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Exhibit R-2, RDT&E Budget Item Justification: PB 2014 Air Force										DATE: April 2013		
APPROPRIATION/BUDGET ACTIVITY 3600: Research, Development, Test & Evaluation, Air Force BA 7: Operational Systems Development					R-1 ITEM NOMENCLATURE PE 0605018F: AF Integrated Personnel and Pay System (AF-IPPS)							
COST (\$ in Millions)	All Prior Years	FY 2012	FY 2013 [#]	FY 2014 Base	FY 2014 OCO ^{##}	FY 2014 Total	FY 2015	FY 2016	FY 2017	FY 2018	Cost To Complete	Total Cost
Total Program Element	-	78.850	91.697	90.097	-	90.097	128.149	94.872	59.264	60.331	Continuing	Continuing
676003: HRM Structural Development	-	78.850	91.697	90.097	-	90.097	128.149	94.872	59.264	60.331	Continuing	Continuing
Quantity of RDT&E Articles		0	0	0		0	0	0	0	0		
MDAP/MAIS Code(s): N86												
[#] FY 2013 Program is from the FY 2013 President's Budget, submitted February 2012												
^{##} The FY 2014 OCO Request will be submitted at a later date												
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 to 1" (Regular Air Force [RegAF], Air National Guard [ANG], and Air Force Reserve [AFRes]) initiative dated October 15, 2010 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), which will ensure compliance with the Business Enterprise Architecture (BEA). AF-IPPS will provide Enterprise Information Web (EIW) services. The AF-IPPS program will be bound by using the BEA "Hire-to-Retire" (H2R) construct.												
The purpose of AF-IPPS is to provide the AF with a sustainable, cost-effective, auditable and regulatory compliant method of effectively capturing and maintaining personnel information so that Service members are paid accurately and on-time without requiring repetitive action or onerous paperwork, while allowing commanders/managers to easily access pertinent information.												
The goal of AF-IPPS is to fully integrate personnel and pay management for the AF's Total Force (RegAF, ANG, and AFRes). The future state will be characterized by streamlined, Total Force business processes; efficient and accurate management of pay entitlements; auditable financial statements with regard to military pay; improved access to accurate and timely personnel data for authorized users; and a modernized IT systems environment that is cost-effective and can adapt to future needs.												
AF-IPPS's customers include approximately 507,000 AF Service members across all components (330,000 RegAF, 107,000 ANG, and 70,000 AFRes) as well as thousands of military leaders of different ranks, specialties, and career fields who are responsible for the conduct of AF operations that rely on these services to ensure Service members with the appropriate skill sets are deployed where needed at home and on the battlefield. Congress, the rest of the DoD, and other federal agencies all rely on accurate AF Human Resources (HR) data to make key decisions that affect how the US military is organized, funded, deployed, and maintained.												
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 2012	FY 2013	FY 2014 Base	FY 2014 OCO	FY 2014 Total
Previous President's Budget		91.640	91.697	128.111	-	128.111
Current President's Budget		78.850	91.697	90.097	-	90.097
Total Adjustments		-12.790	0.000	-38.014	-	-38.014
• Congressional General Reductions		-	0.000			
• Congressional Directed Reductions		-	0.000			
• Congressional Rescissions		0.000	0.000			
• Congressional Adds		-	0.000			
• Congressional Directed Transfers		-	0.000			
• Reprogrammings		-0.073	0.000			
• SBIR/STTR Transfer		-2.791	0.000			
• Other Adjustments		-9.926	0.000	-38.014	-	-38.014
Change Summary Explanation						
FY12 funding decrease to support higher DoD priorities.						
FY14 funding decrease to support higher DoD priorities.						
C. Accomplishments/Planned Programs (\$ in Millions)				FY 2012	FY 2013	FY 2014
Title: Product Development				69.515	86.533	76.182
Description: Acquire and develop the activities that support the acquisition of a personnel/pay capability for USAF personnel across all components (i.e., RegAF, ANG, and AFRes).						
FY 2012 Accomplishments: Stood up the AF-IPPS initial development and test environment within Defense Information Systems Agency (DISA). Began Data Management Environment (DME) efforts of extracting, cleansing, consolidating, and preparing data. Purchased and renewed COTS Software (S/W) to support data management and development activities. Completed Independent Verification & Validation (IV&V) on program management and system engineering activities. Decommissioned Defense Integrated Military Human Resources System (DIMHRS) Transition Lab Environment (TLE). Supported AF information technology efforts [e.g., implementation & operational baselines, application services, etc.] to ensure AF-IPPS is fully integrated into the AF & DoD enterprise networks, databases, and information systems.						
FY 2013 Plans: Released Contract 1 Request For Proposal (RFP). Award Contract 1 for Blueprinting/Conference Room Piloting (CRP) for all AF-IPPS capability releases and an option for Release 1 (Leave) including requirements analysis, design, integration, functional/ systems test, deployment, and training. Build out the development environment of the initial AF-IPPS development / test						

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C. Accomplishments/Planned Programs (\$ in Millions)		FY 2012	FY 2013	FY 2014
environment and extend existing DISA services. Continue DME efforts of extracting, cleansing, consolidating, and preparing data. Purchase and renew COTS S/W to support data management, development, and deployment activities. Continue supporting AF information technology efforts (e.g., implementation & operational baselines, application services, etc.) to ensure AF-IPPS is fully integrated into the AF & DoD enterprise networks, databases, and information systems. Lead integration for Contract 1; manage interaction between all contractor and Government activities. FY 2014 Plans: Continue the following efforts: (1) Contract 1 including Blueprinting and Release 1 (Leave) , (2) DME, (3) the AF information technology efforts (e.g., implementation & operational baselines, application services, etc.) to ensure AF-IPPS is fully integrated into the AF & DoD enterprise networks, databases, and information systems. Establish Contract 1 post award IV&V. Build production, Continuity of Operations (COOP), and additional development environments to the AF-IPPS development and test environment and extend existing DISA services. Purchase and renew COTS S/W to support data management and development activities. Lead integration for Contract 1; manage interaction between all contractor and Government activities.				
Title: Test and Evaluation Description: Government integrated test and evaluation activities. FY 2012 Accomplishments: Supported the Integrated Test Team (ITT), completed the Test and Evaluation Management Plan (TEMP), and began initial development of test strategy for Release 1. FY 2013 Plans: Finalize test strategy and develop test plans for Release 1. FY 2014 Plans: Conduct test and evaluation for Release 1 and prepare test plans for subsequent releases.		0.206	0.176	0.594
Title: Management Services (PMA) Description: Conduct technical and program management activities. FY 2012 Accomplishments: Developed and received Secretary of the Air Force approval on the AF-IPPS Acquisition strategy. Drafted MS B documentation. Program Management Office (PMO) also supported TLE operations and the decommissioning effort, acquisition planning and reporting, and RFP development. Performed contracted Advisory and Assistance Services (A&AS), MITRE, travel, and other program management expenses. FY 2013 Plans:		9.129	4.988	13.321

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C. Accomplishments/Planned Programs (\$ in Millions)								FY 2012	FY 2013	FY 2014	
Continue acquisition planning and reporting, conduct Contract 1 source selection and award, and execute Contract 1 activities. Refine documentation in preparation for Milestone B. Continue RFP development for implementation of: Release 2 (Cadets), Release 3 (Officers), Release 4 (Enlisted), and Release 5 (S/W Upgrade). Includes contracted A&AS, MITRE, travel, and other program management expenses.											
FY 2014 Plans: Continue acquisition planning, reporting, and Contract 1 activities. Continue RFP development for implementation of: Release 2 (Cadets), Release 3 (Officers), Release 4 (Enlisted), and Release 5 (S/W Upgrade). Initiate Contract 2 source selection activities. Achieve Milestone B. Includes contracted A&AS, MITRE, travel, and other program management expenses.											
Accomplishments/Planned Programs Subtotals								78.850	91.697	90.097	
D. Other Program Funding Summary (\$ in Millions)											
Line Item	FY 2012	FY 2013	FY 2014 Base	FY 2014 OCO	FY 2014 Total	FY 2015	FY 2016	FY 2017	FY 2018	Cost To Complete	Total Cost
• OPAF: BA03: Line Item # 834010: General Information Technology	0.000	24.760	0.000		0.000	13.339	0.000	0.000	0.000	Continuing	Continuing
Remarks											
E. Acquisition Strategy											
AF-IPPS's acquisition strategy comprises a multiple release/multiple contract strategy. The Government will conduct a Full and Open Competition (trade-off) to award contracts to deliver the integrated personnel and pay system for the military Total Force (i.e., RegAF, ANG, and AFRes).											
The initial AF-IPPS contract includes the effort to blueprint for all releases with an option to develop, integrate, test, train, deploy, and sustain Release 1 (Leave). Development, integration, testing, training, deployment, and sustainment of subsequent releases will be competed. The primary contract type will be Fixed Price Incentive Firm (FPIF). Cost Plus Incentive Fee (CPIF) and Firm Fixed Price (FFP) will be used for the smaller portions of the contract, as appropriate.											
Air Force Program Executive Officer for Business and Enterprise Systems (AFPEO BES) is the PEO for AF-IPPS. Air Force Life Cycle Management Center (AFLCMC) is the Contracting Authority for the AF-IPPS Program and provides Contracts, Legal, and Comptroller support. The Office of the Secretary of Defense Deputy Change Management Officer [OSD(DCMO)] is the program's Milestone Decision Authority (MDA).											
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-3, RDT&E Project Cost Analysis: PB 2014 Air Force												DATE: April 2013			
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Product Development (\$ in Millions)				FY 2012		FY 2013		FY 2014 Base		FY 2014 OCO		FY 2014 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	All Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
AF-IPPS Development, Test, & Prod Environments	Various	DISA, Various SW Vendors:TBD,	-	2.539	Oct 2011	5.127	Dec 2012	13.237	Oct 2013	-		13.237	Continuing	Continuing	TBD
Contract 1	C/Various	TBD:TBD,	-	56.081	Aug 2013	62.091	Aug 2013	46.665	Dec 2013	-		46.665	Continuing	Continuing	TBD
DMS Other	Various	Various IT Vendors:TBD,	-	5.624	Feb 2012	16.992	Mar 2013	12.881	Dec 2013	-		12.881	Continuing	Continuing	TBD
PeopleSoft Licenses	MIPR	Oracle:Reston, VA	-	4.574	Dec 2011	2.323	Dec 2012	2.388	Dec 2013	-		2.388	Continuing	Continuing	TBD
Independent Verification & Validation (IV&V)	C/Various	RYAN, Summaria Systems, Inc.:Montgomery, AL	-	0.697	Mar 2012	0.000		1.011	Aug 2014	-		1.011	Continuing	Continuing	TBD
Subtotal			0.000	69.515		86.533		76.182		0.000		76.182			
Support (\$ in Millions)				FY 2012		FY 2013		FY 2014 Base		FY 2014 OCO		FY 2014 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	All Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Subtotal			0.000	0.000		0.000		0.000		0.000		0.000	0.000	0.000	0.000
Test and Evaluation (\$ in Millions)				FY 2012		FY 2013		FY 2014 Base		FY 2014 OCO		FY 2014 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	All Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Gov't Integrated Test & Evaluation Activities	C/Various	PASS:Orlando, FL	-	0.206	Nov 2011	0.176	Jan 2013	0.594	Oct 2013	-		0.594	Continuing	Continuing	TBD
Subtotal			0.000	0.206		0.176		0.594		0.000		0.594			

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Management Services (\$ in Millions)				FY 2012		FY 2013		FY 2014 Base		FY 2014 OCO		FY 2014 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	All Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Engineering and Technology Acquisition Support Services (ETASS)	C/CPFF	Jacobs Technology:Bedford, MA	-	3.758	Dec 2011	0.721	May 2013	3.299	May 2014	-		3.299	Continuing	Continuing	TBD
MITRE Engineering Support	SS/CPFF	MITRE:Lexington, MA	-	1.924	Nov 2011	0.777	Dec 2012	1.313	Oct 2013	-		1.313	Continuing	Continuing	TBD
Other PMA	Various	Various:TBD,	-	0.394	Oct 2011	1.267	Dec 2012	4.383	Oct 2013	-		4.383	Continuing	Continuing	TBD
Professional Acquisition Support Services (PASS)	C/T&M	Oasis Systems, Inc.:Lexington, MA	-	2.514	Feb 2012	1.958	Feb 2013	3.841	Oct 2013	-		3.841	Continuing	Continuing	TBD
Specialized Cost Services (SCS)	C/CPFF	Tecolote:Bedford, MA	-	0.539	Oct 2011	0.265	Feb 2013	0.485	Oct 2013	-		0.485	Continuing	Continuing	TBD
Subtotal			0.000	9.129		4.988		13.321		0.000		13.321			
			All Prior Years	FY 2012		FY 2013		FY 2014 Base		FY 2014 OCO		FY 2014 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals			0.000	78.850		91.697		90.097		0.000		90.097			
Remarks															

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Exhibit R-4, RDT&E Schedule Profile: PB 2014 Air Force																DATE: April 2013							
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																PROJECT 676003: <i>HRM Structural Development</i>							

AF-IPPS Notional Schedule <small>(a/o 14 Feb 13)</small>	FY12				FY13				FY14				FY15				FY16				FY17				FY18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
PRODUCT DEVELOPMENT																												
AF-IPPS Development, Test, & Prod Environments	Establish and support AF-IPPS Development, Test, and Production Environments																											
Contract 1: Basic (Blue Printing/CRP)																												
Contract 1: Options (Release 1/CS)																												
Contract 2 (MAC/DO 1): Release 2/CS Options																												
Contract 2 (MAC/DO 1): Release 3/CS Options																												
Contract 2 (MAC/DO 2): Release 4/CS Options																												
Contract 2 (MAC/DO 3): Release 5/CS Options																												
AF Information Technology Efforts	Conduct AF Information Technology Efforts (e.g., ERP implementation & operational baselines, application services, etc.)																											
Independent Verification & Validation (IV&V)																												
TEST AND EVALUATION																												
Gov't Integrated Test & Evaluation Activities	Support test plan development and conduct test and evaluation																											
The above notional schedule is awaiting approval by the Milestone Decision Authority (MDA) via the Acquisition Program Baseline (APB) and validation based upon the winning bidder's proposal.																												
CS - Contractor Support	DO - Delivery Order								I/T/F - Integration/Test/Field								SS - Source Selection											
CRP - Conference Room Pilot	Int - Integration								MAC - Multiple Award Contract																			

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Exhibit R-4A, RDT&E Schedule Details: PB 2014 Air Force			DATE: April 2013
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Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
AF-IPPS Development, Test, & Production Environments	1	2012	4	2018
Contract 1: Basic (Blue Printing/CRP)	4	2013	1	2016
Contract 1: Options (Release 1/CS)	2	2014	3	2017
Contract 2 (MAC/DO 1): Release 2/CS Options)	4	2014	1	2018
Contract 2 (MAC/DO 1): Release 3/CS Options)	4	2014	4	2018
Contract 2 (MAC/DO 2): Release 4/CS Options)	1	2016	4	2018
Contract 2 (MAC/DO 3): Release 5/CS Options)	2	2017	4	2018
AF Information Technology Efforts	1	2012	4	2018
Independent Verification and Validation (IV&V)	1	2014	4	2018
Government Integrated Test and Evaluation	1	2012	4	2018