

# Northrop brings U.S. funds to Springs

**By JIM BAINBRIDGE THE GAZETTE**

A Colorado Springs division of defense giant Northrop Grumman Corp. landed a government contract worth as much as \$2.5 billion over 10 years to continue work on a broad range of Missile Defense Agency projects, the Pentagon said Tuesday.

Almost all of the money will be spent in the Springs, giving the local economy an extraterrestrial shot in the arm and the potential for many new jobs.

The contract allows Northrop to continue its work with the Joint National Integration Center at Schriever Air Force Base imagining threat scenarios and then finding solutions through simulations and war-gaming.

The initial two-year base contract — which starts in February — has a minimum value of \$30 million and a ceiling of \$500 million.

The value of the deal for Northrop Grumman Mission Systems in the Springs could rise to \$2.5 billion, if all three one-year options and five one year award terms are exercised, said Buz Gibson, vice president and project manager for the JNIC contract at Northrop's Mission Systems in the Springs.

It is one of the largest contracts ever awarded to the company's Mission Systems division worldwide and probably the largest government contract awarded for work to be done in the Springs.

"This was considered a must win contract," said an elated Gibson. "It was tracked at the CEO level. This is an outstanding day for all of us. It means I don't have to put that 'For Sale' sign out in front of my house."

Gibson said that if Northrop qualifies for all the options established with the contract, it could lead to "a substantial increase in jobs" in Colorado Springs from the current 950 Mission Systems employees, and that the company may need more space, as well.

"The government has looked at building additional facilities at Schriever, and Northrop may be looking for more space in town," Gibson said, "perhaps as early as next year."

The impact on the local economy is expected to be substantial because virtually the entire work force for the project is located here, and Gibson said the only money going out of the area will be for the procurement of computers and other equipment.

Colorado Springs economist David Bamberger, of Bamberger & Associates, says a contract of this magnitude could create as many as 2,000 jobs directly and another 2,100 indirectly over the 10-year period.

"If it all plays out fairly quickly," Bamberger said, "it could double our current rate of job growth."

Bamberger sees the Northrop contract as further evidence of the growing clout of the aerospace and defense industry in the region.

"If I had to guess," he said, "it (aerospace and defense) probably has added several thousand new jobs in the last few years. There are at least 10 companies with 200 or more employees and maybe 8,000 to 9,000 employees in that segment now."

Under terms of the agreement, Northrop will work on operational components of the U.S. Ballistic Missile Defense System that may be used in the future, as well as play a key role in bringing together missile-defense war games and exercises across the military.

"The (integration center at Schriever) is the place where the Missile Defense Agency or the war fighter can go for clear answers to hard questions about missile-defense capabilities," Gibson said.

Los Angeles-based Northrop Grumman has been the lead contractor for JNIC since 1995, working on the development and application of war-gaming, testing, modeling, simulation and analysis of U.S. national and regional air and missile-defense systems.

In addition to workers at the Missile Systems division, the company employs an additional 250 in the Springs.

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