Boeing Awarded 15-Year Follow-On Guidance Navigation Depot Contract

The Boeing Company [NYSE: BA] has been awarded a $1.3 billion, 15-year follow-on contract for Guidance/Navigation Systems Repair (GNSR) from the U.S. Air Force's Ogden Air Logistics Center for the depot level repair of Intercontinental Ballistic Missiles (ICBM) and Aircraft guidance and navigation systems.

This contract effort will be performed at the Boeing Guidance Repair Center (BGRC), formerly the Air Force's Aerospace Guidance and Metrology Center (AGMC) at Newark Air Force Base, Ohio. The new follow-on contract will be a five-year basic with two five-year options, Indefinite Delivery/Indefinite Quantity Cost-Plus-Incentive Fee/Award Fee.

The Boeing Company was competitively awarded the first Department of Air Force contract for Privatization-In-Place (PIP) of the former AGMC on Dec.15, 1995. Following a transition period, Air Force formally turned AGMC programs over to Boeing management on Oct.1, 1996, marking the first time a military facility had been privatized.

"The Boeing Company and its Original Equipment Manufacturers (OEMs) are proud of their accomplishments and especially pleased with our customer's willingness to award a long-term contract a year prior to the current contract expiration date," said Jim Albaugh, Boeing Space & Communications Group president. "The length of the new contract provides us with the opportunity for continued cost-efficient and long-range planning for our valued customers."

The Boeing Company has received 100 percent award fees for its ICBM performance and 97 and 98 percent for its Aircraft guidance systems performance over the past two award fee periods. The ICBM guidance systems repair area has exceeded customer requirements for vault level storage and repeat rejections. The Aircraft systems on-time delivery of units to the customer is 100 percent for the past two years. Boeing currently delivers more than 500 aircraft end items and more than 240 ICBM guidance systems, subassemblies and instruments per month to the Air Force customer.

"This follow-on to the original contract awarded in 1995 is a tribute to the skill and technical expertise of the Heath, Ohio, workforce," said Robert D. Paster, vice president & general manager, Boeing Electronic Systems and Missile Defense (ES&MD). "It's that expertise that will enable us to continue offering unmatched quality and customer service in Guidance Navigation Systems Repair for many years to come. Additionally, the long-term status is an incentive in attracting new workloads, both military and commercial." The BGRC Heath facility reports directly to ES&MD.

"We have been working on developing our facility's business base and this new contract will be beneficial in that endeavor," said Don E. Teague, Heath center director. "With the Air Force contract as a foundation, we see ourselves being an active industrial partner with the Newark/Heath community for many years to come." The Boeing Guidance Repair Center in Heath, Ohio, is ISO 9001 certified and has received a Federal Aviation Administration certification. BGRC performs complete depot-level repair, test, and calibration on nearly every type of guidance/navigation system including: Inertial navigation units for the aircraft such as the F-15, F-16, F-117, B-1B, B-52, C-17, C-130, and C-141, as well as the Minuteman III and Peacekeeper Intercontinental Ballistic Missiles. BGRC also services advanced cruise missile sensors and maintains the Dual Miniature Inertial Navigation System (DMINS) for the Navy's aircraft carriers.

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For further information:
A.J. Panella
740-788-5858