

U.S. Air Force Awards Lockheed Martin Contracts To Begin Work On Next Set Of GPS III Satellites

GPS III Program Transitions from Cost-Plus to Fixed-Price Contract Structure

DENVER, Feb. 25, 2013 [PRNewswire](#)/ -- The U.S. Air Force has awarded Lockheed Martin [NYSE: LMT] two fixed-price contracts totaling \$120 million to procure long lead parts for the fifth, sixth, seventh and eighth next generation Global Positioning System satellites, known as [GPS III](#).

The GPS III program will affordably replace aging GPS satellites while improving capability to meet the evolving demands of military, commercial and civilian users. GPS III satellites will deliver better accuracy and improved anti-jamming power while enhancing the spacecraft's design life and adding a new civil signal designed to be interoperable with international global navigation satellite systems.

"The GPS III program was laid out at the very beginning to reduce risk early and facilitate affordable satellite production over the long term," said Lt Col Todd Caldwell, the U.S. Air Force's GPS III program manager. "This most recent award and our team's ability to convert the contract structure to fixed price is a sign that we are on track to meet the affordability objectives and commitments we originally set out to achieve."

Incorporating lessons learned from previous GPS programs, the Air Force initiated a "back-to-basics" acquisition approach for GPS III. The strategy emphasizes early investments in rigorous systems engineering, industry-leading parts standards, and the development of a full-size GPS III satellite prototype to significantly reduce risk, improve production predictability, increase mission assurance and lower overall program costs. These investments early in the GPS III program are designed to prevent the types of engineering issues discovered on other programs late in the manufacturing process or even on orbit.

"The Air Force's back-to-basics acquisition strategy and the progress we have already made on our GPS III prototype gives us high confidence in our ability to perform efficient and affordable fixed-price satellite production going forward," said Keoki Jackson, vice president of Lockheed Martin's Navigation Systems mission area. "As our world becomes increasingly dependent on GPS technology, the new GPS III satellites will be a critical element of both our national and economic security, and we are committed to achieving mission success for the billions of military, commercial and civilian users worldwide."

Lockheed Martin is currently under contract for production of the first four GPS III satellites, and will now begin advanced procurement of long-lead components for the fifth, sixth, seventh and eighth satellites. The Air Force plans to purchase up to 32 GPS III satellites.

The GPS III team is led by the [Global Positioning Systems Directorate](#) at the U.S. Air Force Space and Missile Systems Center. Lockheed Martin is the GPS III prime contractor with teammates [ITT Exelis](#), General Dynamics, Infinity Systems Engineering, Honeywell, ATK and other subcontractors. [Air Force Space Command's 2nd Space Operations Squadron](#) (2SOPS), based at Schriever Air Force Base, Colo., manages and operates the GPS constellation for both civil and military users.

Headquartered in Bethesda, Md., Lockheed Martin is a global security and aerospace company that employs about 120,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration, and sustainment of advanced technology systems, products, and services. The Corporation's net sales for 2012 were \$47.2 billion.

Note to Editors:

GPS III video and high-resolution images are available for download at www.lockheedmartin.com/gps

Media Contact:

Michael Friedman

303-971-7255

michael.1.friedman@lmco.com

<https://news.lockheedmartin.com/2013-02-25-U-S-Air-Force-Awards-Lockheed-Martin-Contracts-To-Begin-Work-On-Next-Set-Of-GPS-III-Satellites>