



Emerging Issues: Vetting Subcontractors and Suppliers

November 16 | 1:00 – 2:00 pm

Presented by:

Marc Violante, WPI



Webinar Etiquette

PLEASE

§ Log into the GoToWebinar session with the name that you registered with online

§ Place your phone or computer on MUTE

§ Use the QUESTIONS option to ask your question(s).

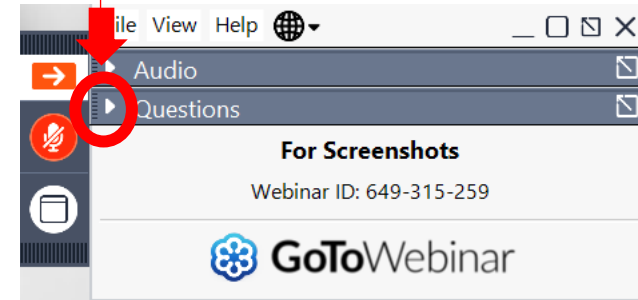
§ We will share the questions with our guest speaker who will respond to the group

THANK YOU!



OPENING THE QUESTIONS BOX

Click here to access
within the Control Panel



USING THE QUESTIONS BOX

Type questions
here at any time
during a
presentation



Click Send when ready to submit a question



Assisting Wisconsin businesses compete in the government marketplace.

WPI is Wisconsin's APEX ACCELERATOR

The APEX Accelerators program, under management of the Department of Defense (DOD) Office of Small Business Programs (OSBP), plays a critical role in the Department's efforts to identify and engage with a wide range of businesses entering and participating in the defense supply-chain. The program provides the education and training that all businesses need to participate to become capable of participating in DOD and other government contracts.

WPI provides services to all of Wisconsin's 72 counties

- Individual counseling at our offices, client's facility or virtually
- Small group training – webinars and workshops
- Conferences including one on one buyer meetings – Marketplace, The Contracting Academy, Small Business Academy, Wisconsin Federal Contractor Forum, Acquisition Hour, Cyber Fridays, DOD Roadmap series, Government Opportunities Business Conference, End of Year Federal Contractor Update, Annual DOD Contract Management Update, Evening FAR sessions and more.....

www.wispro.org

November 16, 2023

WPI OFFICE LOCATIONS

§ MILWAUKEE

§ *Technology Innovation Center*

§ MADISON

§ *FEED Kitchens*

§ *Dane County Latino Chamber of Commerce*

§ *Wisconsin Manufacturing Extension Partnership (WMEP)*

§ *Madison Area Technical College (MATC)*

§ ASHLAND

§ *Ashland Area Development Corporation*

§ CAMP DOUGLAS

§ *Juneau County Economic Development Corporation (JCEDC)*

§ EAU CLAIRE

§ *Western Dairyland*

§ FOND DU LAC

§ *Envision Greater Fond du Lac*

§ GREEN BAY

§ *NWTC Startup Hub*

§ LACROSSE

§ *Veterans in Professions*

§ MANITOWOC

§ *Progress Lakeshore*

§ OSHKOSH

§ *Greater Oshkosh
Economic Development Corporation*

§ RHINELANDER

§ *Nicolet Area Technical College*

§ SUPERIOR

§ *Small Business Dev Center;
UW Superior*



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FEBRUARY 1 - ACQUISITION HOUR: PREPARING A WINNING GOVERNMENT PROPOSAL



UPCOMING EVENTS

- JAN 1:00 pm - 2:00 pm
11 Acquisition Hour: Overview of the Federal Acquisition Regulations (FAR)
- JAN 11:00 am - 12:00 pm
19 Sales Opportunities Local Government Agencies – In Person (Madison, WI)
- JAN 3:00 pm - 4:30 pm
19 Meet and Greet with Construction Managers / General Contractors for upcoming Racine Unified School District (RUSD) Projects
- JAN All day
24 Wisconsin Federal Contractor Forum (by invitation)
- JAN 7:30 am - 6:00 pm
25 15th Annual End of Year Federal Contractor Update – (Oshkosh, WI) In-Person

Vetting Subcontractors and Suppliers

Marc N. Violante

Wisconsin Procurement Institute

November 16, 2023

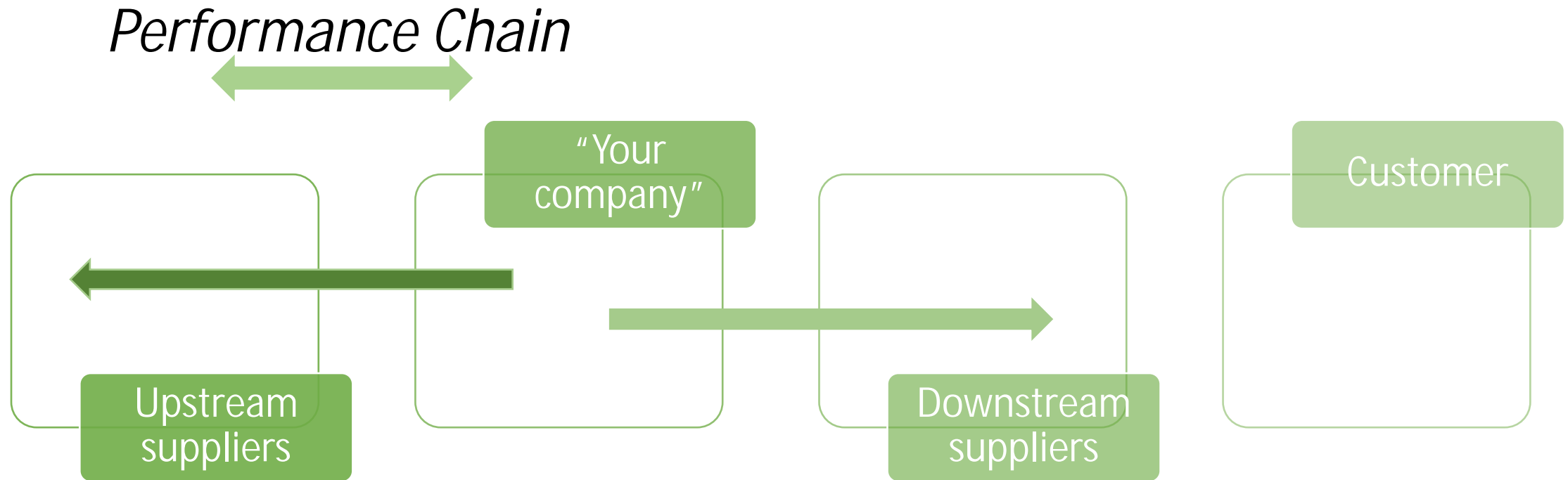
Overview

- **Do you know who you are doing business with?** This is a critical step related to compliance for all contractors. This session will provide ideas as to – what topics should be discussed, what documents should be created and retained and how frequently should there be updates. This webinar will also address another important question of knowing from where parts originate and do they qualify under the contract.

Determine – “who are you doing business with?”

- Current security philosophy/posture – Basic (required) or better* (enhanced)
- Designation of Company Information Security Officer or equivalent
- Ownership, Control, Foreign Investors
- Keeping current
- References use – maintained
- Determination of Governmental Purpose
- Minimizing access
- Handling of Export-Controlled information
- Awareness and Management of CTI
- Understanding of requirements – details
- Storage capability
- Ability to decontrol – destroy various information types (disposition)
- Publication requirements/procedures

Key Idea – Supply Chain – Not company



How do you onboard a subcontractor – a supplier?

• SAM

• JCP

• ITAR

• DoD Basic Assessment

• GIDEP

• What else

Is the compliance

- Mechanical
- Checkmark
- Spirit and Intent

Does it matter?

How do you differentiate?

What are sources of requirements?



Company



Investors



Insurance



Solicitations



Contracts



Regulations



Law

Confirm Details – DLA CAGE email

- POINT OF CONTACT (POC) VERIFICATION

- **Is XXXXXXXXXXXX an owner, officer, employee or partner of the company/organization?** We do NOT accept a Government Business POC listed as the company name, department, division or any federal agency contracting official.
- Please confirm that the email provided, XXXXXXX@hotmail.com, **is a valid email related to the business** operations of the entity registering and listed specifically to the individual listed as the POC. This should NOT be a generic group email. ***NOTE*** If an email address is found not to be following the domain format listed on the company's website, then DLA CAGE reserves the right to question the validity of the contact information and return the SAM registration without further processing. Private email domains, such as Gmail, Yahoo, Yandex, Protonmail etc are not recommended to be used if your company has its own domain.
- **Please confirm that xxx-xxx-xxxx is a valid number related to the business operations of the entity registering** and reaches specifically the individual listed as the POC. This should NOT be a generic sales/marketing number without at least listing the phone extension to the individual listed. ***NOTE*** If DLA CAGE calls the phone number listed and finds that it is disconnected or invalid, we reserve the right to not process the SAM registration. If the phone number is listed to someone other than the POC listed, then DLA CAGE reserves the right to question the validity of the contact information and return the SAM registration without further processing.

Selected text from DLA email to a business

DLA EXPORT CONTROL TECHNICAL DATA MANAGEMENT QUESTIONNAIRE

- (5) Please provide the physical address of the personal computer or server where the export-controlled data will be stored.
- Also, please provide the Media Access Control (MAC) address of the personal computer or server.
- For American firms, the personal computer or server must be physically located in the United States. Individuals with access to the designated personal computer or server must be United States citizens or lawful permanent residents of the United States. For Canadian firms, the personal computer or server must be physically located in Canada. Individuals with access to the designated personal computer or server must be Canadian citizens or lawful permanent residents of Canada.

Mock-ups / Scrap / Models / etc

§ 120.31 Defense article.

- (a) *Defense article* means any item or technical data designated in § 121.1 of this subchapter and includes:
 - (1) Technical data recorded or stored in any physical form, models, mockups or other items that reveal technical data directly relating to items designated in § 121.1 of this subchapter; and
 - (2) Forgings, castings, and other unfinished products, such as extrusions and machined bodies, that have reached a stage in manufacturing where they are clearly identifiable by mechanical properties, material composition, geometry, or function as defense articles.
- (b) It does not include basic marketing information on function or purpose or general system descriptions.
- (c) The policy described in § 120.3 is applicable to designations of additional items.

Importance of definitions & differences

§ 120.61 Person.

Person means a natural person as well as a corporation, business association, partnership, society, trust, or any other entity, organization or group, including governmental entities. If a provision in this subchapter does not refer exclusively to a foreign person or U.S. person, then it refers to both.

ITAR Definitions; DDTTC

Person. A natural person, including a citizen or national of the United States or of any foreign country; any firm; any government, government agency, government department, or government commission; any labor union; any fraternal or social organization; and any other association or organization whether or not organized for profit. This definition does not apply to part 760 of the EAR (Restrictive Trade Practices or Boycotts). EAR Definitions – October 18, 2023

Develop a Risk Profile

- Review of company web site
- Review of appropriate lists/registrations/inputs
- Review of select policies
- Performance metrics – quality / on-time
- Leadership involvement
- Responsiveness
- Training documentation
- Turn-over key positions
- Information type
 - JCP | ITAR | CUI | Other

Assess corporate culture & philosophy

- Leadership – engaged, interested
- Memberships – ISAC, other industry group
- Efforts mechanical?
- Assess strengths – weaknesses
- Internal business communications
- Logging, logs, analysis, investigation, internal reporting

Evaluation - strategies

- Who will conduct?
- Consistency
- Questionnaire
- Site Visit
- Interviews
- Attend training
- Evaluate – assess the next tier
- As an alternative
 - Ask about their supply chain
 - How do they identify subcontractors/suppliers?
 - How do they vet these companies?

Determine scope and applicable criteria

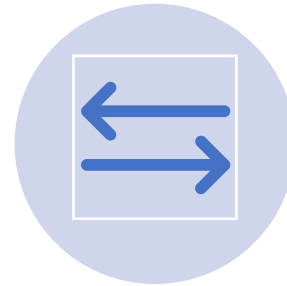
- Does one size fit all?
- The goal should be to limit data shared to the minimum
- The recipient should endeavor to minimize the “spread” of the data once received
- Data (information) should not be shared on “the hope of safeguarding”
- Determine if the data will need to be shared downstream.
- Understand the subcontractor’s data sharing policies and philosophies

First questions

What is required? – contract | data | program



Who are you considering doing business with?

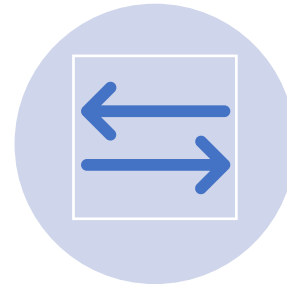


For the current transaction, should you be?

First two questions



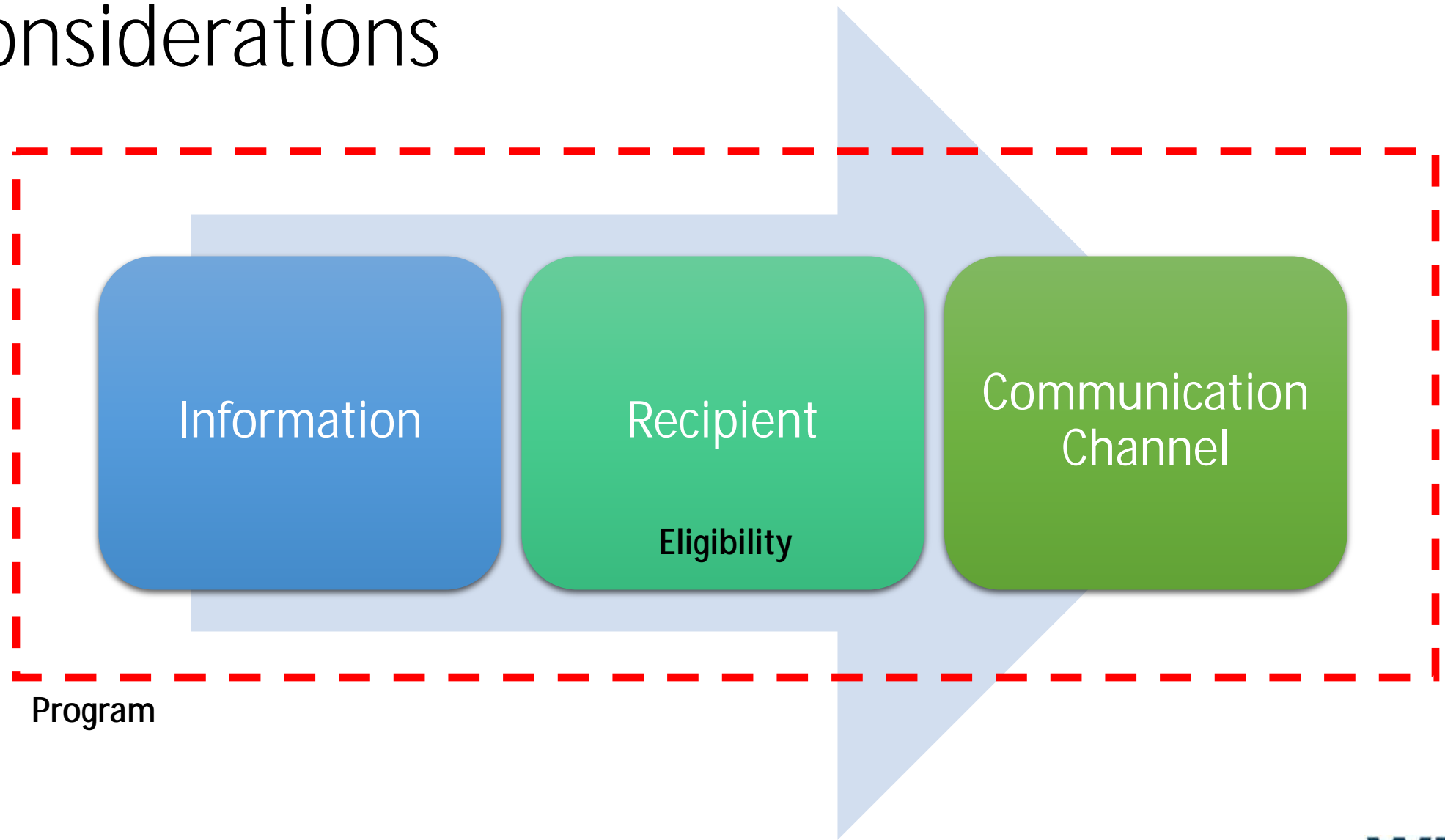
Who are you doing
business with?



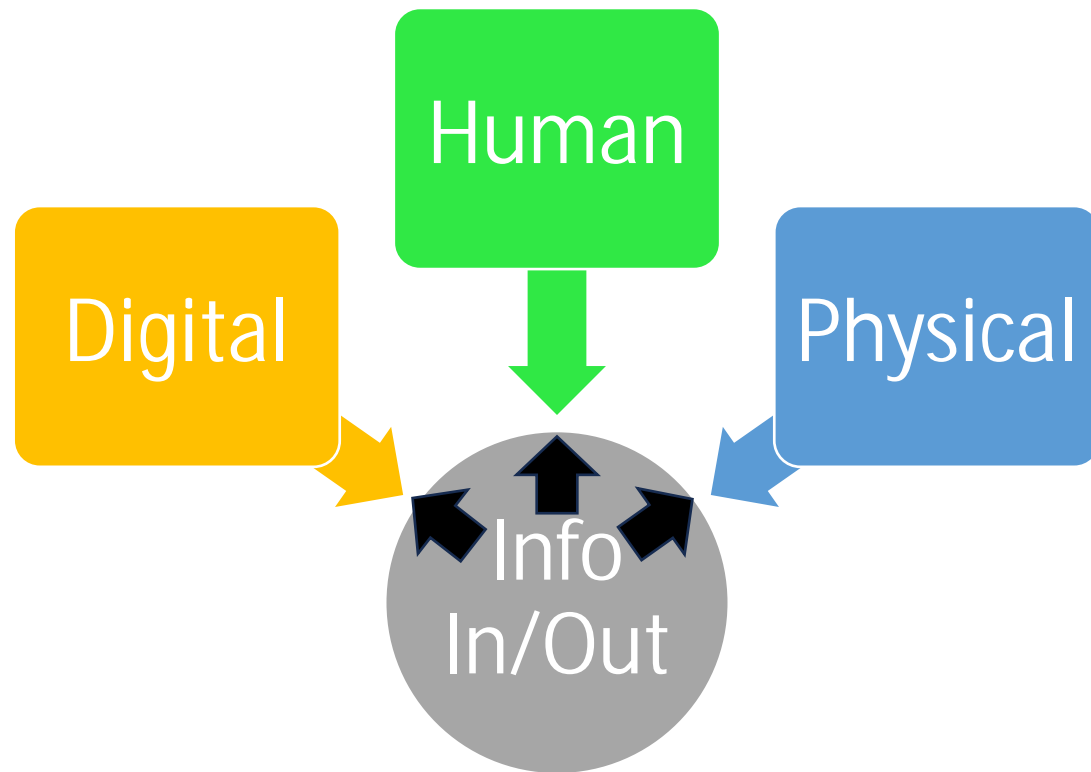
For the current
transaction, should you
be?

***You have to know the answer to the first question before
you can answer the second.***

Considerations




Information Flows / Channel / Sharing



- What pathways are used?
- Who uses or shared with?
- How is it protected?
- Where is it stored?
- How is it tracked?
- How is dissemination tracked?
- How is the process audited?
- How is information destroyed?

DFARS 252.204 -7000


204.404-70 Additional contract clauses. - Requirement

(a) Use the clause at [252.204-7000](#) , Disclosure of Information, in solicitations and contracts when the contractor will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public. 

(b) Use the clause at [252.204-7003](#) , Control of Government Personnel Work Product, in all solicitations and contracts.


As prescribed in [204.404-70](#) (a), use the following clause:

DISCLOSURE OF INFORMATION (OCT 2016) - Clause

 (a) The Contractor shall not release to anyone outside the Contractor's organization any unclassified information, regardless of medium (e.g., film, tape, document), pertaining to any part of this contract or any program related to this contract, unless—

(1) The Contracting Officer has given prior written approval;

(2) The information is otherwise in the public domain before the date of release; or

(3) The information results from or arises during the performance of a project that involves no covered defense information (as defined in the clause at DFARS [252.204-7012](#)) and has been scoped and negotiated by the contracting activity with the contractor and research performer and determined in writing by the contracting officer to be fundamental research 

Example Response to 252.204-7000 request

From: Jones, Joanna M DLA CIV AVIATION <joanna.jones@dla.mil>
To: [REDACTED]
CC: DCMA Chicago (Patricia.Scott@dcma.mil) <Patricia.Scott@dcma.mil>, Jones, Joanna M DLA CIV AVIATION <joanna.jones@dla.mil>, Collier, Kimberley J DLA CIV AVIATION <Kimberley.Collier@dla.mil>

All,

Regarding the subject request, permission is granted to allow your sub to have a copy of the drawings. Rev A, and MIS-20007, Rev AD, are marked with Distribution Statement D; therefore, the contractor must make sure that [REDACTED] [REDACTED] holds the proper requirements or clearance to access this level of government drawing. If so, [REDACTED] LLC may provide the drawings to them. Thank you!



Joanna Jones
DLA Missiles Contracting Officer

Eligibility



eligibility

US  /,el.ə.dʒə'bil.ə.ti/ UK  /,el.i.dʒə'bil.ə.ti/

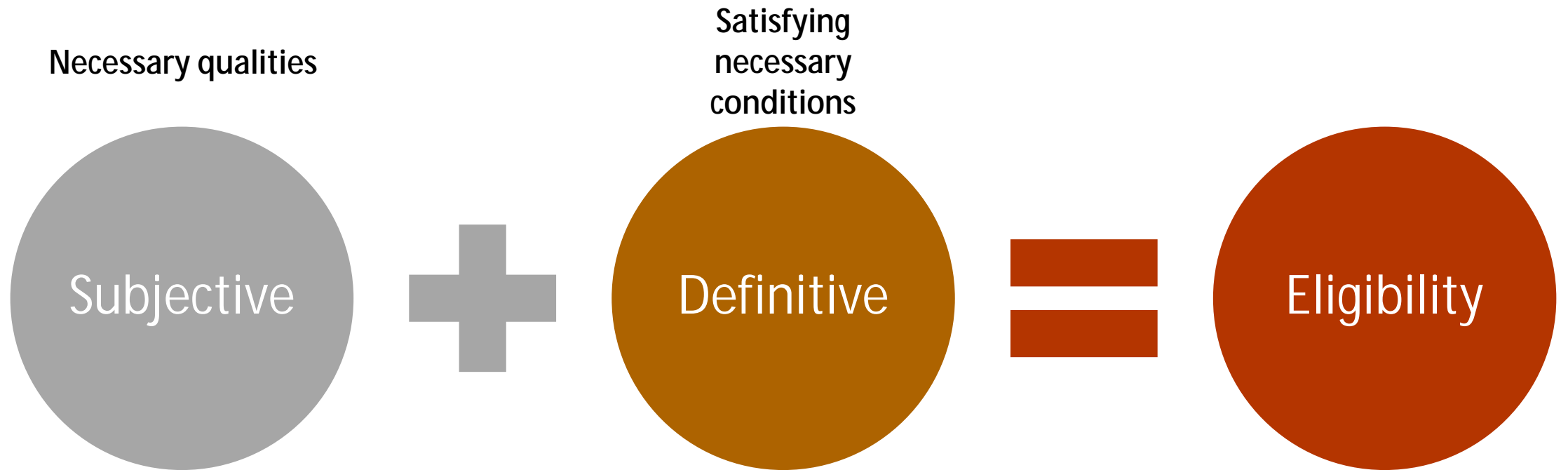
Add to word list 

the fact of having the necessary qualities or satisfying the necessary conditions:

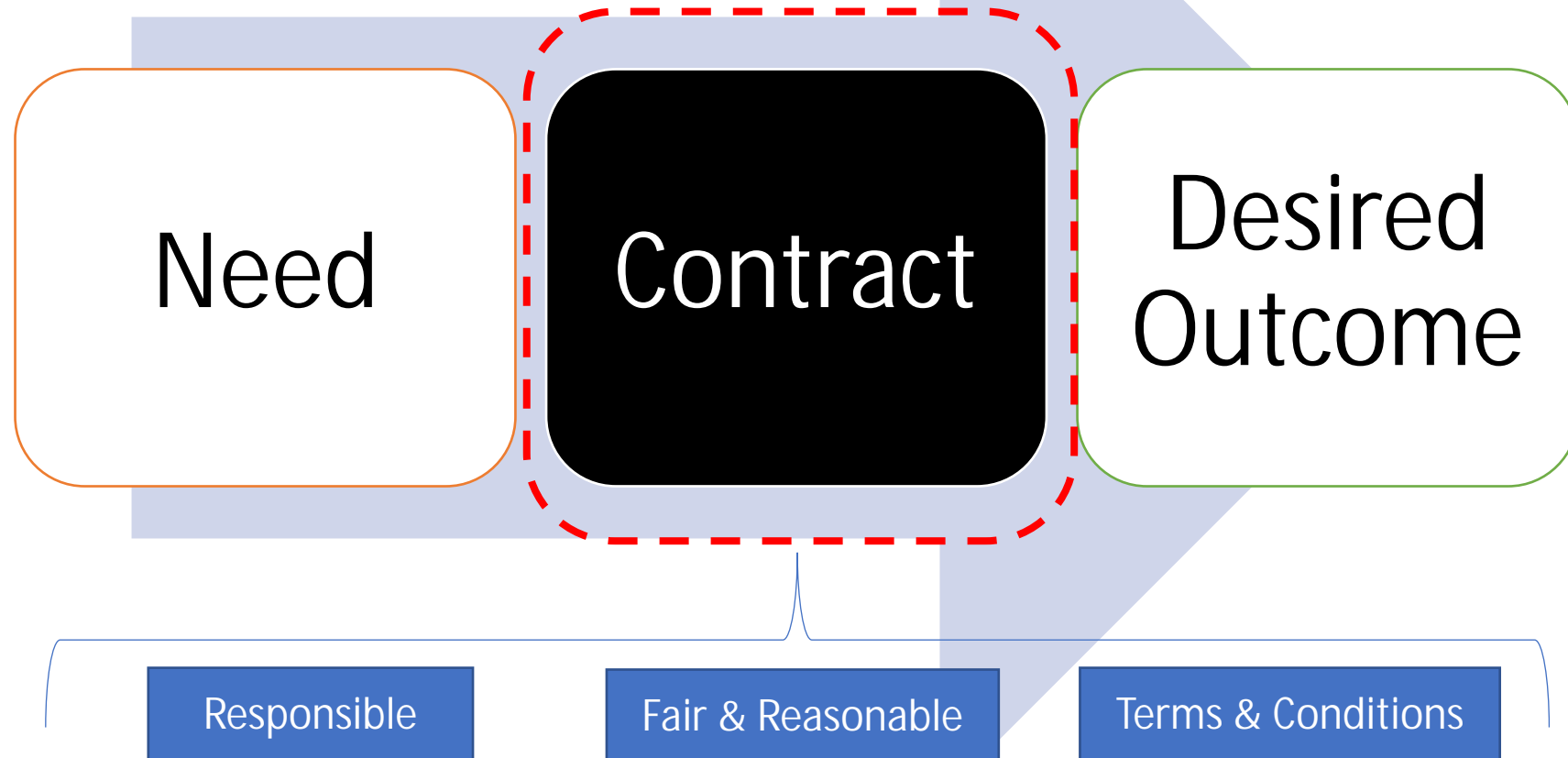
- *I'll have to check her eligibility to take part.*
- *The eligibility rules prevent under-18s being on the team.*

<https://dictionary.cambridge.org/us/dictionary/english/eligibility>

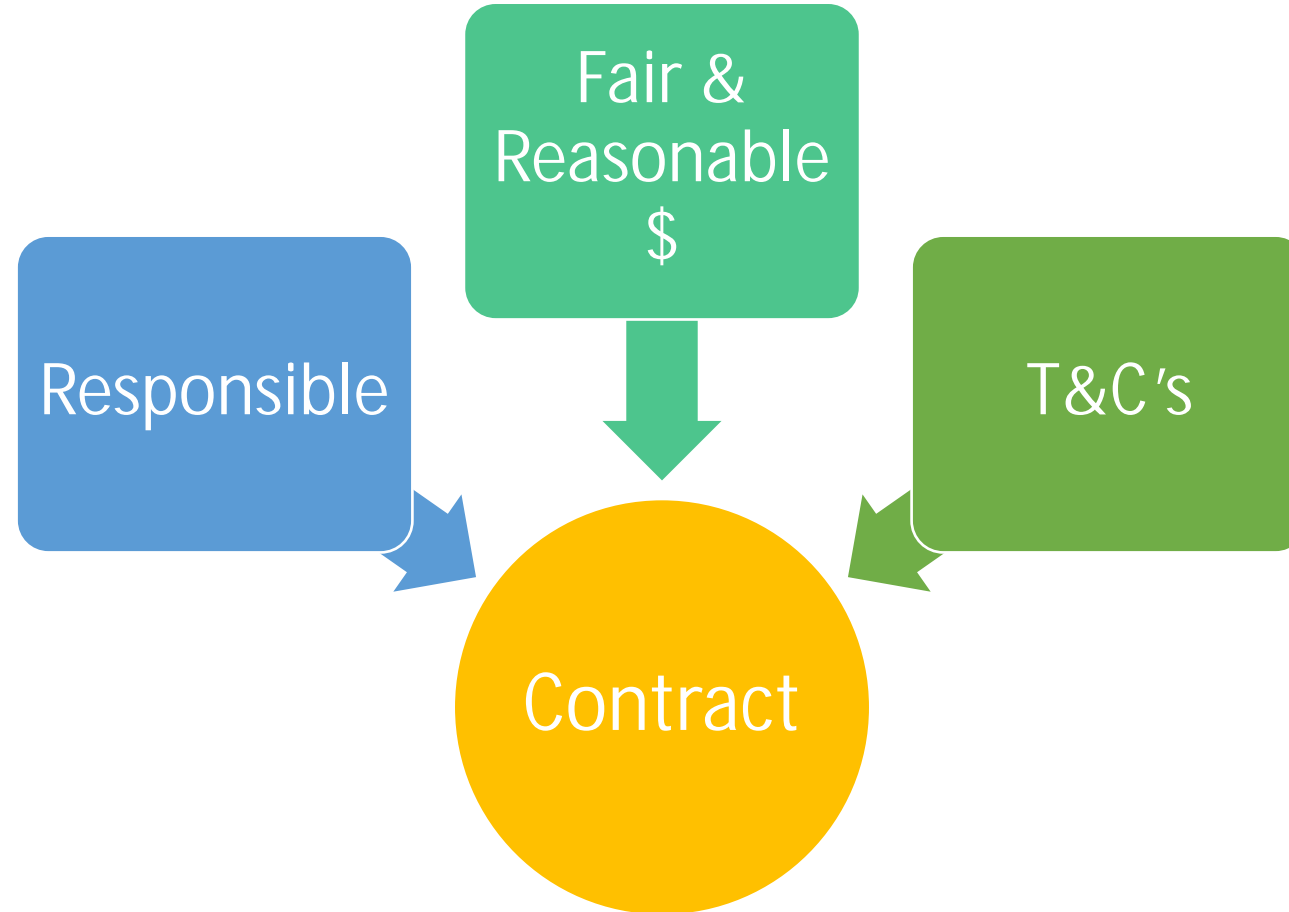
Determination - eligibility



Performance = Execution



Contracting Triangle



Contracting Equation



Responsible

(a) Purchases shall be made from, and contracts shall be awarded to, *responsible prospective contractors* only.

(b) No purchase or award shall be made unless the contracting officer makes an affirmative determination of responsibility. In the absence of information clearly indicating that the prospective contractor is responsible, the contracting officer shall make a determination of nonresponsibility. If the prospective contractor is a small business concern, the contracting officer shall comply with subpart 19.6, Certificates of Competency and Determinations of Responsibility. (If Section 8(a) of the Small Business Act (15 U.S.C.637) applies, see subpart 19.8.)

(c) The award of a contract to a supplier based on lowest evaluated price alone can be false economy if there is subsequent default, late deliveries, or other unsatisfactory performance resulting in additional contractual or administrative costs. While it is important that Government purchases be made at the lowest price, this does not require an award to a supplier solely because that supplier submits the lowest offer. A prospective contractor must affirmatively demonstrate its responsibility, including, when necessary, the responsibility of its proposed subcontractors.

Responsible – General Standards

To be determined responsible, a prospective contractor must-

(a) Have adequate financial resources to perform the contract, or the ability to obtain them (see 9.104-3(a));

(b) Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments;

(c) Have a satisfactory performance record (see 9.104-3 (b) and subpart 42.15). A prospective contractor shall not be determined responsible or nonresponsible solely on the basis of a lack of relevant performance history, except as provided in 9.104-2;

(d) Have a satisfactory record of integrity and business ethics (for example, see subpart 42.15);

(e) Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them (including, as appropriate, such elements as production control procedures, property control systems, quality assurance measures, and safety programs applicable to materials to be produced or services to be performed by the prospective contractor and subcontractors). (See 9.104-3(a).)

(f) Have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them (see 9.104-3(a)); and

(g) Be otherwise qualified and eligible to receive an award under applicable laws and regulations (see also inverted domestic corporation prohibition at 9.108).

Key Assessment Areas – general considerations

- ***Invoicing/Cost Control.*** Is the contractor effective in forecasting, managing, and controlling contract/order cost and keep within the total estimated cost? Were billings current, accurate and complete?
- ***Timeliness (schedule/delivery).*** Is the contractor on schedule to meet contractual requirements? Did the contractor meet the contractual delivery requirements? Does the contract include a reward for early delivery, or a penalty for late delivery?
- ***Quality of performance and deliverables.*** Do the supplies or services meet the requirements? Do they conform to the contract specifications, standards, PWS/SOW/SOO, and quality assurance plan?
- ***Business relations.*** Is the contractor responsive, professional, and courteous?
- ***Management of key personnel.*** Are technical experts highly qualified and effective in performing the required services? Do they meet the skill level stated in the contract? Are an appropriate number of personnel assigned to the project? Do delivered supplies reflect the skill and standardization required by the user?
- ***Customer satisfaction.*** Will the requiring activity be satisfied in terms of cost, quality, and timeliness of the delivered supplies or services? What percentage of the deliverable meets the user's expectations? How long has the contractor taken to address any user complaints? How many user complaints have there been?
- ***Compliance.*** Has the contractor complied with, for example, Occupational Safety and Health Administration, Environmental Protection Agency, and Department of Labor regulations or local standards?

<https://www.acq.osd.mil/dpap/policy/policyvault/USA001435-22-DPC.pdf>; DoD Contracting Officer Representatives Guidebook; § 7.5


Subcontractor Responsibility

- (a) Generally, prospective prime contractors are responsible for determining the responsibility of their prospective subcontractors (but see [9.405](#) and [9.405-2](#) regarding debarred, ineligible, or suspended firms). Determinations of prospective subcontractor responsibility may affect the Government's determination of the prospective prime contractor's responsibility. A prospective contractor may be required to provide written evidence of a proposed subcontractor's responsibility.

9.405 Effect of listing (Exclusions in the System for Award Management)

(a) Contractors debarred, suspended, or proposed for debarment are excluded from receiving contracts, and agencies shall not solicit offers from, award contracts to, or consent to subcontracts with these contractors, unless the agency head determines that there is a compelling reason for such action (see [9.405-1\(a\)\(2\)](#), [9.405-2](#), [9.406-1\(c\)](#), [9.407-1\(d\)](#), and [23.506\(e\)](#)). Contractors debarred, suspended, or proposed for debarment are also excluded from conducting business with the Government as agents or representatives of other contractors.

(b) Contractors and other entities that have an active exclusion record in SAM because they have been declared ineligible on the basis of statutory or other regulatory procedures are excluded from receiving contracts, and if applicable, subcontracts, under the conditions and for the period set forth in the statute or regulation. Agencies shall not solicit offers from, award contracts to, or consent to subcontracts with these contractors under those conditions and for that period.

(c) Agencies shall not enter into, renew, or extend contracts with contractors that have been declared ineligible pursuant to [22 U.S.C. 2593e](#)  .

SAM - Exclusions

Select Domain
Entity Information +

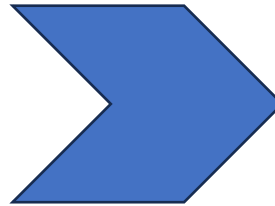
All Entity Information

Entities

Disaster Response Registry

Responsibility / Qualification

Exclusions



Keyword Search

For more information on how to use our keyword search, visit our [help guide](#)

Simple Search | **Search Editor**

Any Words i

All Words i

Exact Phrase i

Classification ▼

Excluded Individual ▼

Excluded Entity ▼

Federal Organizations ▼

Exclusion Type ▼

Exclusion Program ▼

Location ▼

Dates ▼

Reset ↻

Sample SAM Exclusion information

Exclusion Type ^

Ineligible (Proceedings Pending)

Ineligible (Proceedings Complete)

Prohibition/Restriction

Voluntary Exclusion

Exclusion Program ^

Procurement

Reciprocal

NonProcurement

Location ∨

Dates ∨

Reset

Unique Entity ID F778C3SZFDM8	CAGE Code (blank)	Physical Address R.D. No. 107, KMO 3, BO. Borinquen, P.O. Box 3885, Aguadilla, 00603 PRI	Classification Firm Activation Date Oct 5, 1992 Termination Date Indefinite
Seton Investments ● Active			
Unique Entity ID L9XUXGCF7UH5	CAGE Code (blank)	Physical Address 10225 Holly Hill, Potomac, MD 20854 USA	Classification Firm Activation Date Sep 23, 1991 Termination Date Indefinite
Alan E. Denson ● Active			
Unique Entity ID (blank)	CAGE Code (blank)	Physical Address Aguadilla, 00603 PRI	Classification Individual Activation Date Oct 5, 1992 Termination Date Indefinite
Blue Bell Boots ● Active			
Unique Entity ID (blank)	CAGE Code (blank)	Physical Address Nashville, TN USA	Classification Firm Activation Date

SAM - Exclusions

Nature (Cause)

Preliminarily ineligible based upon adequate evidence of conduct indicating a lack of business honesty or integrity, or a lack of business integrity, or regulation, statute, executive order or other legal authority, pending completion of an investigation and/or legal proceedings; or based upon initiation of proceedings to determine final ineligibility based upon regulation, statute, executive order or other legal authority or a lack of business integrity or a preponderance of evidence of any other cause of a serious and compelling nature that it affects present responsibility.

Effect

Procurement:

nAgencies shall not solicit offers from, award contracts to renew, place new orders with, or otherwise extend the duration of current contracts, or consent to subcontracts in excess of \$30,000 (other than commercially available off-the-shelf items (COTS)), with these contractors unless the agency head (or designee) determines in writing there is a compelling reason to do so.n

Nonprocurement:

No agency in the Executive Branch shall enter into, renew, or extend primary or lower tier covered transactions to a participant or principal determined preliminarily ineligible unless the head of the awarding agency grants a compelling reasons exception in writing. Additionally, agencies shall not make awards under certain discretionary Federal assistance, loans, benefits (or contracts there under); nor shall an ineligible person participate as a principal, including but not limited to, agent, consultant, or other person in a position to handle, influence or control Federal funds, or occupying a technical or professional position capable of substantially influencing the development or outcome of a funded activity; nor act as an agent or representative of other participants in Federal assistance, loans and benefits programs. Contact the award agency for questions regarding the extent of Nonprocurement transaction award ineligibility. The termination date will be listed as "Indefinite" (Indef.) unless otherwise specified.

<https://sam.gov/content/entity-information/resources/exclusion-types>

Consolidated Screening List

Consolidated Screening List

Screen potential buyers and end-users to comply with U.S. Government regulations.



- **Denied Persons List** - Individuals and entities that have been denied export privileges. Any dealings with a party on this list that would violate the terms of its denial order are prohibited.
- **Unverified List** - End-users who BIS has been unable to verify in prior transactions. The presence of a party on this list in a transaction is a “Red Flag” that should be resolved before proceeding with the transaction.
- **Entity List** - Parties whose presence in a transaction can trigger a license requirement supplemental to those elsewhere in the Export Administration Regulations (EAR). The list specifies the license requirements and policies that apply to each listed party.
- **Military End User (MEU) List** - Parties whose presence in a transaction as a party to the transaction triggers a license requirement for any item subject to the EAR listed in supplement no. 2 to part 744. No license exceptions are available for exports, reexports or transfers (in-country) to listed entities on the MEU List for items specified in supplement no. 2 to part 744, except license exceptions for items authorized under the provisions of License Exception GOV set forth in § 740.11(b)(2)(i) and (ii) of the EAR. The license application procedure and license review policy for entities specified in supplement no. 2 to part 744 is specified in § 744.21(d) and (e).

<https://www.trade.gov/consolidated-screening-list>

Understanding the requirements

- Hypothetical – a subcontractor/supplier makes a claim about their socio-economic status
- How do you vet/record such a statement?
- Can you totally rely upon a company's SAM information?
- SAM can be used but ...

PRESS RELEASE

Former Defense Contractor in Tomah Receives 15-Month Prison Sentence & \$10,000 Fine For Wire Fraud

Wednesday, November 8, 2023

For Immediate Release

U.S. Attorney's Office, Western District of
Wisconsin

Walker fraudulently obtained two DoD contracts to do work at Fort McCoy, **falsely claiming that WIP was a service-disabled veteran owned small business (SDVOSB)**. WIP obtained two SDVOSB contracts worth a total of \$1,927,536.

FAR 19.703

- The prime contractor may accept a subcontractor's written representations of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, or a women-owned small business, **if the subcontractor represents that the size and socioeconomic status representation with its offer** are current, accurate, and complete as of the date of the offer for the subcontracts; or
- ★ FAR 19.7 applies to Subcontracting plans. However, there is no guidance allowing non-governmental entities to rely upon SAM documentation.

19.703 Eligibility requirements for participating in the program.

Use of SAM documentation but ...

(ii) The prime contractor may accept a subcontractor's representation of its size and socioeconomic status as a small business, small disadvantaged business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, or a women-owned small business in the System for Award Management (SAM) if-

(A) The subcontractor is registered in SAM; and



(B) The subcontractor represents that the size and socioeconomic status representations made in SAM are current, accurate and complete as of the date of the offer for the subcontract.

📖 (iii) The prime contractor may not require the use of SAM for the purposes of representing size or socioeconomic status in connection with a subcontract.

Further dissemination of JCP Technical Data

- NOTE: JCP CERTIFIED CONTRACTORS WHO RECEIVE TECHNICAL DATA PURSUANT TO THEIR DD FORM 2345 CERTIFICATION MAY NOT FURTHER DISSEMINATE SUCH DATA UNLESS FURTHER DISSEMINATION OF THE TECHNICAL DATA IS EXPRESSLY PERMITTED BY DODD 5230.25 paragraph 5.8

Mock-ups / Scrap / Models / etc



§ 120.31 Defense article.

- (a) *Defense article* means any item or technical data designated in § 121.1 of this subchapter and includes:
 - (1) Technical data recorded or stored in any physical form, models, mockups or other items that reveal technical data directly relating to items designated in § 121.1 of this subchapter; and
 - (2) Forgings, castings, and other unfinished products, such as extrusions and machined bodies, that have reached a stage in manufacturing where they are clearly identifiable by mechanical properties, material composition, geometry, or function as defense articles.
- (b) It does not include basic marketing information on function or purpose or general system descriptions.
- (c) The policy described in § 120.3 is applicable to designations of additional items.

JCP/SPRS

- First step – SAM
 - Active CAGE (active SAM) is required for the JCP and SPRS (PIEE)
 - Therefore, if the company is not active in SAM how are they compliant with these other programs?

Pre Submittal Requirements:

- Complete National Institute of Standards and Technology (NIST) assessment and upload it to [Supplier Performance Risk System \(SPRS\)](#).
- [SAM registration](#)  is updated and correct.
- Review [Introduction to Proper Handling Training](#)(PDF)
- [Google Authenticator](#)  application used for two factor authentication.

SPRS

VENDOR

NOTICE: This access is only for Supplier, Vendor, and Awardee to access only their own company data.

PIEE access requires companies to be registered in the System for Award Management (SAM) with an Electronic Business (EB) point of contact (POC) established and a Commercial and Government Entity (CAGE) code added to the PIEE Vendor Group Structure. Your company must designate at least one(1) Contractor Account Administrator (CAM) per CAGE to authorize company PIEE registrations and access requests. The CAM is typically the Electronic Business point of contact (EBPOC) for the company listed in SAM or a designee. For more information on how to set up your company in PIEE see the [Vendors - Getting Started Help](#) web page.

Select the area of interest below for further instructions.

<https://www.sprs.csd.disa.mil/access.htm#>

DoD Guidance

- Requiring delivery of the contractor's system security plan (or extracts thereof)
- Requiring the contractor to identify known Tier 1 Level suppliers
- Requesting the contractor's plan to track flow down of covered defense information and to assess DFARS clause 252.204-7012 compliance of known Tier 1 Level suppliers.

https://www.acq.osd.mil/asda/dpc/cp/cyber/docs/section-889/Guidance_for_Assessing_Compliance_and_Enhancing_Protections.pdf

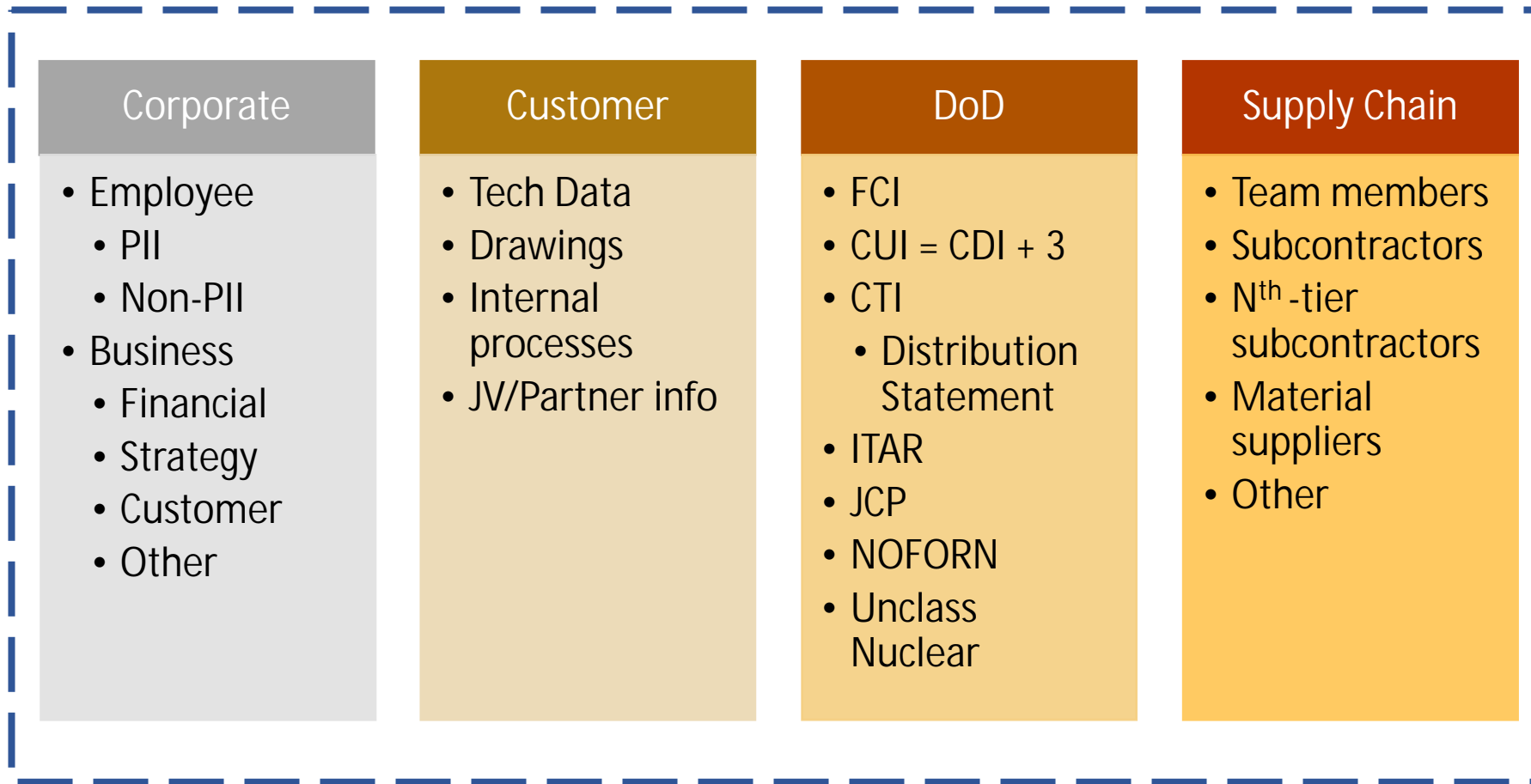
Don't assume – clues from DoD

5.4.2. The requested data are judged to be unrelated to the purpose for which the qualified U.S. contractor is certified. When release of technical data is denied in accordance with this paragraph, the controlling DoD office shall request additional information sufficient to explain the intended use of the requested data and, if appropriate, request a new certification (see paragraph 3.2., above) describing the intended use of the requested data; or

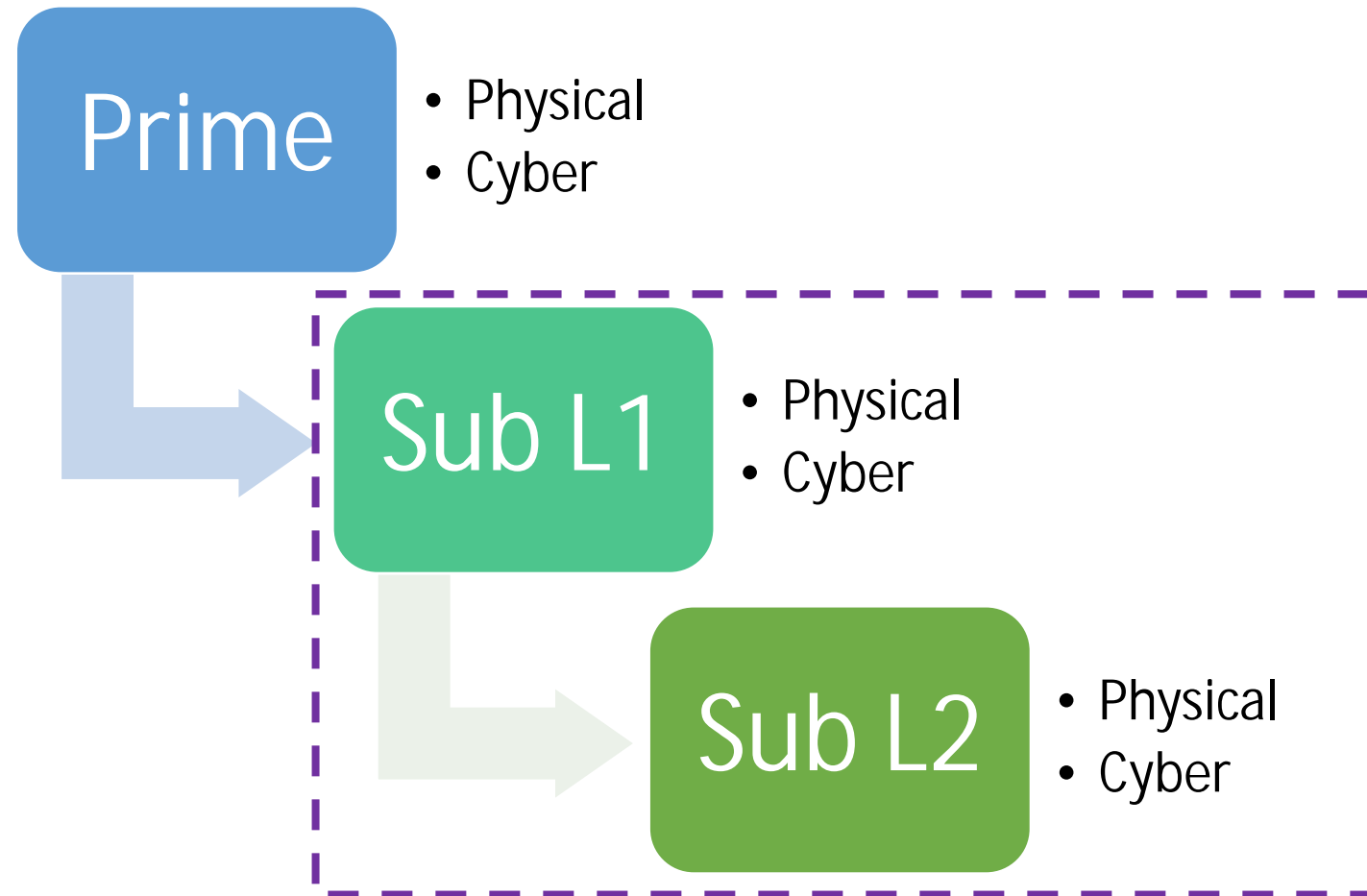
Preventing Uncontrolled Foreign Access

4.2. Because public disclosure of technical data subject to this Directive is tantamount to providing uncontrolled foreign access, withholding such data from public disclosure, unless approved, authorized, or licensed in accordance with export control laws, is necessary and in the national interest. Unclassified technical data that are not governed by this Directive, unless otherwise restricted, shall continue to be made available to the public as well as to State and local governments.

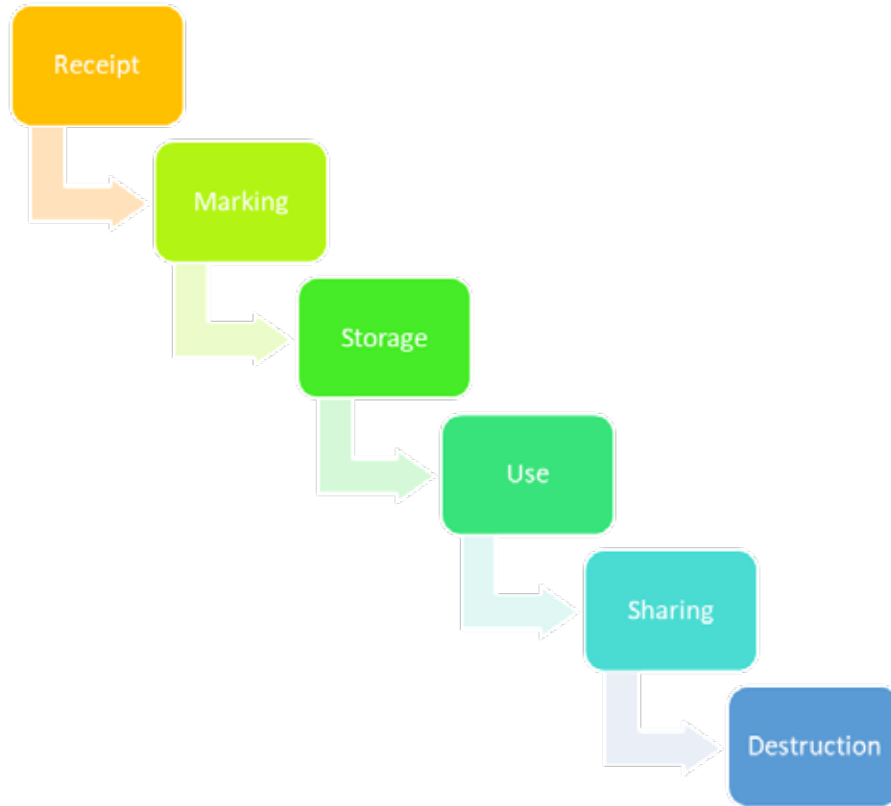
General Information Sources



Map & Understand Supply Chain



Where v. How drives the questions, evidence



- Auditing
- Awareness
- Controls
- Deliverables
- Information – source(s)
- Monitor – test
- Questions to KO, other
- Training
- Transmittal registry
- Update procedures

M.N. Violante, WPI – Nov 2017

Solicitation Requirements

- In accordance with OPNAVINST 5510.1 all documents and drawings provided by the U.S. Navy to perspective Contractors must include a "Distribution Statement" to inform the contractor of the limits of distribution, and the safeguarding of the information contained on those documents and drawings. There are 7 (seven) separate distribution statement codes used for non-classified documents and drawings.

<https://sam.gov/opp/32141e70d38d4898b4ad343b7fe74d2c/view>

Controlled Technical Information

c. CTI compiled or aggregated may become classified. Such classified CTI is subject to the requirements of the National Industrial Security Program, which has different requirements than Section 252.204-7012 of the DFARS for unclassified CTI.

(1) CTI is to be marked with one of the Distribution Statements B through F, in accordance with DoDI 5230.24.

Defense contractor sentenced to prison for providing fraudulent parts to military

COLUMBUS, Ohio – A California man was sentenced in U.S. District Court in Columbus today to three months in prison for committing crimes related to supplying the military with faulty parts.

Timothy W. Foley, 72, was also ordered to pay restitution of more than \$1.3 million.

According to court documents, Foley was the operator and co-owner of Parts Source International Inc. in Goleta, California. Parts Source was a Department of Defense contractor who sold and supplied a variety of military parts to the DoD for use on military weapons systems, and some of which were critical application items, and invoiced the Defense Finance and Accounting Service (DFAS) in Columbus, Ohio, for payment.

Foley admitted that from 2012 through 2019, he conspired to supply non-conforming parts to the DoD. Foley submitted 131 quotes for purchase orders that stated he would provide the exact product as required by the government. Rather, as testing and documents revealed, Foley provided unapproved substitutions in fraudulent packaging rendering them unacceptable for use by the military.

Parts Source received a total of approximately \$1.36 million in payments for the parts. Foley pleaded guilty in November 2022 to conspiring to commit wire fraud and to money laundering.

<https://www.justice.gov/usao-sdoh/pr/defense-contractor-sentenced-prison-providing-fraudulent-parts-military>

Solicitation requirements

- **Notice To Distributors/Offerors** - Consideration for award of contract shall be given only to authorized distributors of the original manufacturer's item represented in this solicitation. If you desire to be considered as a potential source for award of this contract, proof of being an authorized distributor shall be provided on company letterhead signed by a responsible company official and sent with your offer to the Procurement Contracting Officer.

<https://sam.gov/opp/32141e70d38d4898b4ad343b7fe74d2c/view>

Exact product - definition

- The DLAD states –
- Exact product means a product described by the name of an approved source and its corresponding part number cited in the item description; and manufactured by, or under the direction of, that approved source. **An offeror of an exact product must meet one of the descriptions below.**
 - (1) An approved source offering its part number cited in the item description;
 - (2) A dealer/distributor offering the product of an approved source and part number cited in the item description;
 - (3) A manufacturer who produces the offered item under the direction of an approved source; and has authorization from that approved source to manufacture the item, identify it as that approved source's name and part number, and sell the item directly to the Government.
 - (4) A dealer/distributor offering the product of a manufacturer that meets the description in subparagraph (3) above.

Additionally, the DLAD states –

If the offeror is an authorized dealer/distributor, or manufactures the item for an approved source, a copy of the contractual agreement with, or the express written authority of, the approved source to buy, stock, repackage, sell, or distribute the part. The agreement must specifically identify the exact item, or otherwise ensure that the offeror is authorized by the approved source to manufacture or distribute the exact item being acquired. If the agreement covers a general product line or is otherwise not product-specific, the offeror must furnish additional documentation to address the exact item being acquired.

Exact Item - example

FSC	NIIN	Date Assigned	Name	Shelf Price
4320	001404454	10-SEP-1971	MECHANICAL SEAL	000001261.21

[No Drawings Found](#)

Last Award Price: N/A **Last Award Date:** N/A

- Tech. Characteristics
- Award History
- Associated Docs
- Substitutes
- APL

Exact item –
part number

Part #	Company	CAGE	IPB Search
J-271-5 NOTE1	BORG-WARNER CORP	89574	Google
1A7938	BORG-WARNER CORP	89574	Google
UW1875	BORG-WARNER INDUSTRIAL PRODUCTS INC	34898	Google
L828909	BORG-WARNER INDUSTRIAL PRODUCTS INC	34898	Google

12

GIDEP

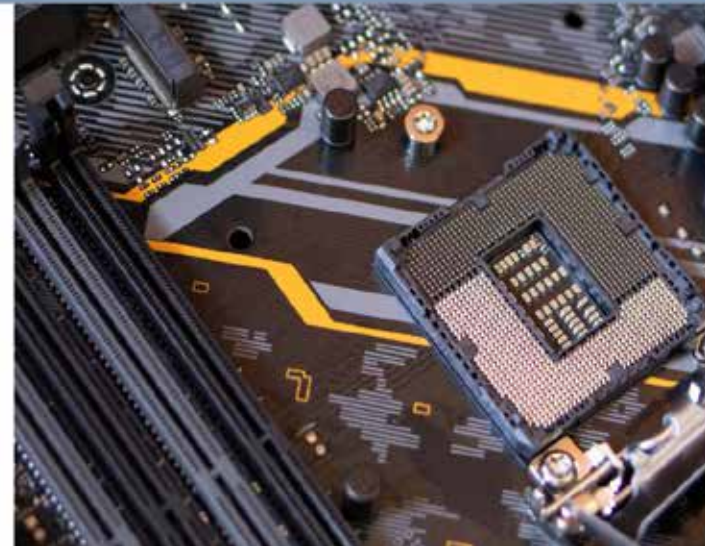
- **2019**, DoD, GSA, and NASA issued a final rule amending the Federal Acquisition Regulation (FAR) to require contractors and subcontractors to report to the Government-Industry Data Exchange Program certain counterfeit or suspect counterfeit parts and certain major or critical nonconformances.
- **52.246-26 Reporting Nonconforming Items.**
- (1) Screen Government-Industry Data Exchange Program (GIDEP) reports, available at www.gidep.org, as a part of the Contractor's inspection system or program for the control of quality, to avoid the use and delivery of counterfeit or suspect counterfeit items or delivery of items that contain a major or critical nonconformance. This requirement does not apply if the Contractor is a foreign corporation or partnership that does not have an office, place of business, or fiscal paying agent in the United States;

GIDEP



Foster technical information sharing among government agencies and their industry partners.

GIDEP is the premier source of shared Critical Information for Government and Defense related Industry contractors. GIDEP participation has directly realized over 2.1 billion dollars of unplanned cost expenditure savings. Reduced costs manifest in better, on-time, and competitively priced products and services. GIDEP membership and participation is a resource no world-class organization can afford to ignore.

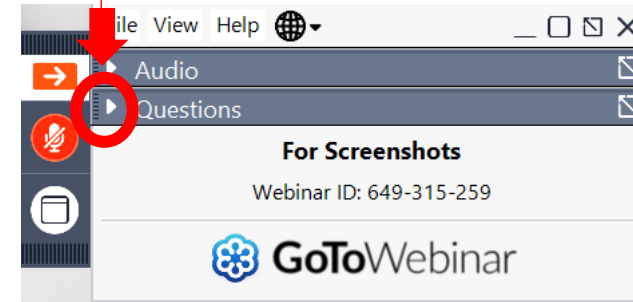


QUESTIONS?



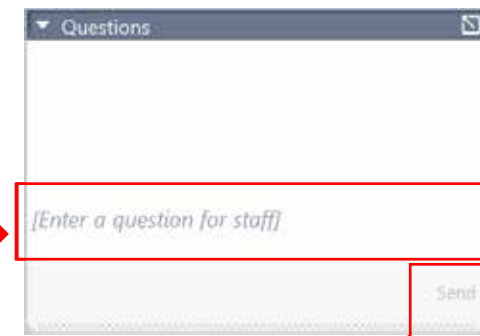
OPENING THE QUESTIONS BOX

Click here to access
within the Control Panel



USING THE QUESTIONS BOX

Type questions
here at any time
during a
presentation



Click Send when ready to submit a question

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