

13 JAN 1982

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DCI/IC 82-3504
12 January 1982

MEMORANDUM FOR:

[REDACTED]
Director, Intelligence Community Staff

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VIA:

[REDACTED]
Director, Office of Program and Budget Coordination

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FROM:

[REDACTED]
CIAP Monitor

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SUBJECT: Background and Questions on Project SAFE

As you will recall, several problems with SAFE were identified at the last Steering Group meeting. These include a cost overrun estimated at more than \$12 million for FY 1982 through FY 1984, a delay of at least six months in system IOC, and the possibility of a deferral or degradation in system capabilities. Since the Steering Group meeting, the contractor (TRW) has submitted a project plan/financial plan, but according to the director of the Consolidated SAFE Project Office (CSP0), the outlook remains essentially unchanged. The concerns and questions outlined here reflect our outlook on program and budget matters affecting SAFE. While this "top down" approach bears more directly on the CSP0, it may be useful to you when you meet with officials of TRW later this week. [REDACTED] has also provided you with a set of technical questions at a greater level of detail.

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1. Costs: The reasons for the \$12 million estimated overrun have not been made clear. (See attachment 1 for funding data provided by CSP0). For FY 1982, TRW has been directed to stay within the government's budget of \$24.7 million for system development and acquisition. TRW plans to accomplish this by reducing their project staff by about 50 people. What were these "extra" people doing? What impact will this staff reduction have on project schedules? If no immediate impact, will this action result in a need to add staff to "catch up" later?

What funding options are being considered for FY 1983 and FY 1984? What is the basis for TRW's estimated cost increases in those years? What are the driving factors behind the increases, and how critical are they to key system capabilities?

ALL PORTIONS OF THIS
MEMORANDUM ARE UNCLASSIFIED

2. Schedule: Several aspects of the schedule as it now stands are worrisome. The preliminary design review (PDR) for Block I, originally planned for last year, has been conducted in phases, and has still not been completed. A PDR wrap-up is scheduled for late January, and the CSPO estimates that "deficiencies" will be cleaned up by March. Nevertheless, the Block I critical design review (CDR) is still scheduled for March. Normally, it takes about a year to move from PDR to CDR in a project of this type, as CDR presumes the existence of detailed system specifications based on the outcome of the PDR. How will preparation for Block I CDR be accomplished? How does the slip in the SAFE project and financial plan affect the schedule for completing PDR? What is the schedule for review and validation of that plan?

Attachment 2 shows the SAFE project milestones provided to the IC Staff a year ago by the CSPO. Given the slip of more than a year in Block I PDR, how are the remaining milestones on the chart likely to be affected? Can the costs of any further slips be estimated?

3. System Capabilities: At the Steering Group meeting, a few areas were identified as being on track, among them the external message processing and communications segments. "Major deficiencies" were noted for the system services/user interface segments, and applications/data management were seen as adequate, but having "discrepancies." It would be useful to get a rundown of each segment of the project and its current status. Of particular concern should be any substantial changes from previous requirements, and an explanation of the impact of those changes on overall system capabilities, both initially and over time. If a delay or postponement of capabilities to a later block of SAFE is involved, what additional costs may be incurred to implement those capabilities? (S)



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Attachments: 2 - a/s

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Distribution: DCI/IC 82-3504

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21 - Chairman, IHC

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[REDACTED]

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ICS/OPBC [REDACTED] 12 Jan. 82)

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ATTACH. 1



FUNDING PICTURE/ISSUES

	<u>80&81</u>	<u>82</u>	<u>83</u>	<u>84</u>	<u>TOTAL</u>
TRW ACTUAL/PLAN	30.4	26.0	23.9	14	95
OTHER	<u>2.3</u>	<u>3.9</u>	<u>3.7</u>	<u>6.1</u>	<u>16</u>
	32.7	29.9	27.6	20.1	110.3
CSPO BUDGET/ DCI GUIDANCE	<u>32.7</u>	<u>28.7</u>	<u>22.3</u>	<u>14.3</u>	<u>98.0</u>
DIFFERENCE	0	-1.2	-5.3	-5.8	-12.3

OTHER = CRYPTO, PRINTERS/TERMINALS, SITE PREPARATION (CIA ONLY),
TECH SUPPORT (MITRE)

CONSOLIDATED SAFE FY-81 FUNDING SUMMARY

(Dollars in Thousands)

1 October 1981

ACTIVITY/CONTRACT	FUNDS CIA	SOURCE DIA	ALLOCATION
System Development & Acquisition (TRW)	13,371	7,452	20,823
GFE (Terminals, Local Printers, etc.)	109	182	291
CIA Site Preparation (GSA)	224	-0-	224
Technical Support			
(CRW, Inc.)	32	-0-	32
(MITRE Corp.)	78	114	192
(CALSPAN, Inc.)	-0-	216	216
Travel & Training	86	40	126
Totals	13,900	8,004	21,904

CONSOLIDATED SAFE FY-82 BUDGET ALLOCATIONS

(Dollars in Thousands)

1 December 1981

ACTIVITY/CONTRACT	FUNDS CIA	SOURCE DIA	ALLOCATION
System Development & Acquisition (TRW)	12,359	12,454	24,813
Crypto Module & SIK Acquisition (NSA)	570	-0-	570
GFE (Terminals, Local Printers, etc.)	380	136	516
Mobile Power Centers (Burroughs)	100	-0-	100
CIA Security Access Terminal (TRW)	4	-0-	4
CIA Site Preparation (GSA)	2,000	-0-	2,000
Technical Support (CRW, Inc.)	93	-0-	93
(MITRE Corp.)	304	100	404
(UCSC, Inc.)	90	-0-	90
Travel & Training	100	64	164
Totals	=====	=====	=====
	16,000	12,754	28,754



SAFE PROJECT FY-83 AND FY-84 BUDGET ALLOCATIONS
(\$ IN THOUSANDS)
1 DECEMBER 1981

<u>ACTIVITY</u>	<u>FY-83</u>	<u>FY-84</u>	<u>FY-80 - FY-84 TOTALS</u>
SYSTEM DEVELOPMENT	15,312	6,492	63,354*
SYSTEM ACQUISITION	3,293	1,769	17,896
CRYPTO MODULE & KEY ACQUISITION	300	950	1,820
GOVERNMENT FURNISHED EQUIPMENT (TERMINALS & LOCAL PRINTERS, ETC.) PROCUREMENTS	2,970	4,685	8,587
SITE PREPARATION	-	-	2,346
CONSULTANTS & SUPPORT SERVICES	300	300	2,513
STAFF TRAVEL AND TRAINING	<u>125</u>	<u>104</u>	<u>613</u>
TOTALS	22,300	14,300	97,129*
DIA TOTALS	8,700	7,800	41,400
CIA TOTALS	13,600	6,500	55,700

* EXCLUDES \$.92 MILLION SUPPLEMENTAL (FY-79) FUNDING FROM CIA.

ATTACH. 2

SAFE PROJECT SYSTEM MILESTONES

<u>Milestones</u>	<u>Scheduled Date</u>
Contract Award	Completed 5/18/79
FSRR	Completed 9/15/79
SRR	Completed 1/21/80
SDR	Completed 7/28/80
BLOCK 1 IPR	Completed 10/14/80
INCR 1 IDR	1/19/81
PDR	3/2/81 ←
INCR 1 DDR, INCR 2 IDR	3/16/81
BLOCK 3 IRP 1	6/1/81
INCR 2 DDR, INCR 3 IDR	8/3/81
BLOCK 3 IPR 2	10/1/81
INCR 3 DDR	11/30/81
BLOCK 3 IDR 1	1/4/82
BLOCK 2 IPR	2/1/82
BLOCK 3 DDR-1, IDR-2	5/3/82
BLOCK 2 INCR 4 IDR	6/1/82
BLOCK 3 DDR-2	9/1/82
BLOCK 2 INCR 4 DDR	10/1/82
BLOCK 4 IPR	10/1/82
BLOCK 1 IOC	12/31/81
BLOCK 4 IDR	2/1/83
BLOCK 4 DDR	6/1/83
BLOCK 3 IOC	12/31/83
BLOCK 2 & BLOCK 4 IOC	10/14/84

Legend: IRP - In-Program Review
 IDR - Initial Design Review
 DDR - Detailed Design Review
 INCR - Increment
 SRR - System Requirements Review
 SDR - System Design Review