

ADMINISTRATIVE - INTERNAL USE ONLY



ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Impact of Six-Month Slip in NHB

FROM: John M. Ray
Director of Logistics

EXTENSION

NO.

OL 0050-87

DATE

7 December 1987

TO: (Officer: designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. DDA/EXA
7D24 Hqs

09 DEC 1987

09 DEC 1987

CS

2. DDA

09 DEC 1987

WFD

3. ADPA

4.

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Bill:

Attached is a comprehensive review, prepared by DC/FMD, regarding the overall impact resulting from a six-month slip on NHB occupancy. You can be assured that OL will continue to press on with this project. We intend to hold the line on modifications (only for safety, health, "show-stoppers") until the building is occupied--only after that time, do we plan to make all things right. I assume you agree.



John M. Ray

Attachment

John:

Thanks for this report. I agree with the thrust of it and the associated consequences.

William F. Donnelly

Distribution:

- Orig - D/OL (w/note)
- 1 - ExDir (w/note)
- 1 - C/MS/DA (w/note)
- 1 - DDA Subj file
- 1 - WFD Chrono

45-8

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

William F. Donnelly
Deputy Director for Administration

EXTENSION

NO.

OL 0050-87

DATE

9 December 1987

TO: (Officer designation, room number, and building)

DATE

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COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1.

C/MS/DA

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Dianne:

To demonstrate to the Comptroller that we are concerned about the ramifications of the slip of the NHB, you may wish to share this document with them.

Some of the comments about dollars saved in the "positive" section of the report may cause us trouble but I guess the Comptroller can see them.

William F. Donnelly

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FORWARDED

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COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.
Executive Director

Jim:

You may find this report on the anticipated impact of the six-month slip in the New Headquarters Building of interest.

William F. Donnelly

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3 December 1987

MEMORANDUM FOR: Director of Logistics

STAT
FROM:

[REDACTED]
Deputy Chief, Facilities Management Division,
OL

SUBJECT: Impacts of Six Month Slip in New Headquarters
Building Occupancy

1. This lengthy memorandum attempts to describe the impacts, both positive and negative, of a six-month slip in the planned occupancy of the New Headquarters Building (NHB).

BACKGROUND:

2. In September 1986, the construction schedule for NHB called for the North Tower to be completed in September 1987 and the South Tower in October 1987. Based on this schedule, the Office of Logistics (OL) developed a preliminary schedule for relocating Agency components to NHB. The premises of this schedule included the following:

a. The North Tower would be occupied first, with the first component moving into it in January 1988.

b. Components involved in fitting-up NHB after construction, the Office of Information Technology (OIT), Office of Security (OS), and OL, would thus have four months of access to the North Tower space after it was completed and before the first component moved into it.

c. The North Tower would be filled gradually by relocating one component per month from January through July 1988. The order of component moves was based on:

(1) The need to vacate Original Headquarters Building (OHB) space for the Backfill Program;

(2) The need to vacate OHB and E Street Complex space to provide room for the Arlington Hall Station (AHS) relocation; and

(3) The need to vacate OHB space for the Cafeteria Expansion Program.

OL 10321-87

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Building Occupancy**

d. The South Tower would be filled following the North Tower, with the first component moving into it in June 1988. This provided the Directorate of Administration (DA) fit-up components with eight months of access to the South Tower after it was completed and before the first component moved into it.

e. South Tower occupancy would proceed from June 1988 through January 1989.

3. In July 1987, the General Services Administration (GSA) announced a slip in the NHB construction schedule. In September, GSA announced that the new dates for completion were: North Tower - 5 December 1987; South Tower - 1 April 1988. This represented a three-month slip in the North Tower and a six-month slip in the South Tower. To minimize the impact of this slip, GSA provided a schedule for the incremental completion of NHB space by floor/area. DA fit-up components agreed to adjust their schedules accordingly, to work in NHB on an incremental delivery basis, and to attempt to hold to the January 1988 occupancy schedule.

4. Since that time, a variety of activities have occurred which made it more difficult to hold to the January 1988 occupancy schedule:

a. OIT experienced difficulties with funding, scheduling, and security escorts for their Contel contract. OIT also discovered that a major requirement for special wiring for OSWR had been omitted from their plans.

b. OL discovered that a significant amount of fit-up work is required in NHB space after GSA delivers it to us and before we can deliver it to OIT.

c. OIT was required to remove and reinstall a portion of the main data/voice cable conduit system because of NHB construction deficiencies.

During meetings with the Deputy Director for Administration (DDA), OIT requested and was granted a six-month schedule extension for NHB occupancy. Thus, the current date for the first component to move into NHB is 1 July 1988.

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IMPACTS - POSITIVE:

5. There are several positive impacts from the six-month slip:

a. The slip either saves or defers to the next fiscal year several million dollars of DA expenses. This is helpful in light of the current uncertain funding status due to Gramm-Rudman.

b. OIT expects to save \$1 million in expenses by allowing Contel to wire an entire tower at a time, rather than floor by floor. OIT's difficulties in obtaining security escorts for Contel will also be minimized by having access to an entire tower before it is occupied, assuming that OS will allow the use of zone escorts in the NHB.

c. OIT could not have accommodated the special wiring requirements for OSWR without a schedule slip.

d. The slip provides additional time for OL to complete the major North Tower renovations for OTS which are required to correct NHB construction deficiencies or omissions.

e. The slip defers (but does not solve) the near term problems of Headquarters compound parking and increased traffic into the compound during peak hours.

IMPACTS - NEGATIVE:

6. The list of negative impacts from the slip is much longer:

a. Contracts must be renegotiated to accommodate the new schedule. For example:

(1) The OL furniture and partition contracts with Kofco and Corry-Hiebert must be renegotiated. We can expect to: pay for and inspect

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furniture/partitions before they are delivered and installed, pay additional costs for their storage, and pay additional handling and rate adjustment costs. The costs of this delay are now being negotiated.

(2) The OL carpet installation contract with National Carpets Incorporated must be renegotiated. Due to the delay, we must relocate the carpet from its temporary location in the parking deck to NHB storage areas so that it is not damaged by the winter weather. The costs of the contract change and carpet relocation are now being negotiated.

b. The six-month slip impacts virtually the entire Agency. For example:

STAT (1) The move of the Office of Imagery Analysis (OIA) [redacted] to OHB will slip by seven months. The additional month is due to the reordering of NHB occupants to accommodate the loss of AHS. (See item 5, below.) This impacts the National Photographic Interpretation Center (NPIC) Expansion Program and may impact the delivery of new Imagery Display and Exploitation (IDEX) equipment to OIA.

STAT (2) We will have to keep Agency components in [redacted] for an additional four months. The cost of four months of additional rent is \$180,000.

(3) The Backfill Program occupancy schedule will slip by six months. Some of this might be made up in accelerated construction.

(4) Components who have been waiting for telephone, workstation, or area renovation work due to the OIT/OL moratoriums will have to wait an additional six months for service. Components who are working in extremely cramped office space must remain there an additional six months.

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(5) The entire component relocation sequence must be revised. It is planned that the Office of Technical Services (OTS) will now move first, rather than third, into NHB, and that the Office of Scientific and Weapons Research (OSWR) will now move second.

c. Many Agency components will see the slip as an opportunity for "open season" in NHB space planning. When we had a very tight schedule, these offices could understand why we had to press them hard to define their space requirements and to live with configurations less than optimal for them. With the slip, I predict that many components will try to push us to renovate their NHB space more completely. Further, the slip opens the window for the Executive Committee to make another reallocation of space in NHB.

d. When OTS relocates to NHB in July 1988, we will expand the number of individuals on the Headquarters compound by more than [] The result is that we will have a capacity shortage in the cafeteria sooner, and longer, than originally planned.

e. In order to minimize the slip on the Backfill Program, the revised move sequence will force us to move some components of OL twice; once to free backfill space, and again to relocate to permanent space. These components are: the New Building Project Office, the computer-aided design shop, Building Services Branch, and an OIT office used by contract programmers.

f. The slip erodes credibility in the DA's ability to meet its schedules. It gives nay-sayers an example which we will certainly hear about for the next few years.

g. The slip is likely to increase Congressional scrutiny on Agency building and renovation programs. The thought of an entire building sitting largely empty for half a year is likely to give Congress more bricks to throw at us.

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SUMMARY:

7. The negative impacts of a six-month slip far outweigh the positive ones. However, now that the slip is announced, OL must continue to press hard to complete its share of NHB occupancy work so that any further slips are avoided. Our efforts in Facilities Management Division (FMD) are extremely sensitive to funding reductions since almost all of the work is being done by contractors.

STAT

