News Release

Navy Announces Contract Award Values for Littoral Combat Ships (LCS) 3 and 4

WASHINGTON – As a result of the Navy’s change in acquisition strategy for the Fiscal Year (FY) 2010 Littoral Combat Ship (LCS) program, the Navy can now release the pricing for LCS 3 and LCS 4 awarded contracts.

The total value of the LCS 3 contract, awarded to Lockheed Martin Corporation on March 23, 2009, was $470,854,144 which includes ship construction, non-recurring construction and additional engineering effort, configuration management services, additional crew and shore support, special studies and post delivery support.

The total value of the LCS 4 contract, awarded to General Dynamics – Bath Iron Works on May 1, 2009, was $433,686,769 which includes ship construction, non-recurring construction and additional engineering effort, configuration management services, additional crew and shore support, special studies and post delivery support.

The contract values do not include government costs which include Government Furnished Equipment, change orders, and program management support costs. The contract values do not include the cost of continuation work and material used from the terminated original contract options for LCS 3 and 4. The value of the continuation work and material from the terminated LCS 3 was $78 million for Lockheed Martin Corporation and $114 million from the terminated LCS 4 for General Dynamics/Bath Iron Works.

The dollar value of the fixed-price-type contracts awarded to each LCS prime contractor to procure two LCS seaframes in FY 2009 was previously considered source-selection sensitive information because the price of the FY 2009 ships was to be linked to the competitive solicitation for the FY 2010 ships. That solicitation was cancelled and a new acquisition strategy does not link the FY 2009 prices with the FY's 2010-2014 source selection, thereby allowing normal release of this contract data.

The Navy remains committed to the LCS program and the requirement for 55 of these ships to provide combatant commanders with the capability to defeat anti-access threats in the littorals, including fast surface craft, quiet submarines and various types of mines. The Navy's acquisition strategy will be guided by cost and performance of the respective designs as well as options for sustaining competition throughout the life of the program.

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