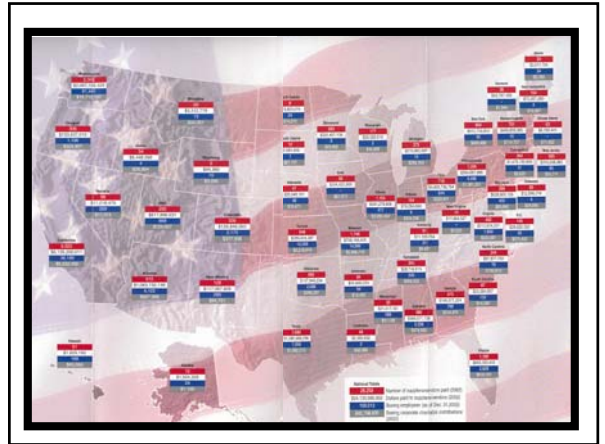
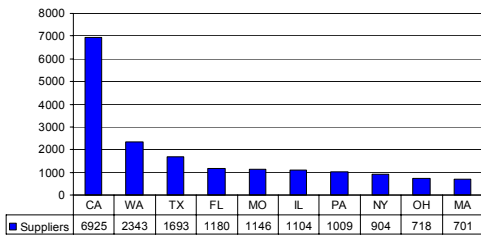


Navigating Government

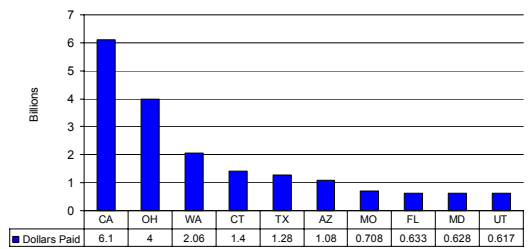
November 12, 2003



Number of Boeing Suppliers (by state) 2002

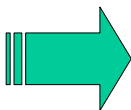


Top 10 Boeing Supplier States (by dollar) 2002



Background

- Privatization in Place of former Newark Air Force Base to maintain and repair inertial navigation and guidance systems for aircraft and ICBM workloads



- 15 year Guidance/Navigation System Repair follow-on contract awarded October 4, 1999 - \$1.3 B
- 5 year basic with 2 five year options

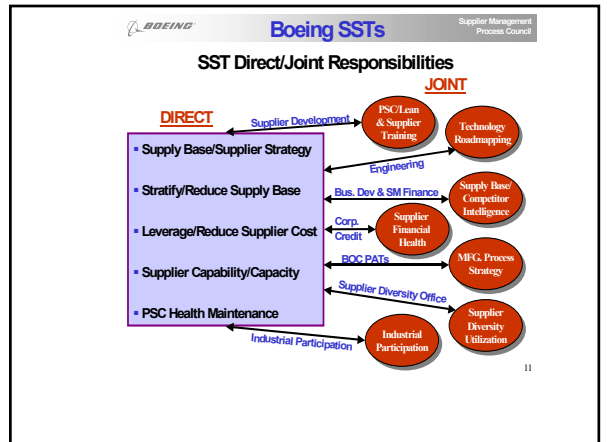
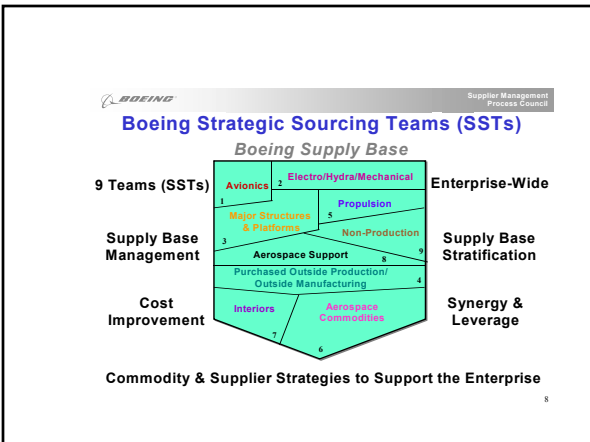
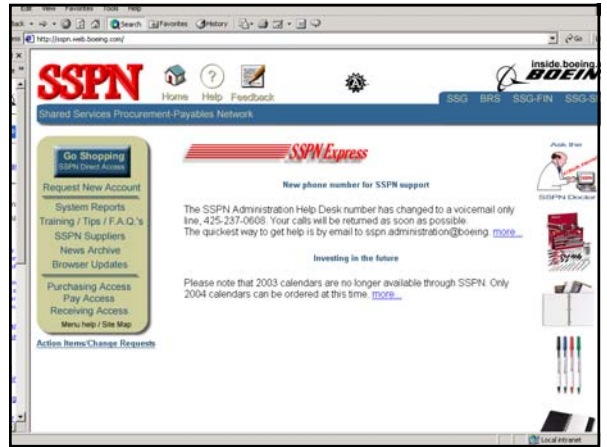
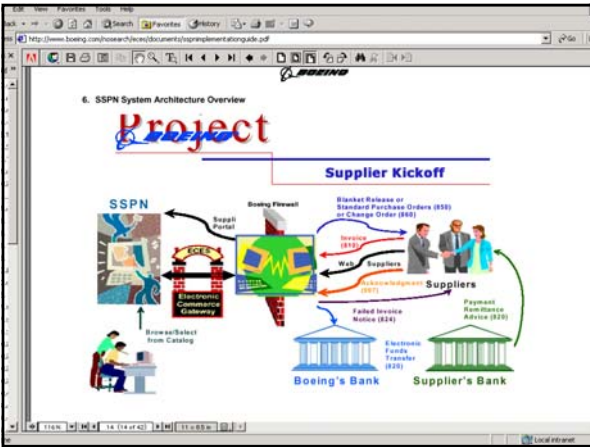


Local and State Revenue

- BGRC Ohio Supplier Expenditures
 - \$11.2 million paid to Ohio-based suppliers
 - \$6.9 million paid to Central Ohio suppliers
 - \$121,708 paid in local/state taxes, fees in 2002

Boeing Supplier Management Philosophy

- Centralizing Procurement for common overhead purchases through the use of Shared Services Group (SSG)
- Issuing Purchasing Cards for use by non-purchasing professionals for small dollar transactions
- Utilizing Strategic Sourcing Teams for direct charged items (deliverable hardware)





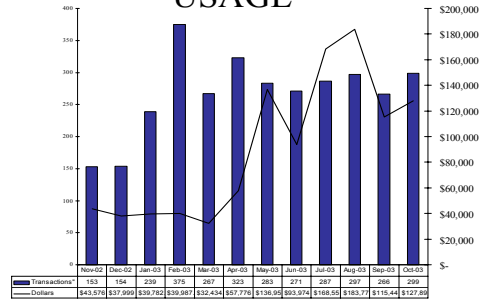
SST Balanced Scorecard

Supplier Management
Process Council

Performance Category	Objective
▪ Cost Reduction/Avoidance	Maximize
▪ Quantity of Suppliers	Reduce
▪ Quantity of Certified Suppliers	Maintain/Increase
▪ Quantity of SDB Suppliers	Increase
▪ % Dollars With PSC Suppliers	Maximize
▪ % Dollars With High Perf. Suppliers	Maximize
▪ % On Time Delivery	Maximize
▪ % On Time Acceptance	Maximize
▪ PSC Health %	Maximize

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BGRC CREDIT CARD USAGE



Small Business Recommendations

- Register in PRO-Net
- Become SBA Certified
- Perform well on current business
 - Quality/Delivery/Invoicing/Supplier Rating
- Be first to respond
- Provide Solutions-not just stuff
 - Shredding/Distribution/Chemical Management