Security through Knowledge

Defense Security Service Academy
(www.dss.mil)
938 Elkridge Landing Road
Linthicum, MD 21090

A Guide for the Preparation of a DD Form 254

Defense Security Service Academy

Foreword

Introduction: The Federal Acquisition Regulation (FAR) requires that a DD Form 254 be incorporated in each classified contract, and the National Industrial Security Operating Manual (NISPOM) (4-103a) requires that a DD 254 be issued by the government with each Invitation for Bid, Request for Proposal, or Request for Quote. The DD Form 254 provides to the contractor (or a subcontractor) the security requirements and the classification guidance that would be necessary to perform on a classified contract.

Purpose: The purpose of this pamphlet is to assist Government Contracting Agency (GCA) personnel and prime contractors in their preparation of a DD Form 254. It contains step by step procedures for the filling out of the form. The instructions in the main body of the pamphlet correspond to the numbered items in the form. The back section of the pamphlet provides additional information related to the requirements for classified contracts, access considerations and terms and definitions.

Item 1. Clearance and Safeguarding.

1a. Facility Clearance Required

Insert the highest level of facility clearance required for the contractor to perform on the contract.

- It is not necessary to cite special categories of classified such as Restricted Data, COMSEC, SCI, etc.
- The contractor must have a valid facility clearance at least as high as the classification indicated. To verify the contractor's facility clearance, contact the DSS Central Verification Activity at (888) 282-7682 or log on to the DSS web site (www.dss.mil) and follow the instructions.

1b. Level of Safeguarding Required

Insert the highest level of safeguarding capability required for the contractor to perform on the contract.

- The classification level should not be higher than shown in Item 1a.
- If the contractor will not need to possess or store classified at the facility, enter "Not Applicable" or "None." (If this is the case, Item 11a. must be marked "Yes.")

ACRONYMS

CAGE	Commercial And Government Entity
CNWDI	Critical Nuclear Weapon Design Information
COMSEC	Communications Security
CSO	Cognizant Security Office
CVA	Central Verification Activity
DCI	Director of Central Intelligence
DCS	Defense Courier Service
DD	Defense Department
DSS	Defense Security Service
DTIC	Defense Technical Information Center
FOUO	For Official Use Only
FRD	Formerly Restricted Data
GCA	Government Contracting Agency
IFB	Invitation for Bid
IR&D	Independent Research and Development
LIMDIS	Limited Distribution
NATO	North Atlantic Treaty Organization
NISPOM	National Industrial Security Program Operating Manual
OISI	Office of Industrial Security International
OPSEC	Operations Security
PSO	Program Security Officer
RD	Restricted Data
RFP	Request For Proposal
RFQ	Request For Quote
SAP	Special Access Program
SCI	Sensitive Compartmented Information
TCAR	TEMPEST Countermeasure Assessment Request

Note: Individual items of the DD 254 are displayed for illustration purposes in accompaniment to the text. They are not intended to represent a cumulative DD 254.

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

Item 2. This Specification is for:

Insert an "X" into the appropriate box. Although information may be entered in more than one box, only one "X" should appear in Item 2.

2a. Prime Contract Number

- Used when a GCA issues guidance to the Prime Contractor. The issuing activity enters the contract number.

2b. Subcontract Number

- Used when there is a Prime/Subcontractor relationship. The contractor issuing the subcontract enters the subcontract number. The prime contract number must also be entered in 2a.
- If Item 11e. is marked "Yes" and the services to be performed do not apply to a specific contract (for example guard services or maintenance), enter the term "Multiple Contracts" in 2a instead of the prime contract number.

2c. Solicitation or other number

- Used for an RFP, RFQ, IFB or other solicitation, regardless of whether or not the bid package will contain classified information. The issuing activity enters the solicitation number and the date by which bids are due.

Subcontractor – A supplier, distributor, vendor or firm that furnishes supplies or services to or for a prime contractor.

TEMPEST - An unclassified short name referring to investigations and studies of compromising emanations. Compromising emanations are unintentional intelligence-bearing signals that, if intercepted and analyzed, will disclose classified information when it is transmitted, received, handled, or otherwise processed by any information processing equipment.

Restricted Data - All data concerning the design, manufacture, or utilization of atomic weapons; the production of special nuclear material; or the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the RD category pursuant to section 142 of the Atomic Energy Act of 1954, as amended.

Revised DD 254 - A Contract Security Classification Specification that is issued by a Government Contracting Activity or a Prime Contractor to change classification guidance and security requirements on a classified contract.

SAP - Special Access Program. Any program that is established to control access, distribution, and to provide protection for particularly sensitive classified information beyond that normally required for TOP SECRET, SECRET OR CONFIDENTIAL information. A special Access Program can be created or continued only as authorized by the Deputy Secretary of Defense pursuant to E.0. 12958.

SCI - Sensitive Compartment Information. All Intelligence information and material that requires special controls for restricted handling within compartmented channels and for which compartmentation is established.

Subcontract - A contract entered into by a contractor to furnish supplies or services for performance of a prime contract or other subcontract.

2. THIS SPECIFICATION IS FOR: (X and complete as applicable)		
X	a. PRIME CONTRACT NUMBER ***DLAB001-98-S-0000***	
	b. SUBCONTRACT NUMBER	
	c. SOLICITATION OR OTHER NUMBER	Due Date (YYMMDD)

2. THIS SPECIFICATION IS FOR: (X and complete as applicable)		
	a. PRIME CONTRACT NUMBER ***DLAB001-98-S-0000***	
X	b. SUBCONTRACT NUMBER ***P00000000***	
	c. SOLICITATION OR OTHER NUMBER	Due Date (YYMMDD)

2. THIS SPECIFICATION IS FOR: (X and complete as applicable)		
	a. PRIME CONTRACT NUMBER	
	b. SUBCONTRACT NUMBER	
X	c. SOLICITATION OR OTHER NUMBER ***J98-7754-A***	Due Date (YYMMDD) ***YYMMDD***

Item 3 This Specification Is:

Insert an “X” into the appropriate box. Although information may be entered in more than one box, only one “X” should appear in Item 3.

3a. Original

Original DD 254s are issued:

- For a solicitation for a classified contract, whether or not the actual bid package contains classified information.
- Upon the award of a classified contract
- Upon the award of a classified subcontract

The date of issuance is entered by the issuing activity.

3b. Revised

- When there is a change to classification guidance, a Revised DD 254 is issued. Give a sequential number to each revision and enter the date of the Revised DD 254.

- Enter the date of the Original DD 254 in 3a.

NATO Information - Information bearing NATO markings, indicating the information is the property of NATO, access to which is limited to representatives of NATO and its member nations unless proper NATO authority has been obtained to release outside of NATO.

OPSEC - Operations Security. A security discipline designed to identify and analyze intelligence indicators which may have a bearing on the security integrity of a classified program.

Original DD 254 - A Contract Security Classification Specification that is issued by a Government Contracting Activity or a Prime Contractor to provide original classification guidance and security requirements on a classified contract. Original DD 254s are issued during the solicitation phase of a contract to provide classification guidance and security requirements to prospective contractors as they formulate their bids. Once the contract is awarded, another Original DD 254 is issued to the contractor who is being awarded the contract.

Prime Contract - A contract let by a GCA to a contractor for a legitimate government purpose.

Prime Contractor - Any contractor who has received a prime contract from a Government Agency. For purposes of subcontracting, a subcontractor shall be considered to be a prime contractor in relation to its subcontractor.

Foreign Government Information - Information that is:
a. Provided to the U.S. by a foreign government or governments, an international organization or government, or any element thereof with the expectation, expressed or implied, that the information, the source of the information, or both, are to be held in confidence; or
b. Produced by the U.S pursuant to, or as a result of, a joint arrangement with a foreign government or governments, an international organization of governments or any element thereof requiring that the information, the arrangement, or both are to be held in confidence.

Formerly Restricted Data - Classified information jointly determined by the DoE and its predecessors and the DoD to be related primarily to the military utilization of atomic weapons and removed by the DoE from the Restricted Data category pursuant to section 142(d) of the Atomic Energy Act of 1954, as amended, and safeguarded as National Security Information, subject to the restrictions on transmission to other countries and regional defense organizations that apply to Restricted Data.

For Official Use Only - Information that has not been given a security classification pursuant to the criteria of an Executive Order, but which may be withheld from public disclosure under the criteria of the Freedom of Information Act, Title 5, U.S.C., Section 552.

3. THIS SPECIFICATION IS: (X and complete as applicable)			
X	a. ORIGINAL (Complete date in all cases)		Date (YYMMDD) ***990601***
	b. REVISED (Supersedes all previous specs)	Revision No.	Date (YYMMDD)
	c. FINAL (Complete Item 5 in all cases)		Date (YYMMDD)

3. THIS SPECIFICATION IS: (X and complete as applicable)			
	a. ORIGINAL (Complete date in all cases)		Date (YYMMDD) ***990601***
X	b. REVISED (Supersedes all previous specs)	Revision No. ***1***	Date (YYMMDD) ***000228***
	c. FINAL (Complete Item 5 in all cases)		Date (YYMMDD)

3c. Final

- When a Prime Contractor or a Subcontractor requests an extension of retention authority and it is approved by the GCA, a Final DD 254 may be issued to reflect this. (See NISPOM Chapter 5, Section 7 for more information on disposition and retention.)
- Enter the date the Final DD 254 is issued. Complete Item 5 as appropriate.
- Enter the date of the Original DD 254 in 3a.

Item 4. Is this a Follow-On Contract?

A Follow-On Contract is a contract that is let to the same contractor or subcontractor for the same item or services as a preceding contract. When this condition exists, mark "Yes" and enter the preceding contract number in the space provided. This item authorizes the contractor or subcontractor to transfer material received or generated under the preceding contract to the new contract. The material transferred should be reflected in Item 13.

Item 5. Is this a Final DD 254?

If this is a FINAL DD 254, mark "YES" and enter the date of the contractor's request for retention and the authorized period of retention in the spaces provided. If this is not for a FINAL, mark "NO."

CNWDI - Critical Nuclear Weapon Design Information. A DoD category of weapon data designating TOP SECRET Restricted Data or SECRET Restricted Data revealing the theory of operation or design of the components of a thermonuclear or implosion-type fission bomb, warhead, demolition munition, or test device.

COMSEC - Communications Security. 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.

Cognizant Security Office – The office or offices delegated by the Head of a CSA to administer industrial security on behalf of the CSA.

Facility Clearance - 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.

Final DD 254 - A Contract Security Classification Specification that is issued by a Government Contracting Activity or a Prime Contractor to provide classification guidance and security requirements to contractors who wish to retain classified information beyond the terms of the contract as authorized by the NISPOM.

Definitions

Classified Contract - Any contract, subcontract, purchase order, lease agreement, service agreement, etc., that requires or will require access to classified information by a contractor or his or her employees in the performance of the contract. (A contract may be classified even though the contract document is not classified.) This term is used throughout the NISPOM because it is the most common situation where a contractor has access to or possession of classified information. However, the requirements prescribed for a “classified contract” also are applicable to all phases of pre-contract activity, including solicitations (bids, quotations, and proposals), pre-contract negotiations, post-contract activity, or other Government Agency program or project which requires access to classified information by the contractor.

Classified Information - Any information that is owned by, produced by or for, or under the control of the U.S. Government, and determined pursuant to Executive Order 12958, or prior orders, to require protection against unauthorized disclosure, and is designated as TOP SECRET, SECRET or CONFIDENTIAL.

Cleared Contractor - Any corporation, company, contractor, consultant, individual or their employees, agents, representatives (actual or potential) who requires or will require access to classified information in the performance of a contract.

3. THIS SPECIFICATION IS: (X and complete as applicable)			
	a. ORIGINAL (Complete date in all cases)		Date (YYMMDD) ***990601***
	b. REVISED (Supersedes all previous specs)	Revision No.	Date (YYMMDD)
X	c. FINAL (Complete Item 5 in all cases)		Date (YYMMDD) ***050201***

4. IS THIS A FOLLOW-ON CONTRACT? ☒ **YES** ☐ **NO** **If Yes, complete the following:**

Classified material received or generated under DNA001-99-C-100 **(Preceding Contract Number) is transferred to this follow-on contract.**

5. IS THIS A FINAL DD FORM 254? ☒ **YES** ☐ **NO** **If Yes, compete the following:**

In response to the contractor's request dated 991231 **, retention of the identified classified material is authorized for the period of** 2 years.

Item 6. Contractor

Used when a GCA issues guidance to a Prime Contractor. Enter information as follows:

6a. Name and address of the contractor
6b. The contractor's CAGE code
6c. The appropriate CSO and address

- (For CSO addresses, see Appendix A of NISPOM or contact your local DSS office for updated information.)

Item 7. Subcontractor

If the DD 254 is for a subcontract, enter information as follows:

7a. Name and address of the subcontractor
7b. The subcontractor's CAGE code
7c. The appropriate CSO and address

- Items 6a, 6b and 6c may be left blank.

Pre-Award Considerations

Before a GCA or Prime Contractor issues a solicitation for a classified contract a determination should be made as to whether or not access to classified will be required during the solicitation process.

<u>If access is not required during the solicitation process:</u>
Prospective contractors do not have to possess facility clearances to bid on the solicitation. Only the successful bidder will be required to have a facility clearance and that will not be necessary until the contract is awarded.

<u>If access *is* required during the solicitation process:</u>
All prospective contractors must possess the appropriate facility clearance and safeguarding capability in order to access the solicitation package.

To determine the current clearance status of all prospective contractors, contact the DSS Central Verification Activity at (888) 282-7682 or log on to the DSS web site (www.dss.mil) and follow the instructions.

If any of the prospective contractors do not have the appropriate facility clearance, contact DSS and furnish, in writing, appropriate information needed to sponsor the clearance. The DSS Operations Center-Columbus (formerly DISCO) routinely issues Interim facility clearances at the SECRET or CONFIDENTIAL levels if the contractor is qualified.

Why do we use a DD 254 in a classified contract?

The Security Agreement (DD 441), executed between the government and all cleared facilities under the NISP, obligates the Government to provide the contractor appropriate classification guidance for the protection of the classified information, furnished to or generated by, the contractor in the performance of a classified contract.

The Government fulfills this obligation by incorporating a “Security Requirements Clause” and a DD 254 in each classified contract. The “clause” identifies the contract as a “classified contract” and the DD 254 provides classification guidance.

The DD 254 is a contractual specification. It is as important as any other specification in a contract. It is the vehicle that provides the contractor with the security classification guidance necessary for the classified information to be received and generated under the contract.

It was developed as a contractual document to capture in one place all of the security requirements for a classified contract. By checking the blocks for the preprinted items on the DD 254, the issuer provides the contractor with a brief summary of the security requirements that apply to the contract.

6. CONTRACTOR (Include Commercial and Government Entity (CAGE) Code)		
a. NAME, ADDRESS, AND ZIP CODE ABC Corp. P.O. Box 12345 Wayne, PA 19087	b. CAGE CODE 21732	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code) DSS Mail Stop 5 Intnat'l Plaza II, #445 Philadelphia, PA 19113

7. SUBCONTRACTOR		
a. NAME, ADDRESS, AND ZIP CODE XYZ Corp. 123 Wilson Ave. Huntsville, AL 35802	b. CAGE CODE 79986	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code) DSS 2300 Lake Park Dr. Suite 250 Smyrna, GA 30080 S

Item 8. Actual Performance

If the work is to be performed at a location other than specified in Item 6a (or 7a, as appropriate), enter information as follows:

8a. Facility name and address
8b. the CAGE code of the facility where the work will be performed.
8c. The appropriate CSO and address

- If the place of performance is the same as 6a (or 7a), either enter the facility's name or enter "Same as Item 6a (or 7a) in block 8a.
- If there are more places of performance, identify them in Item 13. Include the facility name, address and CAGE code and send a copy of the DD 254 to the appropriate CSO(s).
- Performance of a contract on government facilities should be explained in Item 13.

Item 9. General Identification of This Procurement

Enter a short, concise, and unclassified description of the procurement action. The action could be research, development, production, study, services, etc.

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)
d. ADDRESS (Include Zip Code)		
e. SIGNATURE		

Item 16. Certification and Signature

Enter the name, title, telephone number, address and signature of a designated official certifying that the security requirements are complete and adequate for performance of the classified contract.

- The individual signing the DD 254 should ensure it has been adequately staffed among the appropriate contracting, program and security personnel.

17. REQUIRED DISTRIBUTION	
	a. CONTRACTOR
	b. SUBCONTRACTOR
	c. COGNIZANT SECURITY OFFICE FOR PRIME AND SUBCONTRACTOR
	d. US ACTIVITY RESPONSIBLE FOR OVERSEAS SECURITY ADMININSTRATION
	e. ADMINISTRATIVE CONTRACTING OFFICER
	f. OTHERS AS NECESSARY

Item 17. Required Distribution

Distribute copies of the DD 254, as appropriate, and indicate the distribution in the respective blocks. Additional copies can be distributed internally to your visit control office, contracts department, department heads, etc.

8. ACTUAL PERFORMANCE		
a. NAME, ADDRESS, AND ZIP CODE HiTech Inc. 444 Main St. Richmond, VA 23233	b. CAGE CODE 3L069	c. COGNIZANT SECURITY OFFICE (Name, Address, and Zip Code) DSS Pembroke Five Suite 525 Virginia Beach, VA 23462

Note: If inspections will be conducted by an organization other than the CSO, complete Item 15. Inspections by an agency other than the CSO does not change the CSO designation and does not relieve the contracting activity from the responsibility of providing a copy of the DD 254 to the CSO.

9. GENERAL IDENTIFICATION OF THIS PROCUREMENT
Research and Development of Countermeasures Against Grayhawk Missile.

Item 10. This Contract Will Require Access To:

Mark all items "YES" or "NO," as appropriate to the requirements of the contract. (Coordinate with the appropriate program and other security offices to ensure the proper types of access are imposed on the contractor or subcontractor.) An explanation of each item follows.

10.a. Communications Security Information

COMSEC information includes accountable or non-accountable COMSEC information and controlled cryptographic items (CCI).

- If accountable COMSEC material is involved, the contractor must have a COMSEC account and item 11h must be marked "YES."
- Prior approval from the GCA is required in order for a Prime Contractor to grant COMSEC access to a subcontractor. The Prime Contractor should also notify the NSA Central Office of Record (COR) before negotiating or awarding subcontracts.

15. INSPECTIONS. Elements of this contract are outside the inspection responsibility of the cognizant security office. (If Yes, explain and identify specific areas of elements carved out and the activity responsible for inspections. Use Item 13 if additional space is needed.)

☐ Yes ☐ No

Item 15. Inspections

Mark "YES" if the CSO is relieved, in whole or in part, of the responsibility to conduct security reviews and provide security oversight to the contractor. Information should be provided regarding the specific areas from which the CSO is excluded and the agency that will assume the responsibility.

The CSO is relieved of the responsibility to inspect:

- SCI material. When access to SCI is required (Item 10.e.(l)), the following statement must be added: "(Enter appropriate Agency/Military Department Senior Intelligence Officer) has exclusive security responsibility for SCI classified material released or developed under this contract and held within the contractor's SCIF."
- Special Access Programs where the Program Security Office has "carved out" the CSO from inspection responsibility. Not all SAPs are "carve outs" because in some instances the Program Security Office will allow the CSO to retain inspection responsibility.
- Contractor facilities operating on military installations when the installation commander has elected to retain security cognizance.

In all cases, provide the CSO a copy of the DD 254.

10. THIS CONTRACT WILL REQUIRE ACCESS TO:	YES	NO
a. COMMUNICATIONS SECURITY (COMSEC) INFORMATION	X	
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)		

10.b. Restricted Data

Mark “YES” if access to RESTRICTED DATA information is required under the contract.

- 10b must be marked “YES” if item 10c is marked “YES.”

10.c. Critical Nuclear Weapon Design Information

Mark “YES” if access to CNWDI is required under the contract.

- GCA approval is required prior to granting CNWDI access to a subcontractor.

10.d. Formerly Restricted Data

Mark “YES” if access to FORMERLY RESTRICTED DATA is required.

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

Item 14. Additional Security Requirements

Complete this item whenever security requirements are imposed on a contractor that are in addition to the requirements of the NISPOM or its supplements.

Additional requirements translate into additional costs so it is essential that you coordinate with program and other security offices to ensure you are imposing appropriate requirements on the contractor.

- A “Yes” in this item requires the GCA or prime contractor to incorporate the additional requirements in the contract itself or to incorporate the additional requirements by statements or reference in Item 13.

- Costs incurred due to additional security requirements are subject to negotiation between the contractor and the GCA.

- Prior approval of the GCA is required before a prime contractor can impose additional security requirements on a subcontractor.

- A copy of the DD 254 containing the additional security requirements should be provided to the CSO.

10. THIS CONTRACT WILL REQUIRE ACCESS TO:	YES	NO
a. COMMUNICATIONS SECURITY (COMSEC) INFORMATION		
b. RESTRICTED DATA	X	
c. CRITICAL NUCLEAR WEAPON DESIGN INFORMATION	X	
d. FORMERLY RESTRICTED DATA	X	
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)		

10.e. Intelligence Information

The Director of Central Intelligence (DCI) has jurisdiction and control of intelligence information. If intelligence information must be accessed, the GCA is responsible for ensuring that the additional security requirements outlined in various DCI Directives are incorporated in the guidance provided to the contractor. (The CSO does not conduct security reviews for SCI but is still responsible for security reviews involving NON-SCI in the possession of a contractor or subcontractor.)

If access to SCI is required:

- Mark 10e(1) “YES.”
- Mark Items 14 and 15 “YES.”

If access to non-SCI is required:

- Mark 10e(2) “YES.”
- Mark Item 14 “YES”
- Mark Item 15 “NO.”

If access to SCI and non-SCI is required:

- Mark 10e(1) and 10e(2) “YES.”
- Mark Item 14 “YES.”
- Mark Item 15 as appropriate

Prior approval of the GCA is required before a subcontract involving access to Intelligence Information can be issued.

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.)

Factors to consider when completing Item 13 include:

Each contract is unique in its performance requirements. A standardized format may not necessarily be the best for every DD 254.

Give reasons for classification.

Write the guidance in plain English so it can be easily understood. Use additional pages to expand or explain guidance.

Be as specific as possible and include only that information that pertains to the contract for which it is issued.

Avoid references to internal directives and instructions. If such documents provide guidance applicable to the contract, extract the pertinent portions and provide them as attachments. All documents cited in Item 13 should be provided to the contractor, either as attachments or forwarded under separate cover.

Do not extract the requirements of the NISPOM or its supplements and include them in a DD 254. The NISPOM provides safeguarding requirements and procedures for classified information, not classification guidance.

Encourage participation by the contractor in the preparation of the guidance and submission of comments and/or recommendations for changes in the guidance that has been provided.

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)	X	
(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)		

10.f. Special Access Information

Special Access Programs (SAPs) impose requirements on the contractor that exceed the NISPOM. When SAP information is involved, the Program Security Office of the GCA is responsible for providing the contractor with the additional security requirements needed to ensure adequate protection of the information. The additional requirements would be included in the contract document itself or Item 13 or both.

If SAP requirements are imposed on the contractor:

Mark 10f “YES.”
Mark Item 14 “YES.”
Complete Item 15 as appropriate. (Some SAPs qualify as carve-outs, but not all SAPs are carve-outs.)

If a SAP subcontract is awarded, it is the prime contractor’s responsibility to incorporate the additional security requirements in the subcontract. Authority for access must be obtained from the Program Security Office of the GCA.

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 highe st 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.)

- What information makes the hardware classified?
- Will hardware being generated require classification? At what stage in its production does it become classified?

These are some of the questions that should be asked when preparing guidance for a contractor. Put yourself in their place, do you understand the guidance? Will they?

Be sure to:

- identify the specific information to be classified
- provide appropriate downgrading or declassification instructions, and
- provide any special instructions, explanations, comments or statements necessary to clarify other items identified in the DD 254.

Item 13. Security Guidance

Use this block to expand or explain information referenced other sections of the DD 254. When completing Item 13 consider these questions:

- What classified information will the contractor need in the performance of this contract?
- Is there an existing Security Classification Guide for the Program?
- If subcontracting, is the guidance in the Prime Contract DD 254 adequate? Does the entire Prime Contract DD 254 apply to the subcontract or do you only need to provide applicable portions?
- Will classified source documents be used? If so, do they contain all the guidance the contractor needs?
- What will the contractor's actual performance be? (e.g., R&D, Test, Production, Study, etc.?)
- What unique characteristics are involved that need protection? Are there design features which require protection? Is there technical information which will require protection?
- What breakthroughs would be significant if achieved in an R&D effort?
- Are there performance limitations that require protection?
- Will classified hardware be furnished to or generated by the contractor?

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	X	
g. NATO INFORMATION		
h. FOREIGN GOVERNMENT INFORMATION		
i. LIMITED DISSEMINATION INFORMATION		
j. FOR OFFICIAL USE ONLY INFORMATION		
k. OTHER (Specify)		

10.g. NATO Information

Mark “YES” if the contract requires access to information or documents belonging to the NATO.

The Prime contractor must receive approval from the GCA to grant NATO access to a subcontractor.

10.h. Foreign Government Information

This item includes any foreign government information except NATO. Mark “YES” if applicable.

The Prime contractor must receive approval from the GCA to grant access to a subcontractor.

10.i. Limited Dissemination Information (LIMDIS)

This is no longer a valid program and you should not have any new documents or contracts reflecting this caveat. Until the DD 254 is revised, this block should be marked “NO.”

10.j. For Official Use Only Information

This item may be applicable on some classified contracts. When this item is marked “YES,” the GCA is responsible for providing the contractor with the safeguards necessary for the protection of the information. The NISPOM does not provide guidance concerning FOUO so the GCA must provide guidance on protection procedures in Item 13.

10.k. Other

Use this item for any other information not included in 10a through 10j. Specify the type of information and include any additional remarks in Item 13.

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	X	
l. OTHER (Specify) See Item 13	X	

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):

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.

11.k Be authorized to use the Defense Courier Service (DCS)

A "YES" in this block authorizes the contractor to use the services of DCS. The GCA must obtain written approval 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. The GCA is responsible for complying with DCS policy and procedures. Prior approval of GCA is required before a Prime Contractor can authorize a subcontractor to use the services of DCS.

11.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.

Item 12. Public Release

The contractor is responsible for obtaining the approval of the contracting activity prior to release of any information received or generated under the contract, except for certain types of information authorized by the NISPOM.

GCAs should complete this item as required by internal agency directives to direct the Prime Contractor to the appropriate office in the GCA that has public release authority. Prime Contractors should refer their subcontractors to the GCA office that was referenced in the Prime Contract DD 254.

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	X	
h. FOREIGN GOVERNMENT INFORMATION	X	
i. LIMITED DISSEMINATION INFORMATION		X
j. FOR OFFICIAL USE ONLY INFORMATION	X	
k. OTHER (Specify) *See Item 13*	X	

Item 11. In Performing This Contract, the Contractor Will:

Mark all items "YES" or "NO" according to the requirements of the contract. (Coordinate with program and other security offices to ensure the appropriate controls are imposed on the contractor or subcontractor.) An explanation of each item follows.

11.a. Have access to classified information only at another contractor's facility or at a government activity.

"ONLY" is the key word. Mark "YES" when access or storage of classified information is not required at the contractor's facility.

If marked "YES,":

- Item 1b should be marked "N/A" or "None."
- The following annotation may be added in Item 13: "Contract performance is restricted to (enter name and address of contractor facility (cage code), or Government Activity)."

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	X	
j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS	X	
k. BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE		
l. OTHER (Specify)		

11.i. Have TEMPEST Requirements.

Mark "YES" if the contractor is required to impose TEMPEST countermeasures on information processing equipment after vulnerability assessments are completed.

TEMPEST requirements are additional to the requirements of the NISPOM. Thus, Prime Contractors may not impose TEMPEST requirements on their subcontractors without GCA approval.

- If marked "YES," Item 14 must also be marked "YES" and pertinent contract clauses identified or added to Item 13.
- If requested by the GCA, TEMPEST Countermeasure Assessment Requests may be included as an attachment to the DD 254.

11.j. Have Operations Security (OPSEC) Requirements.

Mark "YES" if the contractor must impose certain countermeasures directed to protect intelligence indicators.

OPSEC requirements are additional to the requirements of the NISPOM. Thus, contractors may not impose OPSEC requirements on their subcontractors unless the GCA approves the OPSEC requirements.

- If marked "YES," Item 14 must also be marked "YES" and pertinent contract clauses identified or added to Item 13.

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	*X*	
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)		

11.b. Receive classified documents only.

"ONLY" is the key word. Mark "YES" when the contractor will receive classified documents (instead of classification guides) in order to perform on the contract but is not expected to generate classified information. The classification markings shown on the documents received will provide the classification guidance necessary.

- Although the contractor is not expected to generate classified information in this scenario, sometimes a change in circumstances causes a situation where the contractor needs to generate some classified materials. In order to afford flexibility for such situations, the following annotation may be added in Item 13: "Any classified information generated in the performance of this contract shall be classified according to the markings shown on the source material."

If the volume or configuration of the documents is such that specialized storage requirements are necessary, contact the CSO to verify storage capacity at the contracting facility.

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	X	
h. REQUIRE A COMSEC ACCOUNT	X	
i. HAVE TEMPEST REQUIREMENTS		
j. HAVE OPERATIONS SECURITY (OPSEC) REQUIREMENTS		
k. BE AUTHORIZED TO USE THE DEFENSE COURIER SERVICE		
l. OTHER (Specify)		

11.g. Be authorized to use the services of the Defense Technical Information Center (DTIC) or other secondary distribution center.

Mark "YES" if the contractor is to be authorized use of DTIC services. DD Form 1540 and DD Form 2345 must be completed for registration with DTIC.

- The sponsoring GCA submits the DD Form 1540 "Registration for Scientific and Technical Information Services" to DTIC on behalf of the contractor. For subcontractors, the prime contractor submits the DD 1540 with the GCA verifying need to know.
- The contractor may also submit DD Form 2345 "Militarily Critical Technical Data Agreement" (after registration with DTIC) to the Defense Logistics Services Center for access to unclassified, militarily critical technical data from other DoD sources. The GCA must certify the need-to-know to DTIC.
- See NISPOM Chapter 11, Section 2 for more information.

11.h. Require a COMSEC account.

Mark this item "YES" if accountable COMSEC information must be accessed in the performance of the contract. If non-accountable COMSEC information is involved, mark this item "NO."

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	X	
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)		

11.c. Receive and generate classified information.

Mark "YES" when the contractor is expected to receive and generate classified material (documents and/or hardware) and will require detailed security classification guidance in order to perform on the contract.

If this item is marked "YES," detailed security classification guidance must be provided. The guidance may be:

- Included in Item 13, and/or
- Attached to the DD 254, and/or
- Forwarded under separate cover, and/or
- Included in the contract document itself.

If the volume or configuration of the documents is such that specialized storage requirements are necessary, contact the CSO to verify storage capacity at the contracting facility.

Appropriate statements may be included in Item 13 to direct the contractor to the guidance for the contract.

11.d. Fabricate, modify, or store classified hardware.

Mark "YES" if the contractor is expected to generate or utilize hardware containing classified.

Include as much information as possible (additional information can be added in Item 13) to describe the nature and extent of the storage that will be required.

- Will Restricted or Closed Areas will be required?
- How much hardware is involved? How Large?

If more than 2 cubic feet of storage is required, contact the CSO to verify storage capacity at the contracting facility.

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	*X*	
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)		

11.f. Have access to U.S. classified information outside the U.S., Puerto Rico, U.S. Possessions and Trust Territories.

If "YES," indicate in Item 13 the U.S. activity where the overseas performance will occur. Also list the city and country. Item 14 may also be marked "YES" and completed as appropriate depending upon the programs involved. Because security reviews will have to be conducted by an organization other than the CSO, Item 15 should also be completed as appropriate.

- For DoD contractors performing on overseas contracts, provide a copy of the DD 254 to the appropriate DSS Office of Industrial Security, International. (See NISPOM Appendix A or contact DSS.)

- See NISPOM paragraph 10-204 for suggested "Security Clauses for International Contracts" for classified contracts involving foreign contractors.

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	X	
d. FABRICATE, MODIFY, OR STORE CLASSIFIED HARDWARE	X	
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)		

11.e. Perform services only.

Mark "YES" if the contractor is performing a service only and is not expected to produce a deliverable item.

You should enter a statement in Item 13 that explains the services and that provides appropriate security guidance. Some examples are provided below.

Graphic Arts Services

"Reproduction services only. Classification markings on the material to be furnished will provide the classification guidance necessary for performance of this contract."

Engineering Services

"Contract is for engineering services. Classification markings on the material to be furnished will provide the classification guidance necessary for the performance of this contract."

Equipment Maintenance Services

"Contract is for equipment maintenance services on equipment which 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 the contractor."

Guard Services

"Contract is for guard services. Cleared personnel are required by the NISPOM to provide supplemental protection."

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	*X*	
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)		