

S E C R E T

DD/S&T# 3459-67

25 August 1967

MEMORANDUM FOR: Comptroller, Directorate of Science and Technology

SUBJECT : Cost Reduction and Management Improvement Program for FY-68 and FY-69

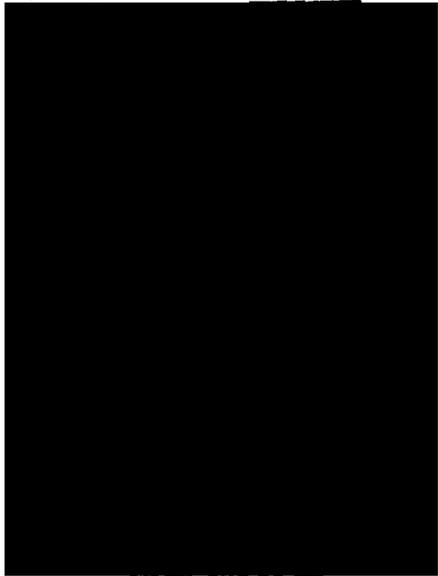
REFERENCE : A. Memo fr Compt/DS&T to D/OCS dtd 7 Aug 67, same subject
B. Memo fr O/PPB to Chiefs of Offices, Staffs and Operating Divisions, dtd 1 Aug 67, same subject
C. BoB Circular No. A-44 Revised, dtd 29 Mar 65

1. Forwarded herewith are Cost Reduction and Management Improvement Program Forms (No. 2500) in response to Reference A.

2. Four actions have been detailed which project cost reduction or management improvement in FY-68 and FY-69:

25X1A

		Savings	
		FY-68	FY-69
CRP-1	Security Automated Name Check Activity (SANCA)		
2	Automated Computer Utilization Logs		
3	Reduction in Contractor Support to Computer Projects		
4	Automatic Flow Charting of Computer Programs		
Totals			



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GROUP 1 Excluded from automatic downgrading and declassification

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3. The provision of central ADP services to various user offices contributes to cost reductions in the functions of these offices. The assessment of these savings should be made by the offices receiving this support, giving due consideration to the cost of the computer support.

25X1A
4. As you know, OCS has taken action to purchase approximately [REDACTED] equipment in lieu of continued rental of this equipment. The intent and result of this action is clearly a cost reduction; however, it has not been possible to report this action in the format of Form 2500. The crux of the problem lies in the fact that this form only allows for actions in FY-68 and 69 which produce savings in those years, whereas, the true savings from our FY-68 equipment purchase does not occur until the end of FY-71 when accumulated rental savings will have equalled purchase and maintenance costs. The savings from that time on will amount to approximately [REDACTED]

25X1A
5. It is recommended that the cost reduction item described above be reported to the Office of Planning, Programming, and Budgeting in narrative form for inclusion in the Agency's report to BoB.

[REDACTED] 25X1A
for
CHARLES A. BRIGGS
Director of Computer Services

Attachments: a/s

Distribution:

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1 - OCS/Admin
2 - O/D/OCS (Subject & Chrono)

D/OCS [REDACTED] mru:4011(25Aug67)

S E C R E T

SECRET
(When Filled In)

Central Intelligence Agency COST REDUCTION AND MANAGEMENT IMPROVEMENT PROGRAM		OFFICE OCS	CONTROL NO. CRP-I
		DATE 23 August 1967	
1. PROJECT OR ACTION TITLE Security Automated Name Check Activity (SANCA)			
2. PROGRAM CATEGORY AND PROGRAM SUBCATEGORY Information Processing/Central ADP Services		3. NATURE OF REPORT <input checked="" type="checkbox"/> PROPOSED <input type="checkbox"/> AMENDMENT OR REVISION	
4. COST REDUCTION CATEGORY (check one)		5. NATURE OF SAVINGS	
<input checked="" type="checkbox"/> A. INCREASED PRODUCTIVITY AND EFFICIENCY	<input checked="" type="checkbox"/> B. ELIMINATION OF LOW PRIORITY ACTIVITIES; SUBSTITUTION OF LESS COSTLY ALTERNATIVES	<input checked="" type="checkbox"/> RECURRING	<input type="checkbox"/> NON-RECURRING
C. MANAGEMENT AND PROGRAM EFFECTIVENESS			
6. BRIEF DESCRIPTION OF PROJECT OR ACTION (include implementation plan and timetable; if this is an amendment or revision, explain changes)			
During the 3rd quarter of FY 68, computer procedures for maintenance, search, and information retrieval activities concerned with a [REDACTED] records will be converted from a batch processing computer system to an on-line, time-sharing system. This change will greatly improve service by permitting periodic processing throughout the day of the files stored in the central computer from terminals located in the Office of Security. Under existing batch procedures, processing is done only once in a 24-hour period. In addition, processing costs for computer operations will be significantly reduced; from 200 hours per month to 50 hours per month, from [REDACTED]			
7. ESTIMATED SAVINGS GOALS		8. ESTIMATED SAVINGS ACCOMPLISHED IN CURRENT YEAR	
	CURRENT	NEXT FISCAL YEAR	FIRST HALF YEAR
			TOTAL FISCAL YEAR
FUNDS (Personal Services)			\$
FUNDS (Other)			
TOTAL			\$
MAN-YEARS			
9. PROPOSED USE OF SAVINGS *		10. ACTUAL USE OF SAVINGS *	
A. USE TO FINANCE INCREASED COSTS, SUCH AS PAY INCREASES		FIRST HALF YEAR	TOTAL FISCAL YEAR
B. APPLY TO PRODUCTION OF MORE UNITS OF		\$	\$
C. APPLY TO RAISE QUALITY OF SERVICE OR PERFORMANCE		\$	\$
D. USE TO FINANCE SOME OTHER APPROVED PROJECT OR ACTIVITY		\$	\$
E. PLACE IN RESERVE OR APPLY TO REDUCING PRESIDENT'S BUDGET		\$	\$
* EXPLAIN ITEMS 9 and 10 ON SEPARATE SHEET			
11. RECOMMENDED BY (Office Head or Designee)		DATE	12. APPROVED FOR AGENCY BY
Charles A. Briggs		23Aug67	
			DATE

25X1A

25X1A

ATTACHMENT TO COST REDUCTION AND MANAGEMENT IMPROVEMENT PROGRAM, Form 2500 - OCS - Control No: CRP-1

Explanation of Item 9 "Proposed Use of Savings"

This relatively modest amount of personnel funds savings (4,000) will be applied to normal increases in the personnel costs of the Office which result from pay raises, grade increases, and step increases. Trends in computer service requirements indicate that it would be judicious to apply the savings in "other funds" (23,750) equally among the objectives of: (a) producing more units of work; (b) raising the quality of service; and (c) financing other approved programs and activities.

SECRET

Central Intelligence Agency COST REDUCTION AND MANAGEMENT IMPROVEMENT PROGRAM	OFFICE OCS	CONTROL NO. CRP-2
	DATE 23 August 1967	

1. PROJECT OR ACTION TITLE
Automated Computer Utilization Logs

2. PROGRAM CATEGORY AND PROGRAM SUBCATEGORY
Information Processing/Central ADP Services

3. NATURE OF REPORT
 PROPOSED
 AMENDMENT OR REVISION

4. COST REDUCTION CATEGORY (check one)

5. NATURE OF SAVINGS
 RECURRING
 NON-RECURRING

A. INCREASED PRODUCTIVITY AND EFFICIENCY
B. ELIMINATION OF LOW PRIORITY ACTIVITIES; SUBSTITUTION OF LESS COSTLY ALTERNATIVES
C. MANAGEMENT AND PROGRAM EFFECTIVENESS

6. BRIEF DESCRIPTION OF PROJECT OR ACTION (include implementation plan and timetable; if this is an amendment or revision, explain changes)

In October 1967, IBM 360 computer operating systems will be modified so that utilization data by date, time, job, programmer, and function will be automatically generated as jobs are processed on the various computer systems. This will replace the present procedures which require that computer operators manually log such data. Savings from this action are not quantifiable. Benefits are in the form of:

--Greater accuracy in recording utilization data and preparing utilization reports

--Reduced demands on operator's time which makes it possible to devote more attention to quality control and other computer functions

7. ESTIMATED SAVINGS GOALS	CURRENT FISCAL YEAR	NEXT FISCAL YEAR	8. ESTIMATED SAVINGS ACCOMPLISHED IN CURRENT YEAR	
			FIRST HALF YEAR	TOTAL FISCAL YEAR
FUNDS (Personal Services)	\$ 0	\$ 0	\$	\$
FUNDS (Other)	0	0		
TOTAL	\$ 0	\$ 0	\$	\$
MAN-YEARS	0	0		

9. PROPOSED USE OF SAVINGS *	AMOUNTS	10. ACTUAL USE OF SAVINGS *	
		FIRST HALF YEAR	TOTAL FISCAL YEAR
A. USE TO FINANCE INCREASED COSTS, SUCH AS PAY INCREASES	\$ 0	\$	\$
B. APPLY TO PRODUCTION OF MORE UNITS OF WORK	\$ 0	\$	\$
C. APPLY TO RAISE QUALITY OF SERVICE OR PERFORMANCE	\$ 0	\$	\$
D. USE TO FINANCE SOME OTHER APPROVED PROGRAM OR ACTIVITY	\$ 0	\$	\$
E. PLACE IN RESERVE OR APPLY TO REDUCING PRESIDENT'S BUDGET	\$ 0	\$	\$

* EXPLAIN ITEMS 9 and 10 ON SEPARATE SHEET

11. RECOMMENDED BY (Office Head or Designee) Charles A. Briggs	DATE 23Aug67	12. APPROVED FOR AGENCY BY	DATE
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SECRET
(When Filled In)

Central Intelligence Agency COST REDUCTION AND MANAGEMENT IMPROVEMENT PROGRAM		OFFICE OCS	CONTROL NO. CRP 3
		DATE 23 August 1967	
1. PROJECT OR ACTION TITLE <p style="text-align: center;">Reduction in Contractor Support to Computer Projects</p>			
2. PROGRAM CATEGORY AND PROGRAM SUBCATEGORY <p style="text-align: center;">Information Processing/Central ADP Services</p>			3. NATURE OF REPORT <input checked="" type="checkbox"/> PROPOSED <input type="checkbox"/> AMENDMENT OR REVISION
4. COST REDUCTION CATEGORY (check one) <input checked="" type="checkbox"/> A. INCREASED PRODUCTIVITY AND EFFICIENCY <input type="checkbox"/> B. ELIMINATION OF LOW PRIORITY ACTIVITIES; SUBSTITUTION OF LESS COSTLY ALTERNATIVES <input type="checkbox"/> C. MANAGEMENT AND PROGRAM EFFECTIVENESS			5. NATURE OF SAVINGS <input checked="" type="checkbox"/> RECURRING <input type="checkbox"/> NON-RECURRING
6. BRIEF DESCRIPTION OF PROJECT OR ACTION (include implementation plan and timetable; if this is an amendment or revision, explain changes) <p>In FY-68 contractor personnel supporting problem analysis, system design, and programming activities for computer applications will be reduced and staff personnel for these activities will be increased. For FY-67 and FY-68 the level of contractor support is estimated [REDACTED] respectively. Assuming an equal competence between staff personnel and contractor personnel, and an average cost savings [REDACTED] man year from the use of staff personnel, a savings [REDACTED] is anticipated in FY-68.</p>			
7. ESTIMATED SAVINGS GOALS		8. ESTIMATED SAVINGS ACCOMPLISHED IN CURRENT YEAR	
[REDACTED]		[REDACTED]	
FUNDS (Personal Services)		FIRST HALF YEAR	TOTAL FISCAL YEAR
FUNDS (Other)			\$
TOTAL			\$
MAN-YEARS			
9. PROPOSED USE OF SAVINGS *		10. ACTUAL USE OF SAVINGS *	
A. USE TO FINANCE INCREASED COSTS, SUCH AS PAY INCREASES		\$	\$
B. APPLY TO PRODUCTION OF MORE UNITS OF		\$	\$
C. APPLY TO RAISE QUALITY OF SERVICE OR PERFORMANCE		\$	\$
D. USE TO FINANCE SOME OTHER APPROVED PROJECT OR ACTIVITY		\$	\$
E. PLACE IN RESERVE OR APPLY TO REDUCING PRESIDENT'S BUDGET		\$	\$
* EXPLAIN ITEMS 9 and 10 ON SEPARATE SHEET			
11. RECOMMENDED BY (Office Head or Designee)		DATE	12. APPROVED FOR AGENCY BY
Charles A. Briggs		8/23/67	DATE

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25X1A

ATTACHMENT TO COST REDUCTION AND MANAGEMENT
IMPROVEMENT, Form 2500 - OCS - Control No. CRP-3

Explanation of Item 9 "Proposed Use of Savings"

Since this savings is possible only with increased staff personnel, a portion of the savings should be used to finance increased costs such as pay increases, training, travel, etc. Trends in computer service requirements indicate that the remainder of the savings should be applied to producing more units of work, raising the quality of service, and financing other approved computer programs and activities. An equal distribution of the savings to these four objectives is proposed.

SECRET
(When Filled In)

Central Intelligence Agency COST REDUCTION AND MANAGEMENT IMPROVEMENT PROGRAM		OFFICE OCS	CONTROL NO. CRP-4
		DATE 23 August 1967	
1. PROJECT OR ACTION TITLE Automatic Flow Charting of Computer Programs			
2. PROGRAM CATEGORY AND PROGRAM SUBCATEGORY Information Processing/Central ADP Services		3. NATURE OF REPORT <input checked="" type="checkbox"/> PROPOSED <input type="checkbox"/> AMENDMENT OR REVISION	
4. COST REDUCTION CATEGORY (check one) <input checked="" type="checkbox"/> A. INCREASED PRODUCTIVITY AND EFFICIENCY <input type="checkbox"/> B. ELIMINATION OF LOW PRIORITY ACTIVITIES; SUBSTITUTION OF LESS COSTLY ALTERNATIVES <input type="checkbox"/> C. MANAGEMENT AND PROGRAM EFFECTIVENESS		5. NATURE OF SAVINGS <input checked="" type="checkbox"/> RECURRING <input type="checkbox"/> NON-RECURRING	
6. BRIEF DESCRIPTION OF PROJECT OR ACTION (include implementation plan and timetable; if this is an amendment or revision, explain changes) During FY-68 and 69 an automatic flow charting system (AUTOFLOW) will be used to replace laborious manual flow charting. At present, rough, manual flow charts are used during the development of a computer program. After programs become operational, these flow charts are put in finished form and become a part of the documentation of the computer system. Changes in computer programs require updating and re-drawing of flow charts from time-to-time. Also, some computer programs are obtained from other computer users without complete documentation. In this situation, the AUTOFLOW system can be used to prepare flow charts and to generate data about the program which facilitates the programmer's analysis of the program. It is estimated that [REDACTED] each year. Offsetting costs are [REDACTED]			
7. ESTIMATED SAVINGS GOALS		8. ESTIMATED SAVINGS ACCOMPLISHED IN CURRENT YEAR	
	CURRENT	NEXT	YEAR
			FIRST HALF YEAR
			TOTAL FISCAL YEAR
FUNDS (Personal Services)			\$
FUNDS (Other)			
TOTAL			\$
MAN-YEARS			
9. PROPOSED USE OF SAVINGS *		10. ACTUAL USE OF SAVINGS *	
		FIRST HALF YEAR	TOTAL FISCAL YEAR
A. USE TO FINANCE INCREASED COSTS, SUCH AS PAY INCREASES			\$
B. APPLY TO PRODUCTION OF MORE UNITS OF			\$
C. APPLY TO RAISE QUALITY OF SERVICE OR PERFORMANCE			\$
D. USE TO FINANCE SOME OTHER APPROVED PROJECT OR ACTIVITY			\$
E. PLACE IN RESERVE OR APPLY TO REDUCING PRESIDENT'S BUDGET	\$	\$	\$
* EXPLAIN ITEMS 9 and 10 ON SEPARATE SHEET			
11. RECOMMENDED BY (Office Head or Designee) Charles A. Briggs		DATE 8/23/67	12. APPROVED FOR AGENCY BY DATE

ATTACHMENT TO COST REDUCTION AND MANAGEMENT
IMPROVEMENT PROGRAM, Form 2500 - OCS - Control No. CRP-4

Explanation of Item 9 "Proposed Use of Savings"

Since this action produces more units of work and improved quality of service, it is proposed that savings be used to finance further actions of this type.