Defense contractor expects to hire hundreds for software and aerospace work in Colorado

Raytheon had healthy growth expectations for its satellite ground control and software office in Aurora, but the expectations weren’t high enough.

Defense budgets and the company’s expansion in satellite-related software development likely makes the Waltham, Massachusetts-based company’s previous projection of adding up to 300 jobs in Aurora conservative.

“Honestly, I think that’s a little on the low end,” said David Wajsgras, president of the Raytheon IIS division of which the Aurora office is part. “It will be more in the 400- to 500-person range.”

That’s an estimate of how many more jobs Raytheon’s site is expected to employ by 2022 or 2023, he said.

That growth comes against a backdrop of Raytheon Co. (NYSE: RTN) merging in an all-stock deal with Farmington, Connecticut-based United Technologies (NYSE: UTX), maker of military and aviation communications technology and other gear. The merger is projected to close next year, making the combined company the nation’s second-largest military defense contractor.

Raytheon Intelligence & Information Services division employs just over 2,500 people in Aurora today. The staff growing of 16% or more means looking for additional office space in the area, just west of Buckley Air Force Base.

The IIS division, which generated $3.6 billion in revenue in the first half of 2019, has offices around the country.

It’s the second-largest private sector employer in Aurora. That’s where Raytheon IIS works on a multimillion-dollar project designing and making the ground-control systems and software that will manage the U.S. Air Force’s new global positioning satellite system.

The company also makes ground-control systems and related data-managing technology for federal government’s Joint Polar Satellite System, known as JPSS, and sensors on related polar-orbiting weather satellites that also feed data to the National Weather Service for storm forecasting. There’s also development on ground systems for NASA’s James Webb Space Telescope, the planned replacement of the Hubble telescope.

Those are projects Raytheon can talk about publicly.

The company also wins a lot of classified work for the U.S. military and spy agencies, and that’s driving a lot of the Aurora site’s expansion, Wajsgras said.

“In the classified area, for the intelligence communities, we’re seeing tremendous opportunities for growth in the near term, and the long term,” he said.

It wasn’t automatic that Raytheon’s Aurora site would grow so much in the near future.

The company’s biggest job, the ground systems development for the Air Force’s GPS III satellites, known as the Next-Generation Operational Control System, or GPS OCX, has matured.

The development and coding of software was giving way to testing and integration. That requires hundreds fewer people than earlier phases of GPS III work, but Raytheon ISS’s successes related to the GPS OCX system are helping the defense contractor attract more work.

That’s a big change.

Raytheon’s OCX work was considered an Air Force contract boondoggle, a project that ballooned from an $866 million project to be completed 2016 to being completed near five years behind schedule with estimates of the final price tag for the Air Force surpassing $5 billion.

In 2017, the Air Force made Raytheon IIS adopt software-development style and developer-operations approaches that had become common in commercial software development.

Raytheon replaced its old-fashioned software development with iterative, or “agile,” software development. And Raytheon brought on a new executive in Aurora, Bill Sullivan, to lead the transformation.

The change meant adapting a style of work and updating the company’s software development culture. The GPS OCX project has stayed on track and budget, attracting new employees to Raytheon too.

Raytheon embraced the change, making agile software development a focus and organizing some of its sites, including Aurora, as specialized software development “dojos” meant to attract the brightest developers to the company.

The second of the GPS III satellites, built nearby in Jefferson County by Lockheed Martin Space, launched in August. A Raytheon-made software system is helping with the satellites’ on-orbit checkout. In a few months, the whole GPS OCX software system is slated to be turned over the Air Force.

“All that work has been completed,” Sullivan said. “What we’re doing now, is integrating the various systems and testing.”

Meanwhile, last week, the first antenna for 17 remote ground-monitoring stations, was shipped to Fairbanks, Alaska, where the station should be set up this fall, he said.

The milestones cement what Wajsgras calls one of the biggest turnaround success stories in defense contracting. The Pentagon cites the Raytheon IIS as an example for others to emulate.

“We are now considered the leaders in commercial software practices for the Department of Defense,” Wajsgras said.