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**Exhibit R-2, RDT&E Budget Item Justification:** PB 2023 Air Force **Date:** April 2022

<b>Appropriation/Budget Activity</b> 3600: <i>Research, Development, Test &amp; Evaluation, Air Force I BA 4: Advanced Component Development &amp; Prototypes (ACD&amp;P)</i>	<b>R-1 Program Element (Number/Name)</b> PE 0901410F / <i>Contracting Information Technology System</i>
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COST (\$ in Millions)	Prior Years	FY 2021	FY 2022	FY 2023 Base	FY 2023 OCO	FY 2023 Total	FY 2024	FY 2025	FY 2026	FY 2027	Cost To Complete	Total Cost
Total Program Element	-	5.555	20.343	14.050	0.000	14.050	14.343	14.410	14.716	15.043	Continuing	Continuing
643483: <i>CON-IT</i>	-	5.555	20.343	14.050	0.000	14.050	14.343	14.410	14.716	15.043	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		

**A. Mission Description and Budget Item Justification**

The Contracting Information Technology (CON-IT) system enables the Department of the Air Force (DAF) to accomplish its mission effectively and securely in today's rapidly changing and increasingly contested cyber domain. The Air and Space Forces require a single, 21st century contract management solution to enable DAF mission execution, from acquiring and sustaining weapon system platforms, to supporting contingency operations overseas. CON-IT supplies this single solution by consolidating and replacing numerous aging and increasingly unsupportable, legacy contract writing and management systems, while enabling the Air and Space Forces to procure vital capability faster and with increased data accuracy through built-in automation.

Specifically, CON-IT's functionality provides contract data sharing interoperability across all DAF contracting communities and external business partners such as Defense Contract Management Agency, Defense Finance and Accounting Service, and industry partners. In addition, CON-IT facilitates the execution of the DAF's \$200+ billion annual budget, ensuring global procurement operations are timely, auditable, and secure.

CON-IT enables the DAF to anticipate and respond to the changing pace and dynamic nature of processes, regulations, and technologies across the contracting domain. It empowers the contracting community to comply with Financial Improvement Audit Readiness (FIAR). CON-IT supports performance of a full financial audit as required by title 10 U.S.C. Chapter 9A, Sec 240-D. CON-IT is the DAF's only contract writing system meeting Section 862 of FY13 NDAA requirements implementing DoD Procurement Data Standards (PDS). In addition, CON-IT implements Section 508 of the Rehabilitation Act of 1973 (as amended) to make electronic and information technology (EIT) accessible to people with disabilities.

To modernize the DAF contracting infrastructure, requirements are divided into 2 objectives.

Objective 1: Develop the following 8 capabilities, organized primarily by contract writing community:

- Capability 1: Modernize contract writing for 3,800 operational/installation contracting users, sunsetting the Standard Procurement System (SPS) system. (Completed in FY19; first and only service to comply with OSD's original SPS sunset mandate)
- Capability 2: Modernize contract writing capability for the contingency contracting community, sunsetting O'Contrax system. (Completed in FY20)
- Capability 3: Modernize contract writing capability for 2,500 Weapon Systems contracting users, sunsetting ConWrite, a 20+ year-old system containing contracts worth more than \$2 trillion for major weapon system programs such as B-21, KC-46, and more. (Completed 3 Limited Deployments between FY21-FY22)

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<p>- Capability 4: Deliver Business Intelligence (BI) capability to provide timely and reliable data for decision makers across the entire DAF.</p> <p>- Capability 5: Modernize capability to meet the unique classified needs within all contracting communities. This capability is on the critical path to sunset ConWrite (Capability 3).</p> <p>- Capability 6: Modernize capability to meet the unique needs of the R&amp;D community to execute grants and cooperative agreements. This capability is on the critical path to sunset ConWrite (Capability 3).</p> <p>- Capability 7: Add E-Filing capability to provide a single, authoritative source for electronic contract file storage with capability to search and review individual documents.</p> <p>- Capability 8: Modernize contract writing capability for 1,500 Logistics contracting community users to award weapon system sustainment product support/logistics requirements. Enables the DAF to sunset the Automated Contract Preparation System (ACPS), a 30+ years old legacy system.</p> <p>Objective 2: Maintain Compliance. CON-IT has awarded over 171,907 contract actions, totaling \$51 billion through FY21. The system is currently deployed to 4,476 users across 150 installations worldwide. The DAF continuously addresses numerous technical debt backlog requirements to maintain system functionality and meet modern data standards. These initiatives also develop capability to maintain compliance with Federal and OSD mandates, coordinate DevSecOPs, and improve infrastructure and system performance.</p> <p>This program element may include necessary civilian pay expenses required to manage, execute, and deliver weapon system capability. The use of such programs funds would be in addition to the civilian pay expenses budgeted in program element 0605827F, 0605828F, 0605829F, 0605831F, 0605832F, 0605833F, 0605898F, 0606398F. In FY 2021 \$0.00M was expended for civilian pay expenses in this program element, and in FY 2022 \$0.00M is forecasted for civilian pay expenses in this program element.</p> <p>This effort is in Budget Activity 4, Advanced Component Development and Prototypes (ACD&amp;P), because efforts are necessary to evaluate integrated technologies, representative modes or prototype systems in a high fidelity and realistic operating environment.</p>		

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<b>Appropriation/Budget Activity</b> 3600: <i>Research, Development, Test &amp; Evaluation, Air Force I BA 4: Advanced Component Development &amp; Prototypes (ACD&amp;P)</i>	<b>R-1 Program Element (Number/Name)</b> PE 0901410F / <i>Contracting Information Technology System</i>
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<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023 Base</b>	<b>FY 2023 OCO</b>	<b>FY 2023 Total</b>
Previous President's Budget	5.662	20.343	0.000	0.000	0.000
Current President's Budget	5.555	20.343	14.050	0.000	14.050
Total Adjustments	-0.107	0.000	14.050	0.000	14.050
• 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	-0.107	0.000			
• Other Adjustments	0.000	0.000	14.050	0.000	14.050

**Change Summary Explanation**

The FY 2022 President's Budget submittal did not reflect FY 2023 through FY 2026 funding. Therefore, an explanation of the change between the two budget positions for FY 2023 cannot be made in a relevant manner.

The FY 2021 funding request was reduced to account for the availability of prior year execution balances.

<b>C. Accomplishments/Planned Programs (\$ in Millions)</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Title:</b> CON-IT System Development	5.555	20.343	14.050
<b>Description:</b> CON-IT development is accomplished using agile software development practices to build upon a Government-off-the-Shelf contract management system to replace four legacy contract writing systems and multiple support systems. Development efforts are phased into 8 major capabilities according to the requirements of each contracting community (i.e., Weapon Systems, Classified, Research and Development, and Logistics). This enables phased transitions from the various legacy systems to CON-IT. Thus far, the DAF completed Capabilities 1 and 2, and deployed CON-IT to the operational/installation and contingency contracting communities. Capabilities 3 and 4 are in work. Within Capability 3, the DAF delivered CON-IT to 582 weapon systems contracting users. Additional users will be added as capabilities are developed; including an additional 500 users in FY22. Capability 4 impacts all contracting communities. Consistent CLIN-level data collection increased BI capability resulting in a DAF Acquisition Excellence Award. BI efforts continue to be refined and automated; enhancements are delivered as they are developed. Capabilities are fielded utilizing the Minimum Viable Product (MVP) concept for each user group. The MVP contains the minimum set of requirements users need to complete their mission. The deployed MVP is then continually enhanced and refined in future capability releases.			

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<b>C. Accomplishments/Planned Programs (\$ in Millions)</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
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Based on lessons learned from other DAF and sister service business systems, the DAF re-evaluated its previously-accomplished business process mapping procedures for Capabilities 3, 4, and 6 as well as scaling requirements for the underlying system. While on-going development initiatives still support numerous FY22 capability deliveries, the entire schedule has been re-aligned to better meet requirements, enable more robust testing, improve interface exchange management, and more effectively balance risk. Capability 3 and 4 deliveries will complete in 1QFY25 and 4QFY24 respectively. Capability 6 development activities will begin thereafter.

**FY 2022 Plans:**

The DAF will continue to develop Capabilities 3 and 4 and begin to plan Capability 5. The weapon systems community (Capability 3) has the DAF's most complex and unique contracting needs. Unlike Capabilities 1 and 2, baseline software code and business process automation do not exist for Capability 3 requirements; specifically those needed to sunset the legacy ConWrite system. FY22 development initiatives will enable 500-1,000 new Capability 3 users to transition to CON-IT.

Examples of specific requirements to be addressed in FY22 are included below:

- Implement Exhibit Line Items (often used for spare parts on major aircraft acquisitions)
- Add ability to use and track legacy and local clauses to preserve existing contract agreements with legacy contracts and to provide flexibility in crafting custom contract terms
- Add the capability to award undefinitized contract actions (UCAs) enabling immediate contract performance commencement while definitive contract negotiations are finalized; this is a critical tool to support foreign military sales and (joint) urgent operational needs
- Automate the incorporation of clause updates prior to award with tighter integration of the DoD-mandated Clause Logic Service (CLS)
- Implement Federal mandate to identify contractors using a Unique Entity Identifier (UEI) vice the Data Universal Numbering System (DUNS)
- Address need to pay a contractor incrementally across multiple entitlement systems in a more timely and accurate manner
- Add the ability to interface with additional financial systems to enable seamless Procure-to-Pay data flow and eliminate admin errors for joint procurement efforts
- Enhance the ability to Import and Export line items from other contracts and add the ability to incorporate special characters and tables; these are key enablers for managing thousands of contract line items and supporting legacy contracts from ConWrite
- Automate award synopsis for public transparency of contract awards
- Provide capabilities to support multiple deliveries from legacy writing systems
- Continue to maintain required computing environments (e.g. development, test and production).
- Continue developing Business Intelligence functionality to enhance contract writing and reporting capability (Capability 4)
- Plan Capability 5 development activities for the Classified contract writing community.

<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>

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<b>C. Accomplishments/Planned Programs (\$ in Millions)</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<p>- Continue developing system updates required to maintain compliance with Federal and Office of the Secretary of Defense (OSD) contract writing mandates; the regulations and laws surrounding contracting can change frequently--Contract Writing Systems must be adaptable to maintain pace with all mandated changes</p> <p>- Continue developing business rules to improve data compliance with existing regulations and mandated data standards</p> <p>- Continue to leverage agile development methods and cadence to address/mature emerging requirements and add enhancements</p> <p>- Will continue to design, build and refine a secure and continuous process and platform for capability development and delivery</p> <p><b>FY 2023 Plans:</b> The DAF will continue to develop Capabilities 3 and 4, and plan development activities for Capabilities 5 (Classified) and 6 (R&amp;D). As with weapon systems, CON-IT does not contain an existing baseline to develop R&amp;D capability from. R&amp;D business processes will be developed from scratch, implementing a new data standard that OSD is currently developing for use across all Services.</p> <p>Examples of specific requirements to be addressed in FY23 are included below:</p> <ul style="list-style-type: none"> <li>- Will add digital signature capability for electronic processing of contractual documents</li> <li>- Will implement capability for contracts to ingest and transmit the Standard Line of Accounting (SLOA) format per OSD mandate vice the legacy long line of accounting format</li> <li>- Will enhance capability to write complex incentive-type contracts</li> <li>- Will begin construction on database backbone and business logic for grants and cooperative agreements</li> <li>- Will continue to develop Business Intelligence functionality to enhance contract writing and reporting capability (Capability 4)</li> <li>- Will continue to develop system updates required to maintain compliance with Federal and Office of the Secretary of Defense (OSD) contract writing mandates; the regulations and laws surrounding contracting can change frequently, Contract Writing Systems must be adaptable maintain pace with all mandated changes</li> <li>- Will continue developing business rules to improve data compliance by ensuring users comply with existing regulations and Procurement Data Standard (PDS)</li> <li>- Will continue to leverage Agile methods and cadence to resolve existing/new defects and add enhancements in the production environment</li> <li>- Will continue to research, design, and build a secure and continuous process for capability development and delivery</li> <li>- Will plan development activities for Capabilities 5 and 6</li> </ul> <p><b>FY 2022 to FY 2023 Increase/Decrease Statement:</b> Funding decreased due to higher DAF priorities.</p>			
<b>Accomplishments/Planned Programs Subtotals</b>	5.555	20.343	14.050

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<b>Appropriation/Budget Activity</b> 3600: Research, Development, Test & Evaluation, Air Force I BA 4: Advanced Component Development & Prototypes (ACD&P)	<b>R-1 Program Element (Number/Name)</b> PE 0901410F I Contracting Information Technology System
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**D. Other Program Funding Summary (\$ in Millions)**

N/A

**Remarks**

**E. Acquisition Strategy**

Built upon the Defense Information Systems Agency's Integrated Defense Enterprise Acquisition System contract writing system, CON-IT is based on a Government-off-the-Shelf product running on a Commercial Off-the-Shelf platform. Through an interagency agreement, the DAF partnered with the United States Department of Agriculture's (USDA) Enterprise Application Services (EAS) team to develop, test, validate, deploy, and maintain CON-IT. The USDA Digital Infrastructure Services Center currently provides and maintains hosting for the development and production environments in USDA's Enterprise Data Centers. The long-term cloud strategy will utilize a DoD/DAF (e.g., Cloud One) platform. (Note: Cloud migration activities will be primarily conducted via Operations & Maintenance funds) In accordance with DoDI 5000.75, the program management office (PMO) and the functional management office (FMO) are jointly accountable for the successful delivery of business process design through business system deployment and capability support.

CON-IT is developed using agile software development principles. Requirements are envisioned at a high level, then decomposed into small pieces of effort to allow for just-in-time development and maximum flexibility to meet emerging needs. A Minimum Viable Product (MVP) is developed and fielded to satisfy bare-minimum user requirements. As development continues, the DAF will deliver iterative releases to mature the MVP. This commonly-used practice in the commercial industry speeds time to market and allows for rapid reprioritization of requirements based on external influences (e.g., warfighter needs, cybersecurity threats).

CON-IT implements the OSD Strategic Plan for Defense-Wide Procurement Capabilities to employ the Procurement Data Standard mandated by Section 862 of the FY13 NDAA.

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**Exhibit R-3, RDT&E Project Cost Analysis: PB 2023 Air Force** **Date:** April 2022

<b>Appropriation/Budget Activity</b> 3600 / 4	<b>R-1 Program Element (Number/Name)</b> PE 0901410F / Contracting Information Technology System	<b>Project (Number/Name)</b> 643483 / CON-IT
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<b>Product Development (\$ in Millions)</b>				FY 2021		FY 2022		FY 2023 Base		FY 2023 OCO		FY 2023 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			
CON- IT Development Support	MIPR	USDA : Various	-	1.241	Oct 2020	4.890	Dec 2021	5.037	Dec 2022	-		5.037	Continuing	Continuing	11.168
CONT-IT Compliance Updates & Mandates	MIPR	USDA : Various	-	0.563	Oct 2020	2.014	Dec 2021	2.074	Dec 2022	-		2.074	Continuing	Continuing	4.651
CON-IT New Application Development	MIPR	USDA : Various	-	2.252	Oct 2020	8.054	Dec 2021	1.800	Dec 2022	-		1.800	Continuing	Continuing	12.106
<b>Subtotal</b>			-	4.056		14.958		8.911		-		8.911	Continuing	Continuing	N/A

**Remarks**  
Interagency agreement with USDA (United States Department of Agriculture)

<b>Test and Evaluation (\$ in Millions)</b>				FY 2021		FY 2022		FY 2023 Base		FY 2023 OCO		FY 2023 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			
CON-IT System Quality Assurance & Test	MIPR	USDA : Various	-	0.390	Oct 2020	0.705	Dec 2021	0.726	Dec 2022	-		0.726	Continuing	Continuing	1.821
<b>Subtotal</b>			-	0.390		0.705		0.726		-		0.726	Continuing	Continuing	N/A

**Remarks**  
USDA: United States Department of Agriculture

<b>Management Services (\$ in Millions)</b>				FY 2021		FY 2022		FY 2023 Base		FY 2023 OCO		FY 2023 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			
CON-IT: Program Support, Cost Estimating Support, Travel, Supplies, Equipment, Program Office Network	Various	PEO Business Sys (AFLCMC) : WPAFB, OH	-	1.109	Oct 2020	4.680	Dec 2021	4.413	Dec 2022	-		4.413	Continuing	Continuing	10.202
<b>Subtotal</b>			-	1.109		4.680		4.413		-		4.413	Continuing	Continuing	N/A

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**Exhibit R-3, RDT&E Project Cost Analysis: PB 2023 Air Force** **Date:** April 2022

<b>Appropriation/Budget Activity</b> 3600 / 4	<b>R-1 Program Element (Number/Name)</b> PE 0901410F / Contracting Information Technology System	<b>Project (Number/Name)</b> 643483 / CON-IT
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<b>Management Services (\$ in Millions)</b>				FY 2021		FY 2022		FY 2023 Base		FY 2023 OCO		FY 2023 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			

**Remarks**  
 A&AS: Advisory & Assistance Services  
 Multiple contract awards for less than \$1M per award  
 AFPEO/Business & Enterprise Systems (AFLCMC/HI) - Wright-Patterson AFB, OH

	Prior Years	FY 2021	FY 2022	FY 2023 Base	FY 2023 OCO	FY 2023 Total	Cost To Complete	Total Cost	Target Value of Contract
<b>Project Cost Totals</b>	-	5.555	20.343	14.050	-	14.050	Continuing	Continuing	N/A

**Remarks**



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<b>Exhibit R-4A, RDT&amp;E Schedule Details:</b> PB 2023 Air Force		<b>Date:</b> April 2022
<b>Appropriation/Budget Activity</b> 3600 / 4	<b>R-1 Program Element (Number/Name)</b> PE 0901410F / <i>Contracting Information Technology System</i>	<b>Project (Number/Name)</b> 643483 / <i>CON-IT</i>

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<b>CON-IT Capability Development Activities</b>				
Capability 3: Develop, Test, and Deploy Weapon System Capability	1	2021	1	2025
Capability 4: Develop, Test, and Deploy Business Intelligence Capability	1	2021	4	2024
Capability 5: Plan Classified Capability	4	2022	3	2024
Capability 5: Develop, Test, and Deploy Classified Capability	4	2026	4	2027
Capability 6: Plan, Develop, Test, and Deploy R&D Capability	2	2023	3	2026
Development Support Activities (DevSecOps, Maintain computing environments, etc.)	1	2021	4	2027
Federal & OSD Compliance Mandates	1	2021	4	2027