



Press Release

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DDG 51 Class Ship Construction Contract Awards Announced

WASHINGTON – Today, the Navy is awarding General Dynamics-Bath Iron Works (BIW) and Huntington Ingalls Industries (HII) each a fixed-price incentive contract for the design and construction of a DDG 51 class ship.

BIW is being awarded a \$679,600,348 fixed-price-incentive contract for DDG 115 construction. As the low-cost bidder in the limited competition between these shipbuilders, BIW is also being awarded an option for a second ship, DDG 116, pending congressional authorization and appropriation.

HII is being awarded a \$697,629,899 fixed-price-incentive contract for DDG 114 construction. This follows the June 15, 2011, contract award for a \$783,572,487 fixed-price-incentive contract for DDG 113 construction. At the time of the DDG 113 contract award, the Navy did not release the contract award amount because of the ongoing competition for DDG 114-116.

The government utilized a competitive allocation strategy for the fiscal year 2011 and fiscal year 2012 DDG 51 class ships used on the program since 1996 called profit related to offers, or PRO. This strategy utilizes fixed price incentive firm target (FPIF) contracts with priced options to ensure reasonable prices while maintaining the industrial base.

These awards are consistent with the Memorandum of Agreement (MOA) Concerning the Allocation of Ship Construction Workload for the DDG 1000 Class Program and the DDG 51 Restart Program signed on April 6, 2009.

“These awards, including DDG 113 through DDG 116, deliver on Adm. [Gary] Roughead's determination to restart DDG 51 production, providing increased Air and Missile Defense for our future fleet and strengthening our industrial base—all the while, leveraging competition, incentivizing greater productivity and driving down costs,” said Assistant Secretary of the Navy (Research, Development and Acquisition) Sean Stackley. “Firepower for the warfighter. Value for the taxpayer. PEO Ships and NAVSEA have put in place the best of practices that Secretary [Ashton] Carter has challenged the Navy to execute.”

The Navy is relying on a stable and mature infrastructure while increasing the ship's Air and Missile Defense capabilities through spiral upgrades to the weapons and sensor suites. Each new DDG 51 guided missile destroyer will be delivered with Integrated Air and Missile Defense (IAMD) capability.

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