asking why we can't acquire it now.

c. We now have a need for 150,000 square feet of space [redacted]

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d. A new project originally planned for [redacted] [redacted] will now be located here.

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e. We need the capabilities to lease 150,000 square feet of space.

f. It has taken eight months for GSA to sign the Credit Union lease and it will have been fourteen months to occupy that space even under a sole source acquisition.

g. It has taken two years for GSA to acquire an [redacted]

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h. Regional GSA Offices inform that it will take one year to perform communications upgrading modifications to Agency Field Office space in Federal Office Buildings [redacted]

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2. Mr. Fitzwater then requested GSA to delegate the Agency a one time authority to lease 150,000 square feet of space. He mentioned we would work closely with GSA and not cut them out of the effort. The DCI has special authorities to lease space under the National Security Act of 1949. We would rather work through GSA or request GSA grant the Agency the authority to acquire it. He added that we don't presently have all the money to do all the construction modifications, but that we do have the money to lease this space.

3. Mr. Fitzwater continued by stating that in the next five years there would be [redacted] more people to accommodate. There will be new and more projects in the Science and Technology areas.

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a. If the Agency could have foreseen these requirements we would have informed GSA. We agree everything is not a priority, but there is no way we can foresee these unique requirements.

b. Planning for the budget cycle is impossible to project in today's rapidly changing conditions and it is going to get worse and more difficult in the 1990's.

4. Mr. Alderson asked when the Agency would require this 150,000 square feet of space and if GSA had previously been requested to acquire this space. Mr. Fitzwater stated that we need 30,000 square feet now and that we had previously requested 100,000 square feet from Mr. Carmen resulting in a response that GSA would pursue such acquisition subject to the prospectus process.

5. Mr. Fitzwater informed that he has tried three times to obtain the Director's special authorities to acquire and salvage reprogrammed money for this 150,000 square feet of space. Mr. McDonald added that at the twelfth hour of the  acquisition, GSA indicated that leasing funding was not in their appropriation, that they could not accept Agency money for this purpose, and could therefore not lease that building for us. Accordingly, the Agency requested a Delegation of Authority to lease the building, using the GSA prepared lease, and signed the lease. We have amended the lease to add an additional floor to accommodate increased numbers of employees which were new requirements.

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6. Mr. Fitzwater stated it goes back to his original comments that the way we do business, you can not, under your rules, respond to us for many reasons including restrictions on the use of money and prospectus. He further indicated he did not want to cut GSA out, but is there some way we can use our respective authorities by working together and getting this work done.

7. Mr. McDonald informed that if a building were available today, it would take 10 to 16 months to prepare and occupy. Mr. Fitzwater stated that we did not know of the 30,000 square foot requirement until one month ago and in response to Mr. Davis' question informed that the 30,000 square feet was part of the 150,000 square foot requirement. Mr. Fitzwater then stated Mr. McDonald was attempting to obtain the Director's special authority to lease 15,000 square feet for a new operational function and that our most immediate need is for these two space increments totalling 45,000 square feet in the Route 123 corridor to take advantage of the existence of communications systems and the efficiencies of transportation and common support systems in this area.

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8. Mr. McDonald also informed that after the 150,000 square foot acquisition, that space for an additional [ ] people in FY-84 and FY-85 would be required. In response to Mr. Davis' question, Mr. McDonald said we are planning to construct a new building at Langley to consolidate the Agency. He informed that we have established an A&E Selection Team, plan to start design in FY-83 and complete design in FY-84, and plan to obtain construction funding in FY-84. In response to Mr. Langfeld's question, Mr. Fitzwater stated that the 150,000 square foot building would probably not be needed in FY-88, the anticipated completion date of the proposed new building.

9. In response to all the above dialogue, Mr. Davis stated he did not know or anticipate this particular requirement would hit us and began to respond with a series of thoughts as follows:

a. There are many misconceptions about the NAPA Report. GSA has adopted all but two of the eight NAPA Recommendations.

b. If you have an ongoing need for space, let us know about it.

c. Give us a Form 81 request for space if you are still going for OMB justification or even if you may not have the money.

d. Don't put us behind the 8-ball.

e. GSA has some quality people, but the system has stopped them from getting the job done.

f. A GSA Operations Research Team completed a study concluding it has taken one year and a day to lease space.

g. GSA has now reduced leasing to under 200 days by proper attention to planning and identification of six milestone steps with assigned dates, the progress of which must be reported to the Central Office for tracking and implementation.

h. In the first five months of the program, GSA has signed more leases than in the total of seven years past.

i. Trying to find space in the 123 corridor is difficult.

j. We can respond. That is why we have had a change in leadership. There was an urgency that was not there.

k. GSA cannot allow delays. There is now a different attitude in the leasing organization. Everyone in the leasing organization has been replaced.

10. With regard to the Prospectus Process, Mr. Davis' comments were as follows:

a. GSA will no longer allow prospectuses to walk to Hill and sit. Prospectus actions have taken from one day to three years to clear the Committees.

b. Accordingly, GSA has withdrawn 108 leases, 32 construction contracts, and 8 miscellaneous actions from Congressional review process in order to express and demonstrate its opposition to the inadequacies and resulting delays of the present prospectus process.

c. GSA is bringing this action to the attention of the senior members of Congress in their attempt to have action taken to overcome this problem.

11. Mr. Davis then stated a desire of GSA to review how the Agency's 5,000 square foot leasing Delegation of Authority is progressing and would like to schedule a briefing of GSA on its status.

12. With regard to the address of the 150,000 square foot space requirement, Mr. Davis stated the following thoughts:

a. If we can not respond, we have no problem in giving a Delegation of Authority. The history you know will not exist.

b. If you have this immediate space need, let us identify a dedicated individual from GSA and CIA to work together immediately to implement the solution to the problem.

c. If it does not work, GSA would give the Delegation to the Agency.

d. You would have to work with the same limits as we do.

e. We could examine the lease purchase approach.

f. Rather than a Delegation, we could use the Team approach.

g. Don't understand why GSA can't do it as fast as CIA can?

13. Mr. McDonald reiterated the previous [redacted] GSA appropriation limitation as a major problem. Mr. Fitzwater asked, relative to the Team effort referred to above by Mr. Davis, if under that approach could we sign the lease? Mr. Davis stated it may be a possibility, but was not sure it was legal even though GSA allowed it to be done [redacted] Mr. Davis questions the legality of using Agency money for this purpose. He stated it was ruled patently illegal by GSA, IG, and OGC and was not sure it could be done again. Mr. Davis further added that if Congress has put a cap on leasing, he could not see how GSA could give a Delegation of Authority to the Agency to get around it. Mr. McDonald stated that the Agency has the funding for this space requirement as a line item in Congressionally approved budget. Mr. Davis appeared unable to respond to this condition but appeared to indicate the situation may create a possible approach following further joint study.

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14. Mr. Davis continued to pursue other options relating to the following:

a. OMB is reducing the leasing cap.

b. All SLUC collected is less than that required even for reduced leasing cap.

c. It is anticipated that there will be an extreme reduction in Federal space in FY-83. A draft Executive Order requiring a 20 percent reduction in office space across the board is in process.

d. SLUC was projected at an inflationary rate and now there is a cost-down trend. Accordingly, the combination of this reserve and the space reductions contemplated above may provide the necessary GSA money to fund the Agency's 150,000 square foot requirement.

15. Mr. Fitzwater raised the question of the need for the 45,000 square foot requirement. Mr. Davis said we must get on this right away and was there any Federal backfill space in the 123 corridor. Mr. McDonald mentioned the absence of such backfill as determined by an Agency survey. He mentioned the availability of 400,000 square feet of space in the Tycon Court-house Building, the need for a dedicated building, problems with shared elevators, and sensitivities and incompatibility of secure communications systems in shared buildings, all of which limit choices of buildings for our unique occupancy requirements.

16. Mr. Davis asked if there were any other Government agencies in this area that could be relocated and in the absence of this knowledge, he stated GSA would get back to the Agency on this effort early the week of 1 June 1982. He asked if the Agency would have a problem identifying and providing a dedicated Agency officer to work with GSA on this effort immediately. Mr. McDonald indicated there would be no problem but stated that he was aware GSA had only one person handling this whole area for the Federal Government and in turn asked Mr. Davis if he could handle it. Mr. Davis said he would look into this further and would so inform of the GSA dedicated officer so action can start next week.