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Exhibit R-2, RDT&E Budget Item Justification: PB 2013 Air Force	DATE: February 2012
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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 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	22.471	91.640	91.697	-	91.697	128.111	112.607	85.413	59.993	Continuing	Continuing
676003: <i>HRM Structural Development</i>	22.471	91.640	91.697	-	91.697	128.111	112.607	85.413	59.993	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		

A. Mission Description and Budget Item Justification

AF-IPPS will be a web enabled, Commercial-Off-The-Shelf (COTS) based solution aligning with the Secretary of the Air Force (SECAF) "3-1" (Active, Reserve, and Air National Guard) initiative dated 15 Oct 10 that will integrate many existing personnel and pay processes into one self-service system. The system represents the AF commitment to modernizing business practices and providing enhanced support for today's service members and their families. AF-IPPS will align with Department of Defense (DoD) data standards for personnel, pay, and accounting, including the Common Human Resource Information Standards (CHRIS) and the Enterprise Information Web (EIW) effort, which will ensure compliance with the Business Enterprise Architecture (BEA).

Current AF personnel and pay operations are implemented in separate domains and systems, each with independent business processes, technical solutions, and information technology (IT). The lack of an integrated system and antiquated technology contribute to thousands of personnel and pay errors and delays in customer support that drives total cost of ownership higher across system operations. AF-IPPS eliminates the current systems' problems by delivering an integrated Enterprise Resource Planning (ERP) solution that provides accurate and timely personnel and pay information for AF operations and superior customer service for the Airman. AF-IPPS will ensure that Air Force personnel and pay fully support the Federal Financial Management Improvement Act (FFMIA) FY17 auditability requirements.

The AF-IPPS acquisition strategy is a two increment approach, with multiple, discrete, and severable capability releases delivered every 18-24 months. For Increment 1, the government will conduct a full and open competitive (best value) source selection with a single contract award for blueprinting, Enterprise Resource Planning (ERP) implementation, integration with the government hosting environment, testing, delivery, and sustainment. Increment 2 will be a separate acquisition effort focused on the sustainment of the system.

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)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total
Previous President's Budget	43.300	91.866	90.598	-	90.598
Current President's Budget	22.471	91.640	91.697	-	91.697
Total Adjustments	-20.829	-0.226	1.099	-	1.099
• Congressional General Reductions	-	-0.226			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-0.673	-			
• Other Adjustments	-20.156	-	1.099	-	1.099
Change Summary Explanation					
FY 2011 Congressional mark of \$20.156M identified as early to need. Additionally, Small Business Innovative Research (SBIR) reduction of \$673K occurred in FY 2011.					
FY12 Congressional General Reduction (FFRDC, Sec. 8023) of 0.226M.					
FY13 funding increase to support AF-IPPS effort.					
C. Accomplishments/Planned Programs (\$ in Millions)	FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total
Title: Prime Contractor	-	28.558	59.204	-	59.204
Description: Conduct systems integration, development, and test activities.					
FY 2011 Accomplishments: N/A					
FY 2012 Plans: Prime contractor will work on requirements analysis, design, integration and training for AF-IPPS and support other activities associated with ensuring Air Force pay and personnel capabilities remain viable until system deployment. Prime Contractor will also stand up development lab.					
FY 2013 Base Plans:					

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C. Accomplishments/Planned Programs (\$ in Millions)		FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total
Prime contractor will continue to work on requirements analysis, system design, integration, test, deployment, change management, and training for AF-IPPS and support other activities required for developing and integrating AF-IPPS. Prime Contractor will also configure COTS products, renew COTS S/W, and/or purchase S/W and H/W to support development, requirements analysis, system design, integration, test, deployment, change management, and training. FY 2013 OCO Plans: N/A						
Title: Technical & Program Management Office (PMO) Description: Conduct technical and program management activities. FY 2011 Accomplishments: Included contracted advisory and assistance services (A&AS), MITRE, travel, independent test, and other program management expenses. PMO also supported the TLE effort, acquisition strategy and Request For Proposal (RFP) development. FY 2012 Plans: Includes contracted advisory and assistance services (A&AS), MITRE, travel, independent test, and other program management expenses. Activities will also include source selection and award of the prime contract. FY 2013 Base Plans: Includes contracted advisory and assistance services (A&AS), MITRE, travel, independent test, and other program management expenses (PMO operations and acquisition development). Will also include DME efforts, management of the prime contract, test and evaluation of AF-IPPS Release 1, and preparation of the test plans for subsequent releases. FY 2013 OCO Plans: N/A		11.544	10.800	11.418	-	11.418
Title: Transition Lab Environment (TLE) and Evaluation Description: Preserve and maintain configuration management control of the Defense Integrated Military Human Resources System (DIMHRS) core capability, support Air Force technology and architecture decisions, and support functional evaluation and validation of the core capability. FY 2011 Accomplishments:		7.628	0.150	0.100	-	0.100

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C. Accomplishments/Planned Programs (\$ in Millions)		FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total
Completed stand-up of the Data Development Environment (DDE) and Data Staging Environment (DSE) of the Air Force DIMHRS database. TLE also completed TLE documentation describing the environments, and transferred DIMHRS software assets from the Business Transformation Agency (BTA) to the Air Force. FY 2012 Plans: Continue to support TLE efforts and conduct potential decommissioning efforts. FY 2013 Base Plans: Complete decommissioning efforts. FY 2013 OCO Plans: N/A						
Title: Independent Verification and Validation (IV&V) Description: Conduct Independent Verification and Validation (IV&V) activities. FY 2011 Accomplishments: Began IV&V on program management (to include governance and risk management), quality management, requirements management, and configuration management prior to the AF-IPPS contract award. An overall Current State Assessment was completed on the AF-IPPS program. FY 2012 Plans: IV&V continues on program management (to include governance and risk management), quality management, requirements management, and configuration management prior to AF-IPPS contract award. An Independent Logistics Assessment (ILA) will also be executed. FY 2013 Base Plans: Contractor will conduct IV&V activities as required. FY 2013 OCO Plans: N/A		1.096	1.375	1.537	-	1.537
Title: Commercial-Off-The-Shelf (COTS) Software (S/W) Description: Renew COTS S/W licenses and extend existing agreements. FY 2011 Accomplishments:		2.203	11.742	3.425	-	3.425

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C. Accomplishments/Planned Programs (\$ in Millions)		FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total
Renewed COTS S/W licenses for PeopleSoft. FY 2012 Plans: Renews existing COTS S/W and/or purchase development S/W and configure COTS products. Will also renew COTS S/W licenses for PeopleSoft. FY 2013 Base Plans: Will renew existing COTS S/W and/or purchase development S/W and configure COTS products. Will also renew COTS S/W licenses for PeopleSoft. [Note: Software required by Prime Contractor is identified in "Prime Contractor" category.] FY 2013 OCO Plans: N/A						
Title: Change and Transition Management Description: Conduct change management and transition management activities. FY 2011 Accomplishments: N/A FY 2012 Plans: (1) Stand up Data Management Environment (DME) within the Defense Information System Agency's (DISA) Rapid Access Computing Environment (RACE) by purchasing initial hardware and software required for effort to include configuration and test data profiling, extract/transform/load, and Meta data management tools; identification of Authoritative Data Source(s); design/development of repeatable processes for profiling; ontology development; and the cleansing and staging of the foundational data for re-use by Systems Integrator for Release 1. (2) Establishment of an operational platform capability that bridges the AF-IPPS application with the DoD and Air Force enterprise network and hardware environments within the timelines required to deploy the solution. (3) Workflows/E-forms. (4) Service Oriented Architecture (SOA) development to support AF-IPPS. (5) Change Management. FY 2013 Base Plans: Will continue (1) DME and development efforts within DISA RACE (2) Establish operational platform capability (3) Workflows/E-forms (4) Develop SOA (5) Change Management. FY 2013 OCO Plans:		-	39.015	16.013	-	16.013

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C. Accomplishments/Planned Programs (\$ in Millions)							FY 2011	FY 2012	FY 2013 Base	FY 2013 OCO	FY 2013 Total
N/A											
Accomplishments/Planned Programs Subtotals							22.471	91.640	91.697	-	91.697
D. 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
• O&M: PE 0901220F, Personnel Administration	8.665	8.543	0.000	0.000	0.000	0.000	0.000	0.000	0.000	Continuing	Continuing
• O&M (1)....: PE 0901299F, AF A1 Systems	0.000	0.000	6.741	0.000	6.741	6.579	6.814	6.863	6.996	Continuing	Continuing
• OPAF: PE 0901250F, General Information Technology	0.000	0.000	24.760	0.000	24.760	0.000	13.457	0.000	0.000	Continuing	Continuing
E. Acquisition Strategy											
AF-IPPS employs a multiple increment / multiple release acquisition strategy development contract that will be negotiated and awarded in a competitive environment.											
The AF-IPPS acquisition strategy is a two increment approach, with multiple, discrete, and severable capability releases delivered every 18-24 months. For Increment 1, the government will conduct a full and open competitive (best value) source selection with a single contract award for blueprinting, Enterprise Resource Planning (ERP) implementation, integration with the government hosting environment, testing, delivery, and sustainment. Increment 2 will be a separate acquisition effort focused on the sustainment of the system.											
F. 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-4, RDT&E Schedule Profile: PB 2013 Air Force		DATE: February 2012
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Exhibit R-4A, RDT&E Schedule Details: PB 2013 Air Force			DATE: February 2012
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Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Transition Lab Environment (TLE) & Eval	1	2011	1	2013
Independent Verification & Validation	1	2011	4	2016
Commercial-Off-The-Shelf (COTS) S/W	1	2011	4	2016
Change & Transition Management	1	2012	4	2017
Technical & Program Management (PMO)	1	2011	4	2017
Milestone B	4	2012	4	2012
Strategy Planning, RFP Activity (Development and Release)	1	2011	1	2012
Source Selection	1	2012	4	2012
Prime Contract Award	4	2012	4	2012
Contract Execution	4	2012	4	2017
Blue Printing / Fit Gap Analysis	4	2012	1	2015
Release 1/Sustainment	2	2013	3	2015
Release 2/Sustainment	1	2014	3	2016
Release 3/Sustainment	1	2014	4	2016
Release 4/Sustainment	2	2015	4	2017
Release 5/Sustainment	3	2016	4	2017