

Naval-Industry R&D Partnership Conference 2003
Doing Business with the Navy "101"



Classified Contract Eligibility

(Security Requirements)

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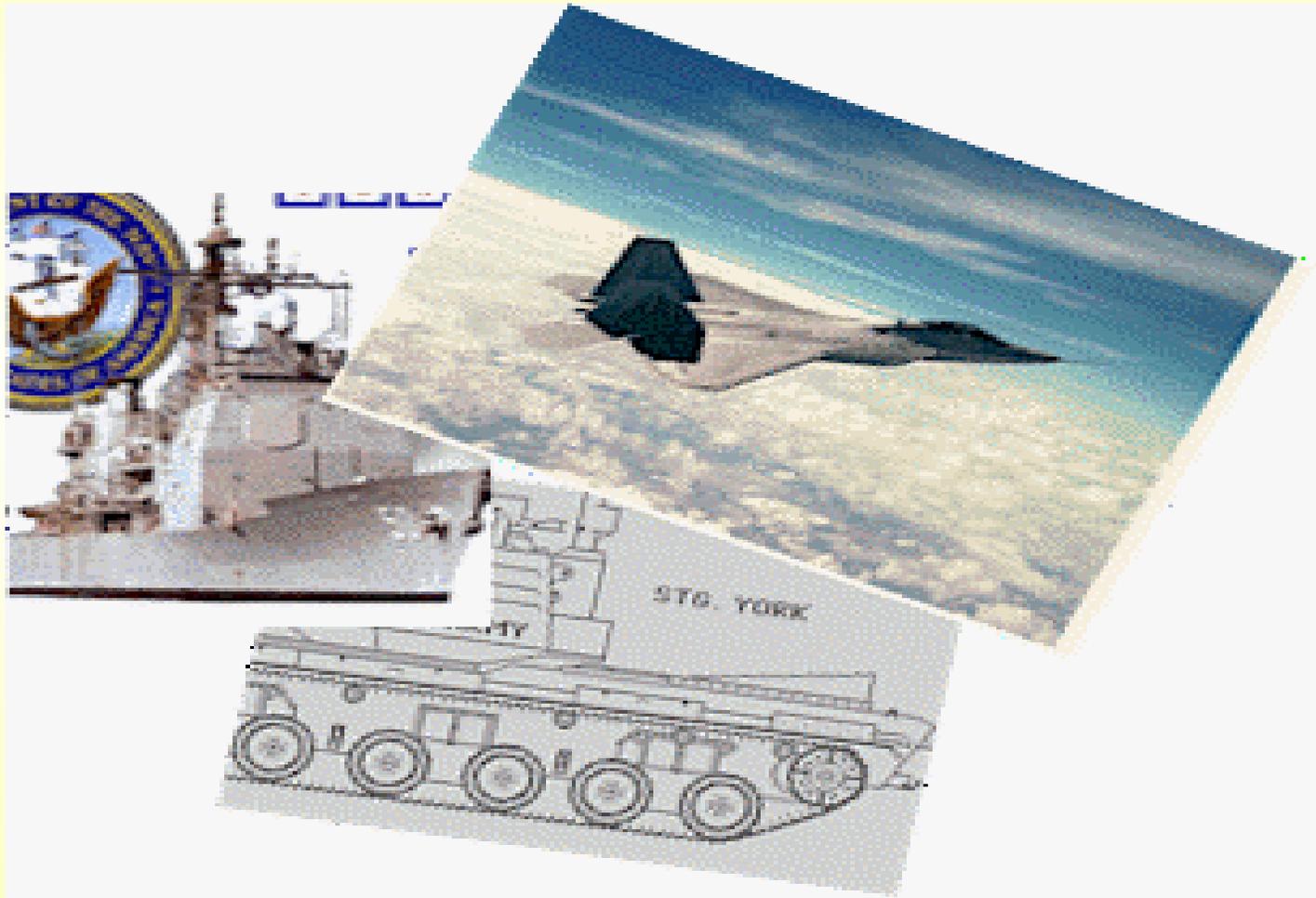
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A decorative border consisting of a vertical column of colorful diagonal bars on both the left and right sides of the slide. The bars are in shades of red, blue, teal, orange, and yellow, arranged in a repeating pattern.

The following slides were excerpted from the
Defense Security Service
“Government Contracting Activity” Briefing.

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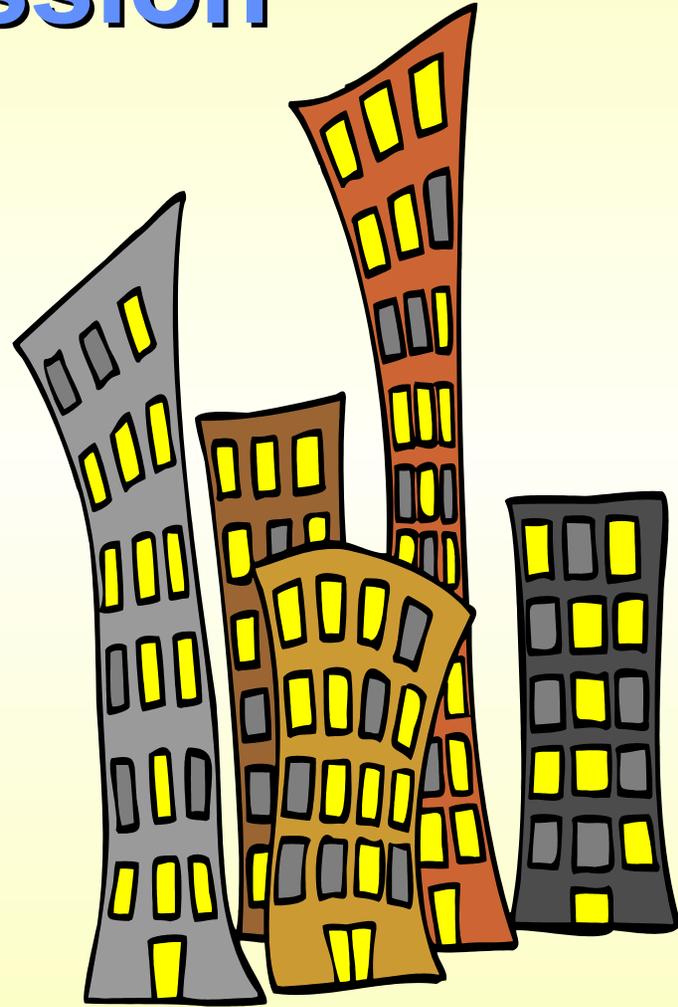
What is Industrial Security?



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DSS Mission

DSS has oversight
and assistance
responsibility for
over 11,000 cleared
facilities
participating in the
NISP



It Starts with a Facility Clearance



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FIVE ESSENTIAL ELEMENTS OF FCL PROCESS

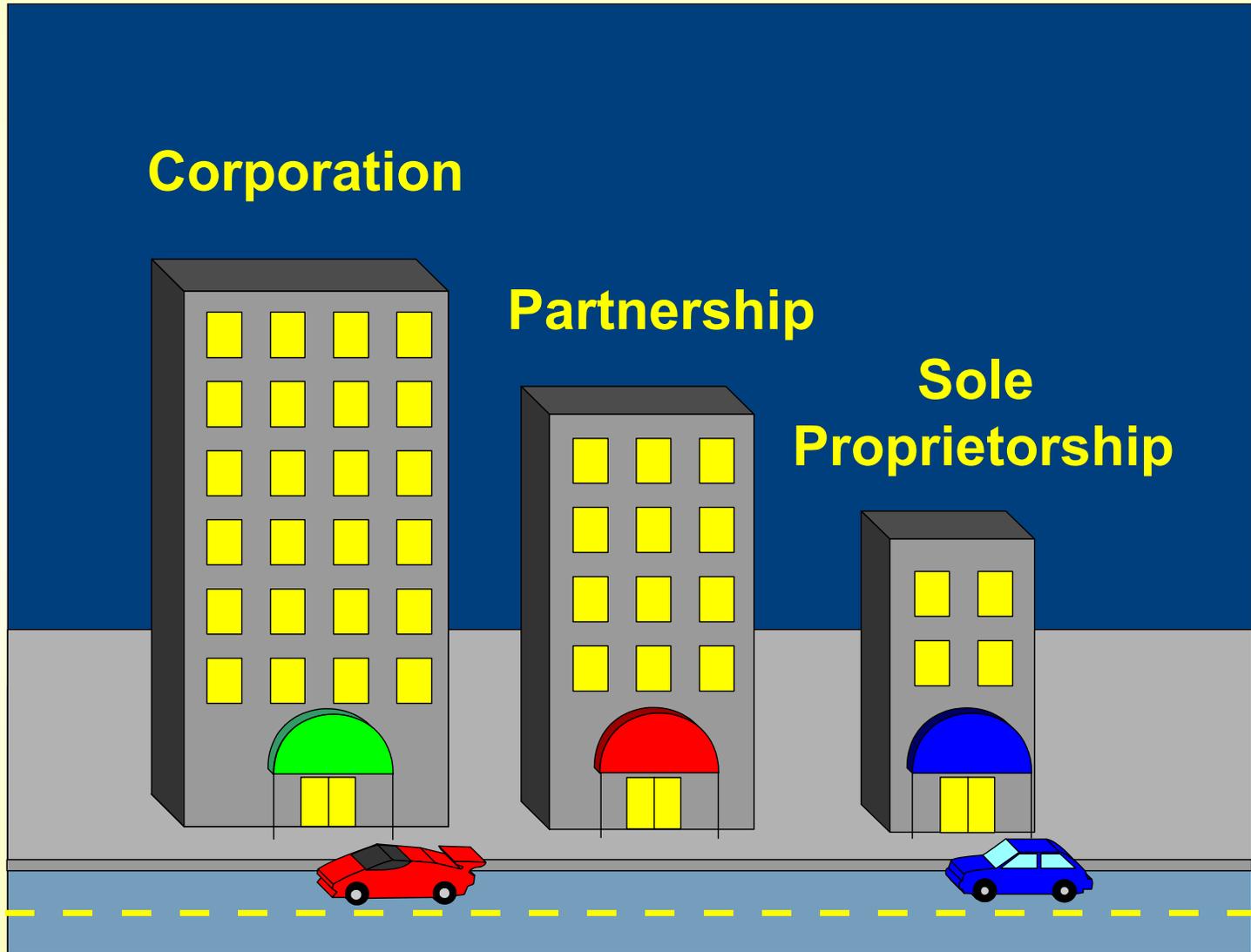
- **Sponsorship**
- **Business Structure/Organization**
- **Security Agreement**
- **Foreign Ownership, Control, Interest (FOCI)**
- **Key Management Personnel**

SPONSORSHIP



- From GCA or Cleared Contractor
- To DISCO (Facility Clearance Branch)
- Storage Required???

Facility Structure



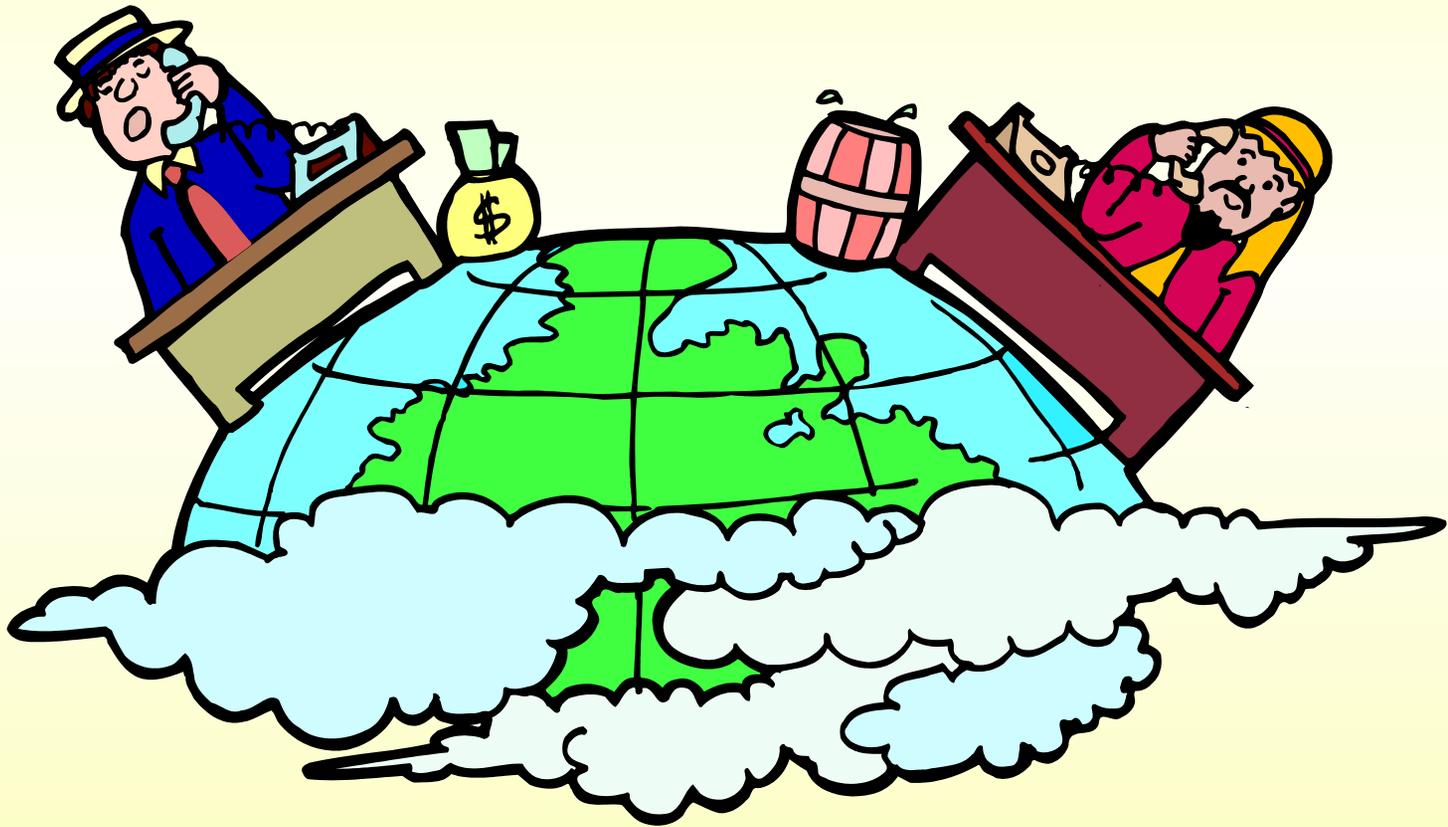
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Security Agreement

Department of Defense Security Agreement	
Witness That:	
Section I- Security Controls	Section II-Inspection Section III Modification Section IV Termination Section V Prior Sec Agreements Section VI Sec.Costs
DD Form 254	

- A six part document
- U.S. Govt. & Company
- Voluntary Participation

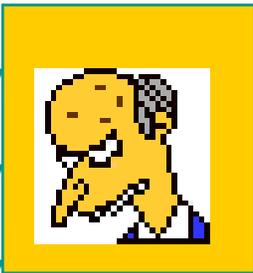
Foreign Ownership, Control and Influence (FOCI)



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Key Management Personnel

Cleared in Connection with FCL



President



Chairman of Board

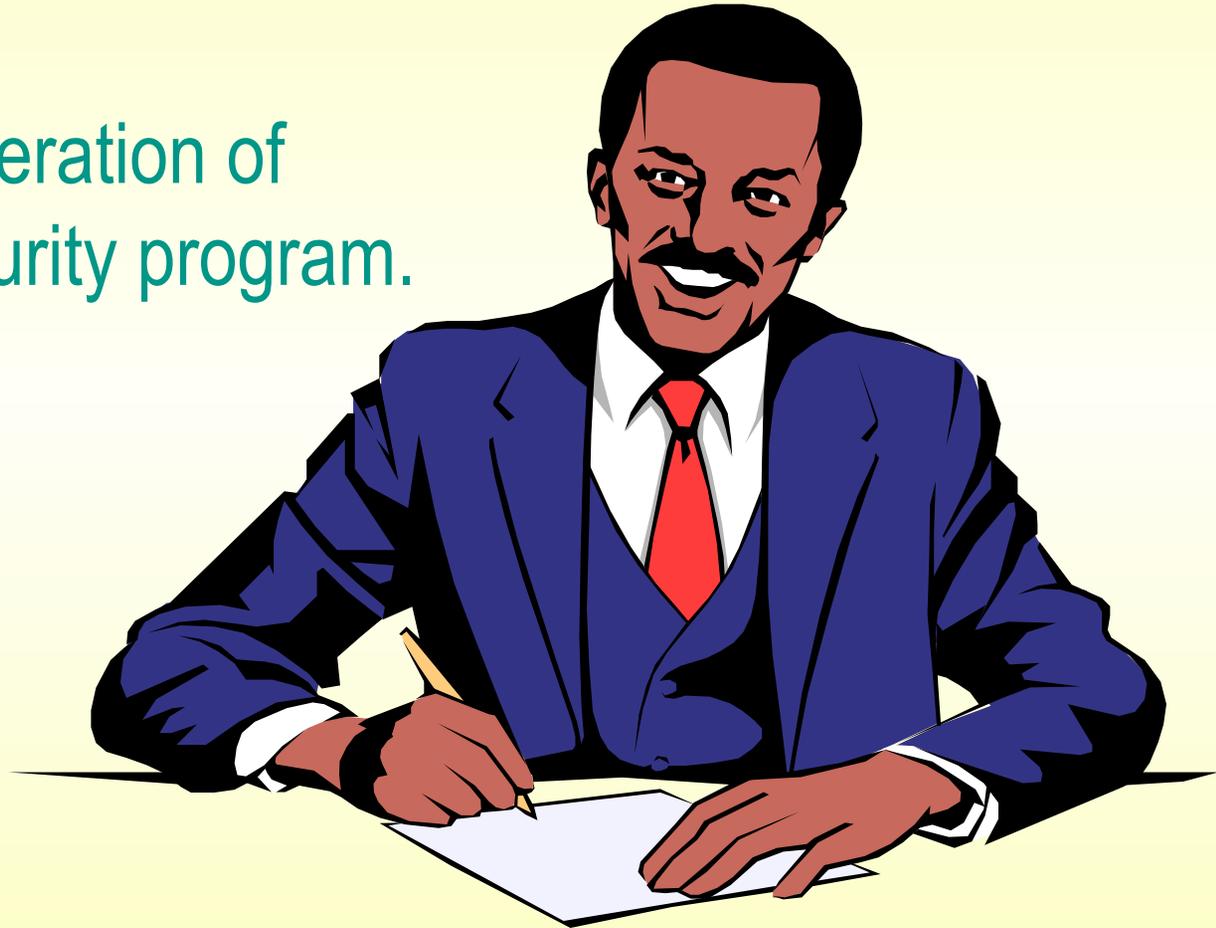


FSO

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Facility Security Officer

- Daily operation of the security program.



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Key Management Personnel

Listed but Excluded*



Sr. VP



Secretary



Treasurer

Directors

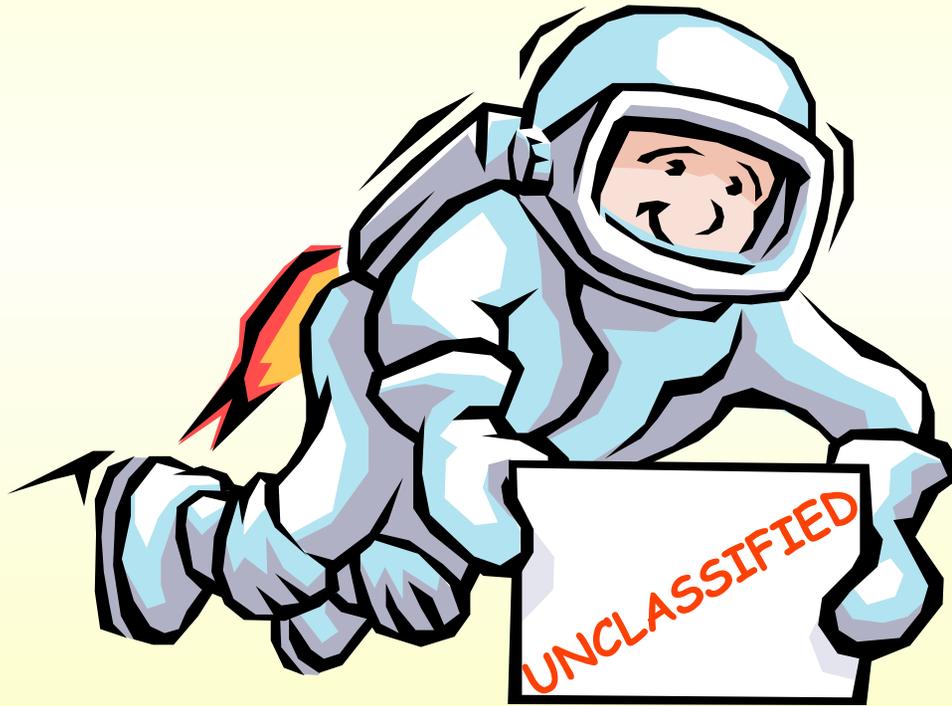


Contracting Officer Responsibilities



- Determine need for classified access
- Verify facility clearance
- Sponsorship
- Accurately reflect security requirements for both the procurement process & contract performance

What is a Classified Contract?



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DD Form 254

- **Convey security classification guidance**
- **Advise contractors on handling procedures for classified material received or generated**

When Issued ?



ORIGINAL:

solicitations/awards

REVISED:

as needed

FINAL:

final retention authority

Considerations

- Consider security early in acquisition process
- DD Form 254 only means for providing classification guidance
 - As specific as possible
 - Include only information pertaining to contract

Considerations

(continued)

- **Revisit security requirements at various stages:**
 - **Pre-award**
 - **Award**
 - **R&D**
 - **Production**
 - **etc.**

Considerations

(continued)

- **Upon contract completion or termination, contractor must:**
 - **Return ALL** classified received or generated under the contract;
 - **Destroy** all of the classified; or,
 - **Request retention** for a specified period of time

Questions!



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