

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: FY 2018 Air Force										Date: May 2017		
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 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost
Total Program Element	199.827	30.334	10.368	21.915	0.000	21.915	52.428	52.479	30.666	31.687	0.000	429.704
676003: HRM Structural Development	199.827	30.334	10.368	21.915	0.000	21.915	52.428	52.479	30.666	31.687	0.000	429.704
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		
Program MDAP/MAIS Code: N86												
A. Mission Description and Budget Item Justification												
Air Force Integrated Personnel and Pay System (AFIPPS) will be a web-enabled, Enterprise Resource Planning (ERP) solution that will integrate existing personnel and pay processes into one self-service system. The Department of the Air Force (DAF) plans to accomplish this goal by modernizing existing technology, resulting in a secure and authoritative data environment that improves accuracy, strengthens decision making and reduces processing time and costs. AFIPPS supports effective military personnel management and development throughout the lifecycle of all military members, by providing an accurate and single authoritative source of personnel data. AFIPPS will enable accurate and timely delivery of pay, entitlements, allowances and benefits and make appropriate information available for all levels of management.Active(RegAF), National Guard(ANG),and Reserve(AFRes)components will integrate personnel and pay functionality; streamline and improve automated support to the mobilization and deployment processes; and implement standard data that reflects the core requirements of the Combatant Commands, the Department of the Air Force, the Office of the Secretary of Defense and other federal agencies.												
AFIPPS's customers include approximately 510,000 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.												
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.												

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: FY 2018 Air Force				Date: May 2017		
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)				
B. Program Change Summary (\$ in Millions)		FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total
Previous President's Budget		31.344	10.368	51.843	0.000	51.843
Current President's Budget		30.334	10.368	21.915	0.000	21.915
Total Adjustments		-1.010	0.000	-29.928	0.000	-29.928
• Congressional General Reductions		0.000	0.000			
• Congressional Directed Reductions		0.000	0.000			
• Congressional Rescissions		0.000	0.000			
• Congressional Adds		0.000	0.000			
• Congressional Directed Transfers		0.000	0.000			
• Reprogrammings		0.000	0.000			
• SBIR/STTR Transfer		-1.010	0.000			
• Other Adjustments		0.000	0.000	-29.928	0.000	-29.928
Change Summary Explanation						
Reduction in FY2018 (\$29.928M) due to higher Air Force priorities						
C. Accomplishments/Planned Programs (\$ in Millions)				FY 2016	FY 2017	FY 2018
Title: Air Force Integrated Personnel and Pay System (AFIPPS) - Product Development				30.169	10.308	21.706
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 2016 Accomplishments:						
-Transitioned program office to Joint Base San Antonio(JBSA) Randolph, TX						
- Modified integrated personnel and pay system (IPPS) long-range strategy						
- Prepared acquisition and contract documentation to support AFIPPS strategy						
- Refined acquisition planning, reporting, and the execution of AFIPPS activities						
- Continued AF information technology efforts (e.g.,implementation & baselines, application services, etc.) to ensure AFIPPS is fully integrated into the AF & DoD enterprise networks, databases, and information systems						
- Purchased Commercial Off-the-Shelf (COTS) Software to support development activities						
- Conducted risk reduction activities to assess/reduce risk and support decision-making						
- Designed the required AFIPPS computing environments, e.g. development and test environment						
- Designed enterprise architecture for pay						
- Completed initial Data Management Enviroment(DME) activities and decommissioned PeopleSoft environment						
- Awarded E-Business Suite(EBS)training contract						

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: FY 2018 Air Force		Date: May 2017		
Appropriation/Budget Activity 3600: <i>Research, Development, Test & Evaluation, Air Force I BA 7: Operational Systems Development</i>		R-1 Program Element (Number/Name) PE 0605018F I <i>AF Integrated Personnel and Pay System (AF-IPPS)</i>		
C. Accomplishments/Planned Programs (\$ in Millions)		FY 2016	FY 2017	FY 2018
- Added Professional Acquisition Support Services (PASS)/Engineering and Technology Acquisition Support Services(ETASS) contracted personnel and Federally Funded Research and Development Center (FFRDC)resources to support implementation of the program FY 2017 Plans: <ul style="list-style-type: none"> - Finalize and approve new acquisition strategy for AFIPPS - Release Request For Proposal (RFP) supporting the new AFIPPS Course of Action (COA) strategy - Prepare additional acquisition and contract documentation to support AFIPPS strategy - Continue acquisition planning, reporting, and the execution of AFIPPS activities - Continue AF information technology efforts (e.g., Common Computing Environment, Financial Improvement Audit Readiness(FIAR)/Federal Information System Control Audit Manual(FISCAM) audit support, etc.) to ensure AFIPPS is fully integrated into the AF & DoD enterprise networks, databases, and information systems - Complete study to evaluate system interfaces (e.g. MILPERS, AROWS, AROWS-R, My Pay, PEPA, TTS2, UTAPSWeb) associated with integrating pay capability resulting from AFIPPS implementation - Build and maintain the required AFIPPS computing environments, e.g. development, test environment - Purchase COTS Software to support data management and development activities - Continue risk reduction activities to support decision-making - Continue to design and implement enterprise architecture for pay - Execute EBS training contract - Continue using PASS/ETASS contracted personnel and FFRDC resources to support implementation of the program FY 2018 Plans: <ul style="list-style-type: none"> - Will award contract to develop and integrate personnel and pay capabilities - Will prepare contract documentation to support AFIPPS strategy and Milestone B approval - Will continue acquisition planning, reporting, and the execution of AFIPPS activities and follow-on activities - Will continue AF information technology efforts (e.g., Common Computing Environment, FIAR/FISCAM audit support, etc.) to ensure AFIPPS is fully integrated into the AF & DoD enterprise networks, databases, and information systems - Will modify system interfaces (e.g. MILPERS, AROWS, AROWS-R, My Pay, PEPA, TTS2, UTAPSWeb) to support integrating pay capability resulting from AFIPPS implementation - Will build and maintain the required AFIPPS computing environments, e.g. development, test environment - Will purchase COTS S/W to support data management and development activities - Will continue risk reduction activities to support decision-making - Will continue to design and implement enterprise architecture for pay - Will complete EBS training contract - Will perform change management and other integration activities 				

UNCLASSIFIED

Exhibit R-2, RDT&E Budget Item Justification: FY 2018 Air Force										Date: May 2017		
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)							
C. Accomplishments/Planned Programs (\$ in Millions)										FY 2016	FY 2017	FY 2018
- Will continue using PASS/ETASS contracted personnel and FFRDC resources to support implementation of the program												
Title: AFIPPS - Test and Evaluation										0.165	0.060	0.209
Description: Government integrated test and evaluation activities.												
FY 2016 Accomplishments: - Updated Test and Evaluation Master Plan (TEMP) and preparing test plans for future releases												
FY 2017 Plans: - Refine Test and Evaluation program for pay												
FY 2018 Plans: - Will refine Test and Evaluation program for pay												
Accomplishments/Planned Programs Subtotals										30.334	10.368	21.915
D. Other Program Funding Summary (\$ in Millions)												
Line Item	FY 2016	FY 2017	FY 2018 Base	FY 2018 OCO	FY 2018 Total	FY 2019	FY 2020	FY 2021	FY 2022	Cost To Complete	Total Cost	
• N/A: N/A	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	-	
Remarks												
E. Acquisition Strategy												
AFIPPS acquisition strategy focuses on expanding the fielded AF personnel system (MilPDS) by integrating a pay capability. MilPDS is implemented using the commercial Oracle ERP E-Business Suite (EBS). The AFIPPS strategy will be to configure/develop the pay portion of EBS, ensure the system is fully integrated, and deployed. The Government will award a contract for the pay system development, test, and deployment. The development activities will be fully coordinated and integrated with the on-going operation and sustainment of MilPDS.												
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)] has delegated the program's Milestone Decision Authority (MDA) to the Service Acquisition Executive (SAE) for the Air Force.												
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.												

UNCLASSIFIED

Exhibit R-3, RDT&E Project Cost Analysis: FY 2018 Air Force												Date: May 2017			
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 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 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
Application Hosting Environment	MIPR	DISA, Various SW Vendors : Bedford, MA	55.745	0.000		0.400	May 2017	0.400	May 2018	0.000		0.400	2.452	58.997	3.252
Common Computinng Environment (CCE)	Various	Various : Various	0.000	0.881	Jan 2017	0.326	Jul 2017	0.855	Apr 2018	0.000		0.855	11.736	13.798	13.798
Prime Development & Integration Contract	C/TBD	TBD : TBD	33.717	0.000		0.000		8.210	Mar 2018	0.000		8.210	35.390	77.317	43.600
Direct Mission Support (DMS) Other	Various	Various IT Vendors : Various	53.862	26.000		0.000		0.000		0.000		0.000	0.000	79.862	53.114
COTs Licenses	Various	Various : Various	11.573	0.000		2.124	May 2017	3.535	May 2018	0.000		3.535	26.642	43.874	16.986
System Interface Integration & Modification	C/TBD	TBD : TBD	0.000	0.000		0.000		0.775	Jun 2018	0.000		0.775	14.043	14.818	14.818
Subtotal			154.897	26.881		2.850		13.775		0.000		13.775	90.263	288.666	145.568
Support (\$ in Millions)				FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 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 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 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
Independent Verification & Validation (IV&V)	Various	Various : Various	2.354	0.000		0.000		0.000		0.000		0.000	0.000	2.354	2.507
Gov't Integrated Test & Evaluation Activities	MIPR	Various : Various	1.454	0.165	May 2016	0.060	Sep 2017	0.209	Mar 2018	0.000		0.209	1.546	3.434	1.836
Subtotal			3.808	0.165		0.060		0.209		0.000		0.209	1.546	5.788	4.343

UNCLASSIFIED

Exhibit R-3, RDT&E Project Cost Analysis: FY 2018 Air Force												Date: May 2017			
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					
Management Services (\$ in Millions)				FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 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	Oasis Systems, Inc : Lexington, MA	9.225	0.604	Mar 2017	0.817	Jul 2017	1.400	Mar 2018	0.000		1.400	4.079	16.125	5.955
Engineering Support (FFRDC)	SS/CPFF	CMU-SEI : Pittsburgh, PA	5.245	0.000		1.800	May 2017	2.172	Jul 2018	0.000		2.172	5.061	14.278	25.122
Other Program Support Cost	Various	Various : Various	11.117	0.940	Mar 2016	3.053	May 2017	2.640	Jan 2018	0.000		2.640	8.727	26.477	13.988
Professional Acquisition Support Services I (PASS I)	C/CPFF	Oasis Systems, Inc. : Lexington, MA	9.819	0.000		0.000		0.000		0.000		0.000	0.000	9.819	-
Professional Acquisition Support Services II (PASS II)	C/CPAF	Quantech Services, Inc. : Lexington, MA	2.690	1.569	Nov 2016	1.638	Nov 2017	0.000		0.000		0.000	4.704	10.601	7.911
Specialized Cost Services (SCS): EPASS	C/CPAF	BusinessTechnologies & Solutions : Beavercreek, OH	3.026	0.175	Oct 2016	0.150	Apr 2017	0.522	Nov 2017	0.000		0.522	1.118	4.991	1.965
Oracle EBS Subject Matter Experts	Various	Various : Various	0.000	0.000		0.000		1.197	Jun 2018	0.000		1.197	4.758	5.955	5.955
Subtotal			41.122	3.288		7.458		7.931		0.000		7.931	28.447	88.246	-
			Prior Years	FY 2016		FY 2017		FY 2018 Base		FY 2018 OCO		FY 2018 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals			199.827	30.334		10.368		21.915		0.000		21.915	120.256	382.700	-
Remarks															

UNCLASSIFIED

Exhibit R-4, RDT&E Schedule Profile: FY 2018 Air Force			Date: May 2017		
Appropriation/Budget Activity 3600 / 7		R-1 Program Element (Number/Name) PE 0605018F / <i>AF Integrated Personnel and Pay System (AF-IPPS)</i>			Project (Number/Name) 676003 / <i>HRM Structural Development</i>

	FY 2016				FY 2017				FY 2018				FY 2019				FY 2020				FY 2021				FY 2022			
	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
Development, Test, and Production Environments																												
Enterprise Architecture Design/Implement																												
Acquisition planning, RFP, Contract Award																												
Prime Development, Integration, and Deployment																												
AF Information Technology Efforts																												
Government Integrated Test and Evaluation Activities																												

UNCLASSIFIED

Exhibit R-4A, RDT&E Schedule Details: FY 2018 Air Force			Date: May 2017
Appropriation/Budget Activity 3600 / 7	R-1 Program Element (Number/Name) PE 0605018F / <i>AF Integrated Personnel and Pay System (AF-IPPS)</i>	Project (Number/Name) 676003 / <i>HRM Structural Development</i>	

Schedule Details

Events	Start		End	
	Quarter	Year	Quarter	Year
Development, Test, and Production Environments	1	2016	4	2020
Enterprise Architecture Design/Implement	2	2016	4	2022
Acquisition planning, RFP, Contract Award	2	2016	2	2018
Prime Development, Integration, and Deployment	2	2018	1	2021
AF Information Technology Efforts	1	2016	4	2022
Government Integrated Test and Evaluation Activities	1	2016	4	2020