

The U.S. Department of Defense has authorized Savi Technology, Northrop Grumman, Unisys and SPEC to bid for orders to supply 433.92 MHz active RFID tags and readers, as well as related software and services.

By Beth Bacheldor

Jan. 9, 2009—After more than two years of requests and reviews, the [U.S. Department of Defense](#) (DOD) has chosen four prime contractors to compete for orders under its RFID III contract, which calls for active 433.92 MHz RFID tags and interrogators compliant with the ISO 18000-7 standard. RFID III is an indefinite-delivery, indefinite-quantity (IDIQ) contract established by the [U.S. Army](#) on behalf of all U.S. armed services. The contract, administered by the Army's [Product Manager Joint-Automatic Identification Technology](#) (PM J-AIT) office, entitles the four companies to compete for purchase orders from any authorized organization supporting the DOD, the [U.S. Coast Guard](#), the [North Atlantic Treaty Organization](#) (NATO), coalition partners and other foreign military agencies.

The four prime contractors are [Savi Technology](#), [Northrop Grumman Information Technology](#), [Unisys](#) and [Systems & Processes Engineering Corp.](#) (SPEC). The award is worth up to \$429.4 million for the total of all procurements, which would be the aggregate of the hardware, software and services solicited from the selected vendors over the life of the 10-year contract. The first three years are allocated for new purchases of hardware, software and services, with the remainder of the contract pertaining only to options and upgrades for products already purchased, as well for services and maintenance to those goods.

At least three of the four companies specified subcontractors as part of their winning bids. Unisys—which has worked extensively with [U.S. Customs and Border Protection](#) (CBP) on projects involving the implementation of RFID interrogators at border crossings to capture information from new RFID-enabled travel documents, such as RFID-enabled passports and driver's licenses being produced by several states—selected RFID hardware vendors [Hi-G-Tek](#) and [Identec Solutions](#) to serve as the subcontractors that would supply the actual tags and readers.

Those two vendors had also teamed up and bid for a primary contract on the RFID III request for proposal (RFP), though they were unsuccessful in that effort. SPEC's subcontractors include [Honeywell](#), [Identec Solutions](#) and management and technology consulting firm [BearingPoint](#).

Savi has eight vendors, most of whom are systems integration and consulting firms, serving as subcontractors on its RFID III contract: advanced technology and aerospace manufacturer [Lockheed Martin](#), which owns Savi; systems integrators [Computer Sciences Corp.](#), [RFID Global Solution](#) and [CDO Technologies](#); [ASD](#), a systems integrator and software developer; IT services firm [Teracore](#); wireless device manufacturer [Fortress Technologies](#); and RFID hardware maker [Intermec Technologies](#).

Northrop Grumman could not be reached for comment by press time. A spokeswoman for PMJ-AIT says the division can divulge only the names of the four prime contractors, and that public information

regarding subcontractors is the responsibility of those prime contractors.

Savi manufactures and markets all of the RFID equipment necessary to supply organizations seeking solutions under the RFID III umbrella. To create active RFID systems that comply with the DOD's requirements, the other three prime contractors (or their subcontractors) first had to license intellectual property (IP) from Savi, since that firm holds IP essential to meeting the ISO 18000-7 standard (see [Seven Companies Sign Up for Savi IP License](#)).

The RFID III RFP was initiated in August 2008, with vendors given until Sept. 3, 2008, to respond (see [DOD Issues RFP for Active RFID](#)). That deadline was subsequently extended to Sept. 10 (see [Evigia Launches 433 MHz Active RFID Product Line](#)). The Defense Department's previous contracts for 433.92 MHz active tags and interrogators, and related and software—known as RFID I and RFID II—were awarded solely to Savi Technology.

Savi's CEO, David Stephens, believes the RFID III contract will be a boon to the RFID market, and that it will also spur innovation. "There will be a broader continuation [of existing RFID initiatives within the government]," he says, "but I also think there will be some new business areas opening for adoption of RFID. The government has rallied and supported the ISO standard to ensure interoperability among all the products, and that will also contribute to much more innovation. The issue comes down to what's the business value [of RFID], and I believe the DOD has put RFID on a trajectory to provide greater business value."

What's more, Stephens says, the addition of other companies able to fill the contract will benefit the market as well. "This contract allows the possibility of more companies building a broader market for RFID III solutions across the world," he states. "As the market grows, everyone benefits."