

# Subpart 5304.4 - SAFEGUARDING CLASSIFIED INFORMATION WITHIN INDUSTRY

**Parent topic:** [Part 5304 - Administrative Matters](#)

## 5304.402-90 General

(a) [32 CFR Part 117](#) and [DAFMAN 16-1406V2](#), *National Industrial Security Program: Industrial Security Procedures for Government Activities*, clarify contracting officer responsibilities and provides guidance for implementing the Department of the Air Force's National Industrial Security Program.

(b) [DAFH 16-1406](#) , *National Interest Determination Handbook*. This instruction clarifies responsibilities and procedures for processing National Interest Determinations (NID).

(c) Air Force Policy Directive (AFPD) 16-7 Special Access Programs establishes policies and responsibilities for the management, administration, and oversight of Special Access Programs for which the Air Force has Cognizant Authority..

(d) [DAFI 10-701](#) , *Operations Security*, establishes responsibilities for contracting officers when there are OPSEC requirements on contract.

(e) In accordance with FAR part 4.4, DAF personnel will use the NISP Contract Classification System (NCCS) to process DD Form 254s, provided that the data submitted is unclassified. For contracts where the content of the DD Form 254 contains classified information and the classified information cannot be segregated into classified attachments or addendums, use of NCCS is not required until such time that an automated solution is available on the appropriate classified information system. NCCS is available electronically at <https://www.dcsa.mil/is/nccs>.

(f) Additional DD254 guidance:

### (1) **Solicitation/Award DD Form 254:**

A solicitation DD Form 254 is required to be drafted, coordinated, and certified in block 17 IAW DoD and Air Force industrial security policy requirements. The coordinated and certified DD Form 254 shall be attached to the solicitation that is provided to the vendor(s). Distribution of the solicitation DD Form 254 per Air Force Industrial Security Policy is not required unless the vendor requires access to classified information during the pre-award phase of the contract. Solicitation means any request to submit offers or quotations to the Government. As such the solicitation stage includes but is not limited to: Invitation for Bid (IFB), Request for Information (RFI), Request for Proposal (RFP), Request for Quotation (RFQ), Program Research and Development Announcement (PRDA), Broad Agency Announcement (BAA), Grants, Cooperative Agreement, Other Transactions (OT) and other extraordinary actions. A new, original DD Form 254 is required to be drafted, coordinated, certified, and distributed and shall be attached to the contract award.

**(2) IDIQ:**

Basic Indefinite Delivery Vehicle (IDV) and Indefinite Delivery Vehicle Quantity (IDIQ) contracts or agreements as defined in FAR 4.601 in which there is no requirement for a breakdown by classification of the various elements of the classified effort may utilize the same DD Form 254 for the entire IDV contract. In this case, a separate DD Form 254 will not be required for delivery, task orders, or equivalent pending all the security requirements are identical for each order against the IDV contract or agreement, at the discretion of the servicing Contracting Officer and will be documented in block 13. If the security requirements for the task, delivery, or purchase order for a contract or agreement result in additional security requirements from that of the basic DD Form 254, a revised basic DD Form 254 is required. The servicing Contracting Officer will determine how to document use of the basic DD Form 254 on all delivery, purchase, or task orders for all prime contracts or agreements, if applicable. If it is determined that a DD Form 254 at the IDV contract level will not cover varying needs of the classified effort in each delivery order, then a separate DD Form 254 should still be done for each delivery/task order as long as the separate DD Form 254 does not contain security requirements above that of the basic DD Form 254.

**(3) Contract novation:**

A new original DD Form 254 is required to be drafted, coordinated, certified, and distributed upon the finalization of a contract novation. The new original DD Form 254 will identify the new vendor and prime contract number. If the new vendor does not possess the requisite level of facility clearance, the vendor will be sponsored for a facility clearance IAW Air Force industrial security policy requirements.

## **5304.403 Responsibilities of Contracting Officers**

(a) In accordance with the [FAR part 4.4](#), the contracting officer is responsible for reviewing all proposed solicitations to determine whether access to classified information may be required by offerors or by a contractor during contract performance.

(b) Contracting officers will require input and support from program managers, project managers, or other personnel knowledgeable of the contract requirements to perform this responsibility.

(c) The Contracting Officer will, in accordance with [32 CFR Part 117](#) and [DAFMAN 16-1406V2](#), National Industrial Security Program: Industrial Security Procedures for Government Activities:

i. Verify the vendor's facility clearance status and safeguarding capability by accessing the National Industrial Security System (NISS), unless otherwise delegated.

ii. Submit a facility clearance sponsorship request to the Defense Counterintelligence and Security Agency (DCSA) using NISS, unless otherwise delegated.

iii. Include the security requirements clause, [FAR 52.204-2](#) and the Department of Defense Contact Security Classification Specification (DD Form 254) if access to classified information is required during the solicitation phase or award phase of a contract.

iv. Ensure the DD Form 254 is properly prepared, reviewed, coordinated and distributed in accordance with DAFMAN 16-1406V2. In the absence of exceptional circumstances that support classification, the DD Form 254 will not be classified.

v. Serve as the approving official Certifier for the DD Form 254.

vi. Ensure the DD Form 254 is distributed to:

(1) The contractor as part of the contract.

(2) All DCSA field activities listed in blocks 6c, 7c, 8c, and 10 (as applicable).

(3) All host installation Air Force Information Protection Office(s) listed as government performance locations (or Army, Navy, Marine Corps, Coast Guard equivalent where classified performance will occur).

(4) Others in accordance with local DD Form 254 processing procedures.

vii. Within 30 calendar days prior to classified work beginning to all government performance locations:

(1) Ensure the host Installation Commander is aware of the contractor's presence as a visitor on the installation normally through the installation Information Protection Office when performance is on an Air Force installation at least 30 calendar days in advance.

(2) If the certified DD Form 254 cannot be provided to the installation Information Protection Office at least 30 calendar days in advance due to contract performance commencing in less than 30 calendar days from date of contract award, then the DD Form 254 is to be provided within 72 hours after contract award.

viii. Upon receipt of notification of a contractor security violation from the DCSA, the contracting officer or designee will ensure the owner of the classified information subject to loss, compromise, or suspected compromise (e.g., Original Classification Authority (OCA) or representative) is further notified and can perform required actions to mitigate potential damage in accordance with DoDM 5200.01, Volume 3, Enclosure and DAFI 16-1404, Chapters 3 and 7.

ix. Upon notification of an adverse facility clearance action (e.g. Invalidation/Intent to Revoke) and/or receipt of a contractor being issued a less than satisfactory security review rating issued by DCSA, coordinate all potential contracting actions with the program office and/or affected government customer(s) personnel to ensure vendor mitigates all reported instances of non-compliance with [FAR 52.204-2](#), as applicable.

(d) National Interest Determination (NID)

i. As of 1 October 2020, in accordance with Public Law 115-232, John S. McCain National Defense Authorization Act for Fiscal Year 2019, Section 842, "Removal of National Interest Determination Requirements for Certain Entities," August 13, 2018:

(1) NIDs are no longer required for National Technology and Industrial Base foreign ownership entities that require access to proscribed information and under Special Security Agreements to mitigate the foreign ownership, control, or influence.

(2) If necessary, contact the servicing Information Protection Office to verify if a NID is required prior to submitting a NID request.

ii. Upon receiving adequate written justification from the requesting program office or activity, the contracting officer reviews, validates, and processes the NID request and associated written

approvals/documentation, in accordance with AFH 16-1406, National Interest Determination Handbook

iii. The contracting officer shall maintain a copy of the approved program, project, or contract specific NID package in the contract file.

## **5304.404-90 Additional Contract Clauses**

The contracting officer must insert the clause at DAFFARS 5352.204-9002 ,*Security Incident Reporting and Procedures*, for all solicitations and contracts which require a DD Form 254. The contracting officer may change the number of days specified in DAFFARS 5352.24204-9002 upon request from the contractor and after coordination with the requirement owner. The contracting officer must insert DAFFARS 5352.204-9000, Notification of Government Security Activities for all solicitations and contract which require a DD Form 254for performance on U.S. Government installations and overseas. The contracting officer may change the number of days specified in DAFFARS 5352.204-9000(a). If less than thirty days is used, coordinate with the servicing information protection office.