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Exhibit R-2, RDT&E Budget Item Justification: PB 2021 Air Force **Date:** February 2020

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>AF Integrated Personnel and Pay System (AF-IPPS)</i>
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COST (\$ in Millions)	Prior Years	FY 2019	FY 2020	FY 2021 Base	FY 2021 OCO	FY 2021 Total	FY 2022	FY 2023	FY 2024	FY 2025	Cost To Complete	Total Cost
Total Program Element	231.414	39.794	40.567	27.035	0.000	27.035	12.737	7.136	0.000	0.000	0.000	358.683
676003: <i>HRM Structural Development</i>	231.414	39.794	40.567	27.035	0.000	27.035	12.737	7.136	0.000	0.000	0.000	358.683
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. AFIPPS supports how the Air Force owns and operates the Human Resource Management domain and is a component of the AF/A1 digital transformation journey, currently underway. AFIPPS continues the transformation by providing an accurate and single authoritative source of personnel data to ensure timely delivery of pay, entitlements, allowances, and benefits to all Active (RegAF), National Guard (ANG), and Reserve (AFRes) components. 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 program will directly increase AF readiness for the total force service members, human resources and financial management specialists and AF Commanders. AFIPPS will improve the AF communities experience by allowing members to update via self-initiate pay/personnel actions, commencing automated transmission of verified personnel data, decreasing pay errors and providing accurate personnel/pay data for leadership decision making.

In October 2019, the AFIPPS program revised its release strategy to include two major releases. The program will leverage a Military Personnel Data System (MilPDS) self-service capability deployment to ensure infrastructure for pay and leave capability is in place. The self-service capability will deploy in Jan 2021, allowing the AF community to initiate self-registration, validate member data and verify operational performance. The AFIPPS pay and leave capabilities will be released on the backbone of the MilPDS system in Jan 2022 to coincide with domestic and international transactions.

The FY20 Congressional reduction of 3080 procurement funding leaves program without ability to field pay and leave capabilities.

This program element may include necessary civilian pay expenses required to manage, execute, and deliver AFIPPS capability. The use of such program funds would be in addition to the civilian pay expenses budgeted in program element 0605831F. Also, funds will be used to perform studies and innovative integration efforts for common technology capabilities such as cloud migration, technology development, and mobile application.

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 2019	FY 2020	FY 2021 Base	FY 2021 OCO	FY 2021 Total
Previous President's Budget	41.058	40.567	43.941	0.000	43.941
Current President's Budget	39.794	40.567	27.035	0.000	27.035
Total Adjustments	-1.264	0.000	-16.906	0.000	-16.906
• 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	-1.264	0.000			
• Other Adjustments	0.000	0.000	-16.906	0.000	-16.906

Change Summary Explanation

The FY2021 funding request was reduced by \$16.906M to account for the availability of prior year execution balances.

C. Accomplishments/Planned Programs (\$ in Millions)	FY 2019	FY 2020	FY 2021 Base	FY 2021 OCO	FY 2021 Total
Title: Air Force Integrated Personnel and Pay System (AFIPPS) - Product Development	37.795	38.829	26.398	0.000	26.398
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 2020 Plans:					
- Continue system interface modifications developments					
- Continue Oracle Subject Matter Expertise contract					
- Continue contract developing pay capabilities and integrate into existing USAF personnel system					
- Continue AF information technology efforts (e.g., Common Computing Environment, Financial Improvement and Audit Readiness (FIAR)/Federal Information System Controls Audit Manual (FISCAM) audit support, etc.) to ensure AFIPPS is fully integrated into the AF & DoD enterprise networks, databases, and information systems					
- Maintain the required AFIPPS computing environments e.g., development and test environment					
- Implement pre-production DISA sync environment for user evaluation and demonstration of end-to-end HR and payroll capabilities					
- Support DISA infrastructure build out to 500K plus Air Force members					
- Configure self-service capability with member reports and associated account creation					

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C. Accomplishments/Planned Programs (\$ in Millions)					
<ul style="list-style-type: none"> - Continue to design and implement enterprise architecture for pay - Continue to perform change management and other integration activities - Conduct training for personnel in support of IOT&E and deployment - Continue program support activities <p>FY 2021 Base Plans:</p> <ul style="list-style-type: none"> - Update and finalize contract and acquisition documentation to support AFIPPS strategy and Full deployment Authority to proceed (ATP) approval. - Finalize system interface modifications - Continue Oracle Subject Matter Expertise contract - 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 upon deployment. - Maintain the required AFIPPS computing environments (e.g. development, test and production). - Deploy enterprise architecture to support 500K+ total force members upon capability release. - Continue to perform change management activities in support of initial capability release deployment. - Complete training of personnel in support of IOT&E and deployment. - Continue program support activities <p>FY 2021 OCO Plans: None</p> <p>FY 2020 to FY 2021 Increase/Decrease Statement: Funding decrease between FY2020 and FY2021 is due to the planned software development maturity in FY2020 and the reduction in FY2021 support requirement and software development.</p>					
Title: AFIPPS - Test and Evaluation					
Description: Government integrated test and evaluation activities.					
FY 2020 Plans:					
<ul style="list-style-type: none"> - Continue refining Test and Evaluation Master Plan (TEMP) and preparing test plans - Continue AFIPPS integrated user and developer test activities - Routine syncing and regression of the MilPDS baseline with AFIPPS capabilities - Routine testing of developed interfaces 					
	FY 2019	FY 2020	FY 2021 Base	FY 2021 OCO	FY 2021 Total
	1.999	1.738	0.637	0.000	0.637

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C. Accomplishments/Planned Programs (\$ in Millions)	FY 2019	FY 2020	FY 2021 Base	FY 2021 OCO	FY 2021 Total
- Execute Cyber Vulnerability Assessments (CVPA) to evaluate current/future AFIPPS system environments FY 2021 Base Plans: - Will continue Cyber Vulnerability Assessments (CVPA) to evaluate current/future AFIPPS system environments - Will validate AFIPPS payroll with parallel payroll runs with legacy DJMS - Will initiate and complete Initial Operational Test and Evaluation FY 2021 OCO Plans: None FY 2020 to FY 2021 Increase/Decrease Statement: The decrease between FY2020 and FY2021 is due to the completion of Test & evaluation activities that were started during FY2019/2020 and are planned for completion in FY2021.					
Accomplishments/Planned Programs Subtotals	39.794	40.567	27.035	0.000	27.035

D. Other Program Funding Summary (\$ in Millions)											
<u>Line Item</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021 Base</u>	<u>FY 2021 OCO</u>	<u>FY 2021 Total</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>Cost To Complete</u>	<u>Total Cost</u>
• OPAF 03 834410: INTEGRATED PERSONNEL AND PAY SYSTEM	0.000	0.000	0.000	-	0.000	0.000	0.000	-	-	0.000	0.000

Remarks
 Line Item 834410 will be used for future AFIPPS procurement funding.

E. Acquisition Strategy
 AFIPPS acquisition strategy focuses on expanding the fielded AF Military Personnel Data System (MilPDS) by integrating pay and leave capabilities. MilPDS is implemented using the commercial Oracle ERP E-Business Suite (EBS). The AFIPPS program will configure/develop the pay module of EBS and ensure the system is fully integrated and deployed. The Government awarded a contract for the pay system development, test, and deployment. The development activities are fully coordinated and integrated with the on-going operation and sustainment of MilPDS.

In October 2019, the AFIPPS program revised its release strategy to include two major releases. The program will leverage a MilPDS self-service capability deployment to ensure infrastructure for pay and leave capability is in place. The self-service capability will deploy in Jan 2021, allowing the AF community to initiate self-registration, validate member data and verify operational performance.

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Appropriation/Budget Activity
3600: *Research, Development, Test & Evaluation, Air Force I BA 7: Operational Systems Development*

R-1 Program Element (Number/Name)
PE 0605018F / *AF Integrated Personnel and Pay System (AF-IPPS)*

AFIPPS is implementing agile principles to the maximum extent practical during the software development effort. The pay/leave capability will be broken into stories then incorporated into work packages to be developed in three week sprints. Each work package will be developed and tested by the integrated user/developer team on multiple pre-production environments. Once functionality and associated business processes from current payroll and leave systems are integrated and validated against the existing MILPDS baseline, the pay/leave capability will be delivered in a single release.

The AFIPPS program will release its pay/leave capability to strategically coincide with all domestic and international financial transactions that occur on the first of the year, mitigating any potential impacts to the warfighter. Incremental pay/leave releases to human resource/financial management specialist and total force are not feasible due to the following:

- Incremental releases require complementary changes to dependent, disparate Legacy IT systems at the same time; changes to those systems requires resources and scheduling for each system owner and management office
- Business processes cannot be fielded using a mix of newly re-engineered segments with legacy; an end-to-end re-engineered process is required from day one
- Rapid Change Management and Training is required across the AF to accompany each incremental release
- Changes to MilPDS infrastructure require significant lead time with DISA; cybersecurity mandates are additional approvals

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 and Sustainment [OUSD(A&S)] has delegated the program's Milestone Decision Authority (MDA) to the Service Acquisition Executive (SAE) for the Air Force.

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2021 Air Force **Date:** February 2020

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
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Product Development (\$ in Millions)				FY 2019		FY 2020		FY 2021 Base		FY 2021 OCO		FY 2021 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Common Computing Environment (CCE)	Various	Various : Various	1.065	-		-		-		-		-	5.504	6.569	6.589
Prime Development & Integration Efforts	C/CPAF	ACCENTURE FEDERAL SVCS : ARLINGTON, VA	22.493	22.135	Nov 2018	30.618	Dec 2019	17.861	Dec 2020	-		17.861	7.052	100.159	100.229
Application Hosting Environment	MIPR	DISA EIS : Pensacola, FL	58.093	1.867	Nov 2018	0.929	Mar 2020	1.420	Dec 2020	-		1.420	0.468	62.777	62.777
COTs Licenses	Various	Various : Various	15.463	1.954	Oct 2018	1.745	Apr 2020	2.133	Apr 2021	-		2.133	6.162	27.457	27.457
Development Environment	C/CPAF	DTSI : San Antonio, TX	0.000	3.317	Feb 2019	-		-		-		-	0.000	3.317	3.317
Engineering Support (FFRDC)	SS/CPAF	CMU-SEI : Pittsburgh, PA	11.917	-		-		-		-		-	0.000	11.917	11.917
Oracle EBS Subject Matter Experts	C/T&M	DLT SOLUTIONS, LLC : HERNDON, VA	0.619	1.583	Oct 2018	0.746	Feb 2020	-		-		-	0.000	2.948	2.948
Financial Improvement and Audit Readiness(FIAR) and Acquisition Planning Subject Matter Experts	C/FP	Various : Various	0.970	0.242	Oct 2018	0.246	Aug 2020	0.250	Aug 2021	-		0.250	0.000	1.708	1.708
Training: Oracle eBusiness Suite (EBS Development/ Government Training)	C/FP	ASPECT SOFTWARE INC : PHOENIX, AZ	3.456	1.018	Nov 2018	-		0.441	Jan 2021	-		0.441	0.330	5.245	5.245
Direct Mission Support (Other)	Various	Various : Various	53.862	-		-		-		-		-	0.000	53.862	53.862
Subtotal			167.938	32.116		34.284		22.105		-		22.105	19.516	275.959	N/A

Test and Evaluation (\$ in Millions)				FY 2019		FY 2020		FY 2021 Base		FY 2021 OCO		FY 2021 Total	Cost To Complete	Total Cost	Target Value of Contract
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost			
Independent Verification & Validation (IV&V)	Various	Various : Various	2.354	-		-		-		-		-	0.000	2.354	2.354

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Appropriation/Budget Activity				R-1 Program Element (Number/Name)				Project (Number/Name)								
3600 / 7				PE 0605018F / AF Integrated Personnel and Pay System (AF-IPPS)				676003 / HRM Structural Development								
Test and Evaluation (\$ in Millions)				FY 2019		FY 2020		FY 2021 Base		FY 2021 OCO		FY 2021 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	MIPR	Various : Various	1.781	0.360	Dec 2018	0.740	Dec 2019	0.637	Nov 2020	-		0.637	0.112	3.630	3.630	
Development and Test Infrastructure	C/CPIF	DTSI : San Antonio, TX	0.720	1.639	Dec 2018	0.998	Jul 2020	0.000	Jul 2021	-		0.000	0.000	3.357	3.357	
Subtotal			4.855	1.999		1.738		0.637		-		0.637	0.112	9.341	N/A	
Management Services (\$ in Millions)				FY 2019		FY 2020		FY 2021 Base		FY 2021 OCO		FY 2021 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, LLC : Lexington, MA	12.762	0.000		-		-		-		-	0.000	12.762	12.762	
Engineering, Professional, and Administrative Support Services (EPASS)	C/CPAF	Oasis Systems, LLC : Lexington, MA	0.000	4.890	Nov 2018	3.984	Mar 2020	3.724	Mar 2021	-		3.724	0.000	12.598	12.598	
Other Program Support Cost	Various	Various : Various	25.838	0.639	Nov 2018	0.406	Jan 2020	0.414	Jan 2021	-		0.414	0.245	27.542	27.542	
Professional Acquisition Support Services II (PASS II)	C/CPAF	Quantech Services, Inc. : Lexington, MA	16.192	0.000		-		-		-		-	0.000	16.192	16.192	
Specialized Cost Services (SCS): EPASS	C/CPAF	BusinessTechnologies & Solutions : Beavercreek, OH	3.829	0.150	Apr 2019	0.155	Apr 2020	0.155	Apr 2021	-		0.155	0.000	4.289	4.289	
Subtotal			58.621	5.679		4.545		4.293		-		4.293	0.245	73.383	N/A	
Project Cost Totals			231.414	39.794		40.567		27.035		-		27.035	19.873	358.683	N/A	
Remarks																

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Exhibit R-4, RDT&E Schedule Profile: PB 2021 Air Force		Date: February 2020
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

	FY 2019				FY 2020				FY 2021				FY 2022				FY 2023				FY 2024				FY 2025			
	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
<i>Integrated Personnel and Pay System</i>																												
AFIPPS Development and Test Environments																												
Enterprise Architecture Design/Implement																												
Prime Development, Integration, and Deployment																												
AF Information Technology Efforts																												
Government Integrated Test and Evaluation Activities																												

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Exhibit R-4A, RDT&E Schedule Details: PB 2021 Air Force		Date: February 2020
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 by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<i>Integrated Personnel and Pay System</i>				
AFIPPS Development and Test Environments	1	2019	3	2021
Enterprise Architecture Design/Implement	1	2019	4	2020
Prime Development, Integration, and Deployment	1	2019	2	2021
AF Information Technology Efforts	1	2019	4	2023
Government Integrated Test and Evaluation Activities	1	2019	3	2021