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Exhibit R-2, RDT&E Budget Item Justification: PB 2016 Air Force										Date: February 2015		
Appropriation/Budget Activity 3600: Research, Development, Test & Evaluation, Air Force I BA 7: Operational Systems Development					R-1 Program Element (Number/Name) PE 0605018F I AF Integrated Personnel and Pay System (AF-IPPS)							
COST (\$ in Millions)	Prior Years	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	Cost To Complete	Total Cost
Total Program Element	121.463	33.114	60.019	69.694	-	69.694	64.317	57.845	28.463	28.972	-	463.887
676003: HRM Structural Development	121.463	33.114	60.019	69.694	-	69.694	64.317	57.845	28.463	28.972	-	463.887
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		
Program MDAP/MAIS Code: N86												
A. Mission Description and Budget Item Justification												
<p>Air Force Integrated Personnel and Pay System (AFIPPS) will be a web-enabled, Enterprise Resource Planning (ERP) solution 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. AFIPPS will align with 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). The AFIPPS program will be bound by using the BEA "Hire-to-Retire" (H2R) construct. Eighty-four percent of the BEA's H2R activities are within the scope of AFIPPS.</p> <p>The purpose of AFIPPS 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.</p> <p>The goal of AFIPPS, as documented in the Capability Development Document (CDD) signed 05 Jul 11, is to fully integrate personnel and pay management for the AF's Total Force (Regular Air Force (RegAF), Air National Guard (ANG), and Air Force Reserve (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.</p> <p>AFIPPS's customers include approximately 620,000 AF Service members across all components (RegAF, ANG, and 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 Department of Defense (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.</p> <p>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.</p>												

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B. Program Change Summary (\$ in Millions)	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	
Previous President's Budget	34.034	90.218	93.788	-	93.788	
Current President's Budget	33.114	60.019	69.694	-	69.694	
Total Adjustments	-0.920	-30.199	-24.094	-	-24.094	
• Congressional General Reductions	-	-				
• Congressional Directed Reductions	-	-30.199				
• Congressional Rescissions	-	-				
• Congressional Adds	-	-				
• Congressional Directed Transfers	-	-				
• Reprogrammings	-	-				
• SBIR/STTR Transfer	-0.920	-				
• Other Adjustments	-	-	-24.094	-	-24.094	
Change Summary Explanation						
FY15 Congressional Directed Reduction (-\$30.199M) due to contract award delay.						
FY16 funding request was reduced (-\$24.094M) to support other higher Air Force priorities.						
C. Accomplishments/Planned Programs (\$ in Millions)				FY 2014	FY 2015	FY 2016
Title: AFIPPS - Product Development				32.883	59.486	68.878
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 2014 Accomplishments:						
Continued the following efforts: (1) Contract 1 (C1) including Blueprinting/Conference Room Pilot (CRP) and planning for the Leave capability,(2) Data Management Environment (DME) activities, (3) the AF information technology efforts (e.g., implementation & operational baselines, application services, etc.) to ensure AFIPPS is fully integrated into the AF & DoD enterprise networks, databases, and information systems, (4) Contract 1 Independent Verification & Validation (IV&V), (5) Building production, Continuity of Operations (COOP), and additional development environments to the AFIPPS development and test environment,(6) Purchasing and renewing Commerical-Off-The-Shelf (COTS) S/W to support data management and development activities, (7) Leading the integration for C1 and managing the interaction between all contractor and Government activities. Prepare for Milestone B (MS B). Continue acquisition planning, reporting, and the execution of C1 activities. Release the Contract 2 (C2) Request for Information and Proposal. Includes contracted personnel and other program management expenses to support implementation of the program.						
FY 2015 Plans:						

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C. Accomplishments/Planned Programs (\$ in Millions)		FY 2014	FY 2015	FY 2016
Continue the following efforts: (1) C1 Blueprinting/CRPs 1&2 and Release 1 (Leave),(2) Data Management Environment (DME) activities, (3) AF information technology efforts (e.g., implementation & operational baselines, application services, etc.) to ensure AFIPPS is fully integrated into the AF & DoD enterprise networks, databases, and information systems, (4) Building production, COOP, and additional development environments to the AFIPPS development and test environment, (5) Purchasing COTS S/W to support data management and development activities, (6) Planning the integration for Contracts 1 & 2 and managing the interaction between all contractor and Government activities. Plan for and achieve Milestone (MS) B. Continue acquisition planning, reporting, and the execution of C1 activities. Conduct C2 source selection activities, and subsequently award C2. Includes contracted personnel and other program management expenses to support implementation of the program.				
FY 2016 Plans: Continue the following efforts: (1) Execute Contracts 1 and 2 including Blueprinting/CRP and development, (2) DME activities, (3) AF information technology efforts (e.g., implementation & operational baselines, application services, etc.) to ensure AFIPPS is fully integrated into the AF & DoD enterprise networks, databases, and information systems, (4) Building production, COOP, and additional development environments as required to support existing DISA services (e.g., cloud computing), (5) Purchasing COTS S/W to support data management, sustainment and development activities, (6) Leading the integration for Contracts 1 and 2 and managing the interaction between all contractor and Government activities. Continue acquisition planning, reporting, and the execution of Contracts 1 and 2 activities. Includes contracted personnel and other program management expenses to support implementation of the program.				
Title: AFIPPS - Test and Evaluation Description: Government integrated test and evaluation activities.		0.231	0.533	0.816
FY 2014 Accomplishments: Finalized test strategy and developing test plans for the Leave capability.				
FY 2015 Plans: Adjust Test Strategy to reflect new release schedule, update Test and Evaluation Master Plan (TEMP) and prepare test plans for A2M and subsequent releases.				
FY 2016 Plans: Will finalize test plans for Arc 2 Mission (A2M) Release, and continue preparing and finalizing test plans for subsequent releases.				
Accomplishments/Planned Programs Subtotals		33.114	60.019	69.694

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D. Other Program Funding Summary (\$ in Millions)											
Line Item	FY 2014	FY 2015	FY 2016 Base	FY 2016 OCO	FY 2016 Total	FY 2017	FY 2018	FY 2019	FY 2020	Cost To Complete	Total Cost
• OPAF: BA 03: Line Item # 834410: Integrated Personnel and Pay System	-	-	3.976	-	3.976	2.961	-	-	-	Continuing	Continuing
Remarks											
E. Acquisition Strategy											
AFIPPS Acquisition Strategy consists of multiple capability releases that are developed and fielded in 2 separate contracts. The Government will conduct a Full and Open competition to award each of the two contracts which will deliver the integrated personnel and pay system for the military Total Force (i.e. RegAF, ANG, and AFRes). The Acquisition Strategy also specifies that Contract 2 awardee will act as system integrator."											
AFIPPS will deliver severable and discrete capability releases under two contracts. Each capability release builds upon and incorporates the previous baseline. Contract 1 includes the effort to blueprint for all releases. The primary contract type is Fixed Price Incentive Firm (FPIF). Cost Plus Incentive Fee (CPIF) and Firm Fixed Price (FFP) are used for the smaller portions of the contract, as appropriate.											
Contract 1 will deliver blueprinting products for each capability release. Contract 2 will have a basic contract for the ARC-to-Mission Release, with options for subsequent Releases (Officers and Enlisted/Cadet Pay), each of which represents a fieldable capability for the Air Force human resources mission. AFIPPS will provide a fully integrated personnel and pay service capability for the Total Force to fully use capabilities in the COTS software, minimize customization of the ERP and sustainment costs and maximize the life of the system. Contract 2 will be awarded through full and open competition with details to be determined via the Contract 2 acquisition strategy process.											
Air Force Program Executive Officer (PEO) for Business and Enterprise Systems (AFPEO BES) is the PEO for AFIPPS. Air Force Life Cycle Management Center (AFLCMC) is the Contracting Authority for the AFIPPS Program and provides Contracts, Legal, and Comptroller support. The Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics [OUSD(AT&L)] 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 2016 Air Force												Date: February 2015			
Appropriation/Budget Activity 3600 / 7						R-1 Program Element (Number/Name) PE 0605018F / AF Integrated Personnel and Pay System (AF-IPPS)				Project (Number/Name) 676003 / HRM Structural Development					
Product Development (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
AFIPPS Environments	Various	DISA, Various SW Vendors : Bedford, MA	22.347	16.518	Aug 2014	19.880	Feb 2015	12.938	Oct 2015	-		12.938	57.766	129.449	TBD
Contract 1	C/Various	IBM : Bethesda, MD	13.689	6.437	Dec 2013	14.591	Apr 2015	-		-		-	-	34.717	TBD
Contract 2	C/Various	TBD : TBD,	0.000	-		-		28.180	Jan 2016	-		28.180	96.230	124.410	154.874
Direct Mission Support (DMS) Other	Various	Various IT Vendors : Bedord, MA	39.436	5.350	Aug 2014	17.378	Mar 2015	19.858	Mar 2016	-		19.858	70.777	152.799	TBD
PeopleSoft Licenses	MIPR	Oracle : Reston, VA	9.150	2.423	Dec 2014	2.467	Dec 2015	3.015	Dec 2016	-		3.015	8.861	25.916	TBD
Independent Verification & Validation (IV&V)	C/Various	Various : TBD,	2.354	-		-		-		-		-	-	2.354	TBD
Subtotal			86.976	30.728		54.316		63.991		-		63.991	233.634	469.645	-
Support (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	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			-	-		-		-		-		-	-	-	-
Test and Evaluation (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	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	Various : Orlando, FL	0.690	0.231	Aug 2014	0.533	Mar 2015	0.816	Oct 2015	-		0.816	3.840	6.110	TBD
Subtotal			0.690	0.231		0.533		0.816		-		0.816	3.840	6.110	-

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Management Services (\$ in Millions)				FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	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	9.225	-		-		-		-		-	-	9.225	TBD
MITRE Engineering Support	SS/CPFF	MITRE : Lexington, MA	5.078	0.167	Dec 2013	-		-		-		-	-	5.245	TBD
Other PMA	Various	Various : Bedford, MA	7.232	0.645	Nov 2013	3.240	Oct 2014	1.090	Oct 2015	-		1.090	3.007	15.214	TBD
Professional Acquisition Support Services I (PASS I)	C/CPFF	Oasis Systems, Inc. : Lexington, MA	9.308	0.511	Jan 2014	-		-		-		-	-	9.819	TBD
Professional Acquisition Support Services II (PASS II)	C/CPAF	Quantech Services, Inc. : Lexington, MA	1.345	-		1.345	Aug 2015	3.237	Aug 2016	-		3.237	9.513	15.440	TBD
Specialized Cost Services (SCS)	C/CPFF	Tecolote : Bedford, MA	1.609	0.832	Oct 2013	0.585	Oct 2014	0.560	Oct 2015	-		0.560	1.645	5.231	TBD
Subtotal			33.797	2.155		5.170		4.887		-		4.887	14.165	60.174	-
			Prior Years	FY 2014		FY 2015		FY 2016 Base		FY 2016 OCO		FY 2016 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals			121.463	33.114		60.019		69.694		-		69.694	251.639	535.929	-
Remarks															

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Exhibit R-4, RDT&E Schedule Profile: PB 2016 Air Force			Date: February 2015		
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	FY 2014				FY 2015				FY 2016				FY 2017				FY 2018				FY 2019				FY 2020			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
AFIPPS Development, Test, and Production Environments																												
Contract 1: Basic (Blueprinting/CRP)																												
Milestone B																												
Contract 2: Basic (Release 1 - ARC-to-Mission)																												
Contract 2: Option 1 (Release 2 - TF Officers)																												
Contract 2: Option 2 (Release 3 - TF Enlisted/ Cadets Pay)																												
Contract 2: Option 3 (Release 4 - ERP Upgrade)																												
AF Information Technology Efforts																												
Government Integrated Test and Evaluation Activities																												

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Exhibit R-4A, RDT&E Schedule Details: PB 2016 Air Force			Date: February 2015
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Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
AFIPPS Development, Test, and Production Environments	1	2014	4	2020
Contract 1: Basic (Blueprinting/CRP)	1	2014	4	2015
Milestone B	1	2016	1	2016
Contract 2: Basic (Release 1 - ARC-to-Mission)	2	2016	4	2017
Contract 2: Option 1 (Release 2 - TF Officers)	4	2016	4	2018
Contract 2: Option 2 (Release 3 - TF Enlisted/Cadets Pay)	2	2018	2	2019
Contract 2: Option 3 (Release 4 - ERP Upgrade)	1	2020	3	2020
AF Information Technology Efforts	1	2014	4	2020
Government Integrated Test and Evaluation Activities	1	2014	4	2020