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Exhibit R-2, RDT&E Budget Item Justification: PB 2022 Air Force **Date:** May 2021

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 2020	FY 2021	FY 2022 Base	FY 2022 OCO	FY 2022 Total	FY 2023	FY 2024	FY 2025	FY 2026	Cost To Complete	Total Cost
Total Program Element	0.000	39.275	26.986	22.010	0.000	22.010	-	-	-	-	-	-
676003: <i>HRM Structural Development</i>	0.000	39.275	26.986	22.010	0.000	22.010	-	-	-	-	-	-
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-	-	-

Program MDAP/MAIS Code: N86

A. Mission Description and Budget Item Justification

The 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 Duty Air and Space Force, National Guard (ANG), and Reserve (AFRes) components. AFIPPS represents the DAF's commitment to modernize business practices and provide enhanced support to service members and their families by integrating personnel and pay systems. AFIPPS will eliminate DAF reliance on the unsustainable Defense Finance and Accounting System (DFAS) and the Defense Joint Military Pay System (DJMS) for payroll processing and will ensure improved auditability of service member pay.

The AFIPPS program will directly increase readiness for the total force service members, human resources and financial management specialists and DAF Commanders. AFIPPS will improve the DAF community's 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.

AFIPPS modernizes the existing Military Personnel Data System (MilPDS) and adds pay and leave capability. In Jan 2021, the DAF leveraged a MilPDS self-service capability deployment to verify the baseline system had the infrastructure for the new pay and leave capability in place. The self-service capability allowed DAF Airmen and Guardians to initiate self-registration, validate member data and verify operational performance. AFIPPS will subsume MilPDS and launch its pay and leave capabilities achieving initial operating capability (IOC) in June 2022.

This program element may include necessary emergent or unanticipated civilian pay expenses required to manage, execute, and deliver AFIPPS capability. The use of such programs funds would be in addition to the civilian pay expenses budgeted in program element 0605831F. In FY20 \$0.000M was expended for civilian pay expenses in this program element, and in FY21 \$0.000M is forecasted for civilian pay expenses in this program element.

This requirement supports performance of a full financial audit as required by title 10 U.S.C Chapter 9A, Sec 240-D.

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 2020	FY 2021	FY 2022 Base	FY 2022 OCO	FY 2022 Total
Previous President's Budget	40.567	27.035	12.737	0.000	12.737
Current President's Budget	39.275	26.986	22.010	0.000	22.010
Total Adjustments	-1.292	-0.049	9.273	0.000	9.273
• Congressional General Reductions	0.000	-0.049			
• 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	-1.292	0.000			
• Other Adjustments	0.000	0.000	9.273	0.000	9.273

Change Summary Explanation

Program funding was restored in FY22 corresponding to the latest cost estimate which accounted for new USSF requirements.

C. Accomplishments/Planned Programs (\$ in Millions)	FY 2020	FY 2021	FY 2022 Base	FY 2022 OCO	FY 2022 Total
Title: Air Force Integrated Personnel and Pay System (AFIPPS) - Product Development	37.988	25.752	21.267	0.000	21.267
Description: Acquire and develop the activities that support the acquisition of a personnel/pay capability for USAF personnel across all components (i.e., Active Duty Air and Space Force, ANG, and AFRes).					
FY 2021 Plans:					
- Develop and incorporate new United States Space Force (USSF)-specific requirements into AFIPPS system					
- Finalize system interface modifications required to deploy pay capability in AFIPPS					
- Update acquisition documentation to support AFIPPS Full Deployment Authority to Proceed (ATP)					
- Continue acquisition reporting and execution of AFIPPS					
- 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) with DISA					
- Deploy enterprise architecture for pay in support of 500K total force members					
- Deploy Initial Capability release					
- Continue to perform change management activities in support of deployment					

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C. Accomplishments/Planned Programs (\$ in Millions)					
<ul style="list-style-type: none"> - Initiate training of personnel in support of deployment - Continue Oracle Subject Matter Expertise contract to advise program office on COTS product deployment <p>FY 2022 Base Plans: Will conduct development activities to support testing and system delivery. Activities will include but not be limited to the following:</p> <ul style="list-style-type: none"> - Will update and finalize contract and acquisition documentation to support AFIPPS strategy and Full Deployment Authority to Proceed (ATP) approval. - Will deploy AFIPPS initial capability release to support payroll operations for Total Air Force - Will finalize system interface modifications - Will continue Oracle Subject Matter Expertise contract to ensure quality development support - Will continue AF information technology efforts (e.g., Common Computing Environment, FIAR/FISCAM audit support, etc) to ensure AFIPPS is fully integrated into AF & DoD enterprise networks, databases, and information systems upon deployment - Will maintain the required AFIPPS computing environments (e.g. development, test and production) with DISA - Will continue to perform change management activities in support of initial capability release deployment - Will complete training of personnel in support of deployment <p>FY 2022 OCO Plans: - None</p> <p>FY 2021 to FY 2022 Increase/Decrease Statement: Funding decreased due to completion of primary development activities, the transition to developmental test, and final preparation for IOC.</p>					
Title: AFIPPS - Test and Evaluation					
Description: Government integrated test and evaluation activities.					
FY 2021 Plans:					
<ul style="list-style-type: none"> - Initiate Pay/Leave integrated development Test - Initiate and conduct Payroll reconciliation testing - Conduct Test Readiness Review - IOT&E - Initiate Operational Test and Evaluation (IOT&E) 					
FY 2022 Base Plans:					
	FY 2020	FY 2021	FY 2022 Base	FY 2022 OCO	FY 2022 Total
	1.287	1.234	0.743	0.000	0.743

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C. Accomplishments/Planned Programs (\$ in Millions)	FY 2020	FY 2021	FY 2022 Base	FY 2022 OCO	FY 2022 Total
- Will validate AFIPPS payroll with payroll runs with legacy DJMS (reconciliation testing) - Will complete Phase 1 Initial Operational Test and Evaluation (IOT&E) - Will initiate Phase 2 IOT&E - Will continue Cyber Vulnerability Assessments to evaluate current/future AFIPPS system environments FY 2022 OCO Plans: - None FY 2021 to FY 2022 Increase/Decrease Statement: Funding is necessary due to the addition of USSF requirements and the subsequent re-phasing of Initial Operational Test and Evaluation into FY22.					
Accomplishments/Planned Programs Subtotals	39.275	26.986	22.010	0.000	22.010

D. Other Program Funding Summary (\$ in Millions)							<u>Cost To</u>				
<u>Line Item</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022 Base</u>	<u>FY 2022 OCO</u>	<u>FY 2022 Total</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>Complete</u>	<u>Total Cost</u>
• OPAF 03 834410: <i>INTEGRATED PERSONNEL AND PAY SYSTEM</i>	0.000	0.000	15.240	-	15.240	-	-	-	-	-	-

Remarks

E. Acquisition Strategy

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.

AFIPPS is implementing agile principles to the maximum extent practical during the software development effort. The AFIPPS program includes two major releases. First, the program leveraged a MilPDS self-service capability deployment to ensure infrastructure for pay and leave capability is in place. The self-service capability deployed in Jan 2021, allowing the AF community to initiate self-registration, validate member data and verify operational performance.

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<p>Next, the pay/leave capability was broken into stories then incorporated into work packages to be developed in three week sprints. Each work package has been 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.</p> <p>While agile development procedures are practiced, AFIPPS will conduct one pay/leave capability release. The legacy systems within the existing pay/leave process have a significant interdependency such that incrementally decommissioning systems is not feasible.</p>		

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2022 Air Force												Date: May 2021			
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 2020		FY 2021		FY 2022 Base		FY 2022 OCO		FY 2022 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
Prime Software Developmental Efforts	C/CPAF	ACCENTURE FEDERAL SVCS : ARLINGTON, VA	0.000	25.186	Dec 2019	8.000	Feb 2021	11.291	Jan 2022	-		11.291	-	-	44.477
Application Hosting Environment	MIPR	DISA EIS : Pensacola, FL	0.000	1.266	Mar 2020	4.100	Nov 2020	1.983	Jan 2022	-		1.983	-	-	7.349
Systems Integration/ Interfaces	TBD	TBD : TBD	0.000	-		1.231	Dec 2020	0.000		-		0.000	-	-	1.231
COTs Licenses	Various	Various : Various	0.000	1.610	Apr 2020	4.815	Apr 2021	0.838	Apr 2022	-		0.838	-	-	7.263
Oracle EBS Subject Matter Experts	C/T&M	DLT SOLUTIONS, LLC : HERNDON, VA	0.000	0.497	May 2020	0.300	Apr 2021	0.000		-		0.000	-	-	0.797
Financial Improvement and Audit Readiness(FIAR)	C/FP	Various : Various	0.000	0.246	Aug 2020	0.062	Aug 2021	-		-		-	-	-	0.308
Government Training	TBD	TBD : TBD, TN	0.000	-		0.100	Jan 2021	0.000		-		0.000	-	-	0.100
Direct Mission Support (Other)	Various	Various : Various	0.000	3.108	Jan 2020	2.937	Mar 2021	1.950	Jan 2022	-		1.950	-	-	8.402
Cloud One Migration/ Integration	C/TBD	TBD : TBD	0.000	-		-		-		-		-	-	-	5.144
Subtotal			0.000	31.913		21.545		16.062		-		16.062	-	-	N/A
Test and Evaluation (\$ in Millions)				FY 2020		FY 2021		FY 2022 Base		FY 2022 OCO		FY 2022 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	0.000	0.289	Apr 2020	0.634	Feb 2021	0.143	Nov 2021	-		0.143	-	-	1.066
Development and Test Infrastructure	C/CIPIF	DTSI : San Antonio, TX	0.000	0.998	Jul 2020	0.600	May 2021	0.600	Jan 2022	-		0.600	-	-	2.198
Subtotal			0.000	1.287		1.234		0.743		-		0.743	-	-	N/A

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Exhibit R-4A, RDT&E Schedule Details: PB 2022 Air Force		Date: May 2021
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	2020	2	2022
Enterprise Architecture Design/Implement	1	2020	4	2020
Prime Development, Integration, and Deployment	1	2020	3	2021
AF Information Technology Efforts	1	2020	4	2022
Government Integrated Test and Evaluation Activities	1	2020	2	2022