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DEFENSE SECURITY SERVICE

(Dollars in Millions)

Line No.	Description	FY 2002 Quan	FY 2002 Tot Cost	FY 2003 Quan	FY 2003 Tot Cost	* FY 2004 Quan	* FY 2004 Tot Cost	* FY 2005 Quan	* FY 2005 Tot Cost
0001	**EQUIPMENT-Replacement** Equipment Other than ADPE - Misc.								
	EQUIPMENT OTHER THAN ADPE TOTAL								
0002	**AUTOMATED DATA PROCESSING (ADP)** Desktop/Notebook Computers Hardware Enhancements Items Less Than $1 Million Studies for Future System								
	ADP TOTAL								
0003	**SOFTWARE** Case Control Management System Information System (CCMS IS) Application Enhancements Items < $1M Facilities Database								
	Software Development			3	11.102				
	CCMS IS Sustainment Programming	1	0.230						
	CCMS IS Pre-Planned Product Improvement (P3I) Framework Architechture	1	2.786	1	1.626				
	CCMS IS Rational Integration	1	0.423						
	CCMS IS CM Support	1	1.014						
	CCMS IS Testing	1	1.267						
	CCMS IS Enhancements < 1M	1	3.491						
	CCMS IS External Interfaces			1	3.172				
	SOFTWARE TOTAL	6	9.211	5	15.900				
0004	**PASSENGER VEHICLES** Passenger Vehicles			315	4.729				
	PASSENGER VEHICLE TOTAL			315	4.729				
	DEFENSE SECURITY SERVICE TOTAL		9.211		20.629				

* Due to the organizational transformation as directed by the Deputy Secretary of Defense
the Defense Security Service will be removed from the Defense Working Capital Fund in FY 2004 and beyond.

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DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION HARDWARE/SOFTWARE (Dollars in Thousands)	A. FY 2004-2005 Biennial Budget Estimates

B. Department of Defense DEFENSE SECURITY SERVICE	C. Line No Item Description 0003 CCMS IS Pre-Planned Product Improvement (P3I) Framework	D. Activity ID

Element of Cost	FY 2002			FY 2003			* FY 2004			* FY 2005		
	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost
Pre-Planned Product Improvement (P3I) Framework Architechture	1	2,786	2,786	1	1,626	1,626						
	1	2,786	2,786	1	1,626	1,626						

Narrative Justification:

a. CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS: The DSS enterprise applications (CCMS IS, DCII, etc.) support the processing of personnel security investigations and industrial security information. The initial fielding of the applications provided limited support for processing investigations. At present, the DSS CCMS IS applications do not conform to current DoD guidance on application security and web application design. Without the P3I Framework, these applications will not achieve compliance with these requirements.

b. ANTICIPATED BENEFITS: The P3I Framework Architecture is the cornerstone of all the P3I planned for implementation starting in FY 2003 . It will provide a common foundation for network interfaces, application security, end user interfaces, web connectivity, etc., for all of the applications to be improved under the P3I strategy.

c. IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT: CCMS will continue non-conformance with DOD guidance and will have no integrating common structure to support the P3I application improvements planned for FY 2003 and beyond.

d. ECONOMIC ANALYSIS PERFORMED? Yes. The proposed modifications were examined by an independent Air Force "Red Team" and by an independent contractor hired by the ASD/C3I in CY 1999. Additionally, DSS has continued those assessments in CY 2000, CY 2001, and CY 2002. The DODIG recently (Oct 2001) reviewed DSS progress to date, and stated " DSS is correcting and improving the CCMS and has implemented a logical plan for its future replacement. Further, as a result of baselining the CCMS, DSS is pursuing product improvements that will change the capabilities of the System and extend its useful life."

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DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION SOFTWARE (Dollars in Thousands)	A. FY 2004-2005 Biennial Budget Estimates

B. Department of Defense DEFENSE SECURITY SERVICE	C. Line No Item Description 0003 **CCMS IS Configuration Mgmt. Support**	D. Activity ID

Element of Cost	FY 2002			FY 2003			* FY 2004			* FY 2005		
	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost
Configuration Mgmt Support	1	1,014	1,014									
	1	1,014	1,014									

Narrative Justification:

a.   CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS: The DSS enterprise applications (CCMS IS, DCII, etc.) support the processing of personnel security investigations and industrial security information. The initial fielding of the applications provided limited support for processing investigations. Due to the high volume of work and business process improvements, routine sustainment programming to implement system improvements and changes is required. During summer 1999, DSS was criticized by two review teams for not exercising sound Configuration Management (CM) and configuration control of the CCMS system development, integration, and implementation.

b.   ANTICIPATED BENEFITS: During FY01, DSS and the Air Force Program Management Office (PMO) jointly developed a CCMS IS Configuration Management Plan upon which all CCMS CM activities will be based. In FY 2002, the PMO will complete the establishment of the Rational configuration tool suite to be fully integrated with the Rational requirements, development, and test tools, and will use this tool set to provide configuration control of CCMS IS components in all phases of development and implementation. The PMO will also establish a separate database using the same CM tools to support DSS CM of all its other non-CCMS IT systems. The goal is to establish a tool suite and sound CM practices that DSS can continue to utilize after the PMO completes it's P3I work in FY 2004.

c.   IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT: If this joint CM task is not completed, DSS will lack the knowledge and skills to continue to apply the sound configuration management processes and tools introduced to support the P3I work.

d.   ECONOMIC ANALYSIS PERFORMED? Yes. The proposed modifications were examined by an independent Air Force "Red Team" and an independent contractor hired by the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD/C3I) in 1999. Additionally, DSS has continued those assessments in 2000 and 2001. The DODIG recently (Oct 2001) reviewed DSS progress to date, and stated " DSS is correcting and improving the CCMS and has implemented a logical plan for its future replacement. Further, as a result of baselining the CCMS, DSS is pursuing product improvements that will change the capabilities of the System and extend its useful life."

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Exhibit Fund-9b Activity Group Capital Investment Summary

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DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION SOFTWARE (Dollars in Thousands)				A. FY 2004-2005 Biennial Budget Estimates								
B. Department of Defense DEFENSE SECURITY SERVICE				C. Line No Item Description 0003 **CCMS IS Testing**						D. Activity ID		
Element of Cost	**FY 2002**			**FY 2003**			*** FY 2004**			*** FY 2005**		
	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost
Testing	1	1,267	1,267									
	1	1,267	1,267									

Narrative Justification:

a. CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS: The DSS enterprise applications (CCMS IS, DCII, etc.) support the processing of personnel security investigations and industrial security information. The initial fielding of the applications provided limited support for processing investigations.

b. ANTICIPATED BENEFITS: In accordance with the Carnegie Mellon Software Capability Model (CMM) precepts, CMM Level III software developers must establish a formal unit and integration testing program that is integral to the development process. This insures that all code delivered to the government is fully tested against an established set of functional requirements prior to delivery to the government, resulting in high quality products and less test effort on the part of the government after delivery. This funding provides labor and expertise for setting up the required test environment.

c. IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT: If this test environment is not established, lower quality software delivered and longer test, fix, and regression testing cycles will result, which will delay implementation of much needed system improvements.

d. ECONOMIC ANALYSIS PERFORMED? Yes. The proposed modifications were examined by an independent Air Force "Red Team" and an independent contractor hired by the ASD/C3I in 1999. Additionally, DSS has continued those assessments in 2000 and 2001. The DODIG recently (Oct 2001) reviewed DSS progress to date, and stated " DSS is correcting and improving the CCMS and have implemented a logical plan for its future replacement. Further, as a result of baselining the CCMS, DSS is pursuing product improvements that will change the capabilities of the System and extend its useful life."

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DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION SOFTWARE (Dollars in Thousands)			A. FY 2004-2005 Biennial Budget Estimates		

B. Department of Defense DEFENSE SECURITY SERVICE	C. Line No Item Description 0003 **CCMS IS APPLICATION Enhancements**		D. Activity ID		
Element of Cost	**FY 2002** Quan U/C Tot Cost	**FY 2003** Quan U/C Tot Cost	*** FY 2004** Quan U/C Tot Cost	*** FY 2005** Quan U/C Tot Cost	
Other Enhancement Items	1 3,491 3,491				

Narrative Justification:

a. CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS: The DSS enterprise applications (CCMS IS, DCII, etc.) support the processing of personnel security investigations and industrial security information. The initial fielding of the applications provided limited support for processing investigations.

b. ANTICIPATED BENEFITS: Provides an improved Facilities Database application to support the Industrial Security functions within DSS. Also includes new and improved interfaces with JPAS, as mandated by C3I.

c. IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT: Without the JPAS interfaces planned for FY 2002, JPAS may not be able to meet the IOC date projected in early CY 2002. Without the improvements to the Facilities Database, DSS will find it difficult to meet production goals set for Industrial Security.

d. ECONOMIC ANALYSIS PERFORMED? Yes. The proposed modifications were examined by an independent Air Force "Red Team" and an independent contractor hired by the ASD/C3I in 1999. Additionally, DSS has continued those assessments in 2000 and 2001. The DODIG recently (Oct 2001) reviewed DSS progress to date, and stated " DSS is...correcting and improving the CCMS and has implemented a logical plan for its future replacement. Further, as a result of baselining the CCMS, DSS is pursuing product improvements that will change the capabilities of the System and extend its useful life."

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DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION SOFTWARE (Dollars in Thousands)	A. FY 2004-2005 Biennial Budget Estimates

B. Department of Defense DEFENSE SECURITY SERVICE	C. Line No Item Description 0003 CCMS IS External Interfaces	D. Activity ID

Element of Cost	FY 2002 Quan U/C Tot Cost	FY 2003 Quan U/C Tot Cost	* FY 2004 Quan U/C Tot Cost	* FY 2005 Quan U/C Tot Cost
Upgrade External Interfaces		1 3,172 3,172		
		1 3,172 3,172		

Narrative Justification:

a. CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS: The DSS enterprise applications (CCMS IS, Defense Clearance and Investigations Index (DCII), etc.) support the processing of personnel security investigations and industrial security information. The initial fielding of the applications provided limited support for processing investigations. Due to the high volume of work and business process improvements, routine sustainment programming to implement system improvements and changes is required. In the area of external interfaces, most are classified as "send and forget," with no reliable feedback that data was accurately transmitted and imported by the receiving system. This is a major contributor to CCMS data integrity problems.

b. ANTICIPATED BENEFITS: Most of the CCMS IS external interfaces are based on old data transmission technology (i.e., File Transfer Protocol (FTP), "sneakernet," FEDEX deliveries of tapes, etc.). The goal is to modernize as many interfaces as possible in order to make data exchanges more timely, secure, and reliable via system to system data transfer.

c. IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT: CCMS IS will continue to experience less than optimal data export transmissions to receiving agencies (FBI, CIA, etc.) and similar problems with data coming in from these agencies. This has a negative impact on DSS productivity due to redirection of effort to validate data accuracy as it is exported from and imported into the CCMS IS.

d. ECONOMIC ANALYSIS PERFORMED? Yes. The proposed modifications were examined by an independent Air Force "Red Team" and an independent contractor hired by the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence (ASD/C3I) in 1999. Additionally, DSS has continued those assessments in 2000 and 2001. The DODIG recently (Oct 2001) reviewed DSS progress to date, and stated " DSS is correcting and improving the CCMS and have implemented a logical plan for its future replacement. Further, as a result of baselining the CCMS, DSS is pursuing product improvements that will change the capabilities of the System and extend its useful life."

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DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION Hardware/Software (Dollars in Thousands)													A. FY 2004-2005 Biennial Budget Estimates		
B. Department of Defense DEFENSE SECURITY SERVICE			C. Line No Item Description **CCMS IS SW Development**							D. Activity ID					
	FY 2002			**FY 2003**			*** FY 2004**			*** FY 2005**					
Element of Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost			
Sustainment Programing/Rational Int	1	0.230	0.653												
DCII (Web-based)				1	3,965	3,965									
National Industrial Security System (NISS) (BEGIN DEVELOPMENT)				1	5,551	5,551									
EPSQ (WEB-based; Final Phase)				1	1,586	1,586									
TOTAL	1		0.653	3		11,102									

a. **CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS: DCII:** The DCII web-based system will be
developed in FY 2003. The original system is a client server application that was was built on 1980's technology. The current
client-server environment does not allow for a simple upgrade because of the widely distributed population that requires
synchronizing distribution and installation of software. Additionally, there are a number of data integrity issues with the
current system. This is a result of many years of non-standardized maintenance and lack of integration amongst the other
applications within the CCMS IS.
National Industrial Security System (NISS): The Industrial Security Program (ISP) is currently made up of mini databases located
in various elements within the DoD. With the information widely disbursed and not integrated, informed decisions are difficult
without extensive manpower and cooridnation efforts.
EPSQ: The EPSQ web-based system will be completed in FY 2003. The current system is a 16-bit, DOS-based, stand-alone
application. Additionally, some operating systems (i.e., Windows XP, Windows ME) are incompatible with this application. The
user community of over one million have described the EPSQ as "not user-friendly and time consuming."

b. **ANTICIPATED BENEFITS: DCII:** The new system will provide the DoD customer with a user-friendly web technology, allowing them
to run reports and queries from their desktops. This web-based system also eliminates a need to distribute the software, and
streamlines the implementation process.
NISS: The NISS will encompass all these separate stovepiped applications into one system that will ensure the rapid and
compresensive exchange of information across the DoD--with regard to Industrial Security.
EPSQ: The new system will ensure a user-friendly application allowing a speedy unencumbered completion of their questionnaire.
This web-based application will also eliminate the need to distribute the software by streamlining the implementation process.

c. **ECONOMIC ANALYSIS PERFORMED?** No. All proposed items have been examined to determine their potential benefit to the agency.

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removed from
the Defense Working Capital Fund in FY 2004 and beyond.

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DEFENSE SECURITY SERVICE CAPITAL INVESTMENT JUSTIFICATION	A. FY 2004-2005 Budget Estimates
(Dollars in Thousands)	

| B. Department of Defense DEFENSE SECURITY SERVICE | C. Line No 0004 | Item Description **Passenger Vehicles** | | | | | D. Activity ID | | | | |

	FY 2002			FY 2003			FY 2004			FY 2005		
Element of Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost	Quan	U/C	Tot Cost
Passenger Vehicles				315	15	4,729						
TOTAL				315		4,729						

a. CAPABILITY OF EXISTING EQUIPMENT AND SHORTCOMINGS:

DSS has more than 1627 Special Agents and Representatives who operate government vehicles on a daily basis in direct support of the core mission of DSS. They conduct personnel and industrial investigations for DoD, other Federal Government agencies, and support the Department's Industrial Security Program. The implementation of major automation initiatives enables agents and representatives to accomplish workload on a mobile basis utilizing laptops and U.S. Government vehicles. This operational approach has offset several years of personnel reductions. DSS has more than 547 vehicles exceeding the DoD recommended age/mileage rate. DSS selectively maintains vehicles up to 8 years and 60,000 miles, thereby achieving a cost savings on the replacement of the fleet. 31 alternative fleet vehicles will be purchased in FY 2003.

b. ANTICIPATED BENEFITS: With the 315 vehicles requested, DSS will be able to sustain the fleet at the lowest cost. Although this proposal requests more vehicles, the request is consistent with increases in "direct" staffing. The vehicles are a critical component to operational success and enable DSS to fully utilize agent and representatives.   DSS purchases vehicles through the GSA competitive contract bidding process which generates low purchase prices. Savings obtained through this process are passed on to the DSS customer.

c. IMPACT WITHOUT PROPOSED CAPITAL INVESTMENT: The short-term impact would be the rapid deterioration of our fleet to the level where assets become uneconomical for repairs. The loss of vehicular replacement assets would increase repair costs, which is passed on in the form of increased rates, and could jeopardize our ability to produce products at a competitive cost. Long term impact would be a fleet decimated by lack of adequate replacement, reducing the effective-ness, resulting in a loss of productivity.   Failure to keep our commitments to customers could result in loss of market share. Ultimately, the loss or reduction of this capital asset would be passed on to taxpayers through higher investigative costs, whether through another Government agency or a private contractor.

d. ECONOMIC ANALYSIS PERFORMED? No. The decision to finance DSS vehicles through the Defense-wide Working Capital Fund occurred in December 1998.

PROJECTS ON THE FY 2002 President's Budget

FY	Approved Project Title	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ Deficiency	Explanation
	AUTOMATED DATA PROCESSING					
	SOFTWARE					
FY 2002	CCMS IS Enhancements		3,491,000	3,491,000		No changes
FY 2002	Framework Architecture		2,786,000	2,786,000		No changes
FY 2002	CM Support		1,014,000	1,014,000		No changes
FY 2002	CCMS Enhancements		1,267,000	1,267,000		No changes
FY 2002	CCMS Sustainment Programming		230,000	230,000		No changes
FY 2002	CCMS Rational Integration		423,000	423,000		No changes

PROJECTS ON THE FY 2003 President's Budget

FY	Approved Project Title	Reprogs	Approved Proj Cost	Current Proj Cost	Asset/ Deficiency	Explanation
	SOFTWARE					
FY 2003	CCMS IS SW Development (DCII, EPSQ, NISS)	11,102.000	11,102.000			Funding to continue the OSD approved direction of the CCMS IS
FY 2003	CCMS P3I FRAMEWORK ARCH	1.626	1,626.000			Funding to continue the OSD approved direction of the CCMS IS
FY 2003	CCMS IS External Interfaces	3.172	3,172.000			Funding to continue the OSD approved direction of the CCMS IS
	Vehicles					
FY 2003	Purchase of 315 Vehicles		4,729.000	4,729.000		Funding required to purchase vehicles required to perform mission.