Boeing and U.S. Navy Win Performance-Based Logistics Award for F/A-18 FIRST Program

A key partnership between The Boeing Company [NYSE: BA] and the U.S. Navy was honored Wednesday at the Third Annual Secretary of Defense Performance-Based Logistics Awards in Washington, D.C.

The F/A-18 Integrated Readiness Support Teaming (FIRST) program received the system-level award for excellence in the field of performance-based logistics. Naval Air Systems Command and Naval Inventory Control Point in Philadelphia also were honored as part of the industry/government partnership. Two other defense programs received similar awards at the sub-system and component levels. The awards were jointly developed by the U.S. Department of Defense and the Aerospace Industries Association.

Through FIRST, Boeing asset managers oversee inventories, forecast demand and procure spare parts for U.S. Navy F/A-18 Super Hornets. Boeing also provides technical information, on-site engineering services and field service representatives.

Under performance-based logistics contracts, the customer pays for a set level of readiness, not individual spare parts or services. Industry has the incentive to make parts and systems more reliable while the customer enjoys increased readiness at a lower cost of ownership. FIRST has increased the Super Hornet's mission capable rate from 57 percent in 2000 to 73 percent thus far in 2007.

In its nomination, the Navy recognized FIRST for exceeding fleet readiness expectations and requirements while significantly reducing costs.

"The Navy has projected savings and cost avoidances of approximately $430 million on a $20 million investment for a return on investment of 22-to-1," the nomination reads. "FIRST delivers the best possible product to the dedicated men and women flying the Super Hornet during wartime operations. The warfighter and the taxpayer are the ultimate winners."

Larry Sellman, Boeing program manager for FIRST, said the program's success can be attributed to the company's close partnership with the Navy.

"FIRST is an ongoing success story for the U.S. Navy and Boeing," said Sellman. "We continue to prove that streamlining the support for a major weapons system through a public/private partnership is the best solution for everyone."

A unit of The Boeing Company, Boeing Integrated Defense Systems is one of the world's largest space and defense businesses specializing in innovative and capabilities-driven customer solutions. Headquartered in St. Louis, Boeing Integrated Defense Systems is a $32.4 billion business with 72,000 employees worldwide.
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