

Boeing Awarded \$1.1B for Performance-Based-Logistics Sustainment of C-17 Globemaster III

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ST. LOUIS, Jan. 13 [PRNewswire-FirstCall](#)/ -- Boeing on Monday received a \$1.1 billion contract for C-17 Globemaster III total systems support from the U.S. Department of Defense. The award is part of the fiscal year 2009 C-17 Globemaster III Sustainment Partnership (GSP), a performance based logistics (PBL) program. It includes a previous award of \$514 million for the first six months of FY09 (October 2008 - March 2009), and extends the period to September 2009.

Boeing recently marked its 10th anniversary of providing support for the U.S. Air Force C-17 airlifter under PBL contracts.

Performance-based contracting is the Department of Defense's preferred method of sustainment. In PBL programs, the customer pays for a specified level of readiness, not individual parts or services.

"C-17 GSP is the most mature and successful system-level PBL program in existence, providing the highest mission-capable rate in U.S. Air Force airlift -- 85 percent and up," said Gus Urzua, Boeing vice president and C-17 GSP program manager. "The program enables this state-of-the-art transport aircraft to perform missions that no other can attempt, while logging 1.5 million flight hours and more than 460,000 sorties for customers around the world."

With its first C-17 PBL contract award in 1998, Boeing became the first contractor to operate as an Air Force depot with the establishment of an inventory control point. The company took over the responsibility of forecasting, purchasing and material management for the C-17, its F117 engine and all C-17-unique support.

"Never before had any contractor been given the overarching responsibility to manage the most important pieces of a military aircraft," Urzua said. "This required a massive cultural change for us and for the customer. Look at the numbers -- the concept worked."

The program started with 42 aircraft in the field and two operating bases -- Charleston, S.C., and Altus, Okla. Today, Boeing supports 182 C-17s for the U.S. Air Force and 14 for U.S. allies. Boeing GSP employees serve at 10 U.S. Air Force bases and at one base each for the U.K. Royal Air Force, the Canadian Forces and the Royal Australian Air Force. All benefit from the economies of scale found in purchasing materials for the entire fleet worldwide, as well as from the PBL approach. C-17 support operations will begin at more bases in the coming months.

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, and the world's largest and most versatile manufacturer of military aircraft. Headquartered in St. Louis, Boeing Integrated Defense Systems is a \$32.1 billion business with 71,000 employees worldwide.

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