F/A-18 FIRST Program

Presented to Wharton Business School
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Fleet Support
F/A-18 Sustainment Strategy

• Created **Virtual Program Office** to Focus, Manage, and Lead Sustainment Efforts of Numerous Government Stakeholders

• Utilized Multiple OEM Centric Performance Based Logistics (PBL) Contracts to Provide the Best Value, Long-term Support Solution for all F/A-18A-F and EA-18G

• Focused F/A-18 Performance Goals on Metrics driven by the Performance Based Agreement (PBA) between the Warfighter and Program Manager (PM)

*One Team + One Focus = Improved Readiness for the Warfighter*
F/A-18 Integrated Readiness Support Teaming (FIRST)

Program Description: USN/Industry partnership to improve fleet support, increase readiness, and reduce support costs

Affordable Support Through
- Asset management
- Supportability improvements
- Obsolescence management
- Technology insertion
- Consolidated logistics support

Key Enablers
- USN/DLA/Industry Partnership
- Supply Chain Management
- In Service Engineering
- Integrated Information Systems
- Hornet Support Network
- Performance Based Contracting
USN/ DLA/ Industry Partnerships

• Suppliers
  – Boeing/Suppliers work together to maximize Production Concurrent spares pricing benefits
  – Incentives with selected suppliers that align with the prime contract for Supply Response Time (SRT), Time on Backorder, Carrier Stock Effectiveness and Depot Support

• USN/DLA/Boeing Industry Team
  – Boeing/NAVAIR/NAVICP/DLA partnership provides efficiencies in Supply Chain Management
  – Integrated Information Technology Infrastructure: Total Asset Visibility (TAV) provides asset visibility across team
  – Hornet Support Network: Multi-organizational team on Site with modern communication and Tech Data systems

• Depots
  – Commercial Service Agreements (CSAs) in place with depots
  – Provides repair materials/funding to NADEPs
  – Improved Depot Turn Around Time

Successful program and satisfied customers
FIRST Services

Supplier partnerships
- Suppliers identify reliability improvements
- Incentive based and service based supplier contracts
- Proactive obsolescence management process
- Coordinated supportability improvements

Supply Chain Management
- Inventory management and control with total asset visibility
- Demand forecasting, repair management, warehousing and distribution

Technical Data
- Interactive Electronic Technical Manuals
- Automated pilot debrief and troubleshooting
- Easy, real-time updates

In-Service Engineering
- Reliability engineering and obsolescence management
- Support Cost Reduction Initiatives
- SPO Charts

Support Equipment
- Design and repair management
- Post delivery spares support

Transportation
- Leverages Boeing Commercial contracts to reduce cost
- Rapid materiel movement, on time delivery
- Tracking status integrated into Boeing’s Total Asset Visibility system

Hornet Support Network
- Network of Government / Industry personnel
- On-site field support representatives
- Rapid response team expedites resolution of fleet support issues

Information Systems
- FIRST Management Information System
- Dedicated customer support staff
- Integrated with U.S. government systems

FLEET FOCUS
- Improved readiness
- Improved mission capability
- Reduced product support costs
- Life cycle product management

Integrated Logistics Support
- Comprehensive logistics planning
- Tailored to unique scenarios
- Automated database, customer reports

Supplier partnerships
- Supplier partnerships

Information Systems
- Information Systems
Hornet Support Network

- Rapid fleet access to vital technical knowledge
- Collaborative engineering support
  - NAVAIR FST/Boeing/GE/NGC/RTN/NATEC
- Continuous technical training and support
- Operational Cost Avoidance

Rapid deployable field support

Not Shown
Malaysia, Kuwait

Hornet Support Center (HSC)
Program Offices
NADEPS
A-D Field Support
# Migration to a Single FIRST Firm Fixed Price Contract

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<td>Baseline Contract - CPI/AF</td>
<td>Option Yr 1 - CPI/AF</td>
<td>Option Yr 2 - FPI/AF</td>
<td>Option Yr 3 - FPI/AF</td>
<td>Base Contract - CPI/AF</td>
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<td>Oct 03 – Sep 04</td>
<td>Oct 04 – Dec 05</td>
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**FIRST - NAVICP Contract**
- F/A-18E/F Supply Chain Management
- Provisioning and Warehousing
- Shipping and Transportation
- Obsolescence Management
- Reliability Improvements
- Configuration Management
- Material Support and Total Asset Visibility

**FIRST - NAVAIR Contract**
- Program Management
- Unique In Service Engineering
- Hornet Support Center
- Integrated Information Systems
- Sustaining Integrated Logistics Support (ILS)
- Support Equipment
- Technical Publications
- ECPs, TSPAT, Etc.

**Single FIRST Contract**
- Single 5 year FFP Contract with 5 year option (Firm Fixed Price contracting vehicle shifts performance and financial risks to Boeing).
- Provides Navy and Boeing with flexibility to resolve sustainment challenges through the most optimal combination of additional spares, training, redesign, support equipment, maintenance planning, etc.
- Facilitates Execution of the F/A-18 Virtual Program Office.
- Increases aircraft availability and readiness for the Warfighter while reducing contract administration.
- Provides all F/A-18 Stakeholders with single focus through single contract.
Contract Metrics

Cost-Wise Readiness

Cost

Management (Leading Indicators)
- Ready for Tasking (RFT)
- Aircraft Availability (Ao)
- Dollars Per Flight Hour (FH)
- Mean Flight Hour Between Demand (MFHBD)
- 1st Day NMCS/PMCS
- CANNs Per 100 FH

Fleet Focused Metrics

Total Asset Visibility

Contract (Penalty)
Supply Response Time
- Hi Priority 4 Day
- Lo Priority 16 Day

Integrated Logistics Support (ILS)

Customer Satisfaction

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Approved for Public Release 265SPR-152.05
Supportability Cost Reduction Initiatives

$19.8M non-recurring investment driving $430.2M* cost avoidance

- Common Canopy Design
- ECS Controller Software BIT Improvement
- Enhanced Surface Finish Training
- Tank 3 Fittings
- Damage Repair Analysis Software
- AMAD Power Takeoff Shaft Seal Improvement
- Arresting Hook Shank Corrosion Protection
- Pressure Regulating/ Shut Off Valve Redesign
- Horizontal Stabilator Servocylinder Wire Harness Improvement
- Generator Control Unit Reliability Improvement
- Trailing Edge Flap Servocylinder Wire Harness Improvement
- Tank 1F Scuff Patch
- Digital Expandable Color Display (DECD) Supportability
- Pitot Static Probe Cover Enhancement
- Flight Control Computer Maintainability Improvement
- Boarding Ladder Reliability Improvement
- Boarding Ladder Actuator and Storage
- LCS 3-Way Shutoff Valve Reliability Improvement
- Wing-fold Transmission Lug Bushings

* Joint NAVAIR, NAVICP and Boeing total cost avoidance validated by AIR-4.2 & Approved 12/6/04

Slide approved by ESC on 6-2-05

Incorporated/Complete
Approved / In Work
IW/Partial Incorporation
Pending Concurrence
New for 2005
FIRST F/A-18 E/F Coverage

- SCM Wholesale System Management covering:
  - 87% of E/F Systems
  - 73% of Total E/F Weapon Replaceable Assemblies (WRAs)
- E/F Peculiar Support Equipment Items
- Provides Not Ready for Issue (NRFI) and Repair Parts to NADEPs for Organic Repair
- Sustaining Integrated Logistics Support (ILS) for the platform.
- FIRST does not currently cover:
  - F/A-18 A through Ds WRAs or Shop Replaceable Assemblies (SRAs)
  - Engines, Tires, Explosives, GFE, etc.
FIRST FY 2006 to FY 2010 allows the Navy to improve support to the Warfighter while reducing cost to the Taxpayer.

**FY01 - FY05**
- F/A-18 E/F Only
- Two Cost Plus Contracts
- Multiple Award Fee Metrics
- Passive Warfighter Feedback
- Obsolescence Plan
- Navy Reliability Investments

**FY06 - FY10**
- All F/A-18 Type Model Series
- Single Fixed Price Contract
- Disincentive Fee Metrics
- Automated Warfighter Feedback
- DMSMS Plan
- Boeing Reliability Investments

**FY11 - FY15**
- Single Availability Metric (Ao)
- Single Line of Accounting
- Non-severable CLIN

*Merging of Contracts = Improved Readiness at Reduced Cost*