

SECRET  
Briefing Notes for PPB

2 May 1968

1. The Support Services Staff has three principal functions.
2. The Regulations Control Branch has responsibility for the regulatory system which is the official voice of the Agency in its expression of policy and procedure.
3. The Records Administration Branch has the responsibility for paperwork management including creation, maintenance, and disposal.
4. The Information Processing Branch has responsibility for the Information Processing Systems of the Support Directorate which include the processing of data and the production of information about the Agency's men, money and material resources and the services which relate to them.
5. Each of them has a vital role to play in Agency management.
6. In the Records Program we are confronted with a critical problem. Our records storage facility  s full. In 1964 when the Agency Records Officer predicted that the Records Center would be full in 1967 he was told to find alternatives other than construction to solve the problem. He thought he had found a solution by arranging with GSA for vault storage of some Agency intelligence publications in the new Records Center at Suitland, Maryland. Last

25X1

SECRET

year when the Federal Records Center construction was completed and we began detailed discussions to accomplish the transfer we found that the ground rules of the original understanding had changed either because the management had changed or there had been a lack of complete detailed communication in the early negotiations. In any case, the Agency was unwilling to relinquish control of its records and GSA is unwilling to allow us permanent use of their facility unless they have control. We have a compromise arrangement permitting us to store up to 25 or 30 thousand cubic feet of records in the Suitland Records Center through December 31, 1970.

7. During Fiscal Year 1967 the net growth  was about 10,000 cubic feet. If our growth continues at that rate the Records Center will be full again before the end of 1970 and we will have an overflow of 25 or 30 thousand cubic feet in Suitland.

25X1

8. This problem is critical. During the past few months, since we were unable to reach satisfactory agreement with GSA, we have considered again several alternatives for coping with the storage problem. We have reviewed space currently available to the Agency and space about to be released and have found nothing suitable.

9. We have considered the possibility of renting space but this is more expensive than construction because of the security features which have to be added including alarm systems, vaults construction, extra guard forces, and so on and is less desirable for other reasons.

2

SECRET

10. We have considered the possibility of using motorized shelving equipment which would permit a higher density storage by eliminating nine out of ten aisles. Installation of this equipment would cost about \$800,000 but would increase the capacity of the present Records Center by only about 28%.

11. Microfilming and other forms of microminiaturization have been considered again but this continues to be an extremely expensive alternative and presents serious system problems. Estimates we have obtained are that it would cost about \$1,250,000 to contract for microfilming 50,000 cubic feet of records. To do the job ourselves we would need [redacted] positions for at least three years and at least part of them would have to become permanent if we were to continue to microfilm new accessions.

12. There are, of course, factors other than cost and positions to be considered. At the present time we have 93,000 reels of microfilm being stored in 1200 cubic feet of space [redacted] We have 3300 cubic feet of punched cards and 266 reels of magnetic tape. These items are integral parts of customer office procedures where facilities exist for photographing, indexing, and reproduction or viewing of items recalled from storage. They are used because they contribute directly to the effectiveness of the systems of which they are a part. The use of miniaturization requires extensive systems study to provide for selective filming, systematic indexing, purging, interfiling, updating,

and maintenance as well as retrieval and reproduction or enlargement to permit human use of items retrieved.

13. Computer experts and microminiaturization experts have found nothing on the market or on the drawing boards that will be available or can bring records storage relief more economically than construction within the next five years. The policy of storing hardcopy is the policy of the Federal government, which has been challenged, reviewed, and approved by the General Accounting Office. Trends in the Agency are not abnormal. We parallel government and industry records problems in every respect, and they all continue to build.

14. Whether we build or find some other alternative we will have to spend about 1.3 million dollars for a solution. The estimate of \$750,000 we included in the program submission was based upon figures obtained from the National Archives and Records Service of their costs to construct the new Federal Records Center at Suitland. The Office of Logistics has since reviewed the estimate and revised it upward to 1.3 million dollars. The Office of Logistics has recommended as a part of this the expenditure of \$6,000 immediately to do a feasibility study to establish a tighter estimate.

15. The records storage problem would be less pressing if we had fewer records to store. CIA has a reputation for having one of the best records programs in the government. This is primarily because we have records disposal and destruction schedules for nearly all records

SECRET

the Agency produces and we have destroyed half the total volume that has been received at the Records Center since it opened. Purging is a continuous process. The annual mid-year inventories for the past ten years show that Agency records are created at an average rate of three cubic feet per employee. The offices and Records Center destroyed two cubic feet per employee during the year. Half of the one foot balance is stored in the Records Center, where eventually half of that is purged. Today the Records Center has a hundred and two thousand cubic feet in custody. The offices last summer had two hundred thirty thousand cubic feet in Headquarters office space. A major purging effort is now underway, but it will only provide temporary relief. During the past five years we have purged 55,000 cubic feet.

16. Like most Records Programs, the whole emphasis in the Agency has been on storage and destruction to relieve pressure first on office space and later on Records Center storage space. This is probably because it is relatively easy to manage and control disposal and destruction and not so easy to manage and control creation and maintenance, which are the other principal parts of a total records management system.

17. Despite the fact that concentration is on disposal and destruction, we still have problems with this. Thirty-eight thousand cubic feet of the records now stored at the Records Center have no scheduled date for destruction. This means that more than one-third of

the present volume must be kept forever because we have no mechanism to compel responsible authorities to decide what is really worth saving and establish realistic destruction dates for the remainder.

18. Little or no attention has been given to selective thoughtful identification of records which should be retained. Safe drawers are emptied and the contents retired to the Records Center because there is a need for space in the safe. No effort is made usually to review the content and identify items which really should be kept. People store things in files for temporary retention but they don't review them, sort them and destroy any before they are retired. We should be concentrating on what is worth saving. Not just holding everything until the least valuable has outlived its usefulness. The records storage problems of the Agency will never be resolved until we get control over their creation. Paperwork has to be considered in a system context from creation to destruction and responsibility for it must be assumed by Agency command management.

19. We have no Reports Management Program in the Agency and we need one. Our computer and manual systems produce more and bigger reports every year, yet no systematic authoritative review is conducted to eliminate old reports which may no longer be required. The result is that we continue to produce all of the old as well as the new in multiple copies many of which inevitably find their way into Records Center storage.

20. There is no effective Correspondence Management Program in the Agency and we need one. We have no way of controlling or managing the creation of paper and no systematic and uniformly applicable method of determining who should be the office of record. Consequently originators, addressees, coordinators, and recipients of information copies of correspondence all file the same document for their own working purposes and it is virtually certain that there is no subsequent authoritative review to ensure that only one record copy is sent to the Records Center.

21. We have no way of controlling or managing and literally no rules governing the use of copying machines and we need them. Documents are duplicated in uncontrolled quantities for working papers or as conveniences for employees. Some of these may be destroyed but many are certain to be filed. Once filed, it is almost certain that they will eventually be stored at the Records Center.

22. We have an antiquated Vital Materials Program in the Agency. It was developed fifteen years ago based upon premises of emergency hot war conditions which have long since been overtaken by the technology of modern weaponry.

23. We have no authoritative Forms Management and Control Program in the Agency and we need one. We spend more than a quarter of a million dollars a year to print forms alone and this does not include internal costs to have forms printed by the Printing Services Division.

24. We have not been able to maintain active programs for reports, correspondence and forms management since 1961 when the Records Administration Staff was reduced from 24 positions to 8 and responsibility for records management was decentralized to the Directorates and independent offices according to policies prescribed in  At best, we have maintained a holding operation. The Records Administration Branch has no authority to invigorate the program. It can only be available if called upon to give guidance and assistance and it rarely gets called upon. The success of the current program is measured in terms of the success of the branch at needling, wheedling, cajolery, and persuasion.

25X1

25. We offer a central storage facility but we exercise no control over what comes into it. Each component of the Agency sets its own retirement schedules and disposal dates and we are obligated to accept them. If some component wants to store something for 99 years we have to accept it. We can attempt to dissuade but if they are adamant we have no recourse. We have about 12,000 cubic feet of records in storage now which are scheduled to be kept forever and another 40,000 cubic feet which have no specific disposition instructions.

26. This dilemma is caused, in part at least, by the failure of the Agency's command structure to take an interest in paperwork management and assume its proper role in developing a system and making it work.

SECRET

27. It should be possible to make a decentralized program work, but only if the highest levels of Agency management take an interest and assume the responsibility for making it work.

28. It can only work of course, if there is a staff mechanism to support management in making it work. No such structure exists today.

29. The only professional records officers in the Agency are the six assigned to the Records Administration Branch. The few positions elsewhere in the Agency to which full time records responsibilities have been assigned are usually filled by junior professional officers for short tours until suitable assignments are available in the field of their primary career interests. In a great many instances records responsibilities are assigned to individuals in addition to their other duties with the result that little or no professional attention is given to any of the elements of a records program other than disposal and destruction. In these times of tight budgets and compressed ceilings operating officials are extremely reluctant and often decline completely to commit any of their resources to giving proper attention to paperwork management.

30. We have temporary relief for the storage problem but at the present rate of growth the 30,000 cubic feet we gained at  by transferring records to Suitland will have been filled again by the time our agreement with GSA expires. If we build a new Records Center

25X1

SECRET

SECRET

30,000 cubic feet of it will be committed before the building is completed because we will have to recover the records from Suitland and store them in our own space. We can cope with this by building more storage capacity - but -

31. Long term resolution of the records problems of the Agency is contingent upon the effectiveness of the overall program which includes more than storage and destruction. It must include records creation, it must include correspondence management, it must include forms management, and reports management, and it must include management and control of copying machines, and the vital materials program. If we are going to have a successful records program we must have the active support of the highest levels of management in the Agency and we must have their understanding. If we are going to have a complete program we must have complete staffing. We should have full time records professionals throughout the Agency. This is a profession fully worthy of recognition. There should be a career service for them with full opportunity for development.

32. It is also important that Agency management understand the information processing function of the Support Services Staff. The Support Information Processing System study is probably the most important project to Agency management that has ever been undertaken. Without its successful implementation we will be completely unable to cope with the increasing requirements for better planning, tighter control,

SECRET

and more effective use of the Agency's manpower, monetary, and materiel resources.

33. Our present Support systems are antiquated and must be modernized. Their flexibility has long since been used up. Just as we were forced to go to punched cards in the 50's to keep up with the new, changing, and additional requirements for information and service, we were forced to go to the computer in the 60's. We converted punched card systems to the RCA 501 Computer early in 1960. In a sense we have first generation systems on second generation equipment in a third generation era. Requirements for information are dynamic. They are constantly changing and generally increasing. Systems to provide that information must be changed constantly whether they are manual or machine systems. There is no such thing as a static system, there never has been, and there never will be, and there is no such thing as designing and implementing a system that will be good for all time. The system is being modified daily in some way and that will always be the case.

34. We can't do nothing. Something must be done. Until the present project started in 1965 nothing had been done about redesigning or modernizing any of the systems which were originally converted in 1960. The original intention had been that a total systems study should be conducted as the second phase of our move to computers after the first phase of converting from punched cards had been completed.

11  
SECRET

SECRET

The dynamics of the system were such, however, that the people were so fully occupied patching, maintaining, and updating the existing systems as well as responding to requests for special reports that no resources were available to undertake the second phase. The uncertainty in the Agency about how to organize its computing capability was such that no resources could be brought to bear upon the Support Systems problems.

35. The converted systems were out of date and unable to keep pace with the requirements levied upon them almost before they were fully implemented. By 1964 we were plagued with audit exceptions which could only be satisfied by major redesign. We are getting massive printouts up to 4,000 pages monthly which are used for manual posting of daily activity during the month. Actions are being collected at the end of the month, converted into machine language, and entered into the computer systems. Meanwhile several days pass and the "updated" printouts are out of date before they are issued. Systems are limited to one activity within an office without any systematic relationship with other activity within the same office and without any systematic relationship with other activities in other offices. Outputs from one computer system are being manually processed from one office to another where they are reconverted to machine language as input to update another system. Each system operates as a separate entity with very limited integration or communication with other systems. Support offices and all of their customers are dissatisfied with the product being produced by the systems because they are rarely current and

SECRET

SECRET

therefore they are considered unreliable. The RCA equipment was saturated in 1964 and is supersaturated now. Conversion of existing systems to third generation equipment would have been costly, time consuming, and inefficient. The original systems were not designed to take maximum advantage of the capability of the RCA equipment. To convert them to new third generation equipment would have been foolishly wasteful of the capability of the new hardware and software. In addition, all of the support offices had identified additional applications which they planned to ask the Office of Computer Services to develop for them independently. Many of these were duplicative with the Offices of Personnel, Security, and Medical Services each wanting their own historical assignment files, for example. It would have taken almost as long to reprogram and make necessary design changes to get the old systems on third generation equipment as it would to do the kind of systems study that should lead to taking maximum advantage of the full capability of the new equipment.

36. Problems with the systems, hardware upgrading, and additional office applications were only part of the justification for SIPS. The Support offices must continually respond to information requirements from other directorate and Agency sources. It is important to realize that every requirement for information about men, money, or material results in a demand on support systems regardless of the source of the inquiry.

SECRET

37. The Office of Personnel as I guess you have seen has a four-page list of reports submitted to OPPB. Everyone of these is either a direct computer printout or compiled from printouts produced by the computer. The Office of Personnel systems alone produce more than 400 reports. I do not have a count of the number of reports produced from the Financial systems but they run at least through half of the alphabet. Within the past year we have processed more than 300 requests for computer services requiring about 11,500 man hours of programming in addition to all of the regular reports produced, and incidentally all of the reports you saw on the Personnel list are regular reports. The majority of these requirements are levied by echelons of management above the Directorate level. Many are generated at the Support Office level to retrieve information which is then manually manipulated and compiled in a form suitable for reporting to high<sup>er</sup> management. A few examples may help to make the point.

38. The committee created by the Director to study the quality of the Agency's professional input was supported by about 1 man week of programming to produce basic information necessary for the study to begin. The Language Committee created in response to a policy approved by the Director generated requirements relating to language proficiency which required nearly 2 man weeks of programming. The NTE, not to exceed report to give advance warning of expiration dates of various types of employment situations requested by the Executive Director required 700 man hours of programming. The request of the Executive

14  
SECRET

~~SECRET~~

Director-Comptroller for information about personnel who have or will have less than 30 years of Federal service at age 60 required about 1 man week of programming. Other studies producing retirement information for several career services and directorates have generated between 300 and 400 man hours of programming.

39. The modification in the system to change stock records to 8 materiel groups instead of 7 as requested by OPPB required nearly 400 man hours of programming. I understand that work orders have been sent to OCS requesting revisions in the fan data for the 1968 budget which it is estimated will require 300 or more man hours of programming.

40. Special reports to handle the management succession problem, project vacancies and develop an advanced staffing plan have required more than 650 man hours of programming.

41. Legislation and Executive Orders also contribute a fair share of the burden. Reports on the number of people who had served a year or more in Vietnam after 1960 required 72 man hours; the requirement that zip codes be printed on W-2 forms required 47 hours of programming; the requirement that FEGLI Insurance be withheld from salaries paid to reemployed annuitants required 24 hours of programming.

42. Obviously this is only a rough sample barely skimming the surface of the requirements generated by all levels of management which cannot be satisfied by manual methods. They can only be satisfied by

~~SECRET~~

our existing computer systems with the expenditure of many many man-  
hours of work, and they can only be satisfied by using resources that  
might otherwise be devoted to SIPS. Every request of this kind con-  
tributes directly to further slippage in the target dates for SIPS  
implementation.

43. It is important to note again that any requirements levied  
by any level of management on any component of the Agency for informa-  
tion about men, money, or materiel results inevitably in a demand  
being placed upon Support Information Processing Systems. Obviously  
it is imperative that we do something to eliminate the need for the  
expenditure of this many manhours of work to satisfy requests of this  
kind.

44. There is another point of confusion which needs to be cleared  
up. In the early days of this project someone hung the initials MIS  
on it. This was not appropriate. We are not building management info-  
mation systems but this is a term that has caused a great deal of dis-  
cussion and misunderstanding. We cannot discuss management informa-  
tion systems intelligently until we have some assurance that we are  
talking about the same thing when we use the term. Our language in the  
program submission may be misleading because we talk about A Management  
Information System for the Support Directorate. Clearly this has car-  
ried the implication that there is such a thing as A Management Infor-  
mation System and that is a faulty implication. There is no such thing

SECRET

as a single Management Information System for the Support Directorate or for the Agency. We talk about it in the singular because in the timeframe of this planning period we will be lucky if we can get one defined and designed much less implemented. We mentioned MIS in the program as an objective because we presume it will become an objective. We have heard a lot of conversation about MIS and we know there is a lot of interest but no one has yet established a requirement that one be developed. The role of the Support Services Staff is to respond to requirements, not to generate them. However, as a staff officer in the Support Directorate it is appropriate for me to propose to the Deputy Director for Support a Management Information System for his consideration and acceptance or rejection. But we still have to define the term.

45. A Management Information System can be defined as a system which furnishes management with the information it needs to do its job but that doesn't help very much. We have here an example of what the Bureau of the Budget calls a Management Information System about ADP equipment. This is a printout of an equipment inventory and if this is what we mean when we use the term MIS then SIPS will have within it a great many Management Information Systems. We have other examples of the same kind.

25X1

We will be discussing a couple of Management Information Systems that exist in the Agency dealing with contracts. The

17

SECRET

term MIS as you can see is much used and abused. None of these are Management Information Systems as I would interpret the term. They are systems which produce information for management. These systems do, however, fit the broad general definition of a Management Information System in that they give some managers the information they need to manage a particular part of their responsibilities. A much better definition of a Management Information System is a system in which the requirements at each level of management are carefully determined in advance of need and are then produced from an integrated system at appropriate times and in a form suitable for:

- a. setting objectives,
- b. shaping and evaluating alternatives,
- c. making decisions, and
- d. measuring results.

46. A Management Information System should provide the information that the manager needs to understand, plan, operate, and control the organization he is managing. The information needed for decision making must be tailored for the area of the manager's responsibilities. This assumes that the manager will know the areas for which he is responsible and it assumes that he knows and can articulate what information he needs to manage effectively. Each manager must determine

for himself what he needs. Most managers cannot, or will not, take the time to set the parameters of their management systems but until the management system has been articulated there cannot be an information system to support it.

47. The word "system" is a key word. It is defined in Webster's Collegiate Dictionary as "an assemblage of objects united by some form of regular interaction or interdependence; an organic or organized whole; ...." The first year or year and a half of the SIPS effort was devoted to the identification and definition of the functional units; the organic and organized wholes. The same thing must be done as the first step in the development of any Management Information System regardless of the manager it is to serve. To repeat, therefore, the manager must define his Management System before anything can be done about developing an Information System to support it. We can't work on an MIS in a vacuum. Some sort of conceptual base is required. The purpose of a concept is to provide a point of departure. It should not be allowed to bias the final product. The manager must define what he needs to set objectives, and he must be prepared to define his objectives in concrete achievable terms against which progress can be measured. He must define the information he needs to permit him to develop and evaluate alternatives. He must describe the information he needs for making decisions and before he can do that, he must identify and delimit the kinds of decisions he makes.

48. A Management Information System can be best defined, understood, and developed by emphasizing the "system" as Webster defines it and using system analysis and design techniques. We cannot solve Management Information System's problems by concentrating on one or two facets of the total problem. When we understand the system's problem we can identify all parts of the problem. It is probable that there will be several Management Information Systems in the Agency. An Agency Management Information System would be of a size and an order of complexity that would defy solution. Such a system cannot be constructed until subordinate information systems are in being. In SIPS we narrowed the focus early and set achievable goals. We did this, however, within a context of system totality. We know what we are not doing and I don't think we have misled anyone about what we are doing. The Support Directorate has ultimate responsibility for the collection, maintenance, and availability of information about men, money, materiel, and services. I believe that these data bases are of fundamental importance to all Management Information Systems that might be developed in the Agency. Most Agency management is concerned only with managing the resources of men, money, materiel, and services. There will be a different mix for each of the program categories, perhaps, and possibly even the program elements. The Agency may want a Management Information System for each program category if these are really going to be the units by which the Agency manages its business. We may want an MIS about intelligence collection; another about intelligence production; another for information processing and exploitation; another for

20  
SECRET

SECRET

communications; and a separate one for research development and engineering. The Deputy Director for Support, of course, is concerned with a Management Information System for the program-wide category--at least a major part of it. The effectiveness of such a system will naturally be limited by the availability to it of information from other systems. This limitation can only be removed by installing a staggered program cycle which would permit the Support Directorate to respond on the basis of information contained in the approved programs for the other directorates, or other program categories. If Management Information Systems are to be developed in the Agency corresponding to the program categories, or in any other context, they will have to be carefully considered so that they are properly interrelated and produce the desired results. Among the very first things we have to know are the results that are wanted.

49. In summary, management must know, and define, what it is managing; how it is managing; what kinds of information it needs to set objectives and measure progress toward those objectives; what information it needs to shape and evaluate alternatives; and management must know and define what kinds of decisions it has to make and what information it needs to make them.

50. If we are really going to manage by program category, we must first have a system of managing (a management system) for each category, before we can have an information system to support it.

SECRET

**SECRET**

51. There will have to be an information system to support the management system of each program category before there can be an Agency management information system to embrace all of the program categories. This is not intended to imply that all of these have to be automated first, however, nor is it intended to imply that one system has to be designed and implemented before another can start. Planning and development can proceed simultaneously if resources are available to do it.

52. However, it is not inconceivable, in fact it is altogether likely, that SIPS will offer the collection mechanism for all of the data necessary for all of the systems insofar as they require data about men, money, and materiel resources. This means, of course, that no one should undertake to design a management information system without consulting the Support Services Staff.

53. We not only have confusion about the term MIS, we have some confusion about the term SIPS itself. In searching for a name which would satisfy the proclivity for acronyms, we hit upon Support Information Processing Systems which converts to the acronym SIPS. Our objective was to do a total systems study but it became immediately obvious that we had to put some restrictions on totality. We decided to concentrate on the functional activities directly related to the Agency's management of its men, money, and materiel resources which represented for the most part the applications in the RCA 501 Systems.

**SECRET**

SECRET

To restrict the order of magnitude we decided to concentrate on staff personnel only in the first cut and to delay consideration of real property accountability, logistics services, insurance programs, credit union programs, and many other things of particular professional interest to the Offices of Security and Medical Services for example. We intended to identify all applications, however, which were at the time identifiable and to include them in our overall long-term plans for the development of Support Information Processing Systems. Thus we intended at the beginning for the acronym SIPS to be all inclusive, lately, however, it has come to be used to describe the project which is actually under development. Some confusion creeps in where there is a lack of understanding that the project we are working on now does not in any sense of the term include all of the Information Processing interests, either present or projected, in the Support Directorate. I think the language we have used in our program submission perhaps contributes to this confusion but I wasn't aware that it would be confusing until we began responding to some of the questions. When we talk about SIPS today we will be talking about the project only and not about all of the other applications which go to make up Support Information Processing Systems which we have identified but are not able to to anything about at this time.

54. In short, Support Information Processing Systems is a generic term. SIPS is an acronym applied to the present project. The project got started in a somewhat negative sense in that the stimulus

SECRET

~~SECRET~~

came from audit exceptions and problems with the systems, the hardware and the software. We have converted it into a positive effort by forcing definition of requirements and designing systems to take full advantage of the capability of third generation equipment. There is no alternative to doing something. The logic of what we are doing will come out, I think, in response to the questions you have raised.

## REGULATIONS CONTROL

QUESTION: Please explain the \$8,000 requested increase in 1970 and the subsequent sustained higher level of funding through 1974. Please describe your plans to modernize and improve the Agency Regulatory System.

The top job of the Regulations Control Branch has been reclassified upward. The increase is to cover that reclassification plus salary increments and PSI's. There is also a nominal amount for travel and training. Plans to improve and modernize the Regulatory System haven't jelled yet. We have some thoughts about format, content, and style but haven't tried to plot specific actions yet. The present Chief of the Branch retires at the end of April. Her replacement has just entered on duty a week or so ago and I will expect him to contribute to the formulation of plans to make some changes. We are not thinking about a revolution or a complete overhaul. We are simply thinking about some general improvements.

## RECORDS ADMINISTRATION

1. QUESTION: While some alternatives to increased staffing in this area were spoken of in your submission, the alternative to dropping or trading-off lower priority programs was not. Please provide additional justification for the five position increase request together with lower priority or trade-off options considered.

The trade-offs here were made in 1961 when the staff was reduced

We have not had a complete records program in the Agency since that time. As stated

SECRET

earlier, the Records Program is supposed to include creation, maintenance, and disposition. Creation includes forms, correspondence, and reports management. The Agency has some 2500 official forms. We have only one professional-forms analyst whom we try to support with part time help from some of the others on the staff. Correspondence and reports management get virtually no attention. The maintenance part of the program is divided into Records Surveys, Equipment Evaluation and Approval, and Vital Records Program. We have the responsibility for reviewing and approving or suggesting alternative solutions to records filing equipment problems. We review all requisitions for safekeeping equipment as well as for vault and secure areas in records management terms. These three functions are split between two people with the result that none of them gets the attention deserved. About 1 1/2 man years are devoted to record dispositions schedules. With the present staffing we are barely able to maintain a holding operation. Again, if we are going to have a complete records program we must have complete staffing. If we are ever to resolve the records problem of the Agency, we must have a complete program. We must be able to deal with the input side as well as the output side.

- 25X1
2. QUESTION: Your request for the \$750,000 construction item  would seem to leave the Ex. Dir. and the DCI with no option but to proceed. What if they opt not? Please provide alternatives, e.g., would a purge of current records alleviate this problem? Can GSA provide the needed storage space?

I believe this question has already been answered.

SECRET

SECRET

3. QUESTION: Describe the impact of computer and microminiature technology on the Agency's record program.

I believe this question has already been answered. We have 93,000 reels of microfilming being stored in 1200 cubic feet of space at the Records Center. We have 3300 cubic feet of punch cards and 266 reels of magnetic tape. We have 1166 cubic feet of computer printouts. We have 4,000 cubic feet of 9-inch spools of exposed film from NPIC.

Computer experts and microminiaturization experts have found nothing on the market or on the drawing boards that will be available or can bring more economical record-storage relief within the next 5 years. The policy of storing hardcopy is the policy of the Federal Government, challenged, reviewed, and approved by the General Accounting Office. Agency record trends are not abnormal. We parallel government and industry records problems in every respect.

4427

SECRET

I have chosen to start with the general questions because I think it will be easier to deal with the questions about each of the subsystems in the context of the general answers.

1. QUESTION: In reviewing your stated resource requirements no indication is given regarding ultimate disposition of current "on-loan" personnel provided to the SIPS effort. Please explain vis-a-vis ten position increase in 1970. For the increases in 1971 through 1974 what will the increasing number of people assigned to Information Processing be producing?

The detailees, of course, encumber positions in their parent components. We expect to retain what we have for the next two years. During that time we will seek an expression of individual interests and, balancing these against office needs and Support Services Staff needs, develop a plan for returning detailees to their parent components. Their ultimate disposition and their future careers are the responsibility of their parent career service. Presumably some of them will return to the pattern of career development which is normal for their career service. Others will return to their parent components in positions directly related and a part of the operation and maintenance of newly installed systems. We don't have a blueprint for exactly how this will work. We have not identified precisely what positions will have to be filled by people who are thoroughly familiar with the new systems. This should become clear when design specifications have been completed. The total effectiveness of new systems, however, will be directly dependent upon having knowledgeable people in key positions. The requirement

25X1

[redacted] is unrelated to the

**SECRET**

SECRET

personnel currently detailed or "on-loan" to the SIPS effort. If we had permanent positions now, however, we could assign some of the detailees into them. This would grant some relief to the offices by freeing up positions in their staffing complements to be filled by other people. Each office has some workload either going undone or being absorbed by others because of the absence of the detailees who are working on SIPS.

We know we need a permanent staff in the Support Directorate to deal with information processing activities. We know from experience that there is no such thing as a static system, whether we are talking about manual systems or computer systems. We know that with integrated computer systems a change in one part may cause ripples through the whole system. A change in the Personnel System may require several changes in the Payroll or a change in the Logistics System may require changes in the Financial Accounting Systems. There must be a way to deal with these in a Directorate context. We know that there are many information processing activities already identified in the Support Components which have been set aside but which must be dealt with in a Directorate context because of their functional interrelationships. We do not have the resources to deal with them now and the magnitude of the present task is already so great that we have to put some things off until later. We have estimated that we will require  positions. This is

25X1

SECRET

SECRET

requirement will be. We have no way of predicting what management pressures will develop for the analysis and design of new systems in areas which have been excluded from the present project. We expect each of the offices to maintain some competence in this field. We have spread the requirement for permanent positions over the period of this program plan simply because it seems more reasonable to expect that we might get them in a gradual growth rather than in one lump in any one year.

2. QUESTION: Please provide detailed explanation of plans to "extend SIPS in the Support Directorate and to other Agency components".

I have been unable to find this quotation in our program submission. We did say "having begun the SIPS effort it is reasonable to plan its extension to all relevant Support functions". The interpretation of this "extension" goes back to the problem of the interpretation or definition of SIPS. We are talking about an extension of methodology and philosophy. Information processing activities will have to be considered in a Directorate context and new applications will be developed by employing the same procedures and methodologies we have followed in the present project. SIPS, is interpreted in this context to be Support Information Processing in the generic sense rather than SIPS within the parameters of the present project.

3. QUESTION: Please describe the coordination mechanism that exists between SSS and other Support offices regarding SIPS/MIS planning. Also describe coordination with other Agency

SECRET

**SECRET**

components. If coordination is as close as SSS indicates, why are the other DDS programs practically devoid of any mention of SIPS implementation in the time frame mentioned in the program submission?

I have found communication about this project to be extremely difficult. In part I suppose because we do not have a completely common language with the people with whom we are communicating. Much of what is being said here today has been said two or three times before to some members of this audience. Yet there still seem to be questions which apparently have not been answered satisfactorily and we have to say it again. The magnitude of the task is such that it is not possible to communicate everything about all parts of it that are of interest to a particular component or individual in one or a series of briefings. It is much too involved and complicated and people don't have the time to give. We have made several presentations to the Directors of the Support Offices and to their staffs. These are their systems, not mine. We are designing systems to respond to requirements they have defined. Members of the Human, Financial, and Material Resources Sections are in constant contact with echelons of management below the office director level and we have day by day exchanges with people in the divisions, branches, and sections who have the responsibility for particular functions under consideration. We also submit in writing user specifications which describe subsystems in narrative and by flowchart. They include general descriptions of input, processing, and output. Some of the offices have assigned responsibility for coordination of system specifications to one individual to insure that they are exposed to all

**SECRET**

SECRET

interested elements of the office and that everyone has an opportunity to react. ~~Coordination with other Agency components will follow pretty much the same pattern.~~ I have on one occasion used the ~~Information Processing Coordinator mechanism~~ for coordination. The particular ~~subject matter involved will determine~~ the coordination mechanism to be used. With the ~~Clandestine Services~~, for example, we have arranged that [ ] the Special Support Assistant, will act as the focal point; in some cases we will use [ ] in the Office of the DDP; in some cases we will work with [ ] the IP Coordinator; and in some instances we will involve all three. Thus far ~~most of our coordination with PPB has been through~~ [ ] but we can arrange that in anyway you like. We have ~~not had occasion yet~~ to coordinate specific proposals with the ~~other Directorates~~, with the ~~one exception~~ that I have already mentioned, ~~but in cases where it may seem inappropriate to work with the Information Processing Coordinators~~ we will work with the ~~Support personnel~~ at the Directorate level. ~~The question of why other DDS programs are "practically devoid of any mention of SIPS" can be more appropriately answered by them.~~ I ~~suppose they assumed~~ that I would write the ~~program for SIPS~~ and anything they might say would be redundant. However, I ~~submitted a program for the Support Services Staff~~ ~~not for the SIPS Project~~. Whether they mention SIPS specifically or not, the ~~impact of SIPS is implicit~~ in many of the programs and plans they have submitted. I believe you have addressed similar questions to each of the offices and I assume that their responses make it unnecessary for me to comment further.

4. QUESTION: This question relates to the development of a project outline which is now available.

SECRET

- 32

5. QUESTION: Your submission states that an Interim Contract Information System (CONIF) has been developed for Logistics. How does this differ from the DDS&T Contract Information System (CIS)? Are there plans to merge these two systems? Your submission states that SIPS initiated systems will allow other components to abandon their own systems "if they choose". Please explain this statement as it appears the option will remain open for duplication and overlap between Agency components in this area.

The Interim Contract Information System was developed for the Office of Logistics about a year and a half ago in response to a pressing requirement from the Director of Logistics which was generated by his inability to respond as rapidly and accurately as necessary to questions from the Office of the Director. At that time the Procurement Division in the Office of Logistics was using a completely manual filing system and it required several man-days of research to develop answers in which there was very little confidence. The Director of Logistics felt he could not wait for the implementation of SIPS in order to improve his position to deal with contract management and questions about it. We, therefore, diverted some of the resources of the Support Services Staff and developed an Interim System to serve the needs of the Director of Logistics until the new Information Systems being developed as a part of SIPS can be installed. At the time we undertook this interim development we looked at the system which was then operational in the DDS&T and found that it would not meet the requirements of the Director of Logistics because it was designed for different purposes. It had some items of data that we didn't need for an interim system, and didn't have some that we do need. The S&T system is designed primarily to assist Project Officers in monitoring progress of projects under their jurisdiction. They are interested in information about progress of the project, total amount

SECRET

- 33

authorized, the amount paid to date, the percent completed, the amount paid in relation to the degree of completion, inspection dates, reporting dates and so on. The Logistics System, in contrast, is intended to produce information about the number of contracts we have with a given organization or type of institution, contracts with overruns, the Agency component with technical monitoring responsibility for the contract, and so on. We have no plans to merge these two systems. The Contract Information System being developed as a part of the SIPS project, on the other hand, will be capable of satisfying all requirements of both of them. We would expect all contracting elements in the Agency to use the SIPS designed System. Our proposals have been coordinated with all of these components (TSD, NPIC, DDS&T, and OPPB). Comments received during the first coordination have been accommodated, and a revised proposal is in the process of being coordinated now. We in the Support Services Staff have no command authority to require other components to use our system and abandon their own. We would expect the utility of the SIPS System, however, to be such that customer components will use it without having to be directed to do it. Of course there are problems in trying to develop one information system to satisfy all requirements of the Agency when we do not have a unified Management System Controlling Contracts. The DDS&T has certain responsibilities for research and development activities and the Director of Logistics has the responsibility for contracting. The precise delimitations of the responsibilities and authorities of the Director of Logistics and the Deputy Director for Science and Technology are not as sharply defined as they need to be if there is to be a single information system to satisfy all of their

SECRET

- 34

requirements successfully. Nevertheless, the SIPS Contract Information System will attempt to satisfy all requirements for Contract Information throughout the Agency including the  DDS&T, 25X1 the procurement units being located in NPIC and TSD. We have added requirements from the Industrial Contract Audit Division of the Office of Finance, the CIA Contract Review Board, and certain industrial security requirements.

6. QUESTION: Please cite other CONIF/CIS type situations existing in the Agency. We are particularly interested in your appraisal and comments on NPIC activities.

To the best of my knowledge there are no other "CONIF/CIS type situations existing in the Agency". If the question implies that there is a Contract Information System in NPIC, the implication is erroneous. If, on the other hand, the question is directed at the services to be furnished to NPIC in the future, as I have already indicated, the SIPS developed Contract Information System will satisfy NPIC's requirements and, I might add, they are anxiously awaiting its implementation.

7. QUESTION: Please break out the  people assigned to SIPS by 1968". Relate to your position request for 1970. 25X1

25X1

a refinement in the requirement for programmers from the Office of Computer Services during this time period. The numbers I have just given reflect known identifiable requirements. The numbers in the program were estimates going somewhat beyond September. We will add additional programmers as system design specifications dictate. Eventually we expect OCS personnel participating in the SIPS project to number about 30-35 people. As indicated in the answer to QUESTION number 2, there is no relationship between these figures and the requests for positions in 1970 through 1973.

8. QUESTION: Your submission recognizes "the dynamic environment" in which your system will operate but does not state how you will maintain necessary flexibility/adaptability to this changing environment. Please explain.

The problems we have with the existing systems are ample evidence of the need for building into systems as much flexibility as is possible. No system that has been designed yet, and probably none that ever will be designed, can anticipate all the possible changes that may occur in the future. No guarantee can be given, therefore, that all future system modifications will be accomplished quickly, easily, and without some disruption of on-going efforts. The long range, centralized planning and coordination that we are providing for in SIPS will minimize the cost of system changes, which will inevitably be required. The system plan we are using in SIPS is the rulebook which will help to insure that flexibility and adaptability are built-in features of the system.

36  
SECRET

~~SECRET~~

The plan dictates the procedures from the broadest concept to the most specific design specifications to insure the complete and adequate definition of the system. The plan assigns the same degree of importance to every element in the system whether it be manual procedures, training, hardware, software, programming, communications, or any other feature of the system. The plan provides for conversation between subsystems within a system and between systems within SIPS. The degree of flexibility and adaptability of any given process is dictated by known requirements plus estimates of future requirements. A paramount goal of the design teams is to create modular units of systems and programming logic that will facilitate the design and implementation of future changes. An example would be the module or program to calculate Economic Order Quantities (EOQ) in the Materiel System. This routine will be coded as a self-contained unit which comprises all the parameters required in the EOQ calculation. Should the method of calculation change in the future, the programmer need only reprogram that particular routine without affecting any other module, program, or system component. The characteristics and capabilities of third generation hardware and software lend themselves to the design and operation of programs which can be written, tested, and put into production as a group of logically distinct processing modules which can be linked together to form programs and systems. While the modular concept in itself will not guarantee that a major reprogramming

1039

~~SECRET~~

**SECRET**

effort will not arise in the future, it ~~does provide~~ for an approach which offers a ~~relatively efficient and economical means for modification.~~

One of the ~~major historical impediments~~ to ADP systems design and subsequent modification has been the ~~lack of sound documentation.~~ SIPS will produce a ~~thoroughly documented system~~ which will provide both the users and the computer personnel with detailed information about manual and computer procedures. We ~~expect~~ that this will make it ~~possible for the systems~~ to continue functioning efficiently ~~despite the inevitable turnover of personnel.~~ This has been a ~~bitter~~ lesson learned from ~~existing systems~~ where inadequate documentation prevents ready modification or change. We ~~expect~~ the flexibility and adaptability of SIPS systems to be ~~enhanced~~ by the ~~future assignment~~ of people currently detailed to SIPS by the ~~Support offices.~~ This will give us a ~~nucleus of ADP oriented specialists~~ in each office who are ~~thoroughly familiar~~ with the complete details of every system and who have ~~knowledge of system capabilities and shortcomings.~~ This knowledge in the user offices as well as on the Support Services Staff will certainly ~~facilitate the planning, coordinating development and implementation of future system modifications.~~ The experience of the SIPS personnel combined with that of the people from OCS will permit full advantage to be taken of sophisticated software developments as they occur.

# 38

**SECRET**

9. QUESTION: Please discuss the requirement for management definition of an MIS. When do you expect to receive this definition? How can terminal SIPS and preliminary MIS planning proceed without this definition? Objective 11 of your program submission refers to a Support Directorate MIS. Should this Objective relate to an Agency-wide MIS rather than being restricted to the Support Directorate?

I believe I have already discussed the requirement for a definition of MIS. I do not know when to expect to receive a definition of a Support Directorate Management Information System or an Agency Management Information System. As indicated earlier I do not consider this to be my initiative, but I will take the initiative in behalf of the Deputy Director for Support to begin focussing on this as a specific problem some time within the next year. Terminal SIPS planning can proceed without this definition because SIPS is being developed in response to requirements already received some 3,000 of

237

SECRET

them most of which are in the nature of improvements in the processing of data. Many of them, however, will provide management information at the operating level. Preliminary MIS planning can proceed without this definition only to the extent that we are to work toward and contribute to the development of a definition. In that context we have already done a great deal toward laying the foundation for an acceptable definition and we will be able to begin to suggest reasonable parameters for Management Information Systems as the design of our Information Processing Systems begin to crystallize.

10. QUESTION: You state that the people working on SIPS understand the objective for an MIS, yet you state that MIS definitions and requirements are lacking. Please explain.

I believe we have already dealt with this in the response to the previous question.

11. QUESTION: The risk you cite facing the MIS seems to us to be of significant seriousness to warrant immediate and concentrated efforts to avoid. Please explain what you are doing to involve management in the "participation of requirement formulation". Your submission complains regarding feedback from management. If MIS is to be the ultimate goal of the Agency, shouldn't SIPS design and MIS definition be coordinated in order to reduce the risks that "SIPS data base may not contain the data elements required for the management system"? Will MIS in fact be restricted to parameters of SIPS?

Implicit in a statement of risk is the assumption that once having identified it we will evaluate it and take whatever action we can to

1840

SECRET

~~SECRET~~

minimize it. Presumably the purpose for requiring a statement of risks in a program submission is to require their identification so that the planner will focus on them. I believe the risks as we have stated them are factual. I will repeat once again that I do not consider it my responsibility nor even within my charter to define management's requirements for management. We stated the objective for developing an MIS because we expect such a requirement will evolve. I have not taken any action to stimulate it because we have so many balls in the air now that there is a real risk we may drop one or more of them simply because of the magnitude of the task we have undertaken with the very skimpy resources that are available. I don't believe that MIS is or should be an ultimate goal of the Agency. After we have some reasonably adequate Management Information Systems we should go beyond that and develop Planning Systems which will involve gaming, mathematical modeling, and other sophisticated operations research techniques. We should have systems which would permit us to play "what if" games as a part of the decision making process in selecting alternatives. I believe there is nothing that can be done to guarantee absolutely that all of the data elements required for a Management Information System will be included in the SIPS data base. That risk is inevitable and perpetual but I believe we have minimized it by the complete and thorough analysis we have conducted of all data elements and data items in the systems which

13  
41

SECRET

relate to the men, money, and materiel resources. Management Information Systems will have their own parameters unrelated to SIPS. I would hope that the remarks I have already made about the definition of Management Information Systems would suffice in answer to this part of the question but I will be glad to elaborate further if you feel that would serve a purpose.

12. QUESTION: Do we assume that a concerted effort is going to be made in SIPS to provide a fundamental and modular data base and processing system which is the only means of responding to the diverse and usually ad-hoc requests which characterize many management information requests?

I believe I have responded to that in answer to QUESTION number 8.

13. QUESTION: You state that it may be "premature" to discuss alternatives toward MIS. While this may in part be true, we will never get this argument past the BOB. Please cite alternatives as you now view them recognizing that they may be subject to considerable change later on. One alternative would be contractual assistance and development of SIPS/MIS. Has this alternative been thoroughly explored?

It is premature to discuss alternatives when we don't really have a concept of an MIS, and that term itself requires a great deal of definition and refinement. Obviously one of the alternatives is to do nothing about Management Information Systems. As far as the Support Directorate is concerned we presumably will be interested in Management Information Systems which deal with the program-wide category and the communications category. Presumably, the program-wide category would have the first order of priority. The success or failure of any effort even

20  
92  
SECRET

**SECRET**

to define the Management Information System for this program category will depend upon what the Agency does about refining the definition of "program wide" and what is done about staggering the program cycle to give the DDS the benefit of the plans and objectives of all program categories and elements. Early in the development of what is now known as the SIPS project we considered the alternative of contracting for services to get the job done. All of the literature and the best advice we could get from experienced ADP people in the Agency and experts elsewhere recommended against contractual services because when systems are implemented and the contractor departs the customer is without the competence to operate and maintain them. Frequently this leads to perpetual involvement with the contractor. Also, all of the literature and experience of veteran ADP people suggests that system analysis and design must be done by people who are currently knowledgeable of the operating systems of the organization. Moreover, we consider it vital that the Agency develop a broader base of competence in modern technology if we are going to be able to survive in the modern world. I believe that all of these arguments apply equally to the consideration of contracting for the development of Management Information Systems and I believe, therefore, that we should do it ourselves. If my interpretation of what we mean by Management Information Systems is valid, we have no alternative but to do it ourselves. Only Agency people know what is needed to be known about intelligence production

143  
**SECRET**

**SECRET**

and collection and our program-wide category to develop Management Information Systems. Only people in the Support Services Staff have enough knowledge and familiarity with the elements and structure of the men, money, and materiel data base to be able to deal effectively with the definition and development of Management Information Systems for this Agency. This is not to say, however, that we should not consider engaging the services of two or three highly competent, extensively experienced and knowledgeable personnel from a consulting firm to give us advice and guidance. I do not believe we should consider the acquisition of software packages such as those offered by Ling, Temco, and Voight or Informatics, because these are not Management Information Systems--they are Information Management Systems. Information Management Systems can be used to create files in accordance with stated requirements for data element and file usage. They can control storage allocation and a file can be set up in whatever physical storage medium is appropriate to the use of the information in the file. Software packages can do file maintenance where transaction-processing requirements are transformed into routines to update master files. They can do report generation tailored to certain limited management specifications using the files that have been created and the programs to update them. Many of these functions will be performed as a part of the SIPS design but I do not believe we are talking about buying off-the-shelf software packages. We will want Management Information

22  
49  
**SECRET**

Systems developed to serve the Agency's information requirements as efficiently and effectively as we can make them.

14. QUESTION: How many people will be devoted to the analysis and the design of the MIS as you envisage it? How will this process proceed? What are the arguments in favor/against locating MIS design with SSS?

I would expect about three or four people to be devoted to the preliminary MIS definition and refinement (People we do not now have, incidentally). The number of people that will be required thereafter will be determined by the parameters of the MIS and its magnitude. We will develop a project proposal which will include a statement of objectives, problems, alternatives, risks and payoffs, and a specific plan for proceeding task by task thereafter. I believe we have already discussed the arguments in favor/against locating MIS design with SSS. The location of MIS design will relate to, possibly even depend upon, the component which the system is to serve. There is no question in my mind about the location of MIS design for the Support Directorate with the Support Services Staff because we are the only ones with the competence and the knowledge of the data base that will be necessary. As indicated earlier any Management Information System which requires information about men, money, or materiel will have to be developed in close collaboration with the Support Services Staff in order to provide for the extraction of the information needed. Presumably, therefore, we will have some influence on the design.

23  
45  
SECRET

~~SECRET~~

15. QUESTION: Please discuss your criteria for arriving at the input-output terminal device recommendation contained in your submission.

Our estimates for terminals were based on a careful review of input/output requirements identified in user subsystem specifications because this was the most accurate source available at program time. As these subsystems are merged into systems design the terminal requirements will probably be reduced. When different subsystems within a system identified the same input or output location we combined their requirements and identified one terminal if volume and frequency figures justified it. We have not attempted to consolidate terminal requirements across systems at this time but this is one of the tasks we have identified as a part of the development of design specifications. A part of the management review of design specifications will be the consideration of the numbers, locations, costs, benefits, and alternatives, in order that reasonable judgments can be made about the requirement for a terminal at a particular location.

16. QUESTION: The Air Force Consultant Team SIPS review board classifies the SIPS effort as being in the "higher risk category due to the limited support and participation of expert ADP personnel..., the lengthy time period effected between the statement of requirements by the functional area and the delivery of finished application programs, and the plan to develop and debug a large complex system on computer hardware which is heavily committed to a data production effort". Please comment.

24

46

~~SECRET~~

**SECRET**

This observation by the Air Force should be considered in Air Force terms. When they undertake a project to develop an ADP application they have all of the resources they need of all kinds available almost without limit before they start. It would have been nice if we could have had a few computer technicians from OCS working with us from the beginning of the project but the resources simply were not available. While they would have been an asset, they were not essential. The early collection of data and analysis of it doesn't really require expert ADP competence. The advantage to be gained in having them would be in the depth of knowledge and familiarity with detail of all ramifications of support systems they would develop as useful background to be applied later in the project when their role as technicians becomes essential. Since the Air Force was here in October we have added several people from the Office of Computer Services as well as from the support components and as discussed earlier, have scheduled the assignment of several more over the next several months. The time between requirement definition and system implementation becomes a risk of seriousness in direct proportion to the number and significance of changes in requirements which can take place during the interim. We believe we have minimized this risk by the successive presentations we are making and propose to make to support management through presentation of management concepts, users

47

**SECRET**

~~SECRET~~

specifications, and design specifications. I am also confident that we have been able to keep pretty well aware of changes in requirements as they occur through the day to day contact each of the sections maintains with the parent component; the fact that policy and procedural changes effected through the regulatory system are processed by the Support Services Staff; and the fact that requirements for information which must be drawn from existing computer systems are all reviewed and approved in the Support Services Staff. The latter part of the Air Force observation is directed at the plan to use hardware in the Office of Computer Services for support applications in competition with scientific and information storage and retrieval applications. The Air Force felt there was risk involved in the capability of the hardware and software to satisfy such a mix of requirements. The Air Force also felt there was risk that support applications would always have the lowest priority in the hardware schedule which would mean that the systems would necessarily fall short of meeting customer requirements. They are suggesting that the Support Directorate should have its own hardware or at the very least that there should be hardware dedicated to support applications. I believe Chuck Briggs may like to comment about that.

17. QUESTION: In Section II (d) you discussed the need for a central staff to avoid "systems will become static and out-moded as user interests take priority over systems interests". This raises several questions:

20  
48

SECRET

**SECRET**

- a. Are system interests different from user interests?
- b. Which in your opinion should be decisive? If they are joint, delineate the area of primary "system" influence and the area of primary "user" influence, and indicate what part of your costs in time and money are associated with each.

In Section II we are talking about an operating systems environment and the fact that these systems must respond to changing requirements. The system is and will always be subordinate to the user, but that does not imply that the user should be given the opportunity to make independent, uncoordinated changes to "his" part of the system. These systems are integrated to a large extent and change in one part of the system may have significant impact on other parts of the system which do not come under the jurisdiction of the user who wants to make the basic change. I believe I used earlier the example of the change in the Personnel process which can require several changes in the Payroll production. As changes of this kind come about the necessary adjustments to all parts of the system will have to be identified and made. If we don't provide this kind of protection for the systems their life expectancy wouldn't be worth much. System interests are not different from user interests and the costs in time and money are not separable in those terms. The positions requested in our submission will be devoted in part to responding to legitimate user changes and accommodating the system to those changes in a way which will protect the

**SECRET**

~~SECRET~~

integrity of the overall system and prevent changes from being made  
in one part of the system without regard to the potential impact they  
may have on the remainder.

28  
5  
SECRET

**SECRET**

That completes the answers to the general questions. The same eight questions were asked about each of the three principle sub-systems, Human, Financial, and Materiel. I think it will be easier if we take one question at a time and answer it for all three of the section.

QUESTION: Please describe in detail your present status, projected plans, and alternatives for this portion of SIPS. We are specifically interested in:

1. QUESTION: SSS resources required (funds and positions) to implement this system. Please explain specifically the number of personnel required on the SSS T/O, personnel to be detailed from the Office of Computer Services, and detailees from elsewhere in the Support Directorate.

I believe we have answered this for each of the systems in response to the general questions but I have a chart here which will show total costs through 1971 with a general projection beyond that through the planning period. In considering costs for personal services it is important to remember that the salaries of the detailees are all budgeted by their parent components and these are costs that would have accrued to the Agency whether we had a SIPS project or not. If these people were not working on SIPS they would be working in their own offices performing functions which are either not being done now or have been absorbed by other positions. These are NOT budget figures for SIPS. To consider them as such would be a duplication. They are broken out simply for the purpose of attributing costs of SIPS. I also

**SECRET**

2931

SECRET

have a chart showing the projection of manpower through calendar year 1968 with a general projection beyond that time.

2. QUESTION: Time phasing toward implementation.

I have a chart here to show that.

3. QUESTION: What will this subsystem buy the Agency in terms of economy, time, manpower savings, and decision making? Suppose this work is not done - what is the estimated loss of capabilities? What factors force this approach on us versus other alternatives?

I thought everybody, including the Bureau of the Budget, had learned that justification for installing ADP systems is not founded on manpower and cost savings. I believe this was stated in so many words in the so called "Clewlow Report" three or four years ago. But I also had the impression that the Bureau of the Budget had acknowledged this in one of their circulars which they issued subsequent to the publication of the Clewlow Report. In any case we are not in a position at this time to quantify manpower and dollar savings and I would not propose to be foolish enough to try. I have never read, seen, or heard anything or anyone which said that the number of positions could be reduced as a result of installing ADP systems. Functions may be eliminated but positions are usually required to support other functions in new systems. We do expect a net gain, however.

In the Materiel Resources Area the present system is completely inflexible and unresponsive to increases in the demand for service and

2052  
SECRET

SECRET

25X1

materiel. Sharp increases in demand inevitably lead to sharp increases in man hours worked because there is no built-in capability to absorb increased workload. SIPS will provide this capability and this flexibility. At the present time there is an excessive number of manual files spread throughout the Logistics area. Known major hard-copy files include the Master Voucher File [redacted] containing about 1.3 million pieces of paper; a Contract and Purchase Order File containing about 400,000 pieces of paper; a Requisition File containing about 900,000 pieces of paper, totaling about 2.5 million. Add to this figure related materiel files in the Office of Finance, major depots in the United States, and file units spread throughout the Headquarters area and the figure becomes staggering. The cost to store, maintain, and message these files is tremendous but the capability to access them is limited. Limited access capability means many decisions are made with incomplete information. In SIPS a large percentage of the information generated in the system will be retained in the computer eliminating about 50/60 percent of the existing pieces of paper. Hardcopy files will contain only those documents required for a physical audit or which must be kept to satisfy statutory requirements. The accessibility of the files will be complete which should make it possible to make more meaningful, timely, and less costly decisions.

In the present system inventory is managed by using a 4,000 page computer printout produced biweekly. Just to print this report is expensive and the cost of attempting to manage an inventory with it must

SECRET

25X1

be excessive. In SIPS exception inventory management will be used. Managers will only see those items which must be reviewed. In addition the system will control world-wide assets where the present system only controls the [redacted] depots. This can lead to consolidation of world-wide inventory; fewer intermediate stocking points; fewer warehouses, fewer warehouse personnel; and fewer recording keeping points.

In the Procurement Area SIPS is going to provide an Agency Contract Information System which should virtually eliminate duplication of contract files. Vendor performance records should lead to fewer overruns and fewer contracts with poor vendors. In the Interdepartmental Requisitioning Area the computer will semiautomatically produce the single-line item requisition which goes to other government agencies. The savings here in speed and elimination of manual preparation of documents should be substantial.

Because of controls being placed on the system in SIPS all warehouse processing should be accelerated. This means faster recording of property receipts which means faster payment to vendors which means we should be able to take advantage of all discounts offered. In the Transportation Area we will be able to consolidate more shipments leading to savings in shipping costs.

There is no doubt that SIPS will sharply decrease processing time. In the present system a normal request for property takes 5 to 6 days to get from the requester through the administrative channels to the

254  
SECRET

SECRET

storage people. In SIPS, using communications channels and the computer, it will take less than 1 day. In the present system it may take anywhere from 1/2 day to 3 or 4 days or longer to access files for information in response to management requirements. In SIPS we expect to offer better more useful information in no more than 24 hours.

While it is impossible to predict manpower savings, it is evident that there will be substantial cuts in various processing units. In the Stock Management Section where they post manually to the 4,000 page inventory printout, for example, we expect almost a total reduction but we do not have a handle on the trade offs between present manpower requirements and new manpower requirements for the operation and maintenance of SIPS.

In the Human Resources Area we expect many of the same kinds of benefits. We expect to eliminate the need for multiple input and update of data which now exists among the Offices of Personnel, Finance, Training, Security, and Medical Services in entrance on duty transactions, personnel assignment changes, and language testing and training data. We will eliminate many manual control records in several locations by: combining 5 separate files on documentation in the Office of Security; combining the student locator and language test controls in the Office of Training; and combining applicant control and processing logs and several others. We expect several other reductions in the processing time of each transaction by eliminating redundant input and putting

55  
SECRET

**SECRET**

into the systems only that data which is changing. We expect about a two-thirds saving in the manhours required to process a request for personnel action. We will eliminate the need for hand counted statistics for daily posting to Agency strength, daily count of applicants for each training course, the numbers completing training, the costs of training, the number of people under different types of cover, the number of quality step increases by office, and so on. We will reduce the need to manually process paper between offices and we will reduce the number of duplicates which are in the present systems filed in several offices such as personnel actions, lists of overseas departures and arrivals, security and medical clearances and cancellations, and so on. We expect to increase the timeliness of records by having a daily update of strength automatically instead of every two weeks with changes being posted manually daily in between, as is done in the present system. We expect to have a daily update of staffing patterns instead of the monthly update. We expect to update training and language tests as completed instead of quarterly which will give much more current information about individual qualifications, and so on.

We do not expect significant manpower savings in the Human Resources Area because we expect the system to be expanded to cover a much larger population. We plan to include consultants, contract types A and B, independent contractors, career agents and other categories on which the Agency now has no effective retrieval ability. There will also be

4  
56  
**SECRET**

SECRET

a redistribution of work resulting from the elimination of quasi-clerical functions now performed manually by professional employees.

In the Financial subsystem we will have all of the same kinds of benefits described in relation to the other two. We will substantially decrease the amount of manual edit and verification of data, use exception reports instead of listings, reduce multiple inputs, and so on. Changes in input and updating cycles from quarterly or monthly to weekly or daily will insure current up-to-date financial status of activities domestically and overseas. We will gain as much as two months in the currency of data.

The greatest savings in manpower will come through elimination of clerical-type duties from professional positions. It is estimated that 40% of a professional's time is spent in clerical functions, such as looking up advance account balances, verifying employee and control numbers, restating data items in coded formats and so on. Automation of these types of functions along with related bookkeeping processes will provide more time for personnel to concentrate on the professional parts of the Agency's financial operations. In the Payroll Area we estimate that it may be possible to reduce the number of clerical positions by as much as 50%.

In terms of decision making all of these systems will make improvements in the timeliness, completeness, and significance of information.

57  
SECRET

**SECRET**

Interfaces among the subsystems will permit correlation of data from many sources to permit analysis which is not now possible. We will be able to relate expenditures and obligations to specific services and goods involved. This, together with expansion of the Fan Data System will permit responses on a much broader base than is now possible in the predetermined formats of the present ABC-type reports. Information on the productivity and qualitative ratings of recruitment sources, effectiveness of recruitment methods, predictions of future manpower losses and requirements, projections of workloads to satisfy manpower requirements, projections of overages or shortages in specified skills and training or retraining required, mobility of personnel for overseas assignment, and many other areas will produce information that we are not able to get now and will improve the adequacy of information we are now producing.

If this work is not done we will continue to travel by jackass instead of by jet. We will continue to provide information from systems design for the Budget System of 1960 and be unable to respond to the requirements of PPB systems in 1968. We will be completely unable to respond to requirements which are being generated daily. We have no room in the record for expansion to add new payroll deductions if Congress authorizes mailing checks directly to three bank accounts or institutions. We cannot add specific language proficiency required on designated positions; we cannot handle projected dates of return from overseas; we cannot handle program category for employees. The inability

**158**  
**SECRET**

**SECRET**

to correlate data in several systems prevents our making maximum use of the capability of the computer for analysis. We cannot do nothing. We must do something.

As for the "factors which force this approach on us versus other alternatives", I am not sure I understand what you are getting at. I have already discussed the alternative of turning the project over to a contractor and the reasons we have ruled out that approach. The continuation of the approach which existed and still exists with the present systems of having each office develop its own applications with help from the Office of Computer Services has been proven impractical. There are directives from the Bureau of the Budget which require centralization at the highest practical level of management which in this case is the Support Directorate. We are taking a functional approach rather than an organizational approach because the operations performed in the Support Directorate as they relate to the management of men, money, and material are integral functions and the systems to support them must be appropriately integrated. We have taken the task-force approach as the most reasonable in the present environment of stringent ceiling and budget. Our request for positions and funds was eliminated for the first time from the Fiscal year 1966 program.

**SECRET**

**SECRET**

4. QUESTION: Please review the substantive requirements supporting this subsystem approach. Explain how the requirements influence the priority of your planned implementation.

Again I am not sure I understand what this question intends to get at. We have something on the order of 3,000 requirements for data processing, information retrieval, and management information. It is not practical to review those here. The requirements which support this subsystem approach are purely functional. We were lead into this approach by the exhaustive analysis we conducted of the systems in the Support Directorate having to do with management of men, money, and material. We identified every item of data and their points of entry into the systems. We traced the flow of every item of data from point of entry through every process to point of output. We developed a computer system to assist in the analysis of this data which was far too voluminous to analyze manually. The logic of the systems, and their functional processes led us to the identification of the present subsystem structure of SIPS.

The priority of implementation is more a matter of circumstance than it is responsive to particular requirements. The Materiel System will be implemented first simply because the progress was faster. The progress was faster because it is relatively a great deal less complex. the Director of Logistics contributed more resources at the beginning, and other agencies of government have a great deal more experience with logistics-type systems and we have been able to draw heavily upon them.

28  
**SECRET**

**SECRET**

5. QUESTION: Impact on the Offices of Personnel, Finance, and Logistics, other DDS offices, and other agency components (including PPB) regarding manpower savings through the abolishment of older, slower systems and techniques. Please describe anticipated cost of services which will be generated by SIPS, e.g., communication services.

I believe we have already dealt with most of this question several times. We expect to reduce significantly the manhours required to record and report financial and logistical data domestically and overseas. It has been estimated that 50 to 70% of the time consumed in the budget preparation is devoted to the manual development of detailed data which, if it could be done by a computer, would make that time available for analysis and evaluation and in preparation of improved justification statements. Many offices report that from 50 to 90 percent of their time spent in the PPB exercise is devoted to the detail of personal services alone. Accurate personal services costs by position are impossible at the present time regardless of the number of manhours spent in preparation. We expect that basic data can be developed by computer techniques for manual revision as required by budget officers. Greater accuracy and timeliness of records and an expansion of coverage will make the job of OPPB easier in monitoring controls in such areas as previous average salary, average position grade, personnel at specified grade levels, and many other ways. Costs of communications and computer

**SECRET**

services had not been developed completely at the time of this program submission. Each of those offices will be asked to develop an annex to our SIPS project paper. There will also be an impact on communicators if we are successful in transmitting data electrically from overseas and domestic installations. The extent of this impact is being assessed by the Office of Communications based upon volume and frequency figures which we have furnished them.

6. QUESTION: Impact on OCS regarding computer support, i.e. systems analysis, and ADP equipment.

I believe we have already dealt with the analysis and programming part of the question but Chuck Briggs may want to elaborate and he should be the one to answer the question about the equipment.

7. QUESTION: Phase into MIS.

I believe we have already answered this in response to the general questions.

8. QUESTION: Trade-off between SIPS and the other support offices in terms of transferring office positions to SSS.

I think each of the offices would have to address this for themselves. It will vary from office to office. The Office of Logistics for example has detailed more people than any other component. However, they are the largest of the offices directly affected. The grade levels of the people detailed also differ markedly. Most of the people detailed

40  
62  
SECRET

SECRET

by the Office of Finance are in grades 12 and 13 while the majority of those from the Office of Logistics are in grades 8 through 11. I have not discussed this question with the offices because as far as I know they have not been asked to consider such a proposal and they might not take kindly to the idea.

4  
63  
SECRET

*RAB Copy*

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM			
UNCLASSIFIED	CONFIDENTIAL	<input checked="" type="checkbox"/>	SECRET
<b>OFFICIAL ROUTING SLIP</b>			
TO	NAME AND ADDRESS	DATE	INITIALS
1	Office of Inspector General		
2			
3			
4			
5			
6			
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	
STAT _____			
<b>Remarks:</b>			
This is <span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> PPB presentation of 2 May '68			
The first 10 pages are his position, supported by Bannerman and Coffey, for a bigger, more active, total Records Program.			
The shaded marks are from a yellow marker he used to indicate places for emphasis.			
Pages 25, 26, & 27 are his responses to PPB questions on the Records Program. The rest of these many pages are on the Information Processing Branch SIPS project.			
STAT			
<b>FOLD HERE TO RETURN TO SENDER</b>			
FROM: NAME, ADDRESS AND PHONE NO.			DATE
<span style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></span> CIA Records Admin. Officer			5 Oct '71
UNCLASSIFIED	CONFIDENTIAL	<input checked="" type="checkbox"/>	SECRET

STAT

<b>TRANSMITTAL SLIP</b>		DATE 10 May 1968
TO:		10 MAY 1968
ROOM NO.	BUILDING	
REMARKS:  Attached for your information and circulation is a copy of the transcript I used in briefing OPPB last week.		
FROM: RHW		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-8  
WHICH MAY BE USED.

(47)

SECRET

The current and projected manpower requirements are:

Contributing Component	Current	Projected		Total
	March 1968	June 1968	September 1968	
Finance				25X1
Logistics				
Security				
Personnel				
Training				
Communications				
DD/S				
Medical Services				
Computer Services				
Totals				

\* Includes Chief and Deputy Chief, Support Services Staff

\*\* This represents a known requirement for 4 programmers in the time frame. Additional programmers will be added as completion of system design specifications dictate. Eventually OCS personnel participating in the SIPS project will number approximately

25X1



**Page Denied**