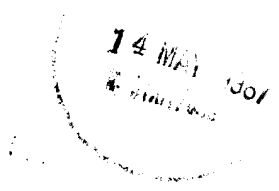



<b>ROUTING AND RECORD SHEET</b>				
<b>SUBJECT:</b> (Optional) <div style="text-align: center; margin-top: 10px;">FY 1987 DIA SAFE Reprogramming</div>				
<b>FROM:</b> Robert M. Gates ADCI	<b>EXTENSION</b>	<b>NO.</b> DCI/ICS 3573-87 w/atts. <hr/> <b>DATE</b>		
<b>TO:</b> (Officer designation, room number, and building)	<b>DATE</b> RECEIVED      FORWARDED		<b>OFFICER'S INITIALS</b>	<b>COMMENTS</b> (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. ICS Registry BW09 CHB				Atts: DCI/ICS 3573-87/1 thru /4  <div style="text-align: right; font-family: cursive; font-size: 1.2em; margin-top: 20px;">                     A+B-6-7SR                 </div> <div style="text-align: right; margin-top: 20px;">  </div> <div style="text-align: right; margin-top: 20px;">  </div>
2.				
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15.				

~~CONFIDENTIAL~~

DCI/ICS 3573-87

7 May 1987

MEMORANDUM FOR: Acting Director of Central Intelligence  
FROM: Director, Intelligence Community Staff  
SUBJECT: FY 1987 DIA SAFE Reprogramming

1. Action Requested: That you sign the attached letters to the Committee and Subcommittee Chairmen of the Congressional Oversight Committees. The letters request approval of a reprogramming. [redacted]

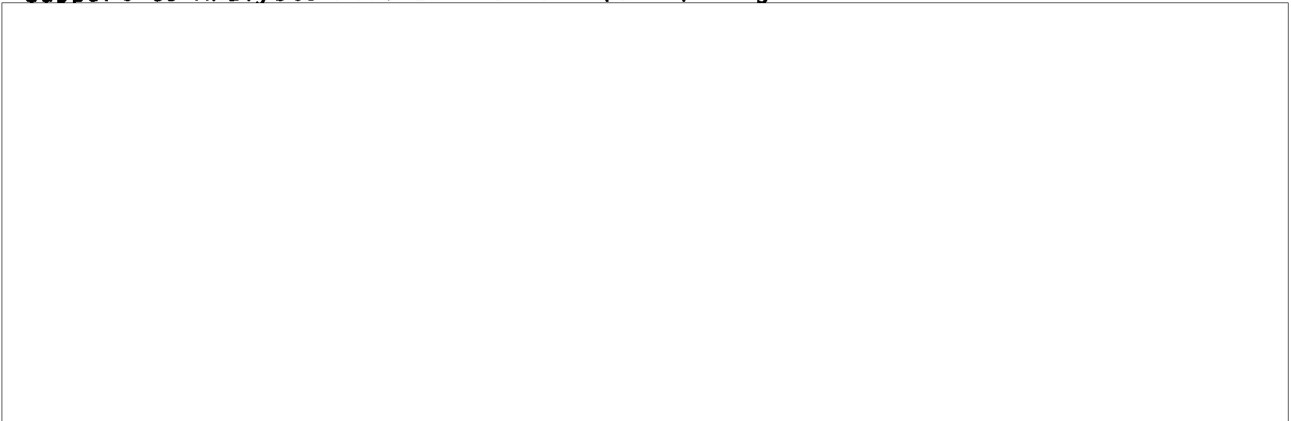
25X1

2. Background: This request reprograms [redacted] funds to acquire [redacted] for the DIA part of the Support to Analysts File Environment (SAFE) Program. Funds in the FY 1987

25X1

25X1

25X1



Edward J. Heinz  
Lieutenant General, USAF

Attachments: 4  
Cong. Ltrs for Signature (DCI/ICS 3573-87/1 thru /4)



25X1

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CONFIDENTIAL

SUBJECT: FY 1987 DIA SAFE Reprogramming

ICS/PBS, [redacted] 5 May 1987)

25X1

Distribution: DCI/ICS 3573-87 (All w/atts)

Original - ER (for DCI, DDCI)

- 1 - D/ICS
- 1 - ICS/LL
- 1 - PBO Subject (Cong. Reprog.)
- 1 - PBO Subject Chrono
- 1 - PBO [redacted]
- 1 - ICS Registry

25X1

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The Deputy Director of Central Intelligence

Washington, D.C. 20505

08 MAY 1987

The Honorable David L. Boren, Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D. C. 20510

Dear Mr. Chairman:

Your approval is requested to reprogram

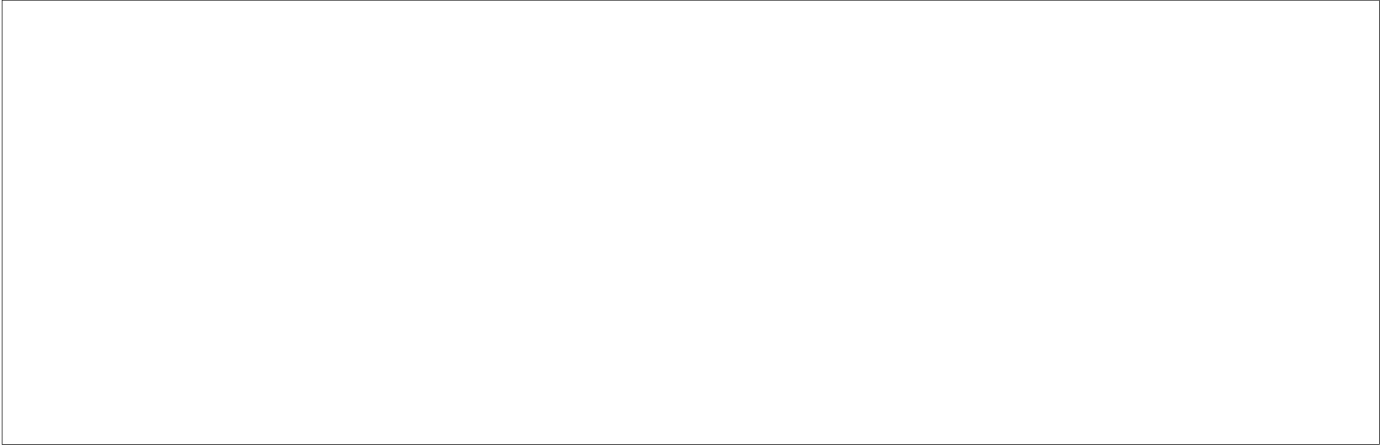
25X1  
25X1

SAFE is a Congressionally directed joint DIA and CIA program to improve automated support to intelligence analysts. SAFE development is based on sequential software deliveries, with each adding capabilities to the operational system:

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25X1

I would appreciate your prompt and favorable action so that the DIA part of the joint SAFE Program can continue on schedule.

25X1

Sincerely,

/s/ Robert M. Gates

Robert M. Gates  
Acting Director

**CONFIDENTIAL**

CONFIDENTIAL

SUBJECT: ADCI Ltr to Chairman, SSCI re Funds for IBM SIERRA Processor

ICS/PBO/[redacted] 1 May 1987)

25X1

Distribution: DCI/ICS 3573-87/1

Orig. - Chairman Boren, SSCI

- 1 - D/GDIP Staff [redacted]
- 1 - OMB/NSD (Mr. Arnold Donahue)
- 1 - ER (for ADCI)
- 1 - DD/ICS; D/ICS
- 1 - ICS/LL
- 1 - PBO Subject (Reprogramming)
- 1 - PBO [redacted]
- 1 - PBO Chrono
- 1 - ICS Registry

25X1

25X1

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The Deputy Director of Central Intelligence

Washington, D.C. 20505

08 MAY 1987

The Honorable John C. Stennis, Chairman  
Subcommittee on Defense  
Committee on Appropriations  
United States Senate  
Washington, D. C. 20510

Dear Mr. Chairman:

Your approval is requested to reprogram

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25X1

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~~CONFIDENTIAL~~

The Deputy Director of Central Intelligence

Washington, D.C. 20505

00 May 1957

The Honorable Louis Stokes, Chairman  
Permanent Select Committee on Intelligence  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Your approval is requested to reprogram

[Redacted]

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~~CONFIDENTIAL~~

The Deputy Director of Central Intelligence

Washington, D.C. 20505

09 037 1407

The Honorable Bill Chappell, Jr., Chairman  
Subcommittee on Defense  
Committee on Appropriations  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Your approval is requested to reprogram

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25X1

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31 MARCH 1987

Background paper

SUBJECT: AN ECONOMIC ANALYSIS OF OPTIONS  
FOR THE ACQUISITION OF IBM CPU  
MODEL 3090-200 (SIERRA) AND UPGRADE

I. INTRODUCTION

A. Purpose: To provide an economic analysis for alternative means offered by IBM for DIA's acquisition of an IBM 3090-200 and an upgrade of an existing 3090-200 to a 3090-400.

B. Background: DIA is currently procuring SAFE CPU processors on a lease-to-purchase arrangement. These processors are now supporting the development of multiple SAFE software deliveries as well as the existing SAFE operational capability. The procurement of the SAFE hardware processors is accomplished via a contract between CIA and IBM. Consistent with the current SAFE development schedule, DIA will need to procure additional computing capability to support planned software deliveries for FY 1987 and FY 1988. The proposed procurement will support system testing, system transition, parallel operations, and production.

C. Approach: An economic analysis was performed on the various alternatives in accordance with DIAR 45-8, "Economic Analysis and Review of Resource Management." The concept of present value with the DoD specified discount rate of 10% was employed to analyze alternatives. This is also in line with DoD Instruction 7041.3 "Economic Analysis and Program Evaluation for Resource Management". For simplicity, year one (1) in the economic analyses corresponds to FY88 even though DIA would incur the cost of the lease and software maintenance for one (1) month in FY87 under the lease-to-purchase options.

**D. Assumptions:**

(1) The CIA contract with IBM allows for either the direct purchase or lease-to-purchase arrangement of IBM 3090 series CPUs for DIA under GSA rates and at a better price than DIA can currently negotiate under its own contracting authority. Under permission from Congress, DIA has already exercised the lease-to-purchase arrangements for IBM CPUs.

(2) The economic life of the equipment is eight (8) years.

(3) Year one in each of the alternatives corresponds to FY88.

(4) If the lease-to-purchase option is selected the payment schedule will be the same as those for the current option on the IBM 3080 series, that is to say, within the first month of the new year and not quarterly or monthly.

(5) Each CPU arrives with one year warranty whether it is purchased or leased which means one year free hardware maintenance; however, software maintenance costs, program products, licenses, etc are not included.

(6) The maintenance figures are calculated as if the CPU is the one machine in operation in the DIAC. In fact the cost can and will be negotiated for somewhat less given the fact that other IBM equipment is already installed and operational in the DIAC. However, the reduced rate is unknown at this time.

(7) There is no additional software maintenance costs for the FY88 upgrade. The hardware maintenance cost for the completed upgrade from the 3090-200 to the 3090-400 is  per annum basis.

STAT

**II. FACTS**

There are basically four (4) options available to the Agency. Each option approaches the acquisition differently and while each option has different cost parameters there is a constant estimated cost in each one for hardware maintenance  and software maintenance  for each CPU. In considering the options, exclusive of h/w and s/w maintenance, IBM is willing to accept any amount in each year under the lease-to-purchase option. However, Tables 1 thru 4 are based upon the figures detailed below:

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