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Exhibit R-2, RDT&E Budget Item Justification: PB 2019 Air Force										Date: February 2018		
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 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
Total Program Element	204.161	9.956	21.915	47.287	0.000	47.287	54.938	32.337	31.458	32.033	0.000	434.085
676003: HRM Structural Development	204.161	9.956	21.915	47.287	0.000	47.287	54.938	32.337	31.458	32.033	0.000	434.085
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 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. 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.</p>												
<p>Congress, the Department of Defense (DoD), and other federal agencies rely on accurate AF Human Resources (HR) data to make key decisions on how the US military is organized, operated, maintained, and funded. The AFIPPS program will ensure accurate and timely delivery of pay, entitlements, allowances, and benefits information is provided for the Total Force (Active Duty, Guard, and Reserve). AFIPPS represents the AF commitment to modernize business practices and provide enhanced support to service members and their families by integrating personnel and pay systems. AFIPPS will eliminate AF reliance on the end-of-life/unsustainable Defense Finance and Accounting (DFAS) Defense Joint Military Pay System (DJMS) for payroll processing and will ensure continued/improved auditability of service member pay. The AFIPPS approach follows the DoD principle of pursuing enterprise solutions, not enterprise systems. Efforts are underway to establish DoD-level enterprise governance, ensure common standards, and create shared services while pursuing a distinctive approach appropriate for the AF.</p>												
<p>AFIPPS's customers include approximately 510,000 AF service members across all components (RegAF, ANG, and AFRes) including 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 element may include necessary civilian pay expenses required to manage, execute, and deliver integrated personnel and pay capability. The use of such program funds would be in addition to the civilian pay expenses budgeted in program elements 0605826F, 0605827F, 0605828F, 0605829F, 0605830F, 0605831F, 0605832F, and 0605898F</p>												

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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.								
B. Program Change Summary (\$ in Millions)		FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total		
Previous President's Budget		10.368	21.915	52.428	0.000	52.428		
Current President's Budget		9.956	21.915	47.287	0.000	47.287		
Total Adjustments		-0.412	0.000	-5.141	0.000	-5.141		
• Congressional General Reductions		-0.073	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		-0.339	0.000					
• Other Adjustments		0.000	0.000	-5.141	0.000	-5.141		
Change Summary Explanation								
The FY 2019 funding request was reduced by \$5.141 million to account for the availability of prior year execution balances.								
C. Accomplishments/Planned Programs (\$ in Millions)				FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total
Title: Air Force Integrated Personnel and Pay System (AFIPPS) - Product Development				9.914	21.573	46.935	0.000	46.935
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 2018 Plans:								
- Award contract to develop pay capabilities and integrate into existing USAF personnel system								
- Prepare contract documentation to support AFIPPS strategy and Acquisition ATP approval								
- Continue acquisition planning, reporting, and the execution of AFIPPS activities and follow-on activities								
- 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								
- Build and maintain the required AFIPPS computing environments, e.g. development, test environment								
- Purchase initial increment of COTS S/W licenses to support development activities								

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C. Accomplishments/Planned Programs (\$ in Millions)		FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total
<div>- Continue risk reduction activities to support decision-making</div> <div>- Continue to design and implement enterprise architecture for pay</div> <div>- Continue EBS training contract</div> <div>- Perform change management and other integration activities</div> <div>- Continue to use PASS/ETASS contracted personnel and FFRDC resources to support implementation of the program</div> <div>FY 2019 Base Plans:</div> <div>- Will determine and initiate system interface modifications required to integrate pay capability into AFIPPS</div> <div>- Will acquire Oracle Subject Matter Expertise to advise programs office on COTS product implementation</div> <div>- Will continue contract to develop pay capabilities and integrate into existing USAF personnel system (first full year)</div> <div>- Will purchase COTS S/W licenses to support development activities</div> <div>- Will maintain contract documentation to support AFIPPS strategy and Full Deployment ATP approval</div> <div>- Will continue acquisition planning, reporting, and the execution of AFIPPS and follow-on activities</div> <div>- 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 &amp; DoD enterprise networks, databases, and information systems</div> <div>- Will maintain the required AFIPPS computing environments, e.g. development, test environment</div> <div>- Will continue risk reduction activities to support decision-making</div> <div>- Will continue to design and implement enterprise architecture for pay</div> <div>- Will continue to perform change management and other integration activities</div> <div>- Will complete EBS training contract</div> <div>- Will continue to use PASS/ETASS contracted personnel and FFRDC resources to support implementation of the program</div> <div>FY 2019 OCO Plans:</div> <div>N/A</div> <div>FY 2018 to FY 2019 Increase/Decrease Statement:</div> <div>Funding increase is due to the prime development contract, system interface, integration, and modification efforts, and Oracle Subject Matter Expert Support cost requirement.</div>						
Title: AFIPPS - Test and Evaluation		0.042	0.342	0.352	0.000	0.352

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<b>C. Accomplishments/Planned Programs (\$ in Millions)</b>							
			<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019 Base</b>	<b>FY 2019 OCO</b>	<b>FY 2019 Total</b>
<b>Description:</b> Government integrated test and evaluation activities.  <b>FY 2018 Plans:</b> - Refine Test and Evaluation Master Plan (TEMP) and prepare test plans - Begin Cyber Vulnerability Assessments to evaluate current/future AFIPPS system environments  <b>FY 2019 Base Plans:</b> - Will continue refining Test and Evaluation Master Plan (TEMP) and preparing test plans - Will begin AFIPPS Integrated Contractor and Development Test activities - Will continue Cyber Vulnerability Assessments to evaluate current/future AFIPPS system environments  <b>FY 2019 OCO Plans:</b> None  <b>FY 2018 to FY 2019 Increase/Decrease Statement:</b> Funding increase is due to Inflation adjustment							
<b>Accomplishments/Planned Programs Subtotals</b>			9.956	21.915	47.287	0.000	47.287
<b>D. Other Program Funding Summary (\$ in Millions)</b>							
N/A							
<b>Remarks</b>							
<b>E. Acquisition Strategy</b>							
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.							

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<b>F. Performance Metrics</b> <p>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.</p>		

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2019 Air Force												Date: February 2018			
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 2017		FY 2018		FY 2019 Base		FY 2019 OCO		FY 2019 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 EIS : Pensacola, FL	55.745	0.334	Jul 2017	1.234	Mar 2018	1.631	Mar 2019	-		1.631	4.293	63.237	63.237
Common Computinng Environment (CCE)	Various	Various : Various	0.701	0.162	Nov 2017	1.140	Mar 2018	1.235	Mar 2019	-		1.235	7.406	10.644	10.644
Prime Development & Integration Contract	C/TBD	TBD : TBD	16.391	0.000		7.119	Apr 2018	15.323	Jan 2019	-		15.323	59.171	98.004	98.004
COTs Licenses	Various	Various : Various	11.573	2.386	May 2017	3.547	Mar 2018	4.082	Mar 2019	-		4.082	12.455	34.043	34.043
System Interface Integration & Modification	TBD	TBD : TBD	0.000	-		0.231	Jun 2018	7.753	Nov 2018	-		7.753	7.245	15.229	15.229
Engineering Support (FFRDC)	SS/CPAF	CMU-SEI : Pittsburgh, PA	8.910	1.897	Aug 2017	1.943	Aug 2018	1.995	Aug 2019	-		1.995	4.703	19.448	19.448
Oracle EBS Subject Matter Experts	TBD	TBD : TBD	0.000	-		0.891	May 2018	2.127	Dec 2018	-		2.127	2.755	5.773	5.773
Direct Mission Support (Other)	Various	Various : Various	53.862	-		-		-		-		-	0.000	53.862	53.862
Subtotal			147.182	4.779		16.105		34.146		-		34.146	98.028	300.240	N/A
Test and Evaluation (\$ in Millions)				FY 2017		FY 2018		FY 2019 Base		FY 2019 OCO		FY 2019 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	2.354	2.354
Gov't Integrated Test & Evaluation Activities	MIPR	Various : Various	1.589	0.042	Jan 2018	0.342	Mar 2018	0.352	Mar 2019	-		0.352	16.541	18.866	18.866
Subtotal			3.943	0.042		0.342		0.352		-		0.352	16.541	21.220	N/A

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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 2017		FY 2018		FY 2019 Base		FY 2019 OCO		FY 2019 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	10.290	0.300	Nov 2017	1.378	Mar 2018	1.415	Mar 2019	-		1.415	1.833	15.216	15.216
Other Program Support Cost	Various	Various : Various	25.605	3.645	Jun 2017	2.638	Mar 2018	8.884	Mar 2019	-		8.884	29.372	70.144	70.144
Professional Acquisition Support Services II (PASS II)	C/CPAF	Quantech Services, Inc. : Lexington, MA	14.040	0.890	Oct 2017	0.900	Feb 2018	1.923	Nov 2018	-		1.923	4.258	22.011	22.011
Specialized Cost Services (SCS): EPASS	C/CPAF	BusinessTechnologies & Solutions : Beavercreek, OH	3.101	0.300	Apr 2017	0.552	Apr 2018	0.567	Apr 2019	-		0.567	0.734	5.254	5.254
Subtotal			53.036	5.135		5.468		12.789		-		12.789	36.197	112.625	N/A
			Prior Years	FY 2017		FY 2018		FY 2019 Base		FY 2019 OCO		FY 2019 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals			204.161	9.956		21.915		47.287		-		47.287	150.766	434.085	N/A
Remarks															

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<b>Exhibit R-4, RDT&amp;E Schedule Profile:</b> PB 2019 Air Force			<b>Date:</b> February 2018		
<b>Appropriation/Budget Activity</b> 3600 / 7		<b>R-1 Program Element (Number/Name)</b> PE 0605018F / AF Integrated Personnel and Pay System (AF-IPPS)			<b>Project (Number/Name)</b> 676003 / HRM Structural Development

	FY 2017				FY 2018				FY 2019				FY 2020				FY 2021				FY 2022				FY 2023			
	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
<b><i>Integrated Personnel and Pay System</i></b>																												
AFIPPS 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																												



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<b>Exhibit R-4A, RDT&amp;E Schedule Details:</b> PB 2019 Air Force		<b>Date:</b> February 2018
<b>Appropriation/Budget Activity</b> 3600 / 7	<b>R-1 Program Element (Number/Name)</b> PE 0605018F / <i>AF Integrated Personnel and Pay System (AF-IPPS)</i>	<b>Project (Number/Name)</b> 676003 / <i>HRM Structural Development</i>

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<b><i>Integrated Personnel and Pay System</i></b>				
AFIPPS Development, Test, and Production Environments	1	2017	1	2021
Enterprise Architecture Design/Implement	1	2017	4	2020
Acquisition planning, RFP, Contract Award	1	2017	3	2018
Prime Development, Integration, and Deployment	3	2018	2	2021
AF Information Technology Efforts	1	2017	4	2023
Government Integrated Test and Evaluation Activities	1	2017	1	2022