

BAE Systems San Diego Ship Repair **Chula Vista City Council**

August 2, 2016



BAE SYSTEMS INC

Led by Jerry DeMuro, President and CEO, BAE Systems, Inc. delivers a full range of products and services for air, land and naval forces, as well as advanced electronics, security, information technology solutions and support services.

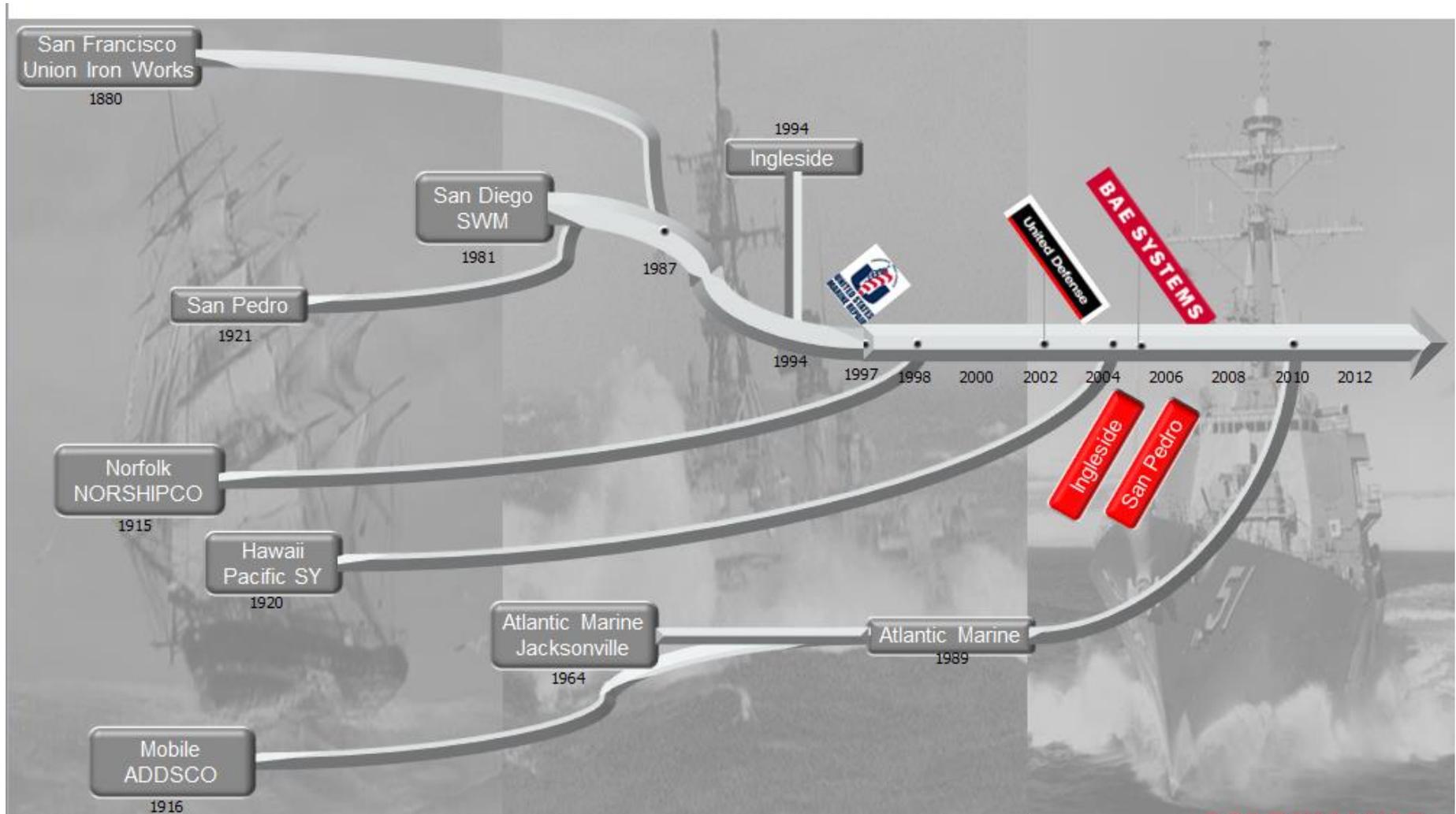
BAE Systems, Inc. is a top-ten prime contractor to the U.S. Department of Defense and is well positioned to support customers in what is the world's largest single defense market.

Key Facts:

- Employs approximately 33,700 (30,000 in the U.S.), with major operations in 30 states in the U.S., as well as the UK, Sweden, and Israel
- Recorded 2014 sales of approximately \$10.5bn
- The U.S.-based business operates under a Special Security Agreement
- Holds more than 2,100 U.S. and foreign patents across technology domains
- Comprises three U.S.-headquartered sectors:
 - Electronic Systems
 - Intelligence & Security
 - Platforms & Services



BAE Ship Repair – History



BAE Systems Ship Repair



BAE SYSTEMS SENSITIVE
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Seven Ship Yards

5,300 Employees

- Norfolk – 1,000
- San Diego – 2,200
- Jacksonville – 400
- Mayport – 450
- Mobile – 700
- San Francisco - 300
- Hawaii - 250

11,500 Subcontractors

Customers

U.S. Navy
Commercial Maritime
Oil and Gas Industry
Energy Markets
Military Sealift Command (MSC)
Maritime Administration (MARAD)
Foreign Military Sales
U.S. Coast Guard
U.S. Army



Bottom Line Upfront

BAE Systems' Largest Ship Repair Business, Major Investment

BAE Systems San Diego Ship Repair is:

- A premier provider of non-nuclear ship maintenance and modernization on West Coast
- Responding to Navy's strategic pivot towards the Asia Pacific:
 - Current port drydock capacity will not support future San Diego ship requirements
 - New drydock and Pier 4 upgrade



BAE Systems San Diego Ship Repair Safety Program Success

- Proactive Approach to Safety
 - Verified Safety Maturity Level 5 (Best in Class / Generative) by BAE Systems internal executive audit team.
 - Total engagement within the PSDSRA Safety Committee targeting subcontractor safety and health management improvements
 - Certified Confined Space Rescue Team on sight (Industry Leading Service)
 - Robust 3rd Party Safety process to ensure maximum subcontractors performance.
 - Port of San Diego leader in health & safety compliance

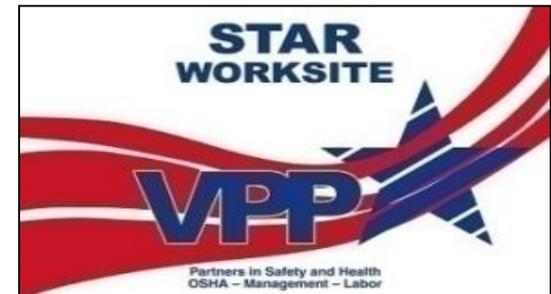
- OSHA Voluntary Protection Program (VPP) Star Work Site

- Certified Confined Space Rescue Team on Site (Industry Leading Service)

- Verified Safety Maturity (Best in Class)

- Recordable Injury Rate (RIR) was 55% below industry average

- Lost Time Rate was 80.6% below industry average



BAE Systems San Diego Ship Repair

What We Do

BAE Systems San Diego Ship Repair is a full service facility located on San Diego Bay consisting of 17 land acres leased from the Port of San Diego, a 26,000 ton dry dock (The Pride of San Diego) and 3 piers totaling 2085 feet of berthing and 96,000 square feet of production shops

SHOP CAPABILITIES

Carpenter Shop

Maintenance

Electric/Electronic Shop

Inside/Outside Machine Shop

Lagging

Machine Shop

Shop

Pipe Fabrication Shop

Rigging Shop

Sheet metal Shop

Structural Shop

Sandblasting/Testing/Security Services



BAE Systems San Diego Ship Repair

Who We Are

- 2,000 employees (1,700 core and 300 temps)
 - Generations of ship repair workers bringing unmatched dedication and skill
 - Retired military
 - Experienced employees with 30+ years in the business
 - Graduates & interns



Community Programs

San Diego Community Investment Giving

- Living Coast Discovery Center
- San Diego Military Advisory Council
- SD Regional Economic Dev Council
- San Diego Food Bank
- San Diego Port Tenant’s Association
- Operation Homefront
- Habitat for Humanity
- Spirit of the Barrio
- I Love a Clean San Diego
- Military Appreciation
- USS Midway
- Wreaths Across America
- Wounded Warrior
- Fleet Week

- Board Member
- Board Member
- Board Member
- Corporate Sponsor
- Board Member
- Bike Drive Organizer
- Board Member
- Corporate Sponsor



SAN DIEGO PORT TENANTS ASSOCIATION





WE COLLECTED NEARLY 2,000 LBS OF FOOD!



**THANK
YOU, BAE
SYSTEMS
SAN DIEGO
SHIP REPAIR
FOR YOUR
SUPPORT!**





Thank You!

Thank you to all who helped build a community garden in Logan Heights!

BAE Systems San Diego Ship Repair Initiatives

Citizenship Program & Leadership Training



First Line Leadership Training

- Provides Additional Leadership and Management Skills
- Increase Individual and Organizational Effectiveness

Citizenship Program

- Offers assistance to employees who are in the process of becoming a U.S. Citizen
- Enables employees to offer support in other BAE Systems' yards



BAE Systems San Diego Ship Repair Capital Improvements

- Steel Dry Dock Towers
- Pier 4 Portal Crane
- Bldg. 95 Roof Replacement
- #1 Substation Transformer Replacement
- POSD Utility Connection Upgrade
- Bldg. 55 HVAC Replacement
- Shore Power Cables
- Bldg. 13 CHT Replacement
- Pier 1 South Upgrades
- Pier 1 Restroom Upgrade
- Main Storm Water Upgrade
- Shaft Forklift
- 2 Bandsaws
- Machinery Plant Equipment
- SDSR Office Space
- IT Projects
- Yard Electric Forklift
- Industrial Blvd.
- POSD Stormwater
- Pipe Bender
- Ultrasonic Testing Reading
- Roller 4160V Substation
- Pier 1N Dry Dock



BAE Systems San Diego Ship Repair **Pier 1 North Dry Dock Project Overview**

New Dry-Dock Characteristics:

- **Length Overall: 950ft**
- **Length Over pontoons: 852ft**
- **Width Between Outer Wing Shells: 205ft**
- **Clear Width Between Fenders: 162ft**
- **Maximum Design Draft: 65ft**
- **Rated Lift Capacity: 55,000 Long Tons**
- **Structural Capacity: 85 Long Tons/Foot**
- **Two (2) 50 Ton Wing Wall Cranes**



***\$103M Investment
to Support Navy's Pivot
West***

Operational: January, 2017



New 55,000 ton drydock