Exhibit R-2, **RDT&E Budget Item Justification:** PB 2013 Army										**DATE:** February 2012	
APPROPRIATION/BUDGET ACTIVITY 2040: *Research, Development, Test & Evaluation, Army* BA 5: *Development & Demonstration (SDD)*					**R-1 ITEM NOMENCLATURE** PE 0605018A: *Army Integ Military Human Resources Sys (A-IMRS)*						

COST ($ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost
Total Program Element	58.348	68.628	158.646	-	158.646	144.625	141.794	140.475	122.691	Continuing	Continuing
HR5: *Integrated Personnel and Pay System-Army (IPPS-A)*	58.348	68.628	158.646	-	158.646	144.625	141.794	140.475	122.691	Continuing	Continuing

Note

Explanation of funding Changes between the FY 2012 President's Budget Position and the FY 2013 President's Budget Position.

FY 2013 RDT&E: $104.678million Increase (+294%)

The funds increased due to the Army's commitment to fully funding the program for completion of Increment I development and integration, as well as initial system Design, Development, and Integration efforts associated with critical activities for Increment II, Release 2.0. The Increment II Releases require ramp-up efforts of the System Integrator in order to meet our current schedule of fielding capabilities every 12 months. Release 2.0 is twice the size of Increment I in terms of efforts required for development and integration.

A. Mission Description and Budget Item Justification

The Army Integrated Military Human Resources System (A-IMHRS) /Integrated Personnel and Pay System - Army (IPPS-A) provides the Army with an integrated, multi-Component, personnel and pay system which streamlines Army Human Resources (HR), enhances the efficiency and accuracy of Army personnel and pay procedures, and supports Soldiers and their families. A-IMHRS /IPPS-A will subsume approximately 56 Army legacy systems across the Army, Army Reserve, and National Guard, into an integrated system. A-IMHRS /IPPS-A will be a web-based tool, available 24 hours a day, accessible to HR professionals, combatant commanders, personnel and pay managers, and other authorized users throughout the Army. A-IMHRS/ IPPS-A addresses major deficiencies in the delivery of military personnel and pay services and also provides internal controls and audit procedures that prevent erroneous payments and loss of funds.

Exhibit R-2, RDT&E Budget Item Justification: PB 2013 Army				DATE: February 2012	
APPROPRIATION/BUDGET ACTIVITY 2040: *Research, Development, Test & Evaluation, Army* BA 5: *Development & Demonstration (SDD)*			**R-1 ITEM NOMENCLATURE** PE 0605018A: *Army Integ Military Human Resources Sys (A-IMRS)*		
B. Program Change Summary ($ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total
Previous President's Budget	100.500	68.693	53.968	-	53.968
Current President's Budget	58.348	68.628	158.646	-	158.646
Total Adjustments	-42.152	-0.065	104.678	-	104.678
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Adjustments to Budget Years	-	-	104.678	-	104.678
• Other Adjustments 1	-42.152	-0.065	-	-	-

Exhibit R-2A, RDT&E Project Justification: PB 2013 Army									DATE: February 2012	

APPROPRIATION/BUDGET ACTIVITY 2040: *Research, Development, Test & Evaluation, Army* BA 5: *Development & Demonstration (SDD)*				R-1 ITEM NOMENCLATURE PE 0605018A: *Army Integ Military Human Resources Sys (A-IMRS)*				PROJECT HR5: *Integrated Personnel and Pay System-Army (IPPS-A)*		

COST ($ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost
HR5: *Integrated Personnel and Pay System-Army (IPPS-A)*	58.348	68.628	158.646	-	158.646	144.625	141.794	140.475	122.691	Continuing	Continuing
Quantity of RDT&E Articles											

Note

  Please note the name of Army Integrated Military Human Resources System (A-IMHRS) has changed to Integrated Personnel and Pay System - Army (IPPS-A) effective 22 September 2010. IPPS-A more accurately identifies the program as the military personnel and pay solution for the Army.

A. Mission Description and Budget Item Justification

  The Army Integrated Military Human Resources System (A-IMHRS) /Integrated Personnel and Pay System - Army (IPPS-A) provides the Army with an integrated, multi-Component, personnel and pay system which streamlines Army Human Resources (HR), enhances the efficiency and accuracy of Army personnel and pay procedures, and supports Soldiers and their families. A-IMHRS /IPPS-A will subsume approximately 56 Army legacy systems across the Army, Army Reserve, and National Guard, into an integrated system. A-IMHRS /IPPS-A will be a web-based tool, available 24 hours a day, accessible to HR professionals, combatant commanders, personnel and pay managers, and other authorized users throughout the Army. A-IMHRS/ IPPS-A addresses major deficiencies in the delivery of military personnel and pay services and also provides internal controls and audit procedures that prevent erroneous payments and loss of funds.

B. Accomplishments/Planned Programs ($ in Millions, Article Quantities in Each)	FY 2011	FY 2012	FY 2013
Title: Analysis and Design, Development, and Integration of IPPS-A	58.348	68.628	158.646
Articles:	0	0	

Description: Funding is provided for the following efforts:

FY 2011 Accomplishments:
FY 2011 Accomplishments include the following: (1) Developed the Soldier's Record Brief prototype. (2) Approved the final Technical Architecture Specification Document describing the overall technical architecture of the IPPS-A data centers. (3) Developed new Acquisition Strategy options based on modular development and delivery of IPPS-A capabilities. (4) Completed initial sessions of Foundation Fit/Gap and the System/Sub-system Specifications (S/SS) statements for the Foundation and Acquire Lifecycles. (5) Received approval of Functional Baseline 1.3 and Allocated Baseline 1.0. (6) Decomposed approximately 7,500 S/SS and System Requirements Specifications (SyRS) Statements which were reviewed for testability and supportability. (7) Developed Interface Requirements Statements (IRS). (8) Initiated data mapping and conversion for field systems. (9) Completed eight business processes related to initial operations activities, production, payroll certification, and personnel data. (10) Developed Performance Work Statement and solicitation package for Increment I development contract. (11) Prepared required acquisition documentation for Increment I to include approval of the Acquisition Strategy. (12) Obtained Acquisition

Exhibit R-2A, RDT&E Project Justification: PB 2013 Army		DATE: February 2012
APPROPRIATION/BUDGET ACTIVITY 2040: *Research, Development, Test & Evaluation, Army* BA 5: *Development & Demonstration (SDD)*	R-1 ITEM NOMENCLATURE PE 0605018A: *Army Integ Military Human Resources Sys (A-IMRS)*	PROJECT HR5: *Integrated Personnel and Pay System-Army (IPPS-A)*

B. Accomplishments/Planned Programs ($ in Millions, Article Quantities in Each)	FY 2011	FY 2012	FY 2013
Decision Memorandum (ADM) for IPPS-A Increment I to enter the Engineering and Manufacturing Development (EMD) phase of the acquisition life-cycle. *FY 2012 Plans:* A-IMHRS/IPPS-A will engage in multiple activities related to system development and deployment of Increment I, including the Design, Development and Integration for Increment I, build-out of the Production environment and data centers, deployment planning, data conversion, interface conversion, security planning, reports and queries, and development of all Increment I Milestone C documentation. Lastly, A-IMHRS/IPPS-A will prepare all the required acquisition documentation in support of a Milestone B decision for Increment II; and development of the Performance Work Statement and solicitation package for the Increment II System Integrator contract. *FY 2013 Plans:* A-IMHRS/IPPS-A will complete critical activities associated with Government Acceptance and Operational Testing which will lead to a Full Deployment Decision for Increment I in Q2 FY2013 and begin deployment and sustainment in Q3 FY2013. A-IMHRS/IPPS-A will begin system Design, Development, and Integration efforts associated critical activities for Increment II, Release 2.0. The Increment II Releases require ramp-up efforts of the System Integrator in order to meet our current schedule of fielding capabilities every 12 months. Major activities will include finalization of the required acquisition documentation for a Full Deployment Decision for Increment II, Release 2.0; continuation of data management activities to include data call from legacy systems, data analysis, data cleansing, and data conversion; design and build out the system technical architecture for IPPS-A; and configure the Enterprise Resource Planning system against functional personnel specifications.			
Accomplishments/Planned Programs Subtotals	58.348	68.628	158.646

C. Other Program Funding Summary ($ in Millions)

Line Item	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	FY 2014	FY 2015	FY 2016	FY 2017	Cost To Complete	Total Cost
• Sustainment and Support: *OMA - Army Integrated Military Human Resources System (A-IMHRS)*							25.655	26.157	27.284	Continuing	Continuing
• System Implementation/Fielding: *OPA - Army Integrated Military Human Resources System (A-IMHRS)*			1.056		1.056		9.599	13.190	8.700	Continuing	Continuing

Exhibit R-2A, RDT&E Project Justification: PB 2013 Army		DATE: February 2012
APPROPRIATION/BUDGET ACTIVITY 2040: *Research, Development, Test & Evaluation, Army* BA 5: *Development & Demonstration (SDD)*	**R-1 ITEM NOMENCLATURE** PE 0605018A: *Army Integ Military Human Resources Sys (A-IMRS)*	**PROJECT** HR5: *Integrated Personnel and Pay System-Army (IPPS-A)*

D. Acquisition Strategy

On September 8, 2009, the USD(AT&L) issued an Acquisition Decision Memorandum (ADM) directing the Services to develop Service-specific integrated personnel and pay systems (IPPSs). The ADM also directed the Services to use the DIMHRS IT Investment to the maximum extent practical to develop their IPPS from a DoD program to a Service-specific program. As a result of this decision, on October 1, 2009, the DoD Business Transformation Agency (BTA) began to transition the work done on DIMHRS to the Services. The Army G-1 and Program Executive Office Enterprise Information Systems (PEO EIS) are partnered to develop the Integrated Personnel and Pay System - Army (IPPS-A), leveraging the IT investment to the maximum extent practical. This new direction for the program will ensure the system meets Army specific requirements while also feeding a planned DoD Enterprise Data Warehouse to satisfy joint Services and Office of the Secretary of Defense (OSD) information requirements. The Army will address personnel and pay management requirements by implementing a COTS Enterprise Resource Planning (ERP) product using the Oracle PeopleSoft software and building on the DIMHRS solution delivered by BTA.

The Army will employ a hybrid solution using ERP software and Agile Development to deliver integrated personnel and pay capabilities, capitalizing on the PeopleSoft product delivered by BTA as part of the DIMHRS program. The Army plans to use current Army upgraded PeopleSoft 9.1 ERP and Oracle 11g database capabilities, along with Application Technologies outside of the core ERP to meet user requirements.

IPPS-A will be developed in two Increments with multiple releases. The Army will employ 18-24 month development cycles for each release which is consistent with the Business Capability Lifecycle (BCL) guidance, with the goal of fielding capabilities every 12 months. Increment II acquisition documentation will follow BCL guidance in accordance with Directive Type Memorandum (DTM) 11-009, Acquisition Policy for Defense Business Systems (DBS). Increment I will provide a multi-component Trusted Database with single record for all Army Soldiers. Fielding of Increment I will lay the foundation for the authoritative database in Increment II and will allow for development of Increment II functionalities. Increment I will build out the infrastructure to provide Increment II with the ability to support all three Army components with accurate and timely data needed to track the movement of Active, Reserve, and National Guard personnel from location to location in support of operational requirements. Increment II will be able to link the personnel and pay functions for all Army personnel eliminating duplicate data entry, reducing complex system maintenance, and minimizing pay discrepancies. IPPS-A will account for status changes between Active, Reserve, and National Guard components to ensure accurate service time minimizing impact on individual pay, credit for service, and other benefits as well as enable disciplined human resource management. On July 29, 2011, the Deputy Chief Management Officer (DCMO) granted an ADM for IPPS-A Increment I to enter the Engineering and Manufacturing Development (EMD) phase of the acquisition life-cycle; the Army anticipates approval of a Defense Acquisition Milestone (MS) C in Q1 FY 2013.

E. Performance Metrics

Performance metrics used in the preparation of this justification material may be found in the FY 2010 Army Performance Budget Justification Book, dated May 2010.

Exhibit R-3, RDT&E Project Cost Analysis: PB 2013 Army											DATE: February 2012	
APPROPRIATION/BUDGET ACTIVITY 2040: *Research, Development, Test & Evaluation, Army* BA 5: *Development & Demonstration (SDD)*					**R-1 ITEM NOMENCLATURE** PE 0605018A: *Army Integ Military Human Resources Sys (A-IMRS)*					**PROJECT** HR5: *Integrated Personnel and Pay System-Army (IPPS-A)*		

Management Services ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	FY 2012		FY 2013 Base		FY 2013 OCO		FY 2013 Total	Cost To Complete	Total Cost	Target Value of Contract
				Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Program Management Contract Support	C/T&M	Booz Allen Hamilton INC.:Mclean, VA	2.669	2.780		2.891		-		2.891	Continuing	Continuing	Continuing
Independent Verification and Validation (IV&V)	C/T&M	Capgemini Government Solutions LLC:Herndon, VA	1.962	0.672		3.340		-		3.340	Continuing	Continuing	Continuing
In-house Government Management Support	Various	Program oversight, resource justification, budget and programming, milestone and schedule tracking:Alexandria, VA	3.749	3.824		4.988		-		4.988	Continuing	Continuing	Continuing
Subtotal			8.380	7.276		11.219		-		11.219			

Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	FY 2012		FY 2013 Base		FY 2013 OCO		FY 2013 Total	Cost To Complete	Total Cost	Target Value of Contract
				Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Software Licenses - All Others	SS/FP	Various:Various	1.265	2.885		6.077		-		6.077	Continuing	Continuing	Continuing
Software Licenses - IBM	SS/FFP	Immixtechnology, INC.:Mclean, VA	3.396	1.948		1.948		-		1.948	Continuing	Continuing	Continuing
Software Lincenses - GRC	C/FFP	Mythics:Virginia Beach, VA	4.296	0.773		0.784		-		0.784	Continuing	Continuing	Continuing
Software Licenses - PeopleSoft Enterprise Licenses	SS/FFP	Oracle America, INC:Reston, VA	2.327	2.327		2.327		-		2.327	Continuing	Continuing	Continuing
Software Licenses - CA	SS/FFP	ImmixTechnology:McLean, VA	1.193	0.800		0.810		-		0.810	Continuing	Continuing	Continuing
Software Licenses - Actuate eReport	SS/FFP	Actuate Corp:San Mateo, CA	-	1.200		0.600		-		0.600	Continuing	Continuing	Continuing
Oracle Consulting Service	TBD	TBD:TBD	-	-		3.000		-		3.000	Continuing	Continuing	Continuing
In-house contract support of system development	C/T&M	Booz Allen Hamilton INC:Mclean, VA	11.384	11.679		17.330		-		17.330	Continuing	Continuing	Continuing

Exhibit R-3, RDT&E Project Cost Analysis: PB 2013 Army		DATE: February 2012
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Product Development ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	FY 2012 Cost	FY 2012 Award Date	FY 2013 Base Cost	FY 2013 Base Award Date	FY 2013 OCO Cost	FY 2013 OCO Award Date	FY 2013 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
In-house contract support of system development - Army National Guard/Army Reserve	MIPR	Various:Various	2.614	3.460		10.300		-		10.300	Continuing	Continuing	Continuing
Design, Development, and Integration - Increment I	C/CPIF	TBD:TBD	-	13.415		14.434		-		14.434	0.000	27.849	27.849
Design, Development, and Integration of Increment II	C/CPIF	TBD:TBD	-	-		62.160		-		62.160	Continuing	Continuing	Continuing
Design, Development, and Integration	C/CPAF	Northrop Grumman Information Technology:Mclean, VA	16.070	-		-		-		-	0.000	16.070	16.070
Network Support/Production Hosting Services/Hardware Leasing (SLAs)	MIPR	Network support from various activities:Various	2.351	15.360		15.667		-		15.667	Continuing	Continuing	Continuing
Subtotal			44.896	53.847		135.437		-		135.437			

Support ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	FY 2012 Cost	FY 2012 Award Date	FY 2013 Base Cost	FY 2013 Base Award Date	FY 2013 OCO Cost	FY 2013 OCO Award Date	FY 2013 Total Cost	Cost To Complete	Total Cost	Target Value of Contract
Facilities/Lease/Rents	MIPR	Facilities/Lease/Rents:Various	2.720	2.030		2.060		-		2.060	Continuing	Continuing	Continuing
Army Taxes	Allot	Army Taxes:N/A	2.152	3.435		7.850		-		7.850	0.000	13.437	13.437
Equipment and Supplies, MISC	Various	Various:Various	0.200	0.200		0.200		-		0.200	Continuing	Continuing	Continuing
Subtotal			5.072	5.665		10.110		-		10.110			

Exhibit R-3, RDT&E Project Cost Analysis: PB 2013 Army												DATE: February 2012	

APPROPRIATION/BUDGET ACTIVITY 2040: *Research, Development, Test & Evaluation, Army* BA 5: *Development & Demonstration (SDD)*	R-1 ITEM NOMENCLATURE PE 0605018A: *Army Integ Military Human Resources Sys (A-IMRS)*	PROJECT HR5: *Integrated Personnel and Pay System-Army (IPPS-A)*

Test and Evaluation ($ in Millions)

Cost Category Item	Contract Method & Type	Performing Activity & Location	Total Prior Years Cost	FY 2012		FY 2013 Base		FY 2013 OCO		FY 2013 Total	Cost To Complete	Total Cost	Target Value of Contract
				Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Government Acceptance Testing/Operational Test and Evaluation	MIPR	Various Government Agencies:Various	-	0.780		1.330		-		1.330	Continuing	Continuing	Continuing
Capability Acceptance Testing (CAT)	C/T&M	Booz Allen Hamilton INC:Mclean, BA	-	1.060		0.550		-		0.550	Continuing	Continuing	Continuing
		Subtotal	-	1.840		1.880		-		1.880			

	Total Prior Years Cost	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals	58.348	68.628	158.646	-	158.646			

Remarks

Exhibit R-4, RDT&E Schedule Profile: PB 2013 Army		DATE: February 2012
APPROPRIATION/BUDGET ACTIVITY 2040: *Research, Development, Test & Evaluation, Army* BA 5: *Development & Demonstration (SDD)*	**R-1 ITEM NOMENCLATURE** PE 0605018A: *Army Integ Military Human Resources Sys (A-IMRS)*	**PROJECT** HR5: *Integrated Personnel and Pay System-Army (IPPS-A)*

Schedule bars (by Fiscal Year / Quarter):

Activity	Schedule Span
Prep./Analysis	FY2011 Q1 – FY2012 Q1
Materiel Development Decision (MDD) - Increment I	FY2011 Q4
Increment I, Release 1.0 - Trusted Database and Reports	FY2012 Q2 – FY2013 Q1
Design, Development, and Integration	FY2012 Q2 – FY2012 Q4
GAT/OT&E	FY2013 Q1 – Q2
Milestone C - Release 1.0	FY2013 Q1
Full Deployment Decision (FDD) - Increment I	FY2013 Q2
Milestone B (MS B) - Increment II	FY2012 Q4
Increment II, Release 2.0 - Accountability	FY2013 Q1 – FY2014 Q2
Milestone C - Release 2.0	FY2013 Q4
Milestone for Deployment - Release 2.0	FY2014 Q2
Increment II, Release 3.0 - Essential Personnel Service	FY2013 Q4 – FY2015 Q2
Milestone C - Release 3.0	FY2014 Q3
Milestone for Deployment - Release 3.0	FY2015 Q1
Increment II, Release 4.0 - Pay Service	FY2014 Q3 – FY2016 Q1
Milestone C - Release 4.0	FY2015 Q4
Milestone for Deployment - Release 4.0	FY2016 Q1
Increment II, Release 5.0 - Personnel Service	FY2015 Q4 – FY2017 Q1
Milestone C - Release 5.0	FY2016 Q4
Milestone for Deployment - Release 5.0	FY2017 Q1

Exhibit R-4A, **RDT&E Schedule Details:** PB 2013 Army		**DATE:** February 2012
APPROPRIATION/BUDGET ACTIVITY 2040: *Research, Development, Test & Evaluation, Army* BA 5: *Development & Demonstration (SDD)*	**R-1 ITEM NOMENCLATURE** PE 0605018A: *Army Integ Military Human Resources Sys (A-IMRS)*	**PROJECT** HR5: *Integrated Personnel and Pay System-Army (IPPS-A)*

Schedule Details

Events	Start		End	
	Quarter	**Year**	**Quarter**	**Year**
Prep./Analysis	2	2011	2	2012
Materiel Development Decision (MDD) - Increment I	4	2011	4	2011
Increment I, Release 1.0 - Trusted Database and Reports	2	2012	2	2013
Design, Development, and Integration	2	2012	1	2013
GAT/OT&E	1	2013	2	2013
Milestone C - Release 1.0	1	2013	1	2013
Full Deployment Decision (FDD) - Increment I	2	2013	2	2013
Milestone B (MS B) - Increment II	1	2013	1	2013
Increment II, Release 2.0 - Accountability	1	2013	3	2014
Milestone C - Release 2.0	1	2014	1	2014
Milestone for Deployment - Release 2.0	3	2014	3	2014
Increment II, Release 3.0 - Essential Personnel Service	1	2014	3	2015
Milestone C - Release 3.0	1	2015	1	2015
Milestone for Deployment - Release 3.0	3	2015	3	2015
Increment II, Release 4.0 - Pay Service	1	2015	3	2016
Milestone C - Release 4.0	1	2016	1	2016
Milestone for Deployment - Release 4.0	3	2016	3	2016
Increment II, Release 5.0 - Personnel Service	1	2016	3	2017
Milestone C - Release 5.0	1	2017	1	2017
Milestone for Deployment - Release 5.0	3	2017	3	2017