Boeing Awarded Contract for U.S. Apache Helicopter Support

The Boeing Company [NYSE: BA] has been awarded a U.S. Department of Defense performance-based logistics contract to support AH-64D Apache attack helicopters.

Under the contract, which has a base year and two one-year options, Boeing will provide fixed-price, total logistics support for hundreds of AH-64D components. The program provides total asset visibility for the customer and supply chain management support through best-of-industry practices. The total value of the base year and two one-year options is $173 million.

Since 2001, Boeing Support Systems, a business of Boeing Integrated Defense Systems, has maintained a more than 90 percent material availability rate for more than 1,400 D-model components in the U.S. and abroad through a successful multi-year logistic support contract.

Through the performance-based logistics program, Boeing has pledged improved parts availability, a reduced logistics footprint and lower customer investment for AH-64D sustainment activities. Boeing also is responsible for the distribution of hundreds of AH-64D items, the placement of asset managers with active Apache units, depot repair administration and obsolescence monitoring/reporting.

Performance-based logistics contracts use industry as an integrator to provide an agreed upon level of performance, meaning that the customer pays for readiness, not individual parts or services. The end result, according to studies of performance-based logistics, is an increased level of availability with a lower cost of ownership.

"The Apache is vital to the ongoing operations in Iraq and Afghanistan, and it is important for the warfighter in the field to have mission-ready helicopters," said Peri Widener, Boeing Army Integrated Logistics program executive. "We are working closely with our customer to provide affordable and flexible readiness solutions. This agreement is an example of that effort."

The U.S. Army uses the Apache to fulfill attack helicopter and reconnaissance requirements. Featuring fully integrated avionics and weapons, plus state-of-the-art digital communications capabilities, the Apache can rapidly detect, classify, prioritize and engage stationary and moving opposition targets at standoff ranges in nearly all weather environments.

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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