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The Boeing Company [NYSE:BA] received the first U.S. Department of Transportation Prime Contractor of the Year award in a ceremony held today in Washington, D.C.

Homeland Security and Services, a business unit of Boeing Integrated Defense Systems, was cited for its success in providing small and minority-owned businesses with opportunities to win subcontracts on the company's airport explosive detection systems, or EDS, program with DOT's Transportation Security Administration.

"Boeing has vigorously promoted opportunities for small businesses on this program, and we are honored to be recognized by the Department of Transportation for that effort," said Rick Stephens, vice president and general manager, Homeland Security and Services. "As the lead systems integrator for the airport check baggage explosive detection system deployment program, we have been creative and have accomplished a great deal in a very short period of time, identifying and helping develop small business opportunities that fall in line with our customer's needs."

The EDS program is awarding a substantial portion of its contract dollars to small and disadvantaged businesses because of their demonstrated capabilities and will exceed its other contractual small business obligations, having already made contract awards to woman-owned businesses, small disadvantaged businesses and veteran-owned small businesses, Stephens said.

"Since the proposal phase of the program, we have worked closely with our large suppliers, most notably Turner Construction, to implement a successful small business strategy," said Ken Shaw, director of Supplier Management and Procurement for Homeland Security and Services. Shaw said the Boeing team, which includes Siemens Corporation, has identified a number of outstanding small businesses, including:

- Advanced Interactive Solutions, Seattle, Wash.: A small business that provides training for machine operators.
- Gomez Construction, Winter Park, Fla.: A veteran-owned small disadvantaged business that supports airport construction.
- Gonzales Construction, Tarzana, Calif.: A veteran-owned small disadvantaged business that performs airport construction.
- Lloyd Electrical, Wichita Falls, Texas: A disabled veteran-owned small business that provides electrical work.
- Nations Environment, Dallas, Texas: A small disadvantaged business that provides distribution services.
- The Multi Tech Group, South Plainfield, N.J.: A woman-owned small business that trains maintenance personnel.
- UFC Aerospace, Bay Shore, N.Y.: A woman-owned small business that supplies and distributes installation kits.

Earlier this year, Boeing was awarded a contract to install EDS and ETD machines in 429 airports in the U.S. Boeing is also managing equipment maintenance, upgrades and retrofit, and training up to 22,600 federal baggage screeners to operate the equipment. The initial contract through Dec. 31, 2002 is valued at \$508 million. The contract also includes five one-year renewal options worth an additional \$862 million for a potential total value of \$1.37 billion.

A unit of The Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses. Headquartered in St. Louis, Boeing Integrated Defense Systems is a \$23 billion business. It provides systems solutions to its global military, government, and commercial customers. It is a leading provider of intelligence, surveillance, and reconnaissance; the world's largest military aircraft manufacturer; the world's largest satellite manufacturer and a leading provider of space-based communications; the primary systems integrator for U.S. missile defense; NASA's largest contractor, a global leader in launch services and a leader in the emerging homeland security market.

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