

Lockheed Martin Awarded Apache M-TADS/PNVs Performance Based Logistics Follow-On Contract

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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 \$90 million for 2010.

This is the third option for the original PBL contract, awarded in early 2007. The contract established a system of continuous improvements supporting the AH-64 Apache TADS/PNVs and M-TADS/PNVs systems that will benefit the program throughout the lifecycle. The PBL contract provides complete post-production supply chain management, including spares planning, procurement, repairs, maintenance, modifications and inventory management of fielded systems.

The combined value of the initial contract and first two options was \$283.4 million. The program recently received an overall "Outstanding" Contractor Performance Assessment Reporting System rating by the U.S. Army Aviation and Missile Command.

"The success of the PBL contract is the result of a strong partnership between the Warfighter, the U.S. Army Aviation and Missile Command and Lockheed Martin," said Dave Belvin, director of Apache M-TADS/PNVs and Support Programs at Lockheed Martin Missiles and Fire Control. "By working together, we have significantly improved supply chain management and controlled costs."

PBL is a strategy for system product support that employs an integrated, affordable performance package designed to optimize system readiness. The program saves operating and support costs by the prime contractor assuming a major role in supporting the system.

As part of Lockheed Martin's centralized logistics management, components requiring repair or modification are expedited directly back to a repair center. This direct link significantly reduces the length of the supply pipeline and enables 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. The U.S. Army Aviation and Missile Command has credited the Apache M-TADS/PNVs PBL program with improving fleet readiness and requisition fill rates as well as reducing the U.S. Army's life cycle cost.

Headquartered in Bethesda, Md., Lockheed Martin is a global security company that employs about 140,000 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 2009 sales of \$45.2 billion.

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