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DD Form 254
Preparation Guide

P. A. Talley

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DD Form 254 Preparation Guide

P. A. Talley

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**NAVAL COMMAND, CONTROL AND
OCEAN SURVEILLANCE CENTER
RDT&E DIVISION
San Diego, California 92152--5001**

**K. E. EVANS, CAPT, USN
Commanding Officer**

**R. T. SHEARER
Executive Director**

ADMINISTRATIVE INFORMATION

This document has been prepared by members of the Information Security Group under in-house funding.

Released by
M. J. Ferro-Czech, Head
Information Security Group

Under authority of
R. A. Fletcher, Head
Security Office

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SECTION I

INTRODUCTION—UNDERSTANDING THE ACQUISITION PROCESS AS IT RELATES TO THE DEFENSE INDUSTRIAL SECURITY PROGRAM

OVERVIEW

This document will assist you in the preparation of the Contract Security Classification Specification, DD Form 254.

Appendix A will guide you through the preparation of a solicitation DD Form 254.

Appendix B will assist you in the preparation of an award DD Form 254.

Appendix C demonstrates the preparation of a delivery order DD Form 254.

Appendix D gives the preparation instructions for a final DD Form 254.

Appendix E is a listing of the current index of classification guides.

Appendices F and G offer definitions and a glossary of terms.

Appendix H is a listing of current Defense Investigative Service Cognizant Security Offices.

The Defense Industrial Security Program (DISP) was established to provide uniform security policies, practices, and procedures that enable U.S. Industry to safeguard classified information. NRaD is responsible for the protection and control of classified information in the custody of, or being disclosed to, private industry during a precontractual or contractual relationship. The first step for administering this protection and control is to give the contractor detailed guidance on classification, regrading, and declassification of the sensitive elements of information contained in or generated by a classified contract. According to OPNAVINST 5540.8K, DoD Industrial Security Program, only the DD Form 254 will be used to convey contractual security classification guidance to contractors. This DD Form 254 is binding on both NRaD and contractor personnel.

PROVIDING CLASSIFICATION GUIDANCE

NRaD has the responsibility (through the Contracting Officer's Representative (COR), Technical Representative (TR) Program, Project, and Systems Managers) for providing all contractors performing on a classified contract timely and accurate classification instructions and guidance. The complete DD Form 254, including attachments and supplements, is the basic document for conveying to contractors applicable classification, regrading, and declassification specifications for a classified solicitation or contract. This responsibility is assumed by prime contractors for any of their subcontractors. **THERE IS NO SUBSTITUTE!**

The DD Form 254 indicates, through a combination of checklist and narration, the classified areas of information on the contract and any special considerations. An original DD Form 254 shall be included with each Request for Quote (RFQ), Request for Proposal (RFP), or any other solicitation, to ensure that the prospective contractor is aware of the security requirements of the contract and can plan accordingly. An original award DD Form 254, reflecting the prime contractor, shall also be included in the contract awarded to the successful bidder.

SECTION II

GENERAL REQUIREMENTS AND RESPONSIBILITIES

PRINCIPLES OF CLASSIFIED CONTRACTING

When a determination is made that certain work or other services are not within either the physical or economical capabilities of NRaD and the work will be contracted, a second determination must be made relative to the classification of the contract for the work or services to be performed.

a. If contractor employees require access to classified information or classified material in the performance of the contract, the contract will be considered a classified access contract and should be processed in accordance with the instructions outlined in this document. A contract may be considered as classified access even though the contract documents (DD Form 254, Statement of Work (SOW), Specifications or Contract Data Requirements List (CDRL)) themselves are not classified.

b. If the contract does not involve access to classified information as defined above, the contract will be considered unclassified and the provisions outlined in this document do not apply. Contracts involving the unclassified portions of a classified contract shall be judged on their own merit and will normally be considered unclassified; however, consideration must be given to the possibility of access requirements for reference only in gaining necessary theory and background for fulfillment of the contract. Access to classified information, even on a one-time basis, would be considered a classified access contract.

c. The COR/TR should make the decision as to which elements of the contract involve access to classified information, the degree of access, and any special considerations. These determinations may be made by a combination of individuals; however, neither the Procuring Contracting Officer (PCO) nor the Contracting Officer for Security Matters (COSM), Code 0353, would have the technical expertise to make these decisions. Rather, the PCO and COSM will serve as advisors and have the responsibility to review the classification specifications outlined in the DD Form 254.

PRECONTRACT NEGOTIATIONS (SOLICITATIONS, RFP, ETC.)

If a current contractual relationship exists under the same prime contract number as the new negotiations, and the previously issued classification is valid for the precontract negotiations, a precontract DD Form 254 is not required. The contractor shall use the DD Form 254 issued under the current contractual relationship for classification guidance. The only time this will apply is for sole source procurements.

If a current contractual relationship does not exist, a DD Form 254 will be properly completed by the COR/TR and approved by the COSM.

AWARD OF A CLASSIFIED CONTRACT

Once the solicitation phase is completed, if required, and prior to the award of a classified contract, the COR/TR shall complete and submit to Code 0353 an award DD Form 254. The DD Form 254 should establish the proper security classification of the specific work to be accomplished by the proposed contractor. Code 0353 will then forward the approved and signed DD Form 254 to the Contracting Officer for award and distribution.

REVIEW AND/OR REVISION OF CONTRACT SECURITY CLASSIFICATION SPECIFICATIONS

Periodic reviews by the COR/TR of the DD Form 254 for the Prime Contract are necessary because classification guidance and instructions, as well as program tasks, may change.

NRaD is required to review the classification specifications periodically; at least on a biennial (every two years) basis. A revised DD Form 254 shall be issued every two years on the anniversary date of the DD Form 254 in existence. Reviews should be conducted before the biennial anniversary of the date reflected in block 3.a of the DD Form 254.

COMPLETION OF CONTRACT

Contractors desiring to retain any classified material beyond the 120 days specified in paragraph 5-701 ISM shall notify NRaD of the identify of the specific documents to be retained and present justification for the retention. In such cases, the contractor may retain the classified material for a period of two (2) years unless notified to the contrary by NRaD. The two-year period of retention shall be computed from the date of the contractor's correspondence to NRaD. If retention is required beyond the two-year period, the contractor must again request retention from NRaD. At this time, if NRaD determines the contractor has a continuing need for the material, NRaD must issue a final DD Form 254 for the classified contract. Item 5 of the DD Form 254 applies and will be completed to show the authorized retention period, as appropriate. Item 13 of the DD Form 254 will be annotated to provide final disposition instructions for the classified material under the contract.

Contractors shall identify classified material for retention as follows:

- TOP SECRET material shall be identified in a list of specific documents.
- SECRET material shall be identified in a list of specific documents unless NRaD authorized identification by subject matter and approximate number of documents.
- CONFIDENTIAL material shall be identified by an approximate number of documents.

Contractors shall include a statement of justification for retention based on the following:

- a. The material is necessary for the maintenance of the contractor's essential records.
- b. The material is patentable or proprietary data to which the contractor has title.
- c. The material will assist the contractor in independent research and development efforts.

d. The material will benefit the U.S. Government in the performance of other prospective or existing NRaD contracts.

e. The material is being retained in accordance with the "records retention clause" of the contract.

f. The material will benefit the U.S. Government in the performance of another active contract and is being transferred to the active contract (specify contract). A copy of the correspondence will be provided to both NRaD, and the other agency by the contractor.

The final DD Form 254 is prepared by the COR/TR and is issued by the COSM following the format in Appendix D.

GENERAL REQUIREMENTS

A completed DD Form 254, with attachments and supplements as applicable, is the basic document by which classification, regrading, and declassification specifications are documented and provided to prime contractors. It is designed to identify the specific items of classified information involved in the contract that require security classification protection. Based on the classification guidance received from NRaD, each contractor is responsible for developing the DD Form 254 for each classified subcontract, request for proposal, or other solicitation let to cleared subcontractor facilities.

The DD Form 254 embodies the concept that sensitive information itself shall be identified and assigned a proper classification rather than assigning a classification to media by which classified information could be conveyed. This method of classifying information rather than media is intended to answer the question: "What is there about a specific item of hardware or information that causes it to be classified?"

DD Form 254s will normally not be classified. When the instructions must contain classified information, a reference to the classified material will be made in Item number 13 of the DD Form 254 and the classified material will be forwarded under separate cover.

APPENDIX A

PREPARATION OF A SOLICITATION DD FORM 254

This appendix will explain the correct method for completing the DD Form 254 for the **SOLICITATION STAGE ONLY**. The solicitation stage includes Invitations for Bid (IFB), Requests for Proposal (RFP), Requests for Quotation (RFQ), or other precontract solicitation negotiations conducted to select a contractor or determine costs.

ITEM 1: In Item 1.a enter **ONLY** the highest level of facility clearance required by the prospective contractor. This is also the level of personnel clearances you will require for your contract. Use only the words **TOP SECRET, SECRET, or CONFIDENTIAL**. The contractor must have, or be eligible for, a facility clearance at least as high as the classification indicated in Item 1.a. In Item 1.b, type the highest level of safeguarding capability required by the contractor for performance of the contract. The classification shown in 1.b may not be higher than that shown in Item 1.a. If the contractor will not possess classified information at the cleared facility in performing the contract, enter Not Applicable (N/A) or NONE.

1. CLEARANCE AND SAFEGUARDING	
a.	FACILITY CLEARANCE REQUIRED
b.	LEVEL OF SAFEGUARDING REQUIRED

ITEM 2: Place an X in 2.c **ONLY**. Make no entries in 2.a or 2.b. If the due date of the solicitation is known, make the appropriate entry, using numbers only, in the year-month-day format (e.g., 931116).

2. THIS SPECIFICATION IS FOR: (X and complete as applicable)		
	a. PRIME CONTRACT NUMBER	
	b. SUBCONTRACT NUMBER	
X	c. SOLICITATION OR OTHER NUMBER	Due Date (YYMMDD)

ITEM 3: Place an X in block 3.a **ONLY** and enter the date the DD Form 254 was typed by using numbers only in the year-month-day format (e.g., 931116).

3. THIS SPECIFICATION IS: (X and complete as applicable)			
X	a. ORIGINAL (Complete date in all cases)		Date (YYMMDD)
	b. REVISED (Supersedes all previous specs)	Revision No.	Date (YYMMDD)
	c. FINAL (Complete Item 5 in all cases)		Date (YYMMDD)

ITEM 4: Place an X in the **NO** block. Until the contractor has been selected it cannot be determined that this is a follow-on contract.

4. IS THIS A FOLLOW-ON CONTRACT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO. If YES, complete the following:		
Classified material received or generated under _____ (Preceding Contract Number) is transferred to this follow-on contract.		

ITEM 5: Place an X in the NO block.

5. IS THIS A FINAL DC FORM 2547 <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO. If YES, complete the following:		
In response to the contractor's request dated _____, retention of the identified classified material is authorized for the period of _____		

ITEM 6: Type the following phrase in this space: THIS DD FORM 254 IS FOR BIDDING PURPOSES ONLY. A PRIME CONTRACT DD FORM 254 WILL BE PROVIDED UPON CONTRACT AWARD.

6. CONTRACTOR (Include Commercial and Government Entity (CAGE) Code)		
a. NAME, ADDRESS, AND ZIP CODE	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

ITEM 7: Leave blank.

7. SUBCONTRACTOR		
a. NAME, ADDRESS, AND ZIP CODE	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

ITEM 8: Leave blank.

8. ACTUAL PERFORMANCE		
a. LOCATION	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

ITEM 9: Enter a brief, concise, and unclassified description of the procurement action. This may be Research, Development, Production, Study, Services, etc. (e.g., "Research and Development of Countermeasures Techniques" or "Services Related to Radar Equipment, Production of Countermeasures Set").

9. GENERAL IDENTIFICATION OF THIS PROCUREMENT

ITEM 10: THIS CONTRACT WILL REQUIRE ACCESS TO: Mark these items YES or NO according to the requirements of the contract. An explanation of each item follows this illustration.

10. THIS CONTRACT WILL REQUIRE ACCESS TO:	YES	NO
a. COMMUNICATIONS SECURITY (COMSEC) INFORMATION		
b. RESTRICTED DATA		
c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION		
d. FORMERLY RESTRICTED DATA		
e. INTELLIGENCE INFORMATION:		
(1) Sensitive Compartmented Information (SCI)		
(2) Non-SCI		
f. SPECIAL ACCESS INFORMATION		
g. NATO INFORMATION		
h. FOREIGN GOVERNMENT INFORMATION		
i. LIMITED DISSEMINATION INFORMATION		
j. FOR OFFICIAL USE ONLY INFORMATION		
k. OTHER (Specify)		
STUB NUMBER:		

- a. COMMUNICATION SECURITY (COMSEC) INFORMATION. If the contractor requires access to any COMSEC information, including a STU-III, enter an X in the YES box. COMSEC information includes accountable or nonaccountable COMSEC information and Controlled Cryptographic Items (CCIs). If accountable COMSEC information is involved, the contractor must have a COMSEC account and Item 11.h must be marked YES. An X in the YES box imposes the requirements of the COMSEC Supplement to the ISM on the contractor for safeguarding the COMSEC information. Type in Item 12: "RELEASE OF COMSEC INFORMATION IS NOT AUTHORIZED." Type in Item 13: "10.a ACCESS TO ANY COMSEC INFORMATION REQUIRES SPECIAL BRIEFINGS AT THE CONTRACTOR FACILITY. ACCESS TO CLASSIFIED COMSEC INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- b. RESTRICTED DATA. Mark YES if access to RESTRICTED DATA, information which is classified and controlled under the Atomic Energy Act of 1954, or CRITICAL NUCLEAR WEAPON DESIGN INFORMATION (CNWDI), is required. This item would always be marked YES if Item 10.c is marked YES. Type in Item 13: "10.b ACCESS TO RESTRICTED DATA REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION (CNWDI). Mark YES if access to CNWDI is required. Type in Item 13: "10.c SPECIAL BRIEFINGS AND PROCEDURES ARE ALSO REQUIRED. ACCESS TO CNWDI REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- d. FORMERLY RESTRICTED DATA. Mark YES if access to FORMERLY RESTRICTED DATA is required.

- e. INTELLIGENCE INFORMATION. This information is under the jurisdiction and control of the Director of Central Intelligence (DCI) and circulated within the intelligence Community. If intelligence information is involved, NRaD is responsible for ensuring that the additional security requirements outlined in various DCI directives are incorporated in the guidance provided to the contractor and are tailored to the performance requirements of the contract. The guidance may be included in the contract document itself, in Item 13, or provided under separate cover. The Cognizant Security Office (CSO) does not conduct security inspections for SENSITIVE COMPARTMENTED INFORMATION (SCI) but is responsible for inspection of non-SCI intelligence in the possession of a contractor. If access to SCI is required, Item 10.e(1) and Items 14 and 15 would always be marked YES. If access to non-SCI is required, Item 10.e(2) would be marked YES, Item 14 would be marked YES and annotated "INTELLIGENCE REQUIREMENTS ARE ATTACHED," and Item 15 would be marked NO. If you think you will be requiring access to SCI information, check with Code 017 first. Type in Item 13: "10.e(2) ACCESS TO INTELLIGENCE INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- f. SPECIAL ACCESS INFORMATION. This is a Special Access Program (SAP) that has been approved by the U.S. Government. When this item is marked YES, NRaD is responsible for providing the contractor with the additional requirements needed to ensure adequate protection of the SAP information involved. The additional security requirements may be included in the contract document itself, in Item 13, or provided under separate cover. Item 14 would be marked YES, and Item 15 should be completed as appropriate. Type in Item 13: "10.f ACCESS TO SAP INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- g. NATO INFORMATION. This means that information/documents belong to and are circulated by the North Atlantic Treaty Organization (NATO). Type in Item 13: "10.g ACCESS TO NATO INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL AND SPECIAL BRIEFINGS."
- h. FOREIGN GOVERNMENT INFORMATION. This includes any foreign government information except NATO. Type in Item 13: "10.h PRIOR APPROVAL OF NCCOSC RDTE DIV IS REQUIRED FOR SUBCONTRACTING. ACCESS TO CLASSIFIED FOREIGN GOVERNMENT INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- i. LIMITED DISSEMINATION INFORMATION (LIMDIS). This refers to restrictive controls established by an original classification authority to emphasize need-to-know protective measures available within the regular security system. Type in Item 13: "10.i The specific LIMDIS project(s) requiring access under this contracts is (are) _____." Contracts that involve LIMDIS controls do not

qualify for carve-out status." When this item is marked YES, Item 14 would be marked YES, and Item 15 would be marked NO.

- j. FOR OFFICIAL USE ONLY (FOUO). When marked YES, NRaD is responsible for providing the contractor with the safeguards and procedures necessary for protection of the information. Chapter 13, Section 6, ISM contains DoD requirements for protection of the information. Type in Item 13: "10.j FOR OFFICIAL USE ONLY INFORMATION PROVIDED UNDER THIS CONTRACT SHALL BE SAFEGUARDED AS SPECIFIED IN CHAPTER 13, SECTION 6, ISM."
- k. OTHER (SPECIFY). Use this item for any other information not included in 10.a through 10.j. Specify the type of information and include any additional remarks needed in Item 13.

NOTE: The access requirements listed above are common situations that occur in classified contracts. If they are not applicable to the contract requirements, indicate NO for all of them, and in Item 10.k, type: "SEE ITEM 13." Include appropriate statements in Item 13.

ITEM 11: PERFORMANCE REQUIREMENTS. These items are marked YES or NO according to the requirements of the contract. An explanation of each item follows this illustration.

11. IN PERFORMING THIS CONTRACT, THE CONTRACTOR WILL:	YES	NO
a. HAVE ACCESS TO CLASSIFIED INFORMATION ONLY AT ANOTHER CONTRACTOR'S FACILITY OR A GOVERNMENT ACTIVITY		
b. RECEIVE CLASSIFIED DOCUMENTS ONLY		
c. RECEIVE AND GENERATE CLASSIFIED MATERIAL		
d. FABRICATE, MODIFY, OR STORE CLASSIFIED HARDWARE		
e. PERFORM SERVICES ONLY		
f. HAVE ACCESS TO U.S. CLASSIFIED INFORMATION OUTSIDE THE U.S., PUERTO RICO, U.S. POSSESSIONS AND TRUST TERRITORIES		
g. BE AUTHORIZED TO USE THE SERVICES OF DEFENSE TECHNICAL INFORMATION CENTER (DTIC) OR OTHER SECONDARY DISTRIBUTION CENTER		
h. REQUIRE A COMSEC ACCOUNT		
i. HAVE TEMPEST REQUIREMENTS		
j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS		
k. BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE		
l. OTHER (Specify)		

- a. HAVE ACCESS TO CLASSIFIED INFORMATION ONLY AT ANOTHER CONTRACTOR'S FACILITY OR A GOVERNMENT ACTIVITY. Note the word ONLY. There will be no access to classified information at the contractor's facility. The contractor will not be required to have any safeguarding capability at its facility and Item 1.b would be marked N/A or NONE. If the YES box is marked for this item, add the following annotation in Item 13: "11.a CONTRACT PERFORMANCE IS RESTRICTED TO NCCOSC RDTE DIV, SAN DIEGO, CA 92152-5001 (OR APPROPRIATE ADDRESS). NCCOSC RDTE DIV WILL PROVIDE SECURITY CLASSIFICATION GUIDANCE FOR PERFORMANCE OF THIS CONTRACT."

- b. **RECEIVE CLASSIFIED DOCUMENTS ONLY.** Note the word ONLY. The contractor will receive classified documents but is not to generate classified information that will require detailed guidance. The classification markings shown on the documents received will provide the classification guidance necessary. Add the following annotation in Item 13: "11.b ANY CLASSIFIED INFORMATION GENERATED IN PERFORMANCE OF THIS CONTRACT SHALL BE CLASSIFIED ACCORDING TO THE MARKINGS SHOWN ON THE SOURCE MATERIAL."
- c. **RECEIVE AND GENERATE CLASSIFIED INFORMATION.** The contractor is expected to receive and generate classified information (documents and/or hardware) and will require detailed security classification guidance for performance of the contract. If the YES box is marked, detailed security classification guidance must be provided to the contractor. The guidance may be included in Item 13, attached to the DD Form 254, or forwarded under separate cover. Statements, as appropriate, shall be included in Item 13 to direct the contractor to the guidance for the contract.
- d. **FABRICATE, MODIFY, OR STORE CLASSIFIED HARDWARE.** YES only if the contractor's need will exceed two cubic feet of storage capability, which is, the approximate area in a standard drawer of a security container. If YES, include as much information as possible in Item 13 to indicate if Restricted or Closed Areas will be required. How much hardware is involved? How large? How much area will be required for storage?
- e. **PERFORM SERVICES ONLY.** YES will require a statement in Item 13 to explain the services and to provide appropriate guidance. Sample statements are given below. For service-type contracts not covered, add any appropriate statement in Item 13 that explains why the contract is a classified contract and provide guidance as necessary to ensure protection of the classified information.
- (1) **GRAPHIC ARTS SERVICES.** add the following statement in Item 13: "11.e REPRODUCTION SERVICES ONLY. CLASSIFICATION MARKINGS ON THE MATERIAL TO BE REPRODUCED WILL PROVIDE THE CLASSIFICATION GUIDANCE NECESSARY FOR PERFORMANCE OF THIS CONTRACT."
- (2) **ENGINEERING SERVICES,** add the following statement in Item 13: "11.e CONTRACT IS FOR ENGINEERING SERVICES. CLASSIFICATION MARKINGS ON THE MATERIAL TO BE FURNISHED WILL PROVIDE THE CLASSIFICATION GUIDANCE NECESSARY FOR PERFORMANCE OF THIS CONTRACT."
- (3) **EQUIPMENT MAINTENANCE SERVICES,** add the following statement in Item 13: "11.e CONTRACT IS FOR EQUIPMENT MAINTENANCE SERVICES ON EQUIPMENT THAT PROCESSES CLASSIFIED INFORMATION. ACTUAL KNOWLEDGE OF, GENERATION, OR PRODUCTION OF CLASSIFIED INFORMATION IS NOT REQUIRED FOR

PERFORMANCE OF THE CONTRACT. CLEARED PERSONNEL ARE REQUIRED TO PERFORM THIS SERVICE BECAUSE ACCESS TO CLASSIFIED INFORMATION CAN NOT BE PRECLUDED BY ESCORTING PERSONNEL. ANY CLASSIFICATION GUIDANCE NEEDED WILL BE PROVIDED BY NCCOSC RDTE DIV.

(4) GUARD SERVICES, add the following statement in Item 13: "11.e CONTRACT IS FOR GUARD SERVICES. CLEARED PERSONNEL ARE REQUIRED TO PERFORM THIS SERVICE."

- f. HAVE ACCESS TO U.S. CLASSIFIED INFORMATION OUTSIDE THE U.S., PUERTO RICO, U.S. POSSESSIONS AND TRUST TERRITORIES. If YES, indicate, as a minimum, the city and country of overseas performance in Item 13. Item 14 may be YES and should be completed if appropriate.
- g. BE AUTHORIZED TO USE THE SERVICES OF DEFENSE TECHNICAL INFORMATION CENTER (DTIC) OR OTHER SECONDARY DISTRIBUTION CENTER. YES in this item means the contractor is authorized to use the services of DTIC. Add in Item 13: "11.g THE CONTRACTOR WILL PREPARE AND PROCESS DD FORMS 1540 AND 1541. NCCOSC RDTE DIV WILL CERTIFY NEED-TO-KNOW TO DTIC."
- h. REQUIRE A COMSEC ACCOUNT. If accountable COMSEC information will be provided to the contractor, enter an X in the YES box. If nonaccountable COMSEC information is involved, enter an X in the NO box. An example of nonaccountable COMSEC would be a STU-III key.
- i. HAVE TEMPEST REQUIREMENTS. TEMPEST requirements are in addition to the requirements of the ISM and are required if Item 11.c is marked YES. If YES in this item, Item 14 must also be YES and the following will be typed in Item 14: "TEMPEST REQUIREMENTS ARE ATTACHED and may be passed to subcontractors." Pertinent information will be attached to the DD Form 254 by Code 0353.
- j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS (DCS). OPSEC requirements are in addition to the requirements of the ISM. If YES is marked, Item 14 must also be YES and the pertinent contract clauses identified, appropriate information added to Item 13, or the OPSEC requirements attached to the DD Form 254. Questions regarding OPSEC should be directed to Code 0353.
- k. BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE. This item authorizes the contractor to use the services of DCS. YES requires NRaD to request DCS services from the Commander, Defense Courier Service, ATTN: Operations Division, Fort George G. Meade, MD 20755-5370. Only certain classified information qualifies for shipment by DCS. Contact Code 0353 for further information on this process.

1. OTHER (SPECIFY) Use this item to add any additional performance requirements not covered above. Item 13 should be appropriately annotated to provide any necessary remarks.

NOTE: The performance requirements listed above are common situations that occur in classified contracts. If they are not applicable to the contract requirements, indicate NO for all of them, add in Item 11.1: "SEE ITEM 13" and include appropriate statements in Item 13.

ITEM 12: Place an X in the "through" box and type in the following address in the space provided. Commanding Officer, NCCOSC RDTE DIV 003, 53560 Hull Street, San Diego, CA 92152-5001. This information is preprinted on most forms.

12. PUBLIC RELEASE. Any information (classified or unclassified) pertaining to this contract shall not be released for public dissemination except as provided by the Industrial Security Manual or unless it has been approved for public release by appropriate U.S. Government authority. Proposed public releases shall be submitted for approval prior to release.	
<input type="checkbox"/> Direct	<input checked="" type="checkbox"/> Through (Specify):
COMMANDING OFFICER, NCCOSC RDTE DIV 003, 53560 HULL ST, SAN DIEGO, CA 92152-5001	
<small>to the Directorate for Freedom of Information and Security Review, Office of the Assistant Secretary of Defense (Public Affairs)* for review. * In the case of non-DoD User Agencies, requests for disclosure shall be submitted to that agency.</small>	

ITEM 13: This is the most important part of the entire DD Form 254. In completing this item ask yourself the questions following this illustration:

<p>13. SECURITY GUIDANCE. The security classification guidance needed for this classified effort is identified below. If any difficulty is encountered in applying this guidance or if any other contributing factor indicates a need for changes in this guidance, the contractor is authorized and encouraged to provide recommended changes; to challenge the guidance or the classification assigned to any information or material furnished or generated under this contract, and to submit any questions for interpretation of this guidance to the official identified below. Pending final decision, the information involved shall be handled and protected at the highest level of classification assigned or recommended. (Fill in as appropriate for the classified effort. Attach or forward under separate correspondence, any documents/guides/extracts referenced herein. Add additional pages as needed to provide complete guidance.)</p>
<p>COPIES OF ALL SUBCONTRACT DD FORM 254'S MUST BE PROVIDED TO THE DISTRIBUTION LISTED IN BLOCK 17.</p>

What classified information will the contractor need in the performance of this contract?

What guidance will the contractor need to protect the classified information? Is there an existing security classification guide for the program or project? What portion of the guide applies to this contract? All or part? Are there other guides that provide guidance to assist the contractor?

Will classified hardware be furnished to or generated by the contractor? What information makes the hardware classified? Will hardware being generated require classification? At what stage in its production does it become classified? How much classified hardware will be produced or stored by the contractor?

What unique characteristics are involved that need protection? Are there design features that require protection? What breakthroughs would be significant if achieved in an R&D effort? Are there some performance limitations that require protection?

These are merely some of the questions that should be asked when preparing guidance for a contract. Put yourself in the contractor's place and try to determine what guidance will be needed to properly protect the classified information that will be furnished or generated under the contract.

Use this item to identify applicable guides, to provide narrative guidance that identifies the specific types of information to be classified, to provide appropriate downgrading or declassification instructions, to provide any special instructions, explanations, comments or statements requirement for information, or to clarify any other items identified in the DD Form 254. Each contract is unique in its performance requirements. Don't try to follow a format or provide all the guidance in this item.

The DD Form 254, with its attachments and incorporated references, is the only authorized means for providing security classification guidance to a contractor. It should be written specifically and include only information that pertains to the contract for which it is issued. It should not contain references to international agency directives and instructions. If such documents provide guidance applicable to the contract, the pertinent portions should be extracted and provided as attachments. Any and all documents referenced or cited in Item 13 should be provided by the COR/TR to the contractor, either as attachments or, if classified, forwarded under separate cover. The requirements of the ISM or its supplements should not be extracted and included in a DD Form 254; the ISM provides safeguarding requirements and procedures for classified information, not security classification guidance. Security classification guidance provides detailed information that relates what information requires classification, what level of classification to assign, and the downgrading or declassification instructions that apply to the information or material generated by the contractor in the performance of the contract.

Preparing security guidance that covers all of the performance requirements of a classified contract is a difficult task. It is an even more difficult task to prepare guidance that can be understood and implemented by the contractor.

If the contract is a Delivery Order type, the following may be used in lieu of specific classification guidance on the basic contract's DD Form 254. If this statement is used, a revised DD Form 254 must be provided for each Delivery Order requiring access to classified information.

"APPLICABLE CLASSIFICATION GUIDANCE WILL BE PROVIDED FOR EACH DELIVERY ORDER OR TASK BY THE CONTRACTING OFFICER'S REPRESENTATIVE (COR)."

Add to the bottom of Item 13, for Completion and Delivery Order type contracts, "All requests for information should be directed to Contracting Officer, Code 0221, telephone (619) 553 4442." For small purchase actions, type: "The Technical Representative (TR) for this contract is (fill in the blank), NRaD Code (fill in the blank), telephone (619) 553- (fill in the blank)."

ITEM 14: This item applies any time security requirements imposed on a contractor are in addition to the requirements of the ISM or its supplements. YES in this item requires NRaD to incorporate the additional requirements in the contract documents itself, or to incorporate the additional requirements by statements of reference in Item 13. Attendant costs incurred due to additional security requirements are subject to negotiation by, and reimbursement to, the contractor and are the responsibility of NRaD. A copy of the additional security requirements shall be provided to the CSO with the DD Form 254 during distribution.

14. ADDITIONAL SECURITY REQUIREMENTS. Requirements, in addition to ISM requirements, are established for this contract. (If Yes, identify the pertinent contractual clauses in the contract document itself, or provide an appropriate statement which identifies the additional requirements. Provide a copy of the requirements to the cognizant security office. Use Item 13 if additional space is needed.)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
SPECIFIC ON-SITE SECURITY REQUIREMENTS ARE ATTACHED.		

ITEM 15: This item applies when the CSO is relieved of inspection responsibility in whole or in part. YES requires NRaD to provide information on the specific areas carved-out and to identify the activity responsible for inspection. A copy of the DD Form 254 must be provided to the appropriate CSO or to DIS HQ.

15. INSPECTIONS. Elements of this contract are outside the inspection responsibility of the cognizant security office. (If Yes, explain and identify specific areas or elements carved out and the activity responsible for inspections. Use Item 13 if additional space is needed.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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When access to SCI is required (Item 10.e(1) is marked YES), the following statement shall be added in this item: "NCCOSC RDTE DIV SSO, CODE 0173 HAS EXCLUSIVE SECURITY RESPONSIBILITY FOR ALL SCI CLASSIFIED MATERIAL RELEASED OR DEVELOPED UNDER THIS CONTRACT AND HELD WITHIN THE CONTRACTOR'S SCIF. DIS IS RELIEVED OF SECURITY INSPECTION RESPONSIBILITY FOR ALL SUCH MATERIAL BUT RETAINS RESPONSIBILITY FOR ALL NON-SCI CLASSIFIED MATERIAL RELEASED TO OR DEVELOPED UNDER THIS CONTRACT AND HELD WITHIN THE CONTRACTOR'S SCIF."

ITEM 16: This item shall contain the name, title, telephone number, address and signature of the Contracting Officer for Security Matters (COSM) certifying that the security requirements are complete and adequate for performance of the classified effort. This information is preprinted on most DD Form 254s.

16. CERTIFICATION AND SIGNATURE. Security requirements stated herein are complete and adequate for safeguarding the classified information to be released or generated under this classified effort. All questions shall be referred to the official named below.		
a. TYPED NAME OF CERTIFYING OFFICIAL P. A. TALLEY	b. TITLE CONTRACTING OFFICER FOR SECURITY MATTERS	c. TELEPHONE (Include Area Code) (619) 553-3195
d. ADDRESS (Include Zip Code) COMMANDING OFFICER NCCOSC RDTE DIV 0853 53500 HULL ST SAN DIEGO CA 92152-5001		
e. SIGNATURE 		

ITEM 17: The DD Form 254 is a contractual document and should be distributed with the contract document to all addressees. It is important that the DD Form 254 be distributed, at a minimum, to those shown on this item. Type the Contracts code that will be administering your contract in block 17.e. In block 17.f, type: "0353, your required codes."

17. REQUIRED DISTRIBUTION	
<input checked="" type="checkbox"/>	a. CONTRACTOR
<input type="checkbox"/>	b. SUBCONTRACTOR
<input checked="" type="checkbox"/>	c. COGNIZANT SECURITY OFFICE FOR PRIME AND SUBCONTRACTOR
<input type="checkbox"/>	d. U.S. ACTIVITY RESPONSIBLE FOR OVERSEAS SECURITY ADMINISTRATION
<input checked="" type="checkbox"/>	e. ADMINISTRATIVE CONTRACTING OFFICER NR&D CODE
<input checked="" type="checkbox"/>	f. OTHERS AS NECESSARY NR&D CODES 0853,

APPENDIX B

PREPARATION OF AN AWARD DD FORM 254

This appendix will explain the correct method of completing the DD Form 254 for the **AWARD ONLY**. The award DD Form 254 should be completed by the COR/TR, before the contract has been awarded, to allow sufficient time for careful completion. The bid DD Form 254 (if one was used), will be helpful as a guide in the completion of the award DD Form 254. It will then be given to the Contracting Officer for Security Matters (COSM), Code 0353, for approval and signature. Code 0353 will forward the DD Form 254 to the Contracting Officer, to become part of the contract and be distributed with the contract.

ITEM 1: In Item 1.a, enter **ONLY** the highest level of facility clearance required by the prospective contractor. This is also the level of personnel clearances you will require for your contract. Use only the words **TOP SECRET, SECRET, or CONFIDENTIAL**. The contractor must have, or be eligible for, a facility clearance at least as high as the classification indicated in this item. In Item 1.b, type the highest level of safeguarding capability required by the contractor for performance of the contract. The classification shown in 1.b may not be higher than that shown in Item 1.a. If the contractor will not possess classified information at the cleared facility in performing the contract, enter Not Applicable (N/A) or NONE.

1. CLEARANCE AND SAFEGUARDING	
a.	FACILITY CLEARANCE REQUIRED
b.	LEVEL OF SAFEGUARDING REQUIRED

ITEM 2: Place an **X** in 2.a **ONLY**. Make no entries in blocks 2.b or 2.c. If the contract number is known, enter the number in block 2.a. If the contract number is unknown at the time of preparation, the Contracting Officer or the Contract Specialist will enter the information prior to award.

2. THIS SPECIFICATION IS FOR: (X and complete as applicable)		
X	a. PRIME CONTRACT NUMBER	
	b. SUBCONTRACT NUMBER	
	c. SOLICITATION OR OTHER NUMBER	Due Date (YYMMDD)

ITEM 3: Place an **X** in block 3.a **ONLY** and enter the date the DD Form 254 was typed by using numbers only in the year-month-day format (e.g., 931116).

3. THIS SPECIFICATION IS: (X and complete as applicable)			
X	a. ORIGINAL (Complete date in all cases)		Date (YYMMDD)
	b. REVISED (Supersedes all previous specs)	Revision No.	Date (YYMMDD)
	c. FINAL (Complete Item 5 in all cases)		Date (YYMMDD)

ITEM 4: If the contract is being awarded to the same contractor for the same item or service as the preceding contract, place an X in the YES box. Then type the contract number of the preceding contract in the space provided following the phrase "Classified Material received or generated under." This item authorizes the contractor to transfer classified material received or generated under the preceding contract to the current contract. The need for the contractor to notify NRD of retention of classified material is eliminated until completion of this contract. It is assumed the contractor will require access to the same information for performance of the follow-on contract as was required for the previous contract. If this is not a follow-on contract, enter an X in the NO box.

4. IS THIS A FOLLOW-ON CONTRACT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If Yes, complete the following:		
Classified material received or generated under _____ (Preceding Contract Number) is transferred to this follow-on contract.		

ITEM 5: Place an X in the NO block.

5. IS THIS A FINAL DD FORM 254? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If Yes, complete the following:		
In response to the contractor's request dated _____, retention of the identified classified material is authorized for the period of _____		

ITEM 6: Enter the name and address of the contractor in 6.a. Enter the contractor's CAGE Code in 6.b if known. Code 0353 will provide the CAGE Code when contacted. 6.c will be completed by Code 0353.

6. CONTRACTOR (Include Commercial and Government Entity (CAGE) Code)		
a. NAME, ADDRESS, AND ZIP CODE	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

ITEM 7: Leave blank.

7. SUBCONTRACTOR		
a. NAME, ADDRESS, AND ZIP CODE	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

ITEM 8: If work is being performed at a contractor location other than specified in Item 6.a, enter the appropriate name and address in Item 8.a and the CAGE Code in 8.b. Code 0353 will provide the CAGE Code when contacted. Code 0353 will complete 8.c.

8. ACTUAL PERFORMANCE		
a. LOCATION	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

ITEM 9: Enter a brief, concise, and unclassified description of the procurement action.

9. GENERAL IDENTIFICATION OF THIS PROCUREMENT

ITEM 10: THIS CONTRACT WILL REQUIRE ACCESS TO: Mark these Items YES or NO according to the requirements of the contract. An explanation of each item follows this illustration. Unless your needs have changed since the bid package was issued, copy Item 10 from the bid DD Form 254 contained in the outgoing procurement package onto your award form.

10. THIS CONTRACT WILL REQUIRE ACCESS TO:	YES	NO
a. COMMUNICATIONS SECURITY (COMSEC) INFORMATION		
b. RESTRICTED DATA		
c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION		
d. FORMERLY RESTRICTED DATA		
e. INTELLIGENCE INFORMATION:		
(1) Sensitive Compartmented Information (SCI)		
(2) Non-SCI		
f. SPECIAL ACCESS INFORMATION		
g. NATO INFORMATION		
h. FOREIGN GOVERNMENT INFORMATION		
i. LIMITED DISSEMINATION INFORMATION		
j. FOR OFFICIAL USE ONLY INFORMATION		
k. OTHER (Specify)		
STUB NUMBER:		

- a. COMMUNICATION SECURITY (COMSEC) INFORMATION. If the contractor requires access to any COMSEC information, including a STU-III, enter an X in the YES box. COMSEC information includes either accountable or non-accountable COMSEC information and Controlled Cryptographic Items (CCIs). If accountable COMSEC information is involved, the contractor must have a COMSEC account and Item 11.h must be marked YES. An X in the YES box imposes the requirements of the COMSEC Supplement to the ISM on the contractor for safeguarding the COMSEC information. Type in Item 12: "RELEASE OF COMSEC INFORMATION IS NOT AUTHORIZED." Type in Item 13: "10.a SUBCONTRACTING OF COMSEC INFORMATION BY A CONTRACTOR REQUIRES PRIOR APPROVAL OF THE CONTRACTING ACTIVITY. ACCESS TO ANY COMSEC INFORMATION REQUIRES SPECIAL BRIEFINGS AT THE CONTRACTOR FACILITY. ACCESS TO CLASSIFIED COMSEC INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- b. RESTRICTED DATA. Mark YES if access to RESTRICTED DATA, information which is classified and controlled under the Atomic Energy Act of 1954, or CRITICAL NUCLEAR WEAPON DESIGN INFORMATION (CNWDI), is required. This item would always be marked YES if Item 10.c is marked YES.

Type in Item 13: "10.b ACCESS TO RESTRICTED DATA REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."

- c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION (CNWDI). Mark YES if access to CNWDI is required. Type in Item 13: "10.c PERMISSION OF THE CONTRACTING ACTIVITY IS REQUIRED PRIOR TO SUBCONTRACTING CNWDI. SPECIAL BRIEFINGS AND PROCEDURES ARE ALSO REQUIRED. ACCESS TO CNWDI REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL." If this item is marked YES, then 10.b must also be marked YES.
- d. FORMERLY RESTRICTED DATA. Mark YES if access to FORMERLY RESTRICTED DATA is required.
- e. INTELLIGENCE INFORMATION. This information is under the jurisdiction and control of the Director of Central Intelligence (DCI) and circulated within the intelligence community. If intelligence information is involved, NRaD is responsible for ensuring that the additional security requirements outlined in various DCI directives are incorporated in the guidance provided to the contractor and are tailored to the performance requirements of the contract. The guidance may be included in the contract document itself, in Item 13, or provided under separate cover. The CSO does not conduct security inspection for SENSITIVE COMPARTMENTED INFORMATION (SCI) but is responsible for inspection of non-SCI intelligence in the possession of a contractor. If access to SCI is required, Item 10.e(1) and Items 14 and 15 would always be marked YES. If access to non-SCI is required, Item 10.e(2) would be marked YES, Item 14 would be marked YES and annotated "INTELLIGENCE REQUIREMENTS ARE ATTACHED," and Item 15 would be marked NO. If you think you will be requiring access to SCI information, check with Code 017 first. Type in Item 13: "10.e(2) ACCESS TO INTELLIGENCE INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- f. SPECIAL ACCESS INFORMATION. This is a Special Access Program (SAP) that has been approved by the Government. When this item is marked YES, NRaD is responsible for providing the contractor with the additional requirements needed to ensure adequate protection of the SAP information involved. The additional security requirements may be included in the contract document itself, in Item 13, or provided under separate cover. Item 14 would be marked YES, and Item 15 should be completed as appropriate. Type in Item 13: "10.f PRIOR APPROVAL OF THE CONTRACTING ACTIVITY IS REQUIRED FOR SUBCONTRACTING. ACCESS TO SAP INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."

- g. NATO INFORMATION. This means that information/documents belong to and are circulated by the North Atlantic Treaty Organization (NATO). Type in Item 13: "10.g ACCESS TO NATO INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL AND SPECIAL BRIEFINGS."
- h. FOREIGN GOVERNMENT INFORMATION. This includes any foreign government information except NATO. Type in Item 13: "10.h PRIOR APPROVAL OF NCCOSC RDTE DIV IS REQUIRED FOR SUBCONTRACTING. ACCESS TO CLASSIFIED FOREIGN GOVERNMENT INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- i. LIMITED DISSEMINATION INFORMATION (LIMDIS). This refers to restrictive controls established by an original classification authority to emphasize need-to-know protective measures available within the regular security system. Contracts that involve LIMDIS controls do not qualify for carve-out status. Any restrictions on subcontracting should be included in Item 13. Type in Item 13. "10.i The specific LIMDIS project(s) requiring access under this contract is (are) ____." When this item is marked YES, Item 14 would be marked YES, and Item 15 would be marked NO.
- j. FOR OFFICIAL USE ONLY (FOUO). When marked YES, NRaD is responsible for providing the contractor with the safeguards and procedures necessary for protection of the information. Chapter 13, Section 6, ISM contains DoD requirements for protection of the information. Type in Item 13: "10.j FOR OFFICIAL USE ONLY INFORMATION PROVIDED UNDER THIS CONTRACT SHALL BE SAFEGUARDED AS SPECIFIED IN CHAPTER 13, SECTION 6, ISM."
- k. OTHER (SPECIFY). Use this item for any other information not included in 10.a through 10.j. Specify the type of information and include any additional remarks needed in Item 13.

NOTE: The access requirements listed above are common situations that occur in classified contracts. If they are not applicable to the contract requirements, indicate NO for all of them, and in item 10.k: "SEE ITEM 13" and include appropriate statements in Item 13.

ITEM 11: PERFORMANCE REQUIREMENTS. Mark these items YES or NO according to the requirements of the contract. An explanation of each item follows this illustration. Unless your needs have changed since the bid package was issued, copy Item 11 from the bid DD Form 254, contained in the outgoing procurement package, onto your award form.

11. IN PERFORMING THIS CONTRACT, THE CONTRACTOR WILL:	YES	NO
a. HAVE ACCESS TO CLASSIFIED INFORMATION ONLY AT ANOTHER CONTRACTOR'S FACILITY OR A GOVERNMENT ACTIVITY		
b. RECEIVE CLASSIFIED DOCUMENTS ONLY		
c. RECEIVE AND GENERATE CLASSIFIED MATERIAL		
d. FABRICATE, MODIFY, OR STORE CLASSIFIED HARDWARE		
e. PERFORM SERVICES ONLY		
f. HAVE ACCESS TO U.S. CLASSIFIED INFORMATION OUTSIDE THE U.S., PUERTO RICO, U.S. POSSESSIONS AND TRUST TERRITORIES		
g. BE AUTHORIZED TO USE THE SERVICES OF DEFENSE TECHNICAL INFORMATION CENTER (DTIC) OR OTHER SECONDARY DISTRIBUTION CENTER		
h. REQUIRE A COMSEC ACCOUNT		
i. HAVE TEMPEST REQUIREMENTS		
j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS		
k. BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE		
l. OTHER (Specify)		

- a. HAVE ACCESS TO CLASSIFIED INFORMATION ONLY AT ANOTHER CONTRACTOR'S FACILITY OR A GOVERNMENT ACTIVITY. Note the word ONLY. There will be no access to classified information at the contractor's facility. The contractor will not be required to have any safeguarding capability at the facility and Item 1.b would be marked N/A or NONE. If the YES box is marked for this item, add the following annotation in Item 13: "11.a CONTRACT PERFORMANCE IS RESTRICTED TO NCCOSC RDTE DIV, SAN DIEGO, CA 92152-5001 (OR APPROPRIATE ADDRESS). NCCOSC RDTE DIV WILL PROVIDE SECURITY CLASSIFICATION GUIDANCE FOR PERFORMANCE OF THIS CONTRACT."
- b. RECEIVE CLASSIFIED DOCUMENTS ONLY. Note the word ONLY. The contractor will receive classified documents but is not to generate classified information that will require detailed guidance. The classification markings shown on the documents received will provide the classification guidance necessary. Add the following annotation in Item 13: "11.b ANY CLASSIFIED INFORMATION GENERATED IN PERFORMANCE OF THIS CONTRACT SHALL BE CLASSIFIED ACCORDING TO THE MARKINGS SHOWN ON THE SOURCE MATERIAL."
- c. RECEIVE AND GENERATE CLASSIFIED INFORMATION. The contractor is expected to receive and generate classified information (documents and/or hardware) and will require detailed security classification guidance for performance of the contract. If the YES box is marked, detailed security classification guidance must be provided to the contractor. The guidance may be included in Item 13, attached to the DD Form 254, or forwarded under separate cover. Statements, as appropriate, shall be included in Item 13 to direct the contractor to the guidance for the contract.
- d. FABRICATE, MODIFY, OR STORE CLASSIFIED HARDWARE. YES only if the contractor will exceed two cubic feet of storage capability, which is the approximate area in a standard drawer of a security container. If YES, include as

much information as possible in Item 13 to indicate if Restricted or Closed Areas will be required. How much hardware is involved? How large?

- e. **PERFORM SERVICES ONLY. YES** will require a statement in Item 13 to explain the services and to provide appropriate guidance. Sample statements are given below. For service-type contracts not covered, add any appropriate statement in Item 13 that explains why the contract is a classified contract and provide guidance as necessary to ensure protection of the classified information.
 - (1) **GRAPHIC ARTS SERVICES**, add the following statement in Item 13: "11.e REPRODUCTION SERVICES ONLY. CLASSIFICATION MARKINGS ON THE MATERIAL TO BE REPRODUCED WILL PROVIDE THE CLASSIFICATION GUIDANCE NECESSARY FOR PERFORMANCE OF THIS CONTRACT."
 - (2) **ENGINEERING SERVICES**, add the following statement in Item 13: "11.e CONTRACT IS FOR ENGINEERING SERVICES. CLASSIFICATION MARKINGS ON THE MATERIAL TO BE FURNISHED WILL PROVIDE THE CLASSIFICATION GUIDANCE NECESSARY FOR PERFORMANCE OF THIS CONTRACT."
 - (3) **EQUIPMENT MAINTENANCE SERVICES**, add the following statement in Item 13: "11.e CONTRACT IS FOR EQUIPMENT MAINTENANCE SERVICES ON EQUIPMENT THAT PROCESS CLASSIFIED INFORMATION. ACTUAL KNOWLEDGE OF, GENERATION, OR PRODUCTION OF CLASSIFIED INFORMATION IS NOT REQUIRED FOR PERFORMANCE OF THE CONTRACT. CLEARED PERSONNEL ARE REQUIRED TO PERFORM THIS SERVICE BECAUSE ACCESS TO CLASSIFIED INFORMATION CAN NOT BE PRECLUDED BY ESCORTING PERSONNEL. ANY CLASSIFICATION GUIDANCE NEEDED WILL BE PROVIDED BY NCCOSC RDTE DIV."
 - (4) **GUARD SERVICES**, add the following statement in Item 13: "11.e CONTRACT IS FOR GUARD SERVICES. CLEARED PERSONNEL ARE REQUIRED TO PERFORM THIS SERVICE."
- f. **HAVE ACCESS TO U.S. CLASSIFIED INFORMATION OUTSIDE THE U.S., PUERTO RICO, U.S. POSSESSIONS AND TRUST TERRITORIES.** If YES, indicate, as a minimum, the city and country of overseas performance in Item 13. Item 14 may be YES and should be completed if appropriate.
- g. **BE AUTHORIZED TO USE THE SERVICES OF DEFENSE TECHNICAL INFORMATION CENTER (DTIC) OR OTHER SECONDARY DISTRIBUTION CENTER.** YES in this item means the contractor is authorized to use the services of DTIC. Add in Item 13: "11.g THE CONTRACTOR WILL PREPARE AND PROCESS DD FORMS 1540 AND 1541. NCCOSC RDTE DIV WILL CERTIFY NEED-TO-KNOW TO DTIC."

- h. **REQUIRE A COMSEC ACCOUNT.** If accountable COMSEC information will be provided to the contractor, enter an X in the YES box. If nonaccountable COMSEC information is involved, enter an X in the NO box. An example of nonaccountable COMSEC would be a STU-III key.
- i. **HAVE TEMPEST REQUIREMENTS.** TEMPEST requirements are in addition to the requirements of the ISM and are required if Item 11.c is marked YES. If YES in this item, Item 14 must also be YES and the following will be typed in Item 14: "TEMPEST REQUIREMENTS ARE ATTACHED and may be passed to subcontractors." Pertinent information will be attached to the DD Form 254 by Code 0353.
- j. **HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS.** OPSEC requirements are in addition to the requirements of the ISM. If YES is marked, Item 14 must also be YES and the pertinent contract clauses identified, appropriate information added to Item 13 or OPSEC requirements attached to the DD Form 254. Questions regarding OPSEC should be directed to Code 0353.
- k. **BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE (DCS).** This item authorizes the contractor to use the services of DCS. YES requires NRaD to request DCS services from the Commander, Defense Courier Service, ATTN: Operations Division, Fort George G. Meade, MD 20755-5370. Only certain classified information qualifies for shipment by DCS. Contact Code 0353 for further information on this process.
- l. **OTHER (SPECIFY):** Use this item to add any additional performance requirements not covered above. Item 13 should be appropriately annotated to provide any necessary remarks.

NOTE: The performance requirements listed above are common situations that occur in classified contracts. If they are not applicable to the contract requirements, indicate NO for all of them, add in Item 11.i: "SEE ITEM 13" and include appropriate statements in Item 13.

ITEM 12: Place an X in the "through" box and type in the following address in the space provided: Commanding Officer, NCCOSC RDTE DIV 003, 53560 Hull Street, San Diego, CA 92152-5001. This information is preprinted on most forms.

12. PUBLIC RELEASE. Any information (classified or unclassified) pertaining to this contract shall not be released for public dissemination except as provided by the Industrial Security Manual or unless it has been approved for public release by appropriate U.S. Government authority. Proposed public releases shall be submitted for approval prior to release.	
<input type="checkbox"/> Direct	<input checked="" type="checkbox"/> Through (Specify):
COMMANDING OFFICER, NCCOSC RDTE DIV 003, 53560 HULL ST, SAN DIEGO, CA 92152-5001	
<small>to the Directorate for Freedom of Information and Security Review Office of the Assistant Secretary of Defense (Public Affairs)* for review * In the case of non-DoD User Agencies, requests for disclosure shall be submitted to that agency</small>	

ITEM 13: This is the most important part of the entire DD Form 254. In completing this item ask yourself these questions:

What classified information will the contractor need in the performance of this contract?

What guidance will the contractor need to protect the classified information? Is there an existing security classification guide for the program or project? What portion of the guide applies to this contract? All or part? Are there other guides that provide guidance to assist the contractor?

Will classified hardware be furnished to or generated by the contractor? What information makes the hardware classified? Will hardware being generated require classification? At what stage in its production does it become classified? How much classified hardware will be produced or stored by the contractor?

What unique characteristics are involved that need protection? Are there design features that require protection? What breakthroughs would be significant if achieved in an R&D effort? Are there some performance limitations that require protection?

13. SECURITY GUIDANCE. The security classification guidance needed for this classified effort is identified below. If any difficulty is encountered in applying this guidance or if any other contributing factor indicates a need for changes in this guidance, the contractor is authorized and encouraged to provide recommended changes; to challenge the guidance or the classification assigned to any information or material furnished or generated under this contract; and to submit any questions for interpretation of this guidance to the official identified below. Pending final decision, the information involved shall be handled and protected at the highest level of classification assigned or recommended. (Fill in as appropriate for the classified effort. Attach, or forward under separate correspondence, any documents/guides/extracts referenced herein. Add additional pages as needed to provide complete guidance.)

COPIES OF ALL SUBCONTRACT DD FORM 254'S MUST BE PROVIDED TO THE DISTRIBUTION LISTED IN BLOCK 17.

These are merely some of the questions that should be asked when preparing guidance for a contract. Put yourself in the contractor's place and try to determine what guidance will be needed to properly protect the classified information that will be furnished or generated under the contract.

Use this item to identify applicable guides, to provide narrative guidance that identifies the specific types of information to be classified, to provide appropriate downgrading or declassification instructions, to provide any special instructions, explanations, comments, or statements requirement for information, or to clarify any other items identified in the DD Form 254. Each

contract is unique in its performance requirements. Don't try to follow a format or provide all the guidance in this item.

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Preparing security guidance that covers all of the performance requirements of a classified contract is a difficult. It is an even more difficult task to prepare guidance that can be understood and implemented by the contractor.

If the contract is a Delivery Order type, the following may be used in lieu of specific classification guidance on the basic contract's DD Form 254. If this statement is used, a revised DD Form 254 must be provided for each Delivery Order requiring access to classified information. "APPLICABLE CLASSIFICATION GUIDANCE WILL BE PROVIDED FOR EACH DELIVERY ORDER OR TASK BY THE CONTRACTING OFFICER'S REPRESENTATIVE (COR)."

Add to the bottom of Item 13, "THE CONTRACTING OFFICER'S REPRESENTATIVE (COR) Technical Representative (TR) FOR THIS CONTRACT IS (fill in the blank), NCCOSC RDTE DIV CODE (fill in the blank), TELEPHONE (619) 553- (fill in the blank)."

ITEM 14: This item applies any time security requirements are imposed on a contractor in addition to the requirements of the ISM or its supplements. YES in this item requires NRaD to incorporate the additional requirements in the contract documents itself, or to incorporate the additional requirements by statements of reference in Item 13. Attendant costs incurred due to additional security requirements are subject to negotiation by, and reimbursement to, the contractor and are the responsibility of NRaD. A copy of the additional security requirements shall be provided to the CSO with the DD Form 254 during distribution.

<p>14. ADDITIONAL SECURITY REQUIREMENTS. Requirements, in addition to ISM requirements, are established for this contract. (If Yes, identify the pertinent contractual clauses in the contract document itself, or provide an appropriate statement which identifies the additional requirements. Provide a copy of the requirements to the cognizant security office. Use Item 13 if additional space is needed.)</p> <p>SPECIFIC ON-SITE SECURITY REQUIREMENTS ARE ATTACHED.</p>	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
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ITEM 15: This item applies when the CSO is relieved of inspection responsibility in whole or in part. YES requires NRaD to provide information on the specific areas carved-out

and to identify the activity responsible for inspection. A copy of the DD Form 254 must be provided to the appropriate CSO or to DIS HQ.

<p>15. INSPECTIONS. Elements of this contract are outside the inspection responsibility of the cognizant security office. (If Yes, explain and identify specific areas or elements covered and the activity responsible for inspections. Use Item 13 if additional space is needed.)</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
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When access to SCI is required (Item 10.e(1) is marked YES), the following statement shall be added in this item: "NCCOSC RDTE DIV SSO, CODE 0173, HAS EXCLUSIVE SECURITY RESPONSIBILITY FOR ALL SCI CLASSIFIED MATERIAL RELEASED OR DEVELOPED UNDER THIS CONTRACT AND HELD WITHIN THE CONTRACTOR'S SCIF. DIS IS RELIEVED OF SECURITY INSPECTIONS RESPONSIBILITY FOR ALL SUCH MATERIAL BUT RETAINS RESPONSIBILITY FOR ALL NON-SCI CLASSIFIED MATERIAL RELEASED TO OR DEVELOPED UNDER THIS CONTRACT AND HELD WITHIN THE CONTRACTOR'S SCIF."

ITEM 16: This item shall contain the name, title, telephone number, address and signature of the Contracting Officer for Security Matters certifying that the security requirements are complete and adequate for performance of the classified effort. This information is preprinted on most DD Form 254s.

<p>16. CERTIFICATION AND SIGNATURE. Security requirements stated herein are complete and adequate for safeguarding the classified information to be released or generated under this classified effort. All questions shall be referred to the official named below.</p>		
<p>a. TYPED NAME OF CERTIFYING OFFICIAL</p> <p>P. A. TALLEY</p>	<p>b. TITLE</p> <p>CONTRACTING OFFICER FOR SECURITY MATTERS</p>	<p>c. TELEPHONE (Include Area Code)</p> <p>(619) 553-3195</p>
<p>d. ADDRESS (Include Zip Code)</p> <p>COMMANDING OFFICER NCCOSC RDTE DIV 0353 53560 HULL ST SAN DIEGO CA 92152-5001</p>		
<p>e. SIGNATURE</p>		

ITEM 17: The DD Form 254 is a contractual document and should be distributed with the contract document to all addressees. It is important that the DD Form 254 be distributed, at a minimum, to those shown on this item. Type the Contracts code that will be administering your contract in block 17.e. In block 17.f, type: "0353, your required Code."

<p>17. REQUIRED DISTRIBUTION</p>	
XX	a. CONTRACTOR
	b. SUBCONTRACTOR
XX	c. COGNIZANT SECURITY OFFICE FOR PRIME AND SUBCONTRACTOR
	d. U.S. ACTIVITY RESPONSIBLE FOR OVERSEAS SECURITY ADMINISTRATION
XX	e. ADMINISTRATIVE CONTRACTING OFFICER NRaD CODE
XX	f. OTHERS AS NECESSARY NRaD CODES 0353,

APPENDIX C

PREPARATION OF A DELIVERY ORDER DD FORM 254

A Delivery Order DD Form 254 will be completed ONLY when the DD Form 254 in the basic contract does not meet the security requirements for your Delivery Order. If your basic contract has the statement, "A REVISED DD FORM 254 WILL BE PROVIDED FOR EACH DELIVERY ORDER OR TASK," you must complete a revised DD Form 254 for each Delivery Order or Task that requires access to classified information. Use the following instructions when filling in a DD Form 254 for a Delivery Order:

ITEM 1: In Item 1.a, enter ONLY the highest level of facility clearance required by the prospective contractor. This is also the level of personnel clearances you will require for your contract. Use only the words TOP SECRET, SECRET or CONFIDENTIAL. The contractor must have a valid facility clearance at least as high as the classification indicated in this item. In Item 1.b, type the highest level of safeguarding capability required by the contractor for performance of the contract. The classification shown in 1.b may not be higher than that shown in Item 1.a. If the contractor will not possess classified information at the cleared facility in performing the contract, enter Not Applicable (N/A) or NONE.

1. CLEARANCE AND SAFEGUARDING	
a.	FACILITY CLEARANCE REQUIRED
b.	LEVEL OF SAFEGUARDING REQUIRED

ITEM 2: Place an X in 2.a and enter the basic contract number. Place an X in 2.c and enter the Delivery Order Number (fill in the blank). Make no entries in 2.b.

2. THIS SPECIFICATION IS FOR: (X and complete as applicable)		
X	a. PRIME CONTRACT NUMBER	
	b. SUBCONTRACT NUMBER	
X	c. SOLICITATION OR OTHER NUMBER	Due Date (YYMMDD)

ITEM 3: In 3.a enter the date the original DD Form 254 was typed, using numbers only, in the year-month-day format. Place an X in 3.b, enter the next consecutive Revision Number and type the date, using numbers only, in the year-month-day format.

3. THIS SPECIFICATION IS: (X and complete as applicable)			
	a. ORIGINAL (Complete date in all cases)		Date (YYMMDD)
X	b. REVISED (Supersedes all previous specs)	Revision No.	Date (YYMMDD)
	c. FINAL (Complete Item 5 in all cases)		Date (YYMMDD)

ITEM 4: Copy the information from the basic contract DD Form 254.

4. IS THIS A FOLLOW-ON CONTRACT? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO. If Yes, complete the following: Classified material received or generated under _____ (preceding Contract Number) is transferred to this follow-on contract.
--

ITEM 5: Place an X in the NO block.

5. IS THIS A FINAL DD FORM 254? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO. If Yes, complete the following: In response to the contractor's request dated _____, retention of the identified classified material is authorized for the period of _____

ITEM 6: Copy the information from the basic contract DD Form 254.

6. CONTRACTOR (Include Commercial and Government Entity (CAGE) Code)		
a. NAME, ADDRESS, AND ZIP CODE	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

ITEM 7: Leave blank.

7. SUBCONTRACTOR		
a. NAME, ADDRESS, AND ZIP CODE	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

ITEM 8: If work is being performed at a contractor location other than specified in item 6.a, enter the appropriate name and address in Item 8.a and the CAGE Code in 8.b. Code 0353 will complete 8.c.

8. ACTUAL PERFORMANCE		
a. LOCATION	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

ITEM 9: Enter a brief, concise and unclassified description of the procurement action. This may be Research, Development, Production, Study, Services, etc., such as "Research and Development of Countermeasures Techniques" or "Services Related to Radar Equipment, Production of Countermeasures Set."

9. GENERAL IDENTIFICATION OF THIS PROCUREMENT

ITEM 10: THIS CONTRACT WILL REQUIRE ACCESS TO: Mark YES or NO according to the requirements of the delivery order. An explanation of each item follows this illustration.

10. THIS CONTRACT WILL REQUIRE ACCESS TO:	YES	NO
a. COMMUNICATIONS SECURITY (COMSEC) INFORMATION		
b. RESTRICTED DATA		
c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION		
d. FORMERLY RESTRICTED DATA		
e. INTELLIGENCE INFORMATION:		
(1) Sensitive Compartmented Information (SCI)		
(2) Non-SCI		
f. SPECIAL ACCESS INFORMATION		
g. NATO INFORMATION		
h. FOREIGN GOVERNMENT INFORMATION		
i. LIMITED DISSEMINATION INFORMATION		
j. FOR OFFICIAL USE ONLY INFORMATION		
k. OTHER (Specify)		
STUB NUMBER:		

- a. COMMUNICATION SECURITY (COMSEC) INFORMATION. If the contractor requires access to any COMSEC information, including a STU-III, enter an X in the YES box. COMSEC information includes accountable or nonaccountable COMSEC information and Controlled Cryptographic Items (CCI). If accountable COMSEC information is involved, the contractor must have a COMSEC account and Item 11.h must be marked YES. An X in the YES box imposes the requirements of the COMSEC Supplement to the ISM on the contractor for safeguarding the COMSEC information. Type in Item 12 "RELEASE OF COMSEC INFORMATION IS NOT AUTHORIZED." Type in Item 13 "10.a ACCESS TO ANY COMSEC INFORMATION REQUIRES SPECIAL BRIEFINGS AT THE CONTRACTOR FACILITY. ACCESS TO CLASSIFIED COMSEC INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- b. RESTRICTED DATA. Marked YES if access to RESTRICTED DATA, information which is classified and controlled under the Atomic Energy Act of 1954, or CRITICAL NUCLEAR WEAPON DESIGN INFORMATION (CNWDI), is required. This item would always be marked YES if Item 10.c is marked YES. Type in Item 13: "10.b ACCESS TO RESTRICTED DATA REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION (CNWDI). Mark YES if access to CNWDI is required. Type in Item 13: "10.c SPECIAL BRIEFINGS AND PROCEDURES ARE ALSO REQUIRED. ACCESS TO CNWDI REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."

- d. **FORMERLY RESTRICTED DATA.** Mark YES if access to FORMERLY RESTRICTED DATA is required.
- e. **INTELLIGENCE INFORMATION.** This information is under the jurisdiction and control of the Director of Central Intelligence (DCI) and circulated within the intelligence community. If intelligence information is involved, NRaD is responsible for ensuring that the additional security requirements outlined in various DCI directives are incorporated in the guidance provided to the contractor and are tailed to the performance requirements of the contract. The guidance may be included in the contract document itself, in Item 13, or provided under separate cover. The CSO does not conduct security inspections for SENSITIVE COMPARTMENTED INFORMATION (SCI) but is responsible for inspection of non-SCI intelligence in the possession of a contractor. If access to SCI is required, Item 10.e(1) and Items 14 and 15 would always be marked YES. If access to non-SCI is required, Item 10.e(2) would be marked YES. Item 14 would be marked YES and annotated "INTELLIGENCE REQUIREMENTS ARE ATTACHED," and Item 15 would be marked NO. If you think you will be requiring access to SCI information, check with Code 017 first. Type in Item 13: "10.e(2) ACCESS TO INTELLIGENCE INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- f. **SPECIAL ACCESS INFORMATION.** This is a Special Access Program (SAP) that has been approved by the Government. When this item is marked YES, NRaD is responsible for providing the contractor with the additional requirements needed to ensure adequate protection of the SAP information involved. The additional security requirements may be included in the contract document itself, in Item 13, or provided under separate cover. Item 14 would be marked YES, and Item 15 should be completed as appropriate. Type in Item 13: "10.f ACCESS TO SAP INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- g. **NATO INFORMATION.** This means that information/documents belong to and are circulated by the North Atlantic Treaty Organization (NATO). Type in Item 13: "10.g ACCESS TO NATO INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL AND SPECIAL BRIEFINGS."
- h. **FOREIGN GOVERNMENT INFORMATION.** This includes any foreign government information except NATO. Type in Item 13: "10.h PRIOR APPROVAL OF NCCOSC RDTE DIV IS REQUIRED FOR SUBCONTRACTING. ACCESS TO CLASSIFIED FOREIGN GOVERNMENT INFORMATION REQUIRES A FINAL U.S. GOVERNMENT CLEARANCE AT THE APPROPRIATE LEVEL."
- i. **LIMITED DISSEMINATION INFORMATION (LIMDIS).** This refers to restrictive controls established by an original classification authority to emphasize

need-to-know protective measures available within the regular security system. Type in Item 13: "10.i The specific LIMDIS project(s) requiring access under this contracts is (are) _____." Delivery orders that involve LIMDIS controls do not qualify for carve-out status. When this item is marked YES, Item 14 would be marked YES, and Item 15 would be marked NO.

- j. FOR OFFICIAL USE ONLY (FOUO). When marked YES, NRaD is responsible for providing the contractor with the safeguards and procedures necessary for protection of the information. Chapter 13, Section 6, ISM contains DoD requirements for protection of the information. Type in Item 13: "10.j FOR OFFICIAL USE ONLY INFORMATION PROVIDED UNDER THIS DELIVERY ORDER SHALL BE SAFEGUARDED AS SPECIFIED IN CHAPTER 13, SECTION 6, ISM."
- k. OTHER (SPECIFY). Use this item for any other information not included in 10.a through 10.j. Specify the type of information and include any additional remarks needed in Item 13.

NOTE: The access requirements listed above are common situations that occur in classified contracts. If they are not applicable to the contract requirements, indicate NO for all of them, and in Item 10.k: "SEE ITEM 13" and include appropriate statements in Item 13.

ITEM 11: PERFORMANCE REQUIREMENTS. Mark YES or NO according to the requirements of the contract. An explanation of each item follows this illustration.

11. IN PERFORMING THIS CONTRACT, THE CONTRACTOR WILL:	YES	NO
a. HAVE ACCESS TO CLASSIFIED INFORMATION ONLY AT ANOTHER CONTRACTOR'S FACILITY OR A GOVERNMENT ACTIVITY		
b. RECEIVE CLASSIFIED DOCUMENTS ONLY		
c. RECEIVE AND GENERATE CLASSIFIED MATERIAL		
d. FABRICATE, MODIFY, OR STORE CLASSIFIED HARDWARE		
e. PERFORM SERVICES ONLY		
f. HAVE ACCESS TO U.S. CLASSIFIED INFORMATION OUTSIDE THE U.S., PUERTO RICO, U.S. POSSESSIONS AND TRUST TERRITORIES		
g. BE AUTHORIZED TO USE THE SERVICES OF DEFENSE TECHNICAL INFORMATION CENTER (DTIC) OR OTHER SECONDARY DISTRIBUTION CENTER		
h. REQUIRE A COMSEC ACCOUNT		
i. HAVE TEMPEST REQUIREMENTS		
j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS		
k. BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE		
l. OTHER (Specify)		

- a. HAVE ACCESS TO CLASSIFIED INFORMATION ONLY AT ANOTHER CONTRACTOR'S FACILITY OR A GOVERNMENT ACTIVITY. Note the word ONLY. There will be no access to classified information at the contractor's facility. The contractor will not be required to have any safeguarding capability at the facility and Item 1.b would be marked N/A or NONE. If the YES box is marked for this item, add the following annotation in Item 13: "11.a CONTRACT PERFORMANCE IS RESTRICTED TO THE NCCOSC RDTE DIV, SAN DIEGO, CA 92152-5001 OR APPROPRIATE ADDRESS. NCCOSC

RDTE DIV WILL PROVIDE SECURITY CLASSIFICATION GUIDANCE FOR PERFORMANCE OF THIS CONTRACT."

- b. **RECEIVE CLASSIFIED DOCUMENTS ONLY.** Note the word **ONLY**. The contractor will receive classified documents but is not expected to generate classified information that will require detailed guidance. The classification markings shown on the documents received will provide the classification guidance necessary. Add the following annotation in Item 13: **"11.b ANY CLASSIFIED INFORMATION GENERATED IN PERFORMANCE OF THIS DELIVERY ORDER SHALL BE CLASSIFIED ACCORDING TO THE MARKINGS SHOWN ON THE SOURCE MATERIAL."**
- c. **RECEIVE AND GENERATE CLASSIFIED INFORMATION.** The contractor is to receive and generate classified information (documents and/or hardware) and will require detailed security classification guidance for performance of the delivery order. If the **YES** box is marked, detailed security classification guidance must be provided to the contractor. The guidance may be included in Item 13, attached to the DD Form 254, or forwarded under separate cover. Statements, as appropriate, shall be included in Item 13 to direct the contractor to the guidance for the contract.
- d. **FABRICATE, MODIFY, OR STORE CLASSIFIED HARDWARE.** If **YES**, indicating the contractor will require more than two cubic feet of storage, include as much information as possible in Item 13 to indicate if Restricted or Closed Areas will be required. How much hardware is involved? How large? How much area will be required for storage?
- e. **PERFORM SERVICES ONLY.** **YES** will require a statement in Item 13 to explain the services and to provide appropriate guidance. Sample statements are given below. For service-type delivery orders not covered, add any appropriate statement in Item 13 that explains why the delivery order is classified and provide guidance as necessary to ensure protection of the classified information.
 - (1) **GRAPHIC ARTS SERVICES,** add the following statement in Item 13: **"11.e REPRODUCTION SERVICES ONLY. CLASSIFICATION MARKINGS ON THE MATERIAL TO BE REPRODUCED WILL PROVIDE THE CLASSIFICATION GUIDANCE NECESSARY FOR PERFORMANCE OF THIS DELIVERY ORDER."**
 - (2) **ENGINEERING SERVICES,** add the following statement in Item 13: **"11.e DELIVERY ORDER IS FOR ENGINEERING SERVICES. CLASSIFICATION MARKINGS ON THE MATERIAL TO BE FURNISHED WILL PROVIDE THE CLASSIFICATION GUIDANCE NECESSARY FOR PERFORMANCE OF THIS DELIVERY ORDER."**
 - (3) **EQUIPMENT MAINTENANCE SERVICES,** add the following statement in Item 13: **"11.e DELIVERY ORDER IS FOR EQUIPMENT MAINTENANCE SERVICES ON EQUIPMENT THAT PROCESSES CLASSIFIED**

INFORMATION. ACTUAL KNOWLEDGE OF, GENERATION, OR PRODUCTION OF CLASSIFIED INFORMATION IS NOT REQUIRED FOR PERFORMANCE OF THE DELIVERY ORDER. CLEARED PERSONNEL ARE REQUIRED TO PERFORM THIS SERVICE BECAUSE ACCESS TO CLASSIFIED INFORMATION CAN NOT BE PRECLUDED BY ESCORTING PERSONNEL. ANY CLASSIFICATION GUIDANCE NEEDED WILL BE PROVIDED BY NCCOSC RDTE DIV."

- (4) GUARD SERVICES, add the following statement in Item 13: "11.e DELIVERY ORDER IS FOR GUARD SERVICES. CLEARED PERSONNEL ARE REQUIRED TO PERFORM THIS SERVICE."
- f. HAVE ACCESS TO U.S. CLASSIFIED INFORMATION OUTSIDE THE U.S., PUERTO RICO, U.S. POSSESSIONS AND TRUST TERRITORIES. If YES, indicate, as a minimum, the city and country of overseas performance in Item 13. Item 14 may be YES and should be completed if appropriate.
 - g. BE AUTHORIZED TO USE THE SERVICES OF DEFENSE TECHNICAL INFORMATION CENTER (DTIC) OR OTHER SECONDARY DISTRIBUTION CENTER. YES in this item means the contractor is authorized to use the services of DTIC. Add in Item 13 "THE CONTRACTOR WILL PREPARE AND PROCESS DD FORMS 1540 AND 1541. NCCOSC RDTE DIV WILL CERTIFY NEED-TO-KNOW TO DTIC.
 - h. REQUIRE A COMSEC ACCOUNT. If accountable COMSEC information will be provided to the contractor, enter an X in the YES box. If nonaccountable COMSEC information is involved, enter an X in the NO box. An example of nonaccountable COMSEC would be a STU-III key.
 - i. HAVE TEMPEST REQUIREMENTS. TEMPEST requirements are in addition to the requirements of the ISM and are required if Item 11.c is marked YES. If YES in this item, Item 14 must also be YES and the following will be typed in Item 14: "TEMPEST REQUIREMENTS ARE ATTACHED and may be passed to subcontractors." Pertinent information will be attached to the DD Form 254 by Code 0353.
 - j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS. OPSEC requirements are in addition to the requirements of the ISM. If YES is marked, Item 14 must also be YES and the pertinent contract clauses identified, appropriate information added to Item 13 or attach the OPSEC requirements to the DD Form 254. Questions regarding OPSEC should be directed to Code 0353.
 - k. BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE (DCS). This item authorizes the contractor to use the services of DCS. YES requires NRaD to request DCS services from the Commander, Defense Courier Service, ATTN: Operations Division, Fort George G. Meade, MD 20755-5370. Only certain classified information qualifies for shipment by DCS. Contact Code 0353 for further information on this process.

1. OTHER (SPECIFY): Use this item to add any additional performance requirements not covered above. Item 13 should be appropriately annotated to provide any necessary remarks.

NOTE: The performance requirements listed above are common situations that occur in classified contracts. If they are not applicable to the delivery order requirements, indicate NO for all of them, add in Item 11.1: "SEE ITEM 13" and include appropriate statements in Item 13.

ITEM 12: Place an X in the "through" box and type in the following address in the space provided: Commanding Officer, Naval Command, Control and Ocean Surveillance Center RDTE DIV 003, San Diego, CA 92152-5001. This information is preprinted on most forms.

12. PUBLIC RELEASE. Any information (classified or unclassified) pertaining to this contract shall not be released for public dissemination except as provided by the Industrial Security Manual or unless it has been approved for public release by appropriate U.S. Government authority. Proposed public releases shall be submitted for approval prior to release.

Direct Through (Specify):

COMMANDING OFFICER, NCCOSC RDTE DIV 003, 53560 HULL ST, SAN DIEGO, CA 92152-5001

to the Directorate for Freedom of Information and Security Review, Office of the Assistant Secretary of Defense (Public Affairs) for review
* In the case of non-DoD User Agencies, requests for disclosure shall be submitted to that agency.

ITEM 13: This is the most important part of the entire DD Form 254. In completing this item ask yourself the questions following this illustration:

13. SECURITY GUIDANCE. The security classification guidance needed for this classified effort is identified below. If any difficulty is encountered in applying this guidance or if any other contributing factor indicates a need for changes in this guidance, the contractor is authorized and encouraged to provide recommended changes; to challenge the guidance or the classification assigned to any information or material furnished or generated under this contract; and to submit any questions for interpretation of this guidance to the official identified below. Pending final decision, the information involved shall be handled and protected at the highest level of classification assigned or recommended. (Fill in as appropriate for the classified effort. Attach or forward under separate correspondence, any documents/guides/extracts referenced herein. Add additional pages as needed to provide complete guidance.)

COPIES OF ALL SUBCONTRACT DD FORM 254'S MUST BE PROVIDED TO THE DISTRIBUTION LISTED IN BLOCK 17.

What classified information will the contractor need in the performance of this delivery order?

What guidance will the contractor need to protect the classified information? Is there an existing security classification guide for the program or project? What portion of the guide applies to this delivery order? All or part? Are there other guides that provide guidance to assist the contractor?

Will classified hardware be furnished to or generated by the contractor? What information makes the hardware classified? Will hardware being generated require classification? At what stage in its production does it become classified? How much classified hardware will be produced or stored by the contractor?

What unique characteristics are involved that need protection? Are there design features that require protection? What breakthroughs would be significant if achieved in an R&D effort? Are there some performance limitations that require protection?

These are merely some of the questions that should be asked when preparing guidance for a contract. Put yourself in the contractor's place and try to determine what guidance will be needed to properly protect the classified information that will be furnished or generated under the delivery order.

Use this item to identify applicable guides, to provide narrative guidance that identifies the specific types of information to be classified, to provide appropriate downgrading or declassification instructions, to provide any special instructions, explanations, comments, or statements requirement for information or to clarify any other items identified in the DD Form 254. Each delivery order is unique in its performance requirements. Don't try to follow a format.

The DD Form 254, with its attachments and incorporated references, is the only authorized means for providing security classification guidance to a contractor. It should be written specifically and include only information that pertains to the delivery order for which it is issued. It should not contain references to international agency directives and instructions. If such documents provide guidance applicable to the contract, the pertinent portions should be extracted and provided as attachments. Any and all documents referenced or cited in Item 13 should be provided by the COR/TA to the contractor, either as attachments or, if classified, forwarded under separate cover. The requirements of the ISM or its supplements should not be extracted and included in a DD Form 254; the ISM provides safeguarding requirements and procedures for classified information, not security classification guidance. Security classification guidance provided detailed information that related what information requires classification, what level of classification to assign, and the downgrading or declassification instructions that apply to the information or material generated by the contractor in the performance of the contract.

It is a difficult task to prepare security guidance that covers all of the performance requirements of a classified contract. It is an even more difficult task to prepare guidance that can be understood and implemented by the contractor.

Add to the bottom of Item 13: "THE CONTRACTING OFFICER'S REPRESENTATIVE (COR) FOR THIS DELIVERY ORDER IS (fill in the blank), NCCOSC RDTE DIV CODE (fill in the blank), TELEPHONE (619) 553--(fill in the blank)."

ITEM 14: This item applies any time security requirements are imposed on a contractor that are in addition to the requirements of the ISM or its supplements. YES in this item requires NRaD to incorporate the additional requirements in the contract documents itself, or to incorporate the additional requirements by statements of reference in Item 13. Attendant costs incurred due to additional security requirements are subject to negotiation by, and reimbursement to, the contractor and are the responsibility of NRaD. A copy of the additional security requirements shall be provided to the CSO with the DD Form 254 during distribution.

14. ADDITIONAL SECURITY REQUIREMENTS. Requirements, in addition to ISM requirements, are established for this contract. (If Yes, identify the pertinent contractual clauses in the contract document itself, or provide an appropriate statement which identifies the additional requirements. Provide a copy of the requirements to the cognizant security office. Use Item 13 if additional space is needed.)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
SPECIFIC ON-SITE SECURITY REQUIREMENTS ARE ATTACHED.		

ITEM 15: This item applies when the CSO is relieved of inspection responsibility in whole or in part. YES in this item requires the User Agency to provide information on the specific areas carved-out, and to identify the activity responsible for inspection. A copy of the DD Form 254 must be provided to the appropriate CSO or to DIS HQ.

15. INSPECTIONS. Elements of this contract are outside the inspection responsibility of the cognizant security office. (If Yes, explain and identify specific areas or elements carved out and the activity responsible for inspections. Use Item 13 if additional space is needed.)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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When access to SCI is required (Item 10.e(1) is marked YES), the following statement shall be added in this item: "NCCOSC RDTE DIV SSO, HAS EXCLUSIVE SECURITY RESPONSIBILITY FOR ALL SCI CLASSIFIED MATERIAL RELEASED OR DEVELOPED UNDER THIS CONTRACT AND HELD WITHIN THE CONTRACTOR'S SCIF. DIS IS RELIEVED OF SECURITY INSPECTIONS RESPONSIBILITY FOR ALL SUCH MATERIAL BUT RETAINS RESPONSIBILITY FOR ALL NON-SCI CLASSIFIED MATERIAL RELEASED TO OR DEVELOPED UNDER THIS DELIVERY ORDER AND HELD WITHIN THE CONTRACTOR'S SCIF."

ITEM 16: This item shall contain the name, title, telephone number, address and signature of the Contracting Officer for Security Matters certifying that the security requirements are complete and adequate for performance of the classified effort. This information is preprinted on most DD Form 254s.

16. CERTIFICATION AND SIGNATURE. Security requirements stated herein are complete and adequate for safeguarding the classified information to be released or generated under this classified effort. All questions shall be referred to the official named below.		
a. TYPED NAME OF CERTIFYING OFFICIAL	b. TITLE	c. TELEPHONE (Include Area Code)
P. A. TALLEY	CONTRACTING OFFICER FOR SECURITY MATTERS	(619) 553-3195
d. ADDRESS (Include Zip Code)		
COMMANDING OFFICER NCCOSC RDTE DIV 0353 53500 HULL ST SAN DIEGO CA 92152-5001		
e. SIGNATURE		

ITEM 17: The DD Form 254 is a contractual document and should be distributed with the contract document to all addressees. It is important that the DD Form 254 be distributed, as a minimum, to those shown on this item. Type the Contracts code that will be administering your contract in block 17.e. In block 17.f, type: "0353, your required codes."

17. REQUIRED DISTRIBUTION	
<input checked="" type="checkbox"/>	a. CONTRACTOR
<input type="checkbox"/>	b. SUBCONTRACTOR
<input checked="" type="checkbox"/>	c. COGNIZANT SECURITY OFFICE FOR PRIME AND SUBCONTRACTOR
<input type="checkbox"/>	d. U.S. ACTIVITY RESPONSIBLE FOR OVERSEAS SECURITY ADMINISTRATION
<input checked="" type="checkbox"/>	e. ADMINISTRATIVE CONTRACTING OFFICER NR&D CODE
<input checked="" type="checkbox"/>	f. OTHERS AS NECESSARY NR&D CODES 0353,

APPENDIX D

PREPARATION OF A FINAL DD FORM 254

A final DD Form 254 is not required until, and unless, the contractor requests an extension of retention authority and is authorized the extension. The extension follows an authorized two-year retention period. Upon receipt of a request from the contractor for document retention on an expiring contract, the final DD Form 254 will be prepared by the COR/TR and approved by the COSM. The following information must be provided on the DD Form 254:

ITEM 1: In Item 1.a, insert the highest level of facility clearance required to retain the requested documentation. In Item 1.b, insert the highest level of safeguarding capability required by the contractor to retain the requested documentation. The classification level in 1.b may not be higher than that shown in Item 1.a

1. CLEARANCE AND SAFEGUARDING	
a.	FACILITY CLEARANCE REQUIRED
b.	LEVEL OF SAFEGUARDING REQUIRED

ITEM 2: Place an X in box 2.a and enter the prime contract number. Leave 2.b and 2.c blank.

2. THIS SPECIFICATION IS FOR: (X and complete as applicable)		
X	a. PRIME CONTRACT NUMBER	
	b. SUBCONTRACT NUMBER	
	c. SOLICITATION OR ORDER NUMBER	Due Date (YYMMDD)

ITEM 3: Place an X in box 3.c and place the appropriate date in the box to the right by using numbers only in year-month-day format (e.g., 931116). Leave 3.a and 3.b blank. When a final DD Form 254 is issued, Item 5 is always YES.

3. THIS SPECIFICATION IS: (X and complete as applicable)		
	a. ORIGINAL (Complete date in all cases)	Date (YYMMDD)
	b. REVISED (Supersedes all previous specs)	Revision No. Date (YYMMDD)
X	c. FINAL (Complete Item 5 in all cases)	Date (YYMMDD)

ITEM 4: Place an X in the NO box.

4. IS THIS A FOLLOW-ON CONTRACT?	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO	NO. If yes, complete the following:
Classified material received or generated under _____			(Preceding Contract Number) is transferred to this follow-on contract.

ITEM 5: Place an X in the YES box. Enter the date of the contractor's request and the period of retention authorized. The period of retention may be up to five years from the date of the request.

5. IS THIS A FINAL DD FORM 2547	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO. If Yes, complete the following:
In response to the contractor's request dated _____, retention of the identified classified material is authorized for the period of _____		

ITEM 6: Enter the name and address of the contractor in 6.a. Enter the contractor's CAGE Code in 6.b. Enter the name and address of the COG Office in 6.c. All of this information is listed on the award DD Form 254.

6. CONTRACTOR (Include Commercial and Government Entity (CAGE) Code)		
a. NAME, ADDRESS, AND ZIP CODE	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

ITEM 7: Leave blank.

7. SUBCONTRACTOR		
a. NAME, ADDRESS, AND ZIP CODE	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

ITEM 8: Leave blank.

8. ACTUAL PERFORMANCE		
a. LOCATION	b. CAGE CODE	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code)

ITEM 9: Leave blank.

9. GENERAL IDENTIFICATION OF THIS PROCUREMENT

ITEM 10: Leave blank.

10. THIS CONTRACT WILL REQUIRE ACCESS TO:	YES	NO
a. COMMUNICATIONS SECURITY (COMSEC) INFORMATION		
b. RESTRICTED DATA		
c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION		
d. FORMERLY RESTRICTED DATA		
e. INTELLIGENCE INFORMATION:		
(1) Sensitive Compartmented Information (SCI)		
(2) Non-SCI		
f. SPECIAL ACCESS INFORMATION		
g. NATO INFORMATION		
h. FOREIGN GOVERNMENT INFORMATION		
i. LIMITED DISSEMINATION INFORMATION		
j. FOR OFFICIAL USE ONLY INFORMATION		
k. OTHER (Specify)		
STUB NUMBER:		

ITEM 11: Leave blank.

11. IN PERFORMING THIS CONTRACT, THE CONTRACTOR WILL:	YES	NO
a. HAVE ACCESS TO CLASSIFIED INFORMATION ONLY AT ANOTHER CONTRACTOR'S FACILITY OR A GOVERNMENT ACTIVITY		
b. RECEIVE CLASSIFIED DOCUMENTS ONLY		
c. RECEIVE AND GENERATE CLASSIFIED MATERIAL		
d. FABRICATE, MODIFY, OR STORE CLASSIFIED HARDWARE		
e. PERFORM SERVICES ONLY		
f. HAVE ACCESS TO U.S. CLASSIFIED INFORMATION OUTSIDE THE U.S., PUERTO RICO, U.S. POSSESSIONS AND TRUST TERRITORIES		
g. BE AUTHORIZED TO USE THE SERVICES OF DEFENSE TECHNICAL INFORMATION CENTER (DTIC) OR OTHER SECONDARY DISTRIBUTION CENTER		
h. REQUIRE A COMSEC ACCOUNT		
i. HAVE TEMPEST REQUIREMENTS		
j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS		
k. BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE		
l. OTHER (Specify)		

ITEM 12: Place X in the "through" box and enter Commanding Officer, NCCOSC RDTE DIV 003, 53560 Hull Street, San Diego, CA 92152-5001. This information is preprinted on most forms.

12. PUBLIC RELEASE. Any information (classified or unclassified) pertaining to this contract shall not be released for public dissemination except as provided by the Industrial Security Manual or unless it has been approved for public release by appropriate U.S. Government authority. Proposed public releases shall be submitted for approval prior to release.	
<input type="checkbox"/> Direct	<input checked="" type="checkbox"/> Through (Specify):
COMMANDING OFFICER, NCCOSC RDTE DIV 003, 53560 HULL ST, SAN DIEGO, CA 92152-5001	
<small>to the Directorate for Freedom of Information and Security Review, Office of the Assistant Secretary of Defense (Public Affairs)* for review * in the case of non-DoD User Agencies, requests for disclosure shall be submitted to that agency.</small>	

ITEM 13: The specific listing of requested documents must be entered in this block. If the list is extensive, type the phrase "SEE ATTACHED LISTING" and attach the list to the DD Form 254. Also, annotate the final disposition instructions for the classified material under the contract. If you want the material returned, destroyed, or will entertain another request for retention, so state. Add to the bottom of Item 13: "The

Contracting Officer's Representative (COR) for this contract is (fill in the blank),
NCCOSC RDTE DIV Code (fill in the blank) telephone (619) 553- (fill in the
blank).

13. SECURITY GUIDANCE. The security classification guidance needed for this classified effort is identified below. If any difficulty is encountered in applying this guidance or if any other contributing factor indicates a need for changes in this guidance, the contractor is authorized and encouraged to provide recommended changes; to challenge the guidance or the classification assigned to any information or material furnished or generated under this contract; and to submit any questions for interpretation of this guidance to the official identified below. Pending final decision, the information involved shall be handled and protected at the highest level of classification assigned or recommended. (Fill in as appropriate for the classified effort. Attach, or forward under separate correspondence, any documents/guides/extracts referenced herein. Add additional pages as needed to provide complete guidance.)

COPIES OF ALL SUBCONTRACT DD FORM 254'S MUST BE PROVIDED TO THE DISTRIBUTION LISTED IN BLOCK 17.

ITEM 14: Place an X in the NO block. If preprinted on your form, delete phrase "SPECIFIC ON-SITE SECURITY REQUIREMENTS ARE ATTACHED."

14. ADDITIONAL SECURITY REQUIREMENTS. Requirements, in addition to ISM requirements, are established for this contract. (If Yes, identify the pertinent contractual clauses in the contract document itself, or provide an appropriate statement which identifies the additional requirements. Provide a copy of the requirements to the cognizant security office. Use Item 13 if additional space is needed.) Yes No

SPECIFIC ON-SITE SECURITY REQUIREMENTS ARE ATTACHED.

ITEM 15: Place an X in the NO block.

15. INSPECTIONS. Elements of this contract are outside the inspection responsibility of the cognizant security office. (If Yes, explain and identify specific areas or elements carved out and the activity responsible for inspections. Use Item 13 if additional space is needed.) Yes No

ITEM 16: In block 16.a, type the name of the Contracting Officer granting the retention authority. In block 16.b, type the title of that Contracting Officer. In block 16.c, type the telephone number of the individual listed in block 16.a. 16.d will contain the official address for the NRaD personnel granting retention authority. 16.e will contain the signature of the individual listed in block 16.a.

16. CERTIFICATION AND SIGNATURE. Security requirements stated herein are complete and adequate for safeguarding the classified information to be released or generated under this classified effort. All questions shall be referred to the official named below.		
a. TYPED NAME OF CERTIFYING OFFICIAL	b. TITLE	c. TELEPHONE (Include Area Code)
P. A. TALLEY	CONTRACTING OFFICER FOR SECURITY MATTERS	(619) 553-3195
d. ADDRESS (Include Zip Code)		
COMMANDING OFFICER NCCOSC RDTE DIV 0353 53690 HULL ST SAN DIEGO CA 92152-5001		
e. SIGNATURE		

ITEM 17: Annotate the appropriate distribution. The minimum distribution is 17.a, 17.c, 17.e, and 17.f. In 17.e enter the Contracts code administering your contract. In 17.f, type "0353 and the technical code preparing the Final DD Form 254."

17. REQUIRED DISTRIBUTION	
XX	a. CONTRACTOR
	b. SUBCONTRACTOR
XX	c. COGNIZANT SECURITY OFFICE FOR PRIME AND SUBCONTRACTOR
	d. U.S. ACTIVITY RESPONSIBLE FOR OVERSEAS SECURITY ADMINISTRATION
XX	e. ADMINISTRATIVE CONTRACTING OFFICER NRaD CODE
XX	f. OTHERS AS NECESSARY NRaD CODES 0353,

APPENDIX E

CLASSIFICATION GUIDES BASIC POLICY

A classification guide is an instruction that prescribes the appropriate classification designation and declassification guidance for categories of related information. The guide has been approved personally and in writing by the original classification authority who has program or supervisory responsibility over that information. Classification guides are intended to facilitate the proper and uniform derivative classification of information. A classification guide must be prepared for each system, plan, program, or project involving classified information and promulgated as soon as practicable prior to initial funding or implementation of the program.

RETRIEVAL AND ANALYSIS OF NAVY CLASSIFIED INFORMATION (RANKIN)

RANKIN is a computerized program providing standardization, centralized management and promulgation of all Department of the Navy security classification guides. It provides a central storage and retrieval system for classification guidance. After approval by the original classification authority, a guide is forwarded to the RANKIN Program Office, CNO (OP-09N2), and entered into the RANKIN database.

Uniformly formatted classification guides are promulgated by CNO (OP-09N2) in the following major subject categories:

- a. OPNAVINST 5513.1 (series): Department of the Navy Security Classification Guides.
- b. OPNAVINST C5513.2 (series): Air Warfare Programs.
- c. OPNAVINST S5513.3 (series): Surface Warfare Programs.
- d. OPNAVINST S5513.4 (series): General Intelligence, Cover and Deception, Security and Investigative Programs.
- e. OPNAVINST S5513.5 (series): Undersea Warfare Programs.
- f. OPNAVINST S5513.6 (series): Communications and Satellite Programs.
- g. OPNAVINST C5513.7 (series): Mine Warfare Programs.
- h. OPNAVINST S5513.8 (series): Electronic Warfare Programs.
- i. OPNAVINST S5513.9 (series): Nuclear Warfare Programs.
- j. OPNAVINST C5513.10 (series): Advanced Technology and Miscellaneous Programs.
- k. OPNAVINST 5513.11 (series): Marine Corps Ground Combat and Miscellaneous Programs.
- l. OPNAVINST S5513.12 (series): Intelligence Research Projects.
- m. OPNAVINST S5513.13 (series): Non-Acoustic Anti-Submarine Warfare Programs.
- n. OPNAVINST 5513.14 (series): Space Programs.
- o. OPNAVINST C5513.15 (series): Naval Special Warfare (NSW) Programs.

p. OPNAVINST 5513.16 (series): Continued Protection and Systematic Declassification Review and Downgrading.

The OPNAV instruction for each major subject area contains, as enclosures, individual classification guides for programs, projects, plans, or systems related to the overall subject area of the instruction. The RANKIN guide is available for review in the Industrial Security Office, Code 0353. For assistance in obtaining copies of classification guides, contact Code 0353.

APPENDIX F

DEFINITIONS

ACCESS: The ability and opportunity to obtain knowledge of classified information.

AUTOMATED INFORMATION SYSTEM (AIS): All security safeguards needed to provide an acceptable level of protection for AIS and the classified data processed. Includes all hardware or software functions; characteristics; and mechanisms; operational accountability and access control procedures at the computer and remote terminal facilities; and management constraints, physical structures and devices needed to provide an acceptable level of protection for classified information in any state of storage, processing, display or communication within the AIS.

CAGE CODE NUMBER: Commercial and Government Entity Code Number (formerly Federal Supply Code [FSC]). A unique alphanumeric designation assigned to a defense contractor by the Defense Logistics Service Center (DLSC), Battle Creek, Michigan, for identification purposes.

CARVE-OUT: A classified contract issued in connection with an approved Special Access Program in which the Defense Investigative Service (DIS) has been relieved of inspection responsibility in whole or in part.

CLASSIFICATION MANAGEMENT: A discipline which seeks to ensure that official information is classified only when required in the interest of national security, is properly identified, and retains the classification assigned only as long as necessary.

CLASSIFIED CONTRACT: Any contract that requires, or will require, access to classified information by the contractor or his/her employees in the performance of the contract. A contract may be classified even though the contract documents (DD Form 254, Statement of Work [SOW] and Contract Data Requirements List [CDRL]) themselves may not be classified. As used in this Technical Document, unless otherwise specified, the term CONTRACT includes original solicitations (RFPs, IFBs, RFQs, etc.).

CLASSIFIED SUBCONTRACT: As used in this document, the term SUBCONTRACT, unless otherwise specified, includes subcontractor's purchase orders, solicitations, leases, teaming agreements (but not formally established joint ventures), or any other instrument of solicitation or agreement between a company and an actual or potential vendor or supplier which requires, or will require, the vendor or supplier or his/her employees or agents to have access to classified information in the performance thereof. The instrument itself need not be classified. The vendor or supplier or his/her employees or agents may or may not be required to handle or process classified documents or material. The fact that they may require or may have access to classified information is sufficient.

CLASSIFICATION GUIDE: A document setting forth the classification, downgrading and declassification guidance applied to subjects within a specific area of defense activity.

COGNIZANT SECURITY OFFICE (CSO): The office of record of the Defense Investigative Service (DIS), Director of Industrial Security, which has industrial security jurisdiction over the

geographical area in which a cleared facility is located. Currently, eight DIS CSOs may be found in appendix I.

COMMUNICATIONS SECURITY (COMSEC): The protective measures taken to deny unauthorized persons information derived from telecommunications of the U.S. Government relating to national security and to ensure the authenticity of such communications. COMSEC includes:

1. Cryptosecurity, which results from providing technically sound cryptosystems and their proper use.
2. Physical security, which results from physical measures taken to safeguard COMSEC material and information.
3. Transmission security, which results from measures designed to protect transmissions from interception and exploitation by means other than cryptoanalysis.
4. Emission security, which results from measures taken to deny unauthorized persons information of value which might be derived from the interception and analysis of compromising emanations from cryptoequipment and telecommunications systems.

CONTRACT ADMINISTRATOR: An employee authorized to negotiate and enter into contracts with legal entities on behalf of the government.

CONTRACTING OFFICER: Any government official, in accordance with departmental or agency procedures, is currently designated as a contracting officer with the authority to enter into and administer contracts, and to make determinations and findings with respect hereto, or any part of such authority. The term also includes the designated representative of the contracting officer acting within the limits of his or her authority. For the purpose of this document, the term contracting officer refers to the contracting officer at the purchasing office who is identified as the PCO and the contracting officer at a contract administration office who is identified as the ACO.

CONTRACTOR: Any individual, educational, commercial, or other entity that has executed a DD Form 441, Department of Defense Security Agreement, with the DoD for the purpose of performing on a classified contract or other procurement. The term also refers to an individual who manages such an entity.

CONTRACTING OFFICER'S REPRESENTATIVE (COR): An NRaD individual delegated by the PCO for specific contract performance issues.

CRITICAL NUCLEAR WEAPONS DESIGN INFORMATION (CNWDI): TOP SECRET or SECRET Restricted Data revealing the theory of operation or design of the components of a thermonuclear implosion type fission bomb, warhead, demolition munition, or test device. Specifically excluded is information concerning arming, fusing, and firing systems; limited life components; and total contained quantities of fissionable, fusionable, and high explosive material by type. Among these excluded items are the components that personnel set, maintain, operate, test, or replace.

CRYPTO: A marking or designator identifying all COMSEC keying material that is used to protect or authenticate telecommunications carrying national security-related information.

DERIVATIVE CLASSIFICATION: Assignment of classification to information because:

1. The information is in substance the same as, or closely related to, other information with respect to which there is an outstanding proper classification determination, of which the classifier has knowledge, and on which he or she is relying as the basis for classification; or

2. The information is created as a result of, or in connection with, or in response to, other information dealing in substance with the same or closely related subject matter that has been and still is properly classified; or

3. The classification to be applied to the information has been determined by a higher authority and that classification determination is communicated to and acted upon by the classifier.

DISP: The Defense Industrial Security Program is a DoD contractual security service program that provides the basis for NRaD to maintain assurances that classified information released into the hands of industry is being properly protected.

FACILITY: A plant, laboratory, office, college, university, or commercial structure with associated warehouses, storage areas, utilities, and components, which, when related by function and location, form an operating entity. For industrial security purposes the term does not include government installations.

FACILITY (SECURITY) CLEARANCE (FCL): An administrative determination that, from a security viewpoint, a facility is eligible for access to classified information of a certain category and all lower categories. An FCL in and of itself is not evidence that a facility is authorized to store classified material.

FORMERLY RESTRICTED DATA (FRD): Information removed from the Restricted Data category upon determination jointly by the Atomic Energy Commission and Department of Defense that such information relates primarily to the military utilization of atomic weapons and that such information can be adequately safeguarded as classified defense information. Such information is, however, treated the same as Restricted Data for purposes of foreign dissemination.

FSC NUMBER: Federal Supply Code number, see CAGE, above.

GRAPHIC ARTS: Facilities and individuals engaged in performing consultation, service, or the production of any component or end product that contributes to, or results in, the reproduction of classified information. Regardless of the trade name of specialized processes, it includes writing, illustrating, advertising services, copy preparation, all methods of printing, finishing services, duplication, photocopying, and film processing activities.

INFORMATION: Knowledge that can be communicated by any means.

INTELLIGENCE: The product resulting from the collection, evaluation, analysis, integration, and interpretation of all available information, which concerns one or more aspects of foreign nations or areas of foreign operations and is immediately or potentially significant to military planning and operations.

INTELLIGENCE COMMUNITY: United States organizations and activities identified by executive order as making up the community. The following organizations currently comprise the Intelligence Community: Central Intelligence Agency; National Security Agency; Defense Intelligence Agency; special offices within the Department of Defense for the collection of specialized foreign intelligence through reconnaissance programs, the Bureau of Intelligence and Research of the Department of State; the intelligence elements of the military services; Federal Bureau of Investigation, the Departments of Treasury and Energy, and the Drug Enforcement Administration; and staff elements of the Office of Director of Central Intelligence.

MULTIPLE FACILITY ORGANIZATIONS: A legal entity, its headquarters location referred to as the Home Office Facility (HOF), which has at least one additional site, location or division working on classified programs or tasks.

NATO INFORMATION: North Atlantic Treaty Organization (NATO) classified information embraces all classified information—military, political and economic—circulated within and by NATO whether such information originates in the organization itself or is received from member nations or from other international organizations.

NEED TO KNOW: A determination made by the holder of classified information that the prospective recipient, in the interest of national security, has a requirement for access to, knowledge of, or possession of the classified information to perform tasks or services essential to the fulfillment of an official U.S. Government program. Knowledge, possession of, or access to, classified information shall not be afforded to any individual solely by virtue of the individual's office, position, or security clearance.

NRaD: NRaD, under the Department of Defense Industrial Security Regulation, includes the office of the Secretary of Defense, the Defense agencies, the Military Departments and other Federal departments or agencies for whom the Secretary of Defense is authorized to act to assure the safeguarding of classified information in industry.

ORIGINAL CLASSIFICATION: An initial determination that official information requires, in the interest of national security, a specific degree of protection against unauthorized disclosure, coupled with a designation signifying that such a determination has been made.

ORIGINAL CLASSIFICATION AUTHORITY: The authority to make original classification vested specifically and in writing in an official of the Government as the incumbent of an office and in the official specifically and in writing designated to act in the absence of the incumbent.

PRIME CONTRACTOR: A contractor who receives a prime contract from NRaD.

PUBLIC DISCLOSURE: The passing of information/materials to the public, or any member of the public, by any means of communication.

REGRADE: A determination that classified information requires a different degree of protection against unauthorized disclosure than currently provided, together with a change of classification designation that reflects such different degree of protection.

REQUESTOR: An employee who directs a buyer to take action to obtain a contract procurement.

RESTRICTED DATA: All data (information) covering:

1. Design, manufacture, or use of atomic weapons;
2. The production of special nuclear material; or
3. The use of special nuclear material in the production of energy, but not to include data declassified or removed from the Restricted Data category under Section 142 of the Atomic Energy Act.

SECURITY: A protected condition of classified information that prevents unauthorized persons from obtaining information of direct or indirect military value. This condition results from the establishment and maintenance of protective measures which ensure a state of inviolability from hostile acts or influence.

SENSITIVE COMPARTMENTED INFORMATION (SCI): All information and materials bearing special intelligence community controls indicating restricted handling within intelligence collection programs, and their products. These special community controls are formal systems of restricted access established to protect the sensitive aspects of sources and methods and analytical procedures of foreign intelligence programs.

SPECIAL ACCESS PROGRAM (SAP): Any program imposing "need-to-know" or access controls beyond those normally provided for access to CONFIDENTIAL, SECRET or TOP SECRET information. Such a program includes, but is not limited to, special clearance, adjudication, or investigative requirements, special designation of officials authorized to determine "need-to-know," or special lists of persons determined to have a "need-to-know."

SUBCONTRACTOR: A supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor or another subcontractor, who enters into a contract with a prime contractor. For purposes of this document, each subcontractor shall be considered as a prime contractor in relation to its subcontractor.

TECHNICAL REPRESENTATIVE (TR): An NRaD individual delegated by the PCO for specific contract performance issues.

APPENDIX G

GLOSSARY

ACO	Contracting Officer at a Contract Administration Office
ADP	Automatic Data Processing
AIS	Automated Information System
CCI	Controlled Cryptographic Item
CDRL	Contract Data Requirements List
CMS	Communications Security Material System
CNWDI	Critical Nuclear Weapon Design Information
COMSEC	Communications Security
COR	Contracting Officer's Representative
COSM	Contracting Officer for Security Matters
CSO	Cognizant Security Office
DCI	Director of Central Intelligence
DCS	Defense Courier Service
DIS	Defense Investigative Service
DISCO	Defense Industrial Security Clearance Office
DISP	Defense Industrial Security Program
DoD	Department of Defense
DOE	Department of Energy
DON	Department of the Navy
DTIC	Defense Technical Information Center
FBI	Federal Bureau of Investigation
FCL	Facility Clearance
FOUO	For Official Use Only
FRD	Formerly Restricted Data
HOF	Home Office Facility
IC	Intelligence Community
IFB	Invitation for Bid
ISM	Industrial Security Manual
ISR	Industrial Security Regulation
LIMDIS	Limited Dissemination Information
NATO	North Atlantic Treaty Organization
NIC	Naval Intelligence Command
NCIS	Naval Criminal Investigative Service
NSA	National Security Agency

OCA	Original Classification Authority
OPSEC	Operations Security
PCO	Procuring Contracting Officer
RANKIN	Retrieval and Analysis of Navy Classified Information
RD	Restricted Data
RFP	Request for Proposal
RFQ	Request for Quote
SAP	Special Access Program
SCI	Sensitive Compartmented Information
SCIF	Sensitive Compartmented Information Facility
SOW	Statement of Work
SSO	Special Security Officer
TR	Technical Representative

APPENDIX H

LISTING OF DEFENSE INVESTIGATIVE SERVICE COGNIZANT SECURITY OFFICES

Director of Industrial Security
Capital Region
2461 Eisenhower Avenue
Alexandria, VA 22331-1000

Director of Industrial Security
Mid-Atlantic Region
1040 Kings Highway North
Cherry Hill, NJ 08034-1908

Director of Industrial Security
Mid-Western Region
610 South Canal Street
Room 908
Chicago, IL 60607-4577

Director of Industrial Security
New England Region
Barnes Building
495 Summer Street
Boston, MA 02210-2192

Director of Industrial Security
Northwestern Region
Presidio of San Francisco
San Francisco, CA 94129-7700

Director of Industrial Security
Pacific Region
3605 Long Beach Boulevard, Suite 405
Long Beach, CA 90807-4013

Director of Industrial Security
Southeastern Region
2300 Lake Park Drive
Suite 250
Smyrna, GA 30080-7606

Director of Industrial Security
Southwestern Region
106 Decker Court
Irving, TX 75062-2795

APPENDIX I

REFERENCES

OPNAV Instruction 5510.1H, Department of the Navy Information and Personnel Security Program Regulation

Department of Defense 5220.22-M, Industrial Security Manual for Safeguarding Classified Information

National Classification Management Society DD 254 Handbook, 1st Edition, June 1989

OPNAV Instruction 5540.8L, DoD Industrial Security Program

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21a. NAME OF RESPONSIBLE INDIVIDUAL

P. A. Talley

21b. TELEPHONE (include Area Code)

(619) 553-3195

21c. OFFICE SYMBOL

Code 0353