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Exhibit R-2, RDT&E Budget Item Justification: PB 2024 Army **Date:** March 2023

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| Appropriation/Budget Activity 2040: <i>Research, Development, Test & Evaluation, Army / BA 5: System Development & Demonstration (SDD)</i> | R-1 Program Element (Number/Name) PE 0605018A / <i>Integrated Personnel and Pay System-Army (IPPS-A)</i> |
|--|--|

| COST (\$ in Millions) | Prior Years | FY 2022 | FY 2023 | FY 2024 Base | FY 2024 OCO | FY 2024 Total | FY 2025 | FY 2026 | FY 2027 | FY 2028 | Cost To Complete | Total Cost |
|--|-------------|---------|---------|--------------|-------------|---------------|---------|---------|---------|---------|------------------|------------|
| Total Program Element | - | 65.230 | 67.519 | 102.084 | - | 102.084 | 95.129 | 60.124 | 44.481 | 38.293 | Continuing | Continuing |
| ED9: <i>Integrated Personnel and Pay System - Army Inc 2</i> | - | 65.230 | 67.519 | 102.084 | - | 102.084 | 95.129 | 60.124 | 44.481 | 38.293 | Continuing | Continuing |

A. Mission Description and Budget Item Justification

The Integrated Personnel and Pay System-Army Increment II (IPPS-A Inc II) provides an integrated, multi-Component, personnel and pay system that streamlines existing Human Resources (HR) systems and processes by enhancing efficiency and accuracy of personnel and pay procedures in support of 1.1 million Soldiers. This program is an essential building block to reform the Department of the Army towards achieving greater performance and affordability in support of the National Defense Strategy and the Congressional audit mandate.

The IPPS-A program has deployed two major software releases:

Release 2 completed a phased deployment of Military Human Resource capabilities to all Army National Guard (ARNG) units in the 54 states and territories in March 2020. Release 2 replaced the Standard Installation/Division Personnel System and consolidated many disparate state/territory systems into one single solution. Release 3 completed a phased deployment of Military Human Resource and talent management capabilities across all Army components (Active, Guard and Reserve) in January 2023. Release 3 fully subsumed 12 legacy systems and 11 partial capabilities bringing the Army's Total Force into a single authoritative system.

In accordance with the Acquisition Strategy approved by the Army Acquisition Executive on 21 June 2022, the next major software capabilities are Military Payroll (previously referred to as Release 4) and providing software enhancements to the existing solution. The program is transitioning from a waterfall development approach to an agile development approach for future delivery of capabilities.

The FY 2024 RDT&E budget supports technical analysis for the Military Payroll solution and provides funding for a competitive contract award to begin iterative design and build for the future capabilities. In addition, the funding will support software enhancements for the Human Resource capabilities.

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| B. Program Change Summary (\$ in Millions) | FY 2022 | FY 2023 | FY 2024 Base | FY 2024 OCO | FY 2024 Total |
|---|----------------|----------------|---------------------|--------------------|----------------------|
| Previous President's Budget | 67.701 | 67.564 | 94.133 | - | 94.133 |
| Current President's Budget | 65.230 | 67.519 | 102.084 | - | 102.084 |
| Total Adjustments | -2.471 | -0.045 | 7.951 | - | 7.951 |
| • Congressional General Reductions | - | - | | | |
| • Congressional Directed Reductions | - | - | | | |
| • Congressional Rescissions | - | - | | | |
| • Congressional Adds | - | - | | | |
| • Congressional Directed Transfers | - | - | | | |
| • Reprogrammings | -2.471 | - | | | |
| • SBIR/STTR Transfer | - | - | | | |
| • Adjustments to Budget Years | - | - | 7.951 | - | 7.951 |
| • FFRDC Transfer | - | -0.045 | - | - | - |

Change Summary Explanation

The increase in FY 2024 RDT&E is a result of an Army adjustment to support refined program costs for Infrastructure Hosting and Software Development.

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| Appropriation/Budget Activity 2040 / 5 | | | | | R-1 Program Element (Number/Name) PE 0605018A / <i>Integrated Personnel and Pay System-Army (IPPS-A)</i> | | | | | Project (Number/Name) ED9 / <i>Integrated Personnel and Pay System - Army Inc 2</i> | | |
| COST (\$ in Millions) | Prior Years | FY 2022 | FY 2023 | FY 2024 Base | FY 2024 OCO | FY 2024 Total | FY 2025 | FY 2026 | FY 2027 | FY 2028 | Cost To Complete | Total Cost |
| ED9: <i>Integrated Personnel and Pay System - Army Inc 2</i> | - | 65.230 | 67.519 | 102.084 | - | 102.084 | 95.129 | 60.124 | 44.481 | 38.293 | Continuing | Continuing |
| Quantity of RDT&E Articles | - | - | - | - | - | - | - | - | - | - | | |

A. Mission Description and Budget Item Justification

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The IPPS-A program has deployed two major software releases:

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The FY 2024 RDT&E budget supports continued technical analysis for the Military Payroll solution and provides funding for a competitive contract award to begin iterative design and build for the future capabilities. In addition, the funding will support software enhancements for the Human Resource capabilities.

B. Accomplishments/Planned Programs (\$ in Millions)

| | FY 2022 | FY 2023 | FY 2024 |
|--|----------------|----------------|----------------|
| Title: Acquisition and Technical Support Services | 1.360 | 1.214 | 1.291 |
| Description: Provides acquisition support services and technical support for cybersecurity and infrastructure management. Includes Program Management Support and PMO Change Management Travel. | | | |
| FY 2023 Plans: The FY23 RDT&E funding provides acquisition support services and technical support for cybersecurity and infrastructure management. | | | |
| FY 2024 Plans: | | | |

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| B. Accomplishments/Planned Programs (\$ in Millions) | FY 2022 | FY 2023 | FY 2024 |
|--|----------------|----------------|----------------|
| <p>The FY23 RDT&E funding provides acquisition support services and technical support for cybersecurity and infrastructure management.</p> <p>FY 2023 to FY 2024 Increase/Decrease Statement: Increase due to slight increase in support services and technical support costs.</p> | | | |
| <p>Title: Technical Services</p> <p>Description: Provides technical and program management contractor services providing systems engineering including business process design, enterprise architecture management, data management, interface management, testing, cybersecurity, infrastructure management, audit support, training and deployment support. Includes Software Product Level SME Consulting Support and Technical Services.</p> <p>FY 2023 Plans: The FY23 RDT&E funding provides technical and program management contractor services providing systems engineering including business process design, enterprise architecture management, data management, interface management, testing, cybersecurity, infrastructure management, audit support, training and deployment support.</p> <p>FY 2024 Plans: The FY23 RDT&E funding provides technical and program management contractor services providing systems engineering including business process design, enterprise architecture management, data management, interface management, testing, cybersecurity, infrastructure management, audit support, training and deployment support.</p> <p>FY 2023 to FY 2024 Increase/Decrease Statement: The increase to FY24 supports the agile development and delivery of future capabilities including Military Payroll.</p> | 11.905 | 15.272 | 15.992 |
| <p>Title: Design, Development and Integration</p> <p>Description: Funds the design, development, integration, and deployment of Human Resource, Military Payroll, and future capabilities for 1.1 Million Soldiers across all Army Components.</p> <p>FY 2023 Plans: The FY23 RDT&E funding supports completion of the software and testing for the Human Resource capabilities for 1.1 Million Soldiers across all Army Components and funds technical analysis studies in support of Military Payroll and the transformation to an agile software development approach.</p> <p>FY 2024 Plans:</p> | 39.835 | 39.921 | 64.898 |

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| Exhibit R-2A, RDT&E Project Justification: PB 2024 Army | | Date: March 2023 | | |
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| B. Accomplishments/Planned Programs (\$ in Millions) | | FY 2022 | FY 2023 | FY 2024 |
| <p>The FY24 RDT&E funding supports continued technical analysis and provides funding for a competitive contract award to begin iterative design and build for the Military Payroll and other future capabilities. In addition, the funding will support software enhancements for the Human Resource capabilities.</p> <p>FY 2023 to FY 2024 Increase/Decrease Statement: Additional RDT&E in FY24 supports the agile design and development of future capabilities for a full fiscal year versus a partial fiscal year in FY23.</p> | | | | |
| <p>Title: Network Support / Hardware Leasing</p> <p>Description: Supports infrastructure hosting at Defense Information Systems Agency (DISA). Includes computer processing, memory, and associated labor costs to maintain the IPPS-A software development environments.</p> <p>FY 2023 Plans: The FY23 funding supports infrastructure hosting at Defense Information Systems Agency (DISA). Includes computer processing, memory, and associated labor costs to maintain the IPPS-A software development environments.</p> <p>FY 2024 Plans: The FY24 funding supports infrastructure hosting at Defense Information Systems Agency (DISA). Includes services for computer processing, memory, and associated labor costs to maintain the IPPS-A hardware and software development environments.</p> <p>FY 2023 to FY 2024 Increase/Decrease Statement: Additional RDT&E in FY24 supports revised infrastructure hosting costs based on additional Cybersecurity requirements.</p> | | 7.869 | 6.686 | 14.381 |
| <p>Title: Systems Interfaces</p> <p>Description: Supports other government agencies providing technical services for interface design and build to enable end-to-end data integration.</p> <p>FY 2023 Plans: The FY23 funding supports other government agencies providing technical services for interface design and build to enable end-to-end data integration.</p> <p>FY 2024 Plans: The FY24 funding supports other government agencies providing technical services for interface design and build to enable end-to-end data integration.</p> <p>FY 2023 to FY 2024 Increase/Decrease Statement:</p> | | 1.796 | 1.962 | 5.522 |

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| B. Accomplishments/Planned Programs (\$ in Millions) | FY 2022 | FY 2023 | FY 2024 |
|--|----------------|----------------|----------------|
| Additional RDT&E in FY24 supports additional system interface requirements in support of the agile development for delivery of future capabilities including Military Payroll. | | | |
| Title: Test and Evaluation Description: There is no Test and Evaluation for FY24 | 2.465 | - | - |
| Title: FY 2023 SBIR/STTR Transfer Description: Funding transferred in accordance with Title 15 USC §638. FY 2023 Plans: Funding transferred in accordance with Title 15 USC §638. FY 2023 to FY 2024 Increase/Decrease Statement: Funding transferred in accordance with Title 15 USC §638. | - | 2.464 | - |
| Accomplishments/Planned Programs Subtotals | 65.230 | 67.519 | 102.084 |

C. Other Program Funding Summary (\$ in Millions)

| Line Item | FY 2022 | FY 2023 | FY 2024 Base | FY 2024 OCO | FY 2024 Total | FY 2025 | FY 2026 | FY 2027 | FY 2028 | Cost To Complete | Total Cost |
|---|----------------|----------------|---------------------|--------------------|----------------------|----------------|----------------|----------------|----------------|-------------------------|-------------------|
| • B66706: <i>IPPS-A INC 2</i> | 16.077 | 6.926 | 5.318 | - | 5.318 | 5.229 | 6.266 | 7.358 | 4.108 | Continuing | Continuing |
| • OMA - Sustainment and Support OMA: <i>OMA - 432612000</i> | 107.056 | 107.180 | 110.253 | - | 110.253 | 112.045 | 119.371 | 146.704 | 145.139 | Continuing | Continuing |

Remarks
 B66706000 (Other Procurement, Army) funding supports continued system implementation and deployment of the Integrated Personnel and Pay System-Army Increment III (IPPS-A Inc II). Procurement funds will support training and instruction development for Release 4 and continuous improvements for all Army components (Army, National Guard, Reserves - 48,700 total Human Resource transactional users).
 432612000 (Operation and Maintenance, Army (OMA)) funding supports overall software system sustainment including Help Desk support (Tier I through Tier II), system maintenance break/fixes, minor enhancements, software licenses, cyber compliance, program office contractor support, civilian salaries, and program office operations. IPPS-A now supports 1.1 million system users as of January 17, 2023.

D. Acquisition Strategy

The Integrated Personnel and Pay System-Army Increment II (IPPS-A Inc II) provides an integrated, multi-Component, personnel and pay system that streamlines existing Human Resources (HR) systems and processes by enhancing efficiency and accuracy of personnel and pay procedures in support of 1.1 million Soldiers.

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The IPPS-A program achieved a Milestone B on 14 December 2014 under the authority of Department of Defense Instruction (DODI) 5000.02. The program transitioned to a Priority Defense Business System Category I (BCAT I) under the authority of the DODI 5000.75 and has implemented a tailored Acquisition approach for Defense Business Systems.

In accordance with the Acquisition Strategy approved by the Army Acquisition Executive on 21 June 2022, the next major software capabilities are Military Payroll (previously referred to as Release 4) and providing software enhancements to the existing solution. The program is transitioning from a waterfall development approach to an agile development approach for future delivery of capabilities.

With the transition to an agile implementation approach along with recent responses from industry the IPPS-A contracting strategy is being revised to better support future competition for delivery of the future capabilities.

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| Exhibit R-3, RDT&E Project Cost Analysis: PB 2024 Army | | | | | | | | | | | | Date: March 2023 | | | |
|--|------------------------|--|-------------|---|------------|---------|------------|--|------------|-------------|------------|------------------|------------------|------------|--------------------------|
| Appropriation/Budget Activity | | | | R-1 Program Element (Number/Name) | | | | Project (Number/Name) | | | | | | | |
| 2040 / 5 | | | | PE 0605018A / Integrated Personnel and Pay System-Army (IPPS-A) | | | | ED9 / Integrated Personnel and Pay System - Army Inc 2 | | | | | | | |
| Management Services (\$ in Millions) | | | | FY 2022 | | FY 2023 | | FY 2024 Base | | FY 2024 OCO | | FY 2024 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 |
| Acquisition and Technical Support Services | C/CPPIF | Various : Various | 32.208 | 1.360 | Jun 2022 | 1.214 | Jun 2023 | 1.291 | Jun 2024 | - | | 1.291 | Continuing | Continuing | Continuing |
| PMO Change Management Travel | Allot | PM IPPS-A : Arlington, VA | - | - | | 0.072 | | - | | - | | - | Continuing | Continuing | Continuing |
| FY 2023 SBIR/STTR Transfer | TBD | Various : Various | - | - | | 2.464 | | - | | - | | - | 0.000 | 2.464 | - |
| Subtotal | | | 32.208 | 1.360 | | 3.750 | | 1.291 | | - | | 1.291 | Continuing | Continuing | N/A |
| Product Development (\$ in Millions) | | | | FY 2022 | | FY 2023 | | FY 2024 Base | | FY 2024 OCO | | FY 2024 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 |
| Technical Services | C/CPFF | MITRE : Various | - | 11.905 | Jul 2022 | 15.272 | Mar 2023 | 15.992 | Mar 2024 | - | | 15.992 | Continuing | Continuing | Continuing |
| Design, Development and Integration | C/Various | To Be Determined : To Be Determined | - | 39.835 | Mar 2022 | 39.849 | Dec 2022 | 64.898 | Jun 2023 | - | | 64.898 | Continuing | Continuing | Continuing |
| Network Support / Hardware Leasing | MIPR | Defense Information Systems Agency (DISA) Defense Enterprise Computing Center (DECC) : various | 178.434 | 7.869 | Jan 2022 | 6.686 | Jan 2023 | 14.381 | Dec 2023 | - | | 14.381 | Continuing | Continuing | Continuing |
| Systems Interfaces | C/FFPLOE | Various Government Agencies : Various Locations | 24.130 | 1.796 | Jul 2022 | 1.962 | Jul 2023 | 5.522 | Dec 2023 | - | | 5.522 | Continuing | Continuing | Continuing |
| Subtotal | | | 202.564 | 61.405 | | 63.769 | | 100.793 | | - | | 100.793 | Continuing | Continuing | N/A |

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| Exhibit R-4, RDT&E Schedule Profile: PB 2024 Army | | | Date: March 2023 |
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| Event Name | FY 2022 | | | | FY 2023 | | | | FY 2024 | | | | FY 2025 | | | | FY 2026 | | | | FY 2027 | | | | FY 2028 | | | |
|---|------------|---|---|---|----------------------------------|---|---|---|---|---|---|---|------------|---|---|---|------------|---|---|---|------------|---|---|---|---------|---|---|---|
| | 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 |
| Release 3 - Human Resources - All Army Components | [Redacted] | | | | [Redacted] | | | | | | | | | | | | | | | | | | | | | | | |
| Release 3 - Testing and Evaluation | [Redacted] | | | | [Redacted] | | | | | | | | | | | | | | | | | | | | | | | |
| Release 3 - Limited Deployment Authority To Proceed (ATP) | | | | | 1 ▲ Limited Deployment ATP | | | | | | | | | | | | | | | | | | | | | | | |
| Release 3 - Go-Live | | | | | 2 ▲ Release 3.0 Go-Live | | | | | | | | | | | | | | | | | | | | | | | |
| Release 3 - Software Stabilization | | | | | [Redacted] | | | | | | | | | | | | | | | | | | | | | | | |
| Capability Support Contract Award | | | | | | | | | 3 ▲ Contract Award Capability Support | | | | | | | | | | | | | | | | | | | |
| Future Capabilities (R4) - Military Payroll analysis / t... | | | | | [Redacted] | | | | [Redacted] | | | | | | | | | | | | | | | | | | | |
| Agile Development and Delivery of Future Capabilities | | | | | | | | | [Redacted] | | | | [Redacted] | | | | [Redacted] | | | | [Redacted] | | | | | | | |

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| Exhibit R-4A, RDT&E Schedule Details: PB 2024 Army | | Date: March 2023 |
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Schedule Details

| Events | Start | | End | |
|--|---------|------|---------|------|
| | Quarter | Year | Quarter | Year |
| Milestone B (MS B) - Increment II | 1 | 2015 | 1 | 2015 |
| Release 2 - SIDPERS Functionality (ARNG) | 4 | 2015 | 3 | 2020 |
| Release 2 - Configuration, Development, and Integration | 3 | 2017 | 3 | 2018 |
| Release 2 - T & E | 4 | 2018 | 2 | 2019 |
| Release 2 - Limited Deployment Authority To Proceed (ATP) | 3 | 2019 | 3 | 2019 |
| Release 3 - Human Resources - All Army Components | 4 | 2017 | 2 | 2023 |
| Release 3 - Design and Development | 2 | 2020 | 3 | 2021 |
| Release 3 - Integrated Baseline Review (IBR) | 3 | 2018 | 3 | 2018 |
| Release 3 - Preliminary Design Review (PDR) | 4 | 2019 | 4 | 2019 |
| Release 3 - Critical Design Review (CDR) | 1 | 2020 | 1 | 2020 |
| Release 3 - Testing and Evaluation | 3 | 2021 | 3 | 2023 |
| Release 3 - Limited Deployment Authority To Proceed (ATP) | 1 | 2023 | 1 | 2023 |
| Release 3 - Go-Live | 1 | 2023 | 1 | 2023 |
| Release 3 - Software Stabilization | 4 | 2022 | 4 | 2023 |
| Capability Support Contract Award | 2 | 2024 | 2 | 2024 |
| Future Capabilities (R4) - Military Payroll analysis / technical studies | 2 | 2023 | 4 | 2024 |
| Agile Development and Delivery of Future Capabilities | 2 | 2024 | 2 | 2029 |