

Boeing Wins \$500 Million KC-135 Maintenance Contract

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The Boeing Company has been selected to perform depot level maintenance on the U.S. Air Force fleet of KC-135 tankers.

The KC-135 maintenance is a portion of the Sacramento Air Logistics Center workload competition awarded by the Air Force to Boeing and its partner, Ogden Air Logistics Center, Utah. The total value of the combined contracted workload is approximately \$1 billion over nine years.

The contracted value to Boeing of the KC-135 maintenance portion is \$500 million over nine years, with the potential KC-135 value expected to double to approximately \$1 billion over that time period with increased aircraft quantity and additional modification programs.

The contract award is expected pending a favorable resolution of a General Accounting Office protest filed to challenge the grouping of the workload. The GAO decision is expected Friday.

This contract selection is significant in that it was made to a public/private partnership, according to Jim Restelli, vice president and general manager of Aerospace Support for Boeing. "This represents a significant milestone in reaching the vision of acquisition reform held by Dr. Jacques Gansler and the Department of Defense," he said. "It is a key step in building a new future based on innovative partnerships between industry and the public sector that will result in reducing the cost of ownership for our customers.

"Through this successful partnership with the Ogden Air Logistics Center, we have leveraged our mutual capabilities, which combined offer a comprehensive, cost-effective approach to all components of the workload," Restelli said.

Boeing will perform the KC-135 maintenance at its new Boeing Aerospace Support Center at Kelly Air Force Base, Texas. The Ogden Air Logistics Center will do the remainder of the workload, which includes analytical condition inspections of A-10 aircraft and overhaul and repair of aircraft components, at Hill Air Force Base, Utah.

In June, the Air Force awarded Boeing a \$1.5 billion contract to perform contractor logistics support for the KC-10 Extender tanker fleet. The majority of that work also will be performed at the Boeing Aerospace Support Center in Texas.

"This opportunity to focus on the KC-10 and the KC-135 programs under a single support structure offers great opportunities to capture significant benefits for the Air Force across both platforms," Restelli said. "As original equipment manufacturer of both aircraft, we can take advantage of our in-depth knowledge of the Air Force tanker fleet and utilize the unique capabilities of our Boeing Aerospace Support Center in Texas," he said.

The first KC-135 will arrive at the Boeing Aerospace Support Center later this year. In addition to the KC-10 aircraft, the center also performs maintenance and modification work on C-17 Globemaster III airlifters and passenger-to-freighter conversions for DC-10/MD-10 aircraft.

"As the second major competitive win, the KC-135 maintenance work is a major endorsement of our decision to commence operations at Kelly Air Force Base with our Boeing Aerospace Support Center," Restelli said.

The Boeing Aerospace Support Center was established last April, when Boeing signed a lease for 1.3 million square feet of building space at Kelly Air Force Base focused on creating a world-class maintenance center for large missionized aircraft. That space includes a high-bay hangar designed for simultaneous maintenance of multiple wide-body type aircraft, paint/depaint facilities and other building space. The center also has preferential use of more than 3.5 million square feet of aircraft ramps, run-up areas and parking pads.

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