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Exhibit R-2, RDT&E Budget Item Justification: PB 2012 Air Force	DATE: February 2011
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APPROPRIATION/BUDGET ACTIVITY				R-1 ITEM NOMENCLATURE							
3600: <i>Research, Development, Test & Evaluation, Air Force</i> BA 7: <i>Operational Systems Development</i>				PE 0605018F: <i>Air Force Integrated Personnel and Pay System (AF-IPPS)</i>							
COST (\$ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
Total Program Element	20.405	43.300	91.866	-	91.866	90.598	129.201	113.040	85.188	Continuing	Continuing
676003: <i>HRM Structural Development</i>	20.405	43.300	91.866	-	91.866	90.598	129.201	113.040	85.188	Continuing	Continuing

Note

The original iteration of a modernized personnel and pay system was the Defense Integrated Military Human Resources System (DIMHRS) program. Following the 8 Sep 09 Acquisition Decision Memorandum (ADM), the program was tentatively named the Air Force Integrated Military Human Resources System (AF-IMHRS), to reflect ADM direction for Service-specific systems. The program has since been renamed the Air Force Integrated Personnel and Pay System (AF-IPPS). Within this RDT&E Exhibit, "DIMHRS" refers to the system prior to the 8 Sep 09 ADM, while "AF-IPPS" refers to the current program.

A. Mission Description and Budget Item Justification

AF-IPPS is an unbaselined Major Automated Information System (MAIS) transitioned from the Business Transformation Agency (BTA) to the Services as directed by OSD/AT&L through the 8 Sep 09 ADM. The program, initially known as DIMHRS, has transitioned into Service-specific systems. Each system will expose data elements to a common DoD-wide Enterprise Information Web (EIW) - thus maintaining key elements of the original intent of the program. The AF is currently developing an acquisition strategy for a Service-specific integrated military personnel and pay system, building on the DIMHRS Core IT Investment "where practical and cost-effective" (9 Jul 10 ADM).

RDT&E activities include preserving the DoD DIMHRS Core in a lab environment (to include maintaining legacy software licenses necessary for development and transition to new AF per/pay system), analysis and studies, planning activities, Request for Proposal (RFP) development, system integration, test, deployment, and acquisition logistics. Since AF-IPPS is replacing and/or interfacing with operational systems, this system must also ensure that current required pay and personnel capabilities are provided through AF-IPPS gap-filler tasks or legacy operational system adaptation. Planning and deployment activities include communication, change management, testing, training, systems transition, deployment, data cleansing/migration and schedule management. FY12 will include activities to support the development of functionality currently provided by the legacy Pers/Pay environment, allowing for that environment to be retired upon deployment of AF-IPPS. Such functionality includes automated workflow, forms management, and training/education course management.

This program is in Budget Activity 7, Operational System Development because this budget activity includes development efforts to upgrade systems that have been fielded or have received approval for full rate production and anticipate production funding in the current or subsequent fiscal year.

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B. Program Change Summary (\$ in Millions)	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012 Base</u>	<u>FY 2012 OCO</u>	<u>FY 2012 Total</u>
Previous President's Budget	20.405	43.300	91.866	-	91.866
Current President's Budget	20.405	43.300	91.866	-	91.866
Total Adjustments	-	-	-	-	-
• Congressional General Reductions		-			
• Congressional Directed Reductions		-			
• Congressional Rescissions	-	-			
• Congressional Adds		-			
• Congressional Directed Transfers		-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Other Adjustments	-	-	-	-	-

Change Summary Explanation

As a result of a successful Materiel Development Decision (MDD) (9 Jul 10 ADM), the Milestone Decision Authority (MDA) authorized the AF-IPPS program to proceed as an unbaselined MAIS program.

\$48.566 increase from FY11 to FY12 due to planned start of Increment 1 effort.

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Exhibit R-2A, RDT&E Project Justification: PB 2012 Air Force								DATE: February 2011			
APPROPRIATION/BUDGET ACTIVITY 3600: Research, Development, Test & Evaluation, Air Force BA 7: Operational Systems Development				R-1 ITEM NOMENCLATURE PE 0605018F: Air Force Integrated Personnel and Pay System (AF-IPPS)				PROJECT 676003: HRM Structural Development			
COST (\$ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
676003: HRM Structural Development	20.405	43.300	91.866	-	91.866	90.598	129.201	113.040	85.188	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		
Note The original iteration of a modernized personnel and pay system was the Defense Integrated Military Human Resources System (DIMHRS) program. Following the 8 Sep 09 Acquisition Decision Memorandum (ADM), the program was tentatively named the Air Force Integrated Military Human Resources System (AF-IMHRS), to reflect ADM direction for Service-specific systems. The program has since been renamed the Air Force Integrated Personnel and Pay System (AF-IPPS). Within this RDT&E Exhibit, "DIMHRS" refers to the system prior to the 8 Sep 09 ADM, while "AF-IPPS" refers to the current program.											
A. Mission Description and Budget Item Justification AF-IPPS is an unbaselined Major Automated Information System (MAIS) transitioned from the Business Transformation Agency (BTA) to the Services as directed by OSD/AT&L through the 8 Sep 09 ADM. The program, initially known as DIMHRS, has transitioned into Service-specific systems. Each system will expose data elements to a common DoD-wide Enterprise Information Web (EIW) - thus maintaining key elements of the original intent of the program. The AF is currently developing an acquisition strategy for a Service-specific integrated military personnel and pay system, building on the DIMHRS Core IT Investment "where practical and cost-effective" (9 Jul 10 ADM). RDT&E activities include preserving the DoD DIMHRS Core in a lab environment (to include maintaining legacy software licenses necessary for development and transition to new AF per/pay system), analysis and studies, planning activities, Request for Proposal (RFP) development, system integration, test, deployment, and acquisition logistics. Since AF-IPPS is replacing and/or interfacing with operational systems, this system must also ensure that current required pay and personnel capabilities are provided through AF-IPPS gap-filler tasks or legacy operational system adaptation. Planning and deployment activities include communication, change management, testing, training, systems transition, deployment, data cleansing/migration and schedule management. FY12 will include activities to support the development of functionality currently provided by the legacy Pers/Pay environment, allowing for that environment to be retired upon deployment of AF-IPPS. Such functionality includes automated workflow, forms management, and training/education course management. This program is in Budget Activity 7, Operational System Development because this budget activity includes development efforts to upgrade systems that have been fielded or have received approval for full rate production and anticipate production funding in the current or subsequent fiscal year.											
B. Accomplishments/Planned Programs (\$ in Millions)							FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total
Title: AF-IPPS System Integration							-	-	27.173	-	27.173
Description: Conduct system integration activities.											

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B. Accomplishments/Planned Programs (\$ in Millions)					
	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total
FY 2010 Accomplishments: FY 2011 Plans: FY 2012 Base Plans: The AF-IPPS prime contractor will continue work on requirements analysis, design, and integration for the AF-IPPS system and support other activities associated with ensuring Air Force pay and personnel capabilities remain viable until system deployment. FY 2012 OCO Plans:					
Title: Technical and Program Management Description: Conduct technical and program management activities. FY 2010 Accomplishments: Activities included contracted advisory and assistance services, MITRE, functional contracted support, travel, and other program management expenses. Additional activities included beginning to stand-up and utilize the Transition Lab Environment (TLE) and planning/development of the acquisition strategy and RFP. FY 2011 Plans: Includes contracted advisory and assistance services, MITRE, travel, independent test, and other program management expenses. Some of the activities will include completion of the TLE effort, acquisition strategy and RFP development. FY 2012 Base Plans: Includes contracted advisory and assistance services, MITRE, travel, independent test, and other program management expenses. Activities also include source selection and award of the prime contract. FY 2012 OCO Plans:					
Title: Transition Lab Environment (TLE) and Evaluation Description: Conduct Transition Lab Environment (TLE) and evaluation activities. FY 2010 Accomplishments: Established the TLE to provide a technical integration, demonstration, and investigation environment for preserving the DIMHRS Core were initiated. The environment when complete will allow the Air Force to set					

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B. Accomplishments/Planned Programs (\$ in Millions)		FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total
the stage for a robust competition by supporting investigation of the DIMHRS Core, evaluating PeopleSoft and providing an area for potential AF-IPPS offerors to review the core products. Also included were studies, analyses, and activities associated with planning and preparation for the AF-IPPS program acquisition. FY 2011 Plans: The TLE will be completed, operated, and maintained. The TLE will provide a technical integration, demonstration, and investigation environment for preserving the DIMHRS Core. This environment will allow the Air Force an opportunity to level-set industry via DIMHRS IT Core knowledge transfer. Also includes studies, analyses, and activities associated with planning and preparation for the AF-IPPS program acquisition. FY 2012 Base Plans: FY 2012 OCO Plans:						
Title: Independent Verification and Validation (IV&V) Description: Conduct Independent Verification and Validation (IV&V) activities. FY 2010 Accomplishments: Drafted a Memorandum of Understanding (MOU) and conducted initial preparation to establish an IV&V contract. FY 2011 Plans: IV&V will be performed on governance, risk management and configuration management prior to contract award. An Independent Logistic Assessment (ILA) will also be completed prior to contract award. ESC/ENI (Engineering group located at Gunter Annex) will be the independent agent in charge of managing the contractor selected to perform IV&V. This has been established via a MOU. FY 2012 Base Plans: IV&V will be performed on governance, risk management and configuration management prior to contract award. An Independent Logistic Assessment (ILA) will also be completed prior to contract award. ESC/ENI (located at Gunter Annex) will be the independent agent in charge of managing the contractor selected to perform IV&V. This has been established via a Memorandum of Understanding (MOU). FY 2012 OCO Plans:		0.049	1.077	1.314	-	1.314
Title: Commercial-Off-The-Shelf (COTS) Software (S/W)		5.808	2.364	12.335	-	12.335

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B. Accomplishments/Planned Programs (\$ in Millions)			FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total
<p>Description: Conduct commercial-off-the-shelf (COTS) software maintenance and oversight for use in Transition Lab Environment (TLE).</p> <p>FY 2010 Accomplishments: Acquired maintenance extension agreements on the COTS S/W licenses transferred from the DIMHRS program.</p> <p>FY 2011 Plans: AF-IPPS will continue to maintain COTS S/W licenses to include PeopleSoft as well as various other key COTS products. Continuous maintenance ensures continuity from past year COTS S/W purchases.</p> <p>FY 2012 Base Plans: AF-IPPS will extend the existing COTS S/W maintenance agreements (including PeopleSoft as well as various other key COTS products) to procure additional COTS S/W to support the new system integration effort as a result of the source selection contract award. Continuous maintenance ensures continuity from past year COTS S/W purchases.</p> <p>FY 2012 OCO Plans:</p>							
<p>Title: Change Management</p> <p>Description: Support development of functionality currently provided by legacy Pers/Pay environment.</p> <p>FY 2010 Accomplishments:</p> <p>FY 2011 Plans:</p> <p>FY 2012 Base Plans: Includes development of automated workflow, forms management, and training/education course management for AF-IPPS.</p> <p>FY 2012 OCO Plans:</p>			-	-	43.000	-	43.000
Accomplishments/Planned Programs Subtotals			20.405	43.300	91.866	-	91.866

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C. Other Program Funding Summary (\$ in Millions)

<u>Line Item</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u> <u>Base</u>	<u>FY 2012</u> <u>OCO</u>	<u>FY 2012</u> <u>Total</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>Cost To</u> <u>Complete</u>	<u>Total Cost</u>
• PE 0901220F: <i>O&M</i>	7.250	8.665	8.856	0.000	8.856	8.881	8.976	9.167	9.359	Continuing	Continuing
• PE 0901250F: <i>OPAF</i>	0.000	0.000	0.000	0.000	0.000	24.760	0.000	13.339	0.000	Continuing	Continuing

D. Acquisition Strategy

Air Force Integrated Personnel and Pay System (AF-IPPS) employs an incremental acquisition strategy development contract that will be negotiated and awarded in a competitive environment.

E. Performance Metrics

Please refer to the Performance Base Budget Overview Book for information on how Air Force resources are applied and how those resources are contributing to Air Force performance goals and most importantly, how they contribute to our mission.

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2012 Air Force										DATE: February 2011			
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Product Development (\$ in Millions)				FY 2011		FY 2012 Base		FY 2012 OCO		FY 2012 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
TLE and Evaluation	C/CPFF	Northrop Grumman:McClean, VA	4.677	32.294	Jan 2011	-		-		-	0.000	36.971	36.971
System Integration, Test, and Deployment	C/TBD	TBD:TBD,	-	-		27.173	Jul 2012	-		27.173	0.000	27.173	TBD
IV&V	C/Various	PASS (Summaria Systems Inc.), TBD:Montgomery, AL	0.049	1.077	Sep 2011	1.314	Sep 2012	-		1.314	0.000	2.440	TBD
COTS S/W	C/CPFF	Northrop Grumman:McClean, VA	5.808	2.364	Dec 2010	12.335	Dec 2011	-		12.335	0.000	20.507	TBD
Change Management	C/TBD	TBD:TBD,	-	-		43.000		-		43.000	0.000	43.000	TBD
Subtotal			10.534	35.735		83.822		-		83.822	0.000	130.091	
Support (\$ in Millions)				FY 2011		FY 2012 Base		FY 2012 OCO		FY 2012 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Functional Management Support	C/Various	Booze, Allen, Hamilton, Inc.:McClean, VA	4.227	-		-		-		-	0.000	4.227	TBD
Architecture	SS/CPFF	MITRE:Hanscom AFB, MA	0.798	1.000	Oct 2010	0.974	Jun 2012	-		0.974	0.000	2.772	TBD
A&AS	C/Various	ETASS - Jacobs, PASS - Oasis, SCS - Tecolote:Hanscom AFB, MA	3.713	5.686	Jun 2011	5.669	Jun 2012	-		5.669	0.000	15.068	TBD
Program Support	Various	Various:Bedford, MA	1.091	0.498		0.469		-		0.469	0.000	2.058	TBD
Subtotal			9.829	7.184		7.112		-		7.112	0.000	24.125	

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Test and Evaluation (\$ in Millions)				FY 2011		FY 2012 Base		FY 2012 OCO		FY 2012 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Test Operations	C/Various	PASS:Orlando, FL	0.042	0.381	Aug 2011	0.932	Aug 2012	-		0.932	0.000	1.355	TBD
Subtotal			0.042	0.381		0.932		-		0.932	0.000	1.355	

Management Services (\$ in Millions)				FY 2011		FY 2012 Base		FY 2012 OCO		FY 2012 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
			-	-		-		-		-	0.000	0.000	0.000
Subtotal			-	-		-		-		-	0.000	0.000	0.000

	Total Prior Years Cost	FY 2011		FY 2012 Base		FY 2012 OCO		FY 2012 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	20.405	43.300		91.866		-		91.866	0.000	155.571	

Remarks

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Exhibit R-4, RDT&E Schedule Profile: PB 2012 Air Force		DATE: February 2011
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Exhibit R-4A, RDT&E Schedule Details: PB 2012 Air Force			DATE: February 2011
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Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Strategy Planning, RFP Activity (Development and Release)	1	2010	4	2011
TLE Integration / Evaluation	3	2010	4	2011
Acquisition Strategy Panel (ASP)	3	2011	3	2011
Source Selection	1	2012	3	2012
Change Management	1	2012	2	2013
Milestone-B (MS-B)	3	2012	3	2012
Contract Award	4	2012	4	2012
Systems Integration Contract	4	2012	4	2016
Release 1	1	2013	1	2014
Release 2	3	2013	1	2015
Release 3	3	2013	1	2016
Release 4	2	2014	4	2016

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