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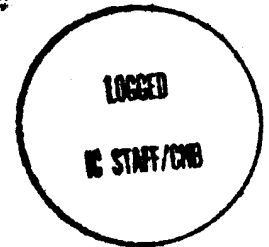
CIA-3-SR

DCI/ICS 4145-87
10 November 1987

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: Edward J. Heinz, USAF
Director, Intelligence Community Staff

SUBJECT: Addendum to SAFE Program Review Report



1. In response to your direction (Attachment A), the following information is provided.

- a. Request: Provide CIA, DIA and CSPO responses to SAFE report.

Answer: No responses were requested nor recommended when the report was distributed to CIA, DIA and CSPO. No formal reply has been received from DIA or CSPO. However, an unsolicited response was received from Director of Information Resources, CIA, (see Attachment B). The SAFE review team prepared comments to the D/OIR memorandum in Attachment C. Informally DIA's Director for Information Systems advised that he liked the report. The CSPO Director, however, is concerned that revising the SAFE schedule will "take the pressure off the vendor to meet SAFE milestones," and without the additional funds requested in FY 1988 the program will have to be descoped, (see Attachment D).

- b. Request: Expand Option D (FY 1989 Buyout) with detailed implications and provision for CSPO disestablishment.

Answer: Option D, funding the SAFE program 50/50 through FY 1988 with a CIA buyout (\$7-15 million) beginning FY 1989, has two fiscal issues that must be considered:

1. DIA must acquire and install a development computer in FY 1988 to support continued SAFE development. This procurement is not planned or funded in FY 1988 or FY 1989.
2. CSPO SAFE deliveries will not be finished in FY 1988, but FY 1989 remaining work cannot be quantified at this time. A CIA buyout in FY 1989 leaves DIA solely responsible for this fiscal unknown which could be significant. Inability of DIA to fund the unprogrammed shortfall would impact critical mission activities.

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SEPARATED FROM ATTACHMENTS
A AND B

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SUBJECT: Addendum to SAFE Program Review Report

In addition to funding issues, it would take at least one year for DIA to prepare internally to assume full program management responsibilities such as building an experienced in-house IBM support division, acquiring training on CIA's minimally documented AIM system, and contracting vendor support to continue program development. Given these considerations, disestablishment of CSPO under option D would be scheduled no earlier than 1 April 1989. This assumes a transition plan can be developed and approved by 31 January 1988 and activities to disestablish CSPO commence February 1988, concurrent with ongoing development activities.

- c. Request: Consider Option D1 for buyout in FY 1990 with provision for CSPO disestablishment.

Answer: Option D1 stipulates funding SAFE 50/50 through FY 1989, with CIA buyout at beginning of FY 1990 with a sum of money equivalent to 25 percent of remaining program costs (estimated \$0-5 million). Concurrent with development activities, commence transition activities to disestablish CSPO, according to an approved transition plan, completing disestablishment of CSPO no later than 1 October 1989. On 1 October 1989, DIA assumes full responsibility for funding and managing any remaining SAFE activity.

Option D1 permits a reasonable time for CSPO to complete joint program activities under the shared costs arrangement, while forcing DIA to commence immediate activity to prepare for independent SAFE development and management not later than 1 October 1989. However, under this option, CIA continues to pay for activities from which they perceive no benefit. DIA absorbs 100 percent of all further program costs.

- d. Question: Who decided the 70/30 (DIA/CIA) split for TRW work on Delivery 4?

Response: The 70/30 arrangement was reached between [redacted] previous CSPO Director, and [redacted] previous from DIA, attempting to prorate costs on TRW CSPO Deputy contract tasks. No formal agreement was signed.

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SUBJECT: Addendum to SAFE Program Review Report

- e. Question: Why has CSPO refused to provide DIA information on contract tasking, vendor expenditures, and monthly status reports?

Response: [redacted] DIA VP-SIA, advised the review team of DIA's persistent requests for contract information and the negative responses received from Director of CSPO, [redacted]

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[redacted] According to [redacted], D/CSPO responses have included "contracts contain sensitive CIA data;" "contract information requires interpretation;" and "these reports contain alarming data." Contents of Section D, Subsection (b) of the SAFE report which introduces this issue were based upon the team's interview with [redacted] hence they were only coordinated with DIA. The information was included in the report because the review team also considers it outrageous; the issue is still unresolved.

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Edward J. Heinz
Lieutenant General, USAF

Attachments:

- A. SAFE Report and DDCI Query
- B. D/OIR Comments
- C. ICS Response to Attachment B
- D. CSPO Memorandum

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SUBJECT: Addendum to SAFE Program Review Report

DCI/ICS 4145-87

Distribution:

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DCI/ICS/IHC (10Nov87)

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Central Intelligence Agency
Office of the Deputy Director for Intelligence

DDI #04555-87
6 November 1987

NOTE TO: Director, Intelligence Community Staff

SUBJECT: SAFE

EQ

This is a critical review of the IC Staff's paper on SAFE, but it makes some good points. Obviously, it has the bias of the DI, but it also has some important facts about DI needs and DIA's performance. I didn't find the IC report all that objective. I sympathize with DIA's problem, but I don't feel responsible for it.

[Redacted Signature]

Richard J. Kerr
Deputy Director for Intelligence

Attachment:

DDI #04584X-87, dtd 3 Nov 1987

CIA-RDP89M00699R001701310009-8		
TRANSMITTAL SLIP 11-06-87		
TO: <i>IC Staff</i>		
ROOM NO. <i>6503</i>	BUILDING <i>CHB</i>	
REMARKS:		
FROM: <i>DO1</i>		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 1 FEB 56 241

REPLACES FORM 36-8 WHICH MAY BE USED.

(47)

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DDI- 04584X/87

3 November 1987

MEMORANDUM FOR: Deputy Director for Intelligence
Associate Deputy Director for Intelligence

FROM:

[Redacted]

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Director of Information Resources

SUBJECT: Response to the IC Staff Report on SAFE

REFERENCE: IC Staff Report on Support for the Analysts's File Environment (SAFE) Program Review dated 7 October 1987

Overview

1. We have reviewed the IC Staff report recommending the continuation of the current CIA/DIA/CSPO relationship for two more years. We find it misrepresents the actual situation on several counts and leaves unanswered several important questions with regard to a continuing commitment to DIA. Specific comments are presented below. This memorandum was coordinated with the Director of Information Technology.

2. The greatest single impact on the DI analyst of holding CIA to the IC Staff recommendations and schedule is that the DI will receive no SAFE improvements until at least 1990. We must begin now to develop our own capability for maintaining SAFE, managing the overall SAFE program, and designing and developing new SAFE functions for analysts. Any resources given to DIA will directly affect what can be done for the DI.

The IC Staff Report

3. The program review by the IC Staff includes a synthesis of considerable SAFE history (Sections A through D) which is as much based on personal recollections of people involved in the program as it is on solid documentation. While accurate for the most part, it also

All portions classified SECRET.

CL BY Signer

SUBJECT: Response to the IC Staff Report on SAFE

illustrates how muddled this entire issue has become. For example, the generally-held assumption that CIA must pay 30 percent of DIA's Delivery 4 development is derived not from any formal agreement. As best as we can determine it is based on a CSPO decision of several years ago apparently after discussion with someone in the DI--not further identified--who stated we "might" have an interest in Delivery 4. CSPO translated that "interest" into 30 percent share of software development costs.

4. The report's three observations (Section E) seem incomplete and shallow. This section, which presumably is intended to form the basis for the alternatives and recommendations, addresses only three issues: (1) the intense schedule for SAFE deliveries in FY88; (2) whether pro rata costing can be introduced; and (3) CSPO disestablishment. It does not address the impact on CIA if we are to continue an open-ended arrangement with DIA; it fails to note that DIA has been encouraged for several years to build up its infrastructure to support SAFE; it offers no judgment as to what should be CIA's prorated costs for software deployment intended solely for DIA; it fails to recognize that other SAFE users are entering the picture--the DO in 1988 and NMCC in 1989; and it says nothing about the CIA technical support DIA needs to operate SAFE.

5. The alternatives (Section F) presented by the IC Staff represent a reasonable range of solutions, although the descriptions of disadvantages for Options A, B and D fail to note that CIA gets no SAFE improvements for at least 2 years. For Option D the IC Staff claims DIA is not currently capable of managing SAFE. The IC Staff fails to recognize the recent organizational and staffing changes in DIA, all of which are intended to provide DIA the capability to manage its own SAFE program. In fact, DIA has successfully installed several software deliveries over the past several months. Under disadvantages for Option C the IC Staff implies that it is only fair that CIA should pay for 50 percent of the remaining Delivery 3 and 30 percent for Delivery 4 software developments because DIA provided funding to earlier deliveries of SAFE which benefited only CIA. In fact, DIA has nearly 1,000 analysts on SAFE Delivery 1; it had the opportunity to put Delivery 2 into its production system but could not because it had not developed the necessary support structure; it now has some

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500 analysts on SAFE Delivery 3; and most importantly, DIA required the development of Deliveries 2 and 3 so that Delivery 4 could be built on their foundation. In short the Alternatives section is a biased presentation.

6. Our reactions to the team's conclusions and recommendations (Section G) are listed below:

Recommendation A. CSPO develop a more realistic schedule and associated FY 1988 and FY 1989 funding profiles for implementation of remaining SAFE deliveries, addressing the identified \$7.2 million funding shortfall as a FY 1989 issue.

We feel strongly that CSPO should develop a realistic delivery schedule--within budgetary constraints--and then be held to it. Spreading out the delivery schedule over two years will add to overall costs and probably lead to a slippage into a third year.

Recommendation B. Continue DIA and CIA SAFE funding responsibilities on a 50/50 basis (except TRW work on Delivery 4, Set 1 at 70/30 and separate hardware procurements) until all remaining Deliveries 3.2 through 3.8 and Delivery 4, Set 1 have been completed and user acceptance achieved.

This is the DIA position. It fails to recognize the impact on CIA, and it is inconsistent with Recommendation D in that D recommends a firm divorce date.

Recommendation C. Alter CSPO's implementation approach to install new SAFE deliveries only at DIA, not CIA unless specifically requested.

OIR and OIT were, in fact, not planning to incorporate these deliveries into our production SAFE system.

Recommendation D. CSPO prepare a joint agency transition plan and schedule for disestablishing CSPO no later than 1 October 1989. CSPO submit

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SUBJECT: Response to the IC Staff Report on SAFE

the transition plan for DCI approval by 31 January 1988. On or before 1 October 1989 DIA assume full responsibility for managing any remaining SAFE development activities in a DIA development facility.

A transition plan is needed, but it must allow CIA to begin developing its own SAFE program office in FY88. This recommendation appears to be inconsistent with Recommendation B which advocates continued CIA funding of DIA SAFE until Deliveries 3 and 4 are completed with no explicit termination date.

Recommendation E. Starting immediately, CSPO provide DIA VP-SIA and CIA DDI/OIR detailed contract information on vendor task activities and expenditure to facilitate agency cost accounting and task management.

We agree. In fact, over the past year we have been getting more cost data from CSPO than in the past.

Recommendation F. Starting December 1987, CSPO provide monthly program reporting to Intelligence Community Staff/IHC, DIA VP-SIA and CIA DDI-OIR, until program completion.

Inserting the IC Staff into the SAFE program review will accomplish nothing other than to tie up CSPO and contractor resources to prepare and provide the extra briefings. In view of what came out of this IC Staff review, I see only continuing IC Staff support for the DIA position.

Funding Issues

7. If we are required to continue to support DIA SAFE development at the 50/50 level through Delivery 3 and 70/30 level for Delivery 4, Set 1, we will be hard pressed to find funds for CIA-unique requirements in the same time frame. Efforts to provide DI analysts with a single user-friendly and easy-to-learn interface to widely used applications are already under way. Working groups have met to design a

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programmer interface for SAFE so that DI programmers can write applications to meet a single office's unique needs. These efforts require continued funding to reach fruition.

8. There will likely also be significant delays and increased costs in other programs, including Dossier (the new biographic reference system), ARM (CRES's project to allow the automated generation and tracking of requirements), and projects sponsored by the Mobile Missile Assessment Center to provide new tools to DI and DS&T mobile missile analysts. While each of these has a source of funding independent of OIR, ARM and Dossier estimate increased costs of \$2M per program for a two-year delay. Their development will be greatly hampered by the prohibition on asking for changes to SAFE to accommodate them. OIR will be in the position of holding up other crucial systems to protect the SAFE schedule. The DI would have to wait until 1990 to begin to integrate these projects into SAFE.

9. Lastly with regard to funding, it must be noted that much has changed since CIA agreed to support joint development at specified funding levels. Analytic needs at both CIA and DIA have changed to meet a changing environment; expectations of and demands on the SAFE system have also changed and diverged. Development priorities and budgetary responsibilities have not shifted in the interim to keep pace.

OIR Recommendations

10. We believe we have more than met our financial obligations to DIA SAFE development with some \$5M in FY87 and another \$3M in FY88 for such purposes. We recognize that past commitments were made in various forums, but holding CIA to these commitments fails to recognize DIA failure in the past to help itself, and the fact that much has changed since those commitments were made. Accordingly, we recommend the following:

- A buy-out of DIA on 1 October 1988. A fair figure in our view is on the order of \$2M, which follows recent funding trends. This would provide DIA a supplement to their SAFE budget to assist it to complete remaining

SUBJECT: Response to the IC Staff Report on SAFE

software development for Delivery 3 or 4. It would allow CIA to provide new functionality and add data bases to SAFE for the DI analyst starting in FY89. Any additional CIA monies provided for DIA-unique development in FY88 beyond the \$3M already promised would be subtracted from the \$2M projected for FY89.

- As part of this buy-out proposal OIT would provide DIA assistance in program management, technical support for AIM, and contract management. DIA, of course, may assume these responsibilities any time before FY89.
- A SAFE program office in OIR. We would begin developing in FY88--with much needed OIT assistance--a capability to manage and maintain all aspects of the SAFE program, including operations and maintenance. We must start this program now--while meeting our fiscal obligations to DIA--so that we can provide DI analysts with SAFE improvements in FY89. At an appropriate time we would bring the DO into this program office; the DO/IMS fully concurs with this approach.

11. In sum, DIA needs money, program management, and technical support from CIA. OIT is willing to provide the technical support and program management, and we are ready to offer additional funds. But neither OIT nor OIR can live with a continuing open-ended commitment to DIA.



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cc: DDA
D/COMPT
D/OIT
D/CSPO/IISG/OIT

ICS COMMENT TO D/OIR RESPONSE

10 November 1987

There are no issues raised in the D/OIR response that were not considered and/or specifically mentioned in the team's analysis.

The key issue is money. Our considered judgment is that CIA has an obligation to share funding until the program is completed, regardless that the remaining activities are of primary benefit to DIA. Given the lack of historical cost accounting for SAFE, the realistic solution to cost sharing is to maintain the 50/50 split until completion. Unfortunately, obligating CIA to fulfill this commitment means DI funds will be diverted from CIA/SAFE enhancements to the joint program. (Note Attachment 5 of the SAFE report provided by D/OIR.)

D/OIR clearly misses the point that the funding issue and disestablishment of CSPO are two separate issues. It is our judgment that either agency, properly prepared, could manage the remaining development activity. The report specifically encourages DIA to prepare for this management responsibility now. Regardless of whether CSPO or DIA is managing the program, the remaining activity should be funded by both agencies until completed.

The team's recommendations were not expected to be popular. At this juncture four things are perfectly clear: 1) Swift decisions on funding and CSPO disestablishment are required so that the program can be brought to a successful completion; 2) Both agencies originally committed to a joint program fully recognizing the commonality and uniqueness of the program objectives. Key to completion of these objectives are the remaining deliveries for DIA; 3) Continued cost sharing is the only equitable alternative; and 4) Management of the program should be fully separated from CSPO as soon as DIA can handle the responsibility. OIT's technical assistance is essential to DIA's readiness effort.



21 October 1987

CONSOLIDATED SAFE PROGRAM OFFICE DIRECTIVE #14

In mid-June, 1987, D/CSPO identified to all appropriate Government parties a potential shortfall in the FY-88 program of \$10.5 million. It is now mid-October, 1987, no apparent relief is in sight. This situation is exacerbated by potential Gramm-Rudman cuts which could result in reductions to the FY-88 SAFE program ranging from 20-35%.

Therefore, as a first step in the process of reviewing our entire program for FY-88 and beyond, effective immediately all CSPO Engineering Review Boards (ERBs) and Configuration Control Boards (CCBs) are suspended indefinitely. All contractor organizations are put on notice to prepare for a significant reduction in the FY-88 program. CSPO priorities still remain Delivery 4.0, Set 1 System IOC in August of 1988 and all activity on that critical path.

[Redacted Signature Box]

Director, CSPO

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