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**Exhibit R-2, RDT&E Budget Item Justification: PB 2012 Navy** **DATE:** February 2011

<b>APPROPRIATION/BUDGET ACTIVITY</b>				<b>R-1 ITEM NOMENCLATURE</b>							
1319: <i>Research, Development, Test &amp; Evaluation, Navy</i> BA 5: <i>Development &amp; Demonstration (SDD)</i>				PE 0605018N: <i>(U)Navy Integrated Mil Human Res Sys(N-IMHRS)</i>							
COST (\$ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
Total Program Element	-	27.444	55.050	-	55.050	76.912	43.593	23.820	24.241	Continuing	Continuing
3034: <i>Future Personnel and Pay Solution</i>	-	27.444	55.050	-	55.050	76.912	43.593	23.820	24.241	Continuing	Continuing

**Note**

Funding for project 3034 was moved from PE 0605013N to PE 0605018N beginning in FY11. The correct title for the Program is Future Personnel and Pay Solution (FPPS) vice Navy Integrated Military Human Resource System (N-IMHRS).

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

Funding supports Future Personnel and Pay Solution (FPPS) design, development and modernization efforts. Provides development, integration, engineering, and test support of Future Personnel and Pay Solution capabilities, including the modernization and consolidation of existing pay and personnel systems re-using the DIMHRS core software to the maximum extent practical. Includes (1) development of specifications and design of solutions to consolidate Navy legacy personnel systems, development of a single operational data store of personnel data, and development and modernization of legacy interfaces that must remain beyond the consolidation effort, (2) replace the pay capability provided by the Defense Joint Military Pay System (DJMS), providing for Navy specific requirements for pay and personnel management, and develop external interfaces as required to support pay management for the Navy, (3) development and modernization support from the functional organization, (4) Operational Test and Evaluation support for the selected Future Personnel and Pay Solution.

<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012 Base</b>	<b>FY 2012 OCO</b>	<b>FY 2012 Total</b>
Previous President's Budget	-	27.444	90.239	-	90.239
Current President's Budget	-	27.444	55.050	-	55.050
Total Adjustments	-	-	-35.189	-	-35.189
• Congressional General Reductions		-			
• Congressional Directed Reductions		-			
• Congressional Rescissions	-	-			
• Congressional Adds		-			
• Congressional Directed Transfers		-			
• Reprogrammings	-	-			
• SBIR/STTR Transfer	-	-			
• Program Adjustments	-	-	-35.052	-	-35.052
• Rate/Misc Adjustments	-	-	-0.137	-	-0.137

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**APPROPRIATION/BUDGET ACTIVITY**

1319: *Research, Development, Test & Evaluation, Navy*  
BA 5: *Development & Demonstration (SDD)*

**R-1 ITEM NOMENCLATURE**

PE 0605018N: *(U)Navy Integrated Mil Human Res Sys(N-IMHRS)*

**Change Summary Explanation**

Technical: Not applicable.

Schedule: Not applicable.

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**Exhibit R-2A, RDT&E Project Justification:** PB 2012 Navy **DATE:** February 2011

<b>APPROPRIATION/BUDGET ACTIVITY</b> 1319: <i>Research, Development, Test &amp; Evaluation, Navy</i> BA 5: <i>Development &amp; Demonstration (SDD)</i>	<b>R-1 ITEM NOMENCLATURE</b> PE 0605018N: <i>(U)Navy Integrated Mil Human Res Sys(N-IMHRS)</i>	<b>PROJECT</b> 3034: <i>Future Personnel and Pay Solution</i>
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COST (\$ in Millions)	FY 2010	FY 2011	FY 2012 Base	FY 2012 OCO	FY 2012 Total	FY 2013	FY 2014	FY 2015	FY 2016	Cost To Complete	Total Cost
3034: <i>Future Personnel and Pay Solution</i>	-	27.444	55.050	-	55.050	76.912	43.593	23.820	24.241	Continuing	Continuing
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0		

**Note**  
Funds for project 3034 were transferred from PE 0605013N to PE 0605018N beginning in FY11. The correct name of the program is Future Personnel and Pay Solution (FPPS).

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

Funding supports Future Personnel and Pay Solution (FPPS) design, development and modernization efforts. Provides development, integration, engineering, and test support of future personnel and pay system capabilities, including the modernization and consolidation of existing pay and personnel systems re-using the DIMHRS (Defense Integrated Military Human Resources System) core software to the maximum extent practical. Includes (1) development of specifications and design of solutions to consolidate Navy legacy personnel systems, development of a single operational data store of personnel data, and development and modernization of legacy interfaces that must remain beyond the consolidation effort, (2) replace the pay capability provided by the Defense Joint Military Pay System (DJMS), providing for Navy specific requirements for pay and personnel management, and develop external interfaces as required to support pay management for the Navy, (3) development and modernization support from the functional organization, (4) Operational Test and Evaluation support for the selected future personnel and pay solution.

**B. Accomplishments/Planned Programs (\$ in Millions, Article Quantities in Each)**

	FY 2010	FY 2011	FY 2012
<b>Title:</b> Future Personnel and Pay Solution	-	27.444	55.050
<b>Articles:</b>		0	0
<b>FY 2011 Plans:</b> Risk Reduction Phase: Conduct analysis of the software maturity and capabilities provided in the DIMHRS core software baseline. Conduct legacy system analysis for NES, OPINS, IMAPMIS, RHS, NPDB and NSIPS, including business rules, logic, data and interface considerations for data migration, and modernization of interfaces. Conduct a Technology Demonstration of a proposed system architecture for the FPPS.			
<b>FY 2012 Plans:</b> Begin Increment One and Increment Two. Increment One will consolidate the 5 major personnel systems. Increment 2 will replace the pay capability and develop external interfaces to support pay management for the Navy. Additionally, development and modernization of legacy system interfaces that must remain beyond the consolidation effort are planned.			
<b>Accomplishments/Planned Programs Subtotals</b>	-	27.444	55.050

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<b>Exhibit R-2A, RDT&amp;E Project Justification:</b> PB 2012 Navy	<b>DATE:</b> February 2011
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<b>APPROPRIATION/BUDGET ACTIVITY</b> 1319: <i>Research, Development, Test &amp; Evaluation, Navy</i> BA 5: <i>Development &amp; Demonstration (SDD)</i>	<b>R-1 ITEM NOMENCLATURE</b> PE 0605018N: <i>(U)Navy Integrated Mil Human Res Sys(N-IMHRS)</i>	<b>PROJECT</b> 3034: <i>Future Personnel and Pay Solution</i>
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**C. Other Program Funding Summary (\$ in Millions)**

<u>Line Item</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u> <u>Base</u>	<u>FY 2012</u> <u>OCO</u>	<u>FY 2012</u> <u>Total</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>Cost To</u> <u>Complete</u>	<u>Total Cost</u>
• OPN/8106: <i>FPPS</i>	0.000	0.983	1.911	0.000	1.911	1.963	4.892	4.883	1.955	0.000	16.587

**D. Acquisition Strategy**

Navy began the transition to the development and modification of the Future Personnel and Pay Solution (FPPS) in FY 2010. The acquisition strategy consists of a phased approach, beginning with a Risk Reduction Phase in FY2010 and FY2011 followed by Incremental Development Phases in FY 2012-2014, and Operational Testing and Deployment in FY 2014-2017. Anticipate Full Operational Capability in FY2017.

**E. Performance Metrics**

1. Demonstrate the feasibility of at least one technical architecture approach for FPPS.
2. Provide validated operational requirements for an integrated Navy pay/personnel system.
3. A 20% reduction in the number of redundant transactional systems for personnel and pay.
4. Documented plan and preliminary design for the consolidation of legacy personnel systems.

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**Exhibit R-3, RDT&E Project Cost Analysis: PB 2012 Navy** **DATE:** February 2011

<b>APPROPRIATION/BUDGET ACTIVITY</b> 1319: <i>Research, Development, Test &amp; Evaluation, Navy</i> BA 5: <i>Development &amp; Demonstration (SDD)</i>	<b>R-1 ITEM NOMENCLATURE</b> PE 0605018N: <i>(U)Navy Integrated Mil Human Res Sys(N-IMHRS)</i>	<b>PROJECT</b> 3034: <i>Future Personnel and Pay Solution</i>
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<b>Product Development (\$ in Millions)</b>				<b>FY 2011</b>		<b>FY 2012 Base</b>		<b>FY 2012 OCO</b>		<b>FY 2012 Total</b>			
<b>Cost Category Item</b>	<b>Contract Method &amp; Type</b>	<b>Performing Activity &amp; Location</b>	<b>Total Prior Years Cost</b>	<b>Cost</b>	<b>Award Date</b>	<b>Cost</b>	<b>Award Date</b>	<b>Cost</b>	<b>Award Date</b>	<b>Cost</b>	<b>Cost To Complete</b>	<b>Total Cost</b>	<b>Target Value of Contract</b>
Preliminary Design & Artifacts	C/FP	Unknown:Unknown	-	4.707	May 2011	-		-		-	172.308	177.015	177.015
Development and Integration	C/FP	Unknown:Unknown	-	-		42.000	Mar 2012	-		42.000	0.000	42.000	42.000
<b>Subtotal</b>			-	4.707		42.000		-		42.000	172.308	219.015	219.015

**Remarks**  
Begin consolidating 5 major personnel systems beginning FY12 and developing interface with other pay systems.

<b>Support (\$ in Millions)</b>				<b>FY 2011</b>		<b>FY 2012 Base</b>		<b>FY 2012 OCO</b>		<b>FY 2012 Total</b>			
<b>Cost Category Item</b>	<b>Contract Method &amp; Type</b>	<b>Performing Activity &amp; Location</b>	<b>Total Prior Years Cost</b>	<b>Cost</b>	<b>Award Date</b>	<b>Cost</b>	<b>Award Date</b>	<b>Cost</b>	<b>Award Date</b>	<b>Cost</b>	<b>Cost To Complete</b>	<b>Total Cost</b>	<b>Target Value of Contract</b>
Customization and Gap Development	C/FP	Unknown:Unknown	-	10.000	Jul 2011	-		-		-	0.000	10.000	10.000
Interface Development	C/FP	Unknown:Unknown	-	12.737	Jul 2011	3.800	Mar 2012	-		3.800	0.000	16.537	16.537
System Engineer Change Management	C/FP	Unknown:Unknown	-	-		9.250	Mar 2012	-		9.250	0.000	9.250	9.250
<b>Subtotal</b>			-	22.737		13.050		-		13.050	0.000	35.787	35.787

**Remarks**  
In process of determining contract vehicle.

	<b>Total Prior Years Cost</b>	<b>FY 2011</b>	<b>FY 2012 Base</b>	<b>FY 2012 OCO</b>	<b>FY 2012 Total</b>	<b>Cost To Complete</b>	<b>Total Cost</b>	<b>Target Value of Contract</b>
<b>Project Cost Totals</b>		-	27.444	55.050	-	55.050	172.308	254.802

**Remarks**

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<b>Exhibit R-4, RDT&amp;E Schedule Profile:</b> PB 2012 Navy		<b>DATE:</b> February 2011
<b>APPROPRIATION/BUDGET ACTIVITY</b> 1319: <i>Research, Development, Test &amp; Evaluation, Navy</i> BA 5: <i>Development &amp; Demonstration (SDD)</i>	<b>R-1 ITEM NOMENCLATURE</b> PE 0605018N: <i>(U)Navy Integrated Mil Human Res Sys(N-IMHRS)</i>	<b>PROJECT</b> 3034: <i>Future Personnel and Pay Solution</i>

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<b>Exhibit R-4A, RDT&amp;E Schedule Details:</b> PB 2012 Navy		<b>DATE:</b> February 2011
<b>APPROPRIATION/BUDGET ACTIVITY</b> 1319: <i>Research, Development, Test &amp; Evaluation, Navy</i> BA 5: <i>Development &amp; Demonstration (SDD)</i>	<b>R-1 ITEM NOMENCLATURE</b> PE 0605018N: <i>(U)Navy Integrated Mil Human Res Sys(N-IMHRS)</i>	<b>PROJECT</b> 3034: <i>Future Personnel and Pay Solution</i>

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<b><i>Proj 3034</i></b>				
Material Development Decision	3	2010	3	2010
Acquisition Milestone B	1	2012	1	2012
Acquisition Document Development & Review	1	2010	3	2016
Preliminary Design Review	4	2011	4	2011
Critical Design Review	2	2013	2	2013
Acquisition Milestone C	3	2014	3	2014
Operational Test	1	2015	3	2015
Full Deployment Decision	4	2014	4	2014
Full Deployment	4	2016	4	2016