

Lockheed Martin Awarded Apache Performance Based Logistics Follow-On Contract

The U.S. Army awarded Lockheed Martin a follow-on Performance Based Logistics (PBL) contract to support the Target Acquisition Designation Sight/Pilot Night Vision Sensor (TADS/PNVS) and Modernized TADS/PNVS (M-TADS/PNVS) systems on the AH-64 Apache helicopter. The contract has a potential value of \$89 million for 2009.

The original PBL contract, awarded in early 2007, established a system of continuous improvements supporting the AH-64 Apache TADS/PNVS and M-TADS/PNVS programs. The PBL contract provides complete post-production supply chain management, including spares planning, procurement, repairs, maintenance, modifications and inventory management of fielded systems. The value of the first year of the contract was \$117.8 million and the 2008 contract was worth \$76.6 million.

"PBL is a strategy for system product support that employs an integrated, affordable performance package designed to optimize system readiness," said Dave Belvin, Apache TADS and Support Programs director at Lockheed Martin Missiles and Fire Control. "PBL is intended to save operating and support costs by having the prime contractor assume responsibility for the total performance of a system. Our team is in position and is providing a cost-effective support solution that meets the needs of our Warfighters."

As part of Lockheed Martin's centralized logistics management, damaged components are expedited directly back to a repair center, significantly reducing the length of the supply pipeline and enabling the U.S. Army to receive spare parts more quickly and efficiently. Lockheed Martin's PBL supply management reduces operation and support cost burdens, providing funds for continuing system modernization and reliability improvements. To date, the Apache TADS/PNVS PBL program has been credited by the U.S. Army Aviation and Missile Command with improving fleet readiness, requisition fill rates, and reducing the U.S. Army's life cycle cost.

"This PBL program is a partnership with the Army and industry that leverages the strengths of the collective organizations to provide the best possible performance outcomes. The success of the program is based on continuous improvement," said Belvin. "The program continues to be innovative to meet our customer's challenging and rapidly changing objectives."

Headquartered in Bethesda, Md., Lockheed Martin is a global security company that employs about 146,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services. The corporation reported 2008 sales of \$42.7 billion.

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