Wisconsin Procurement Institute

APEX ACCELERATORS

Acquisition Hour:
Protecting Federal Contract Information (FCI): An Introduction to FAR 52.204-21

February 14| 11:00 am - Noon

Presented by:

Matt Frost, WPI

NCMA NATIONAL CONTRACT MANAGEMENT ASSOCIATION WISCONSIN

Webinar Etiquette

PLEASE

- Log into the GoToWebinar session with the name that you registered with online
- Place your phone or computer on MUTE
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  - We will share the questions with our guest speaker who will respond to the group

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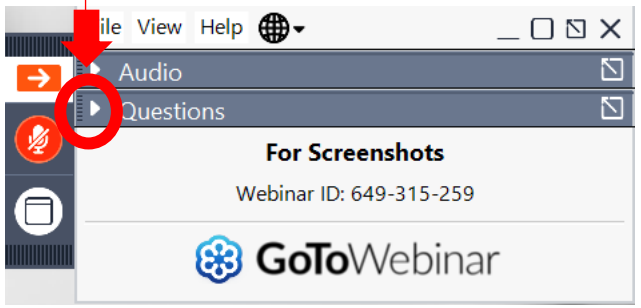

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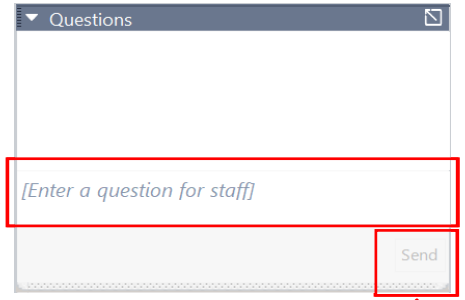

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Wisconsin Procurement Institute

APEX ACCELERATORS

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.

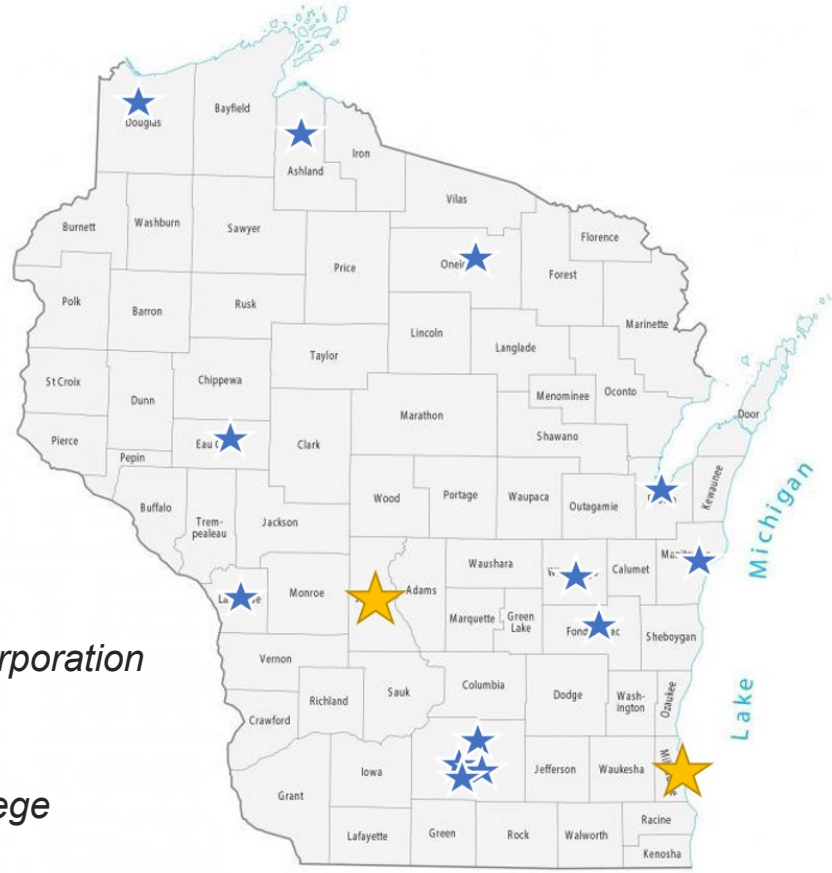
WPI provides services to all of Wisconsin's 72 counties

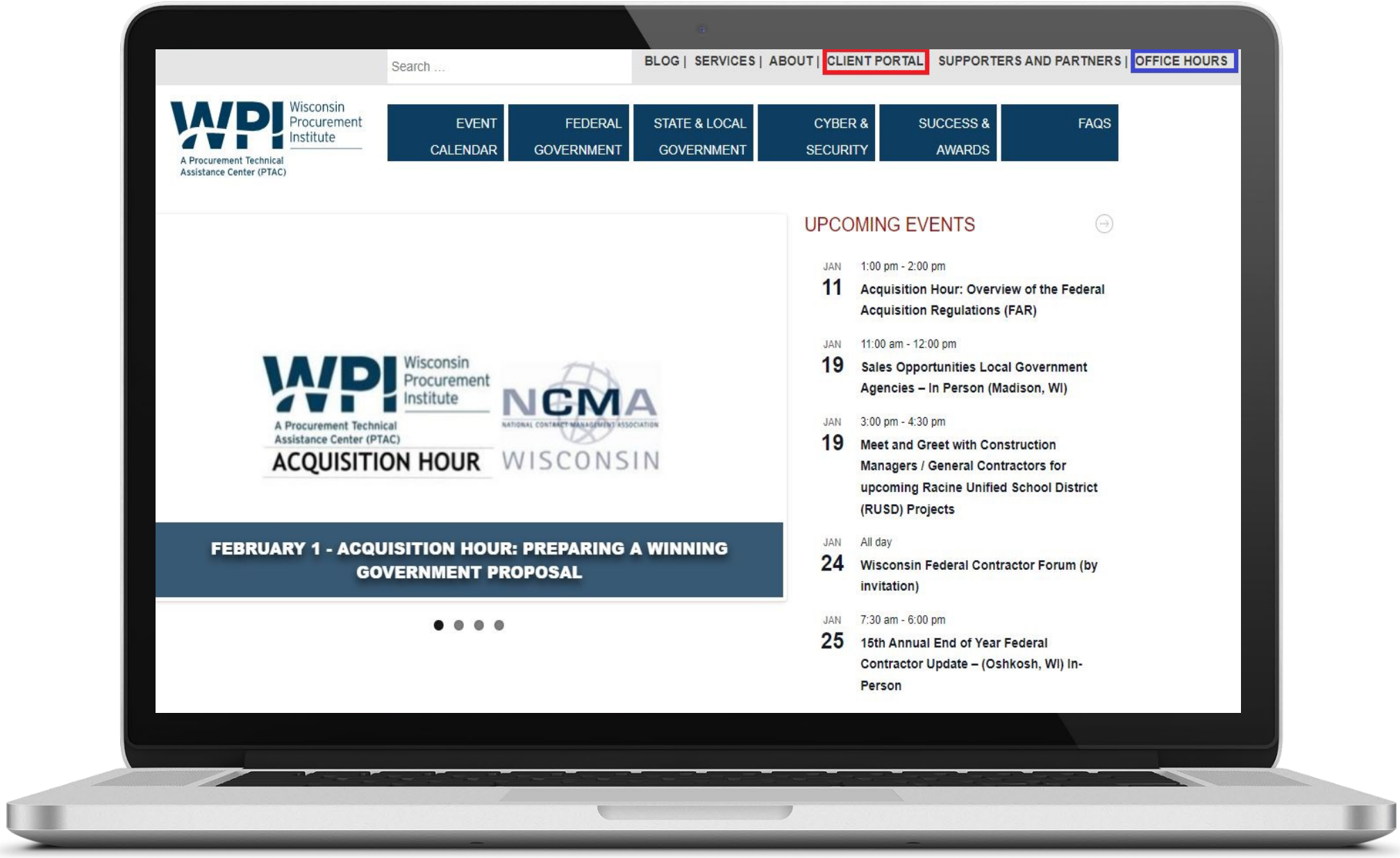
- Individual counseling at our offices, client's facility or virtually
- Small group training – webinars and workshops
- Conferences including one on one buyer meetings – Marketplace, The Contracting Academy, Small Business Academy, Wisconsin Federal Contractor Forum, Acquisition Hour, Cyber Fridays, 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

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

FAR 52.204-21

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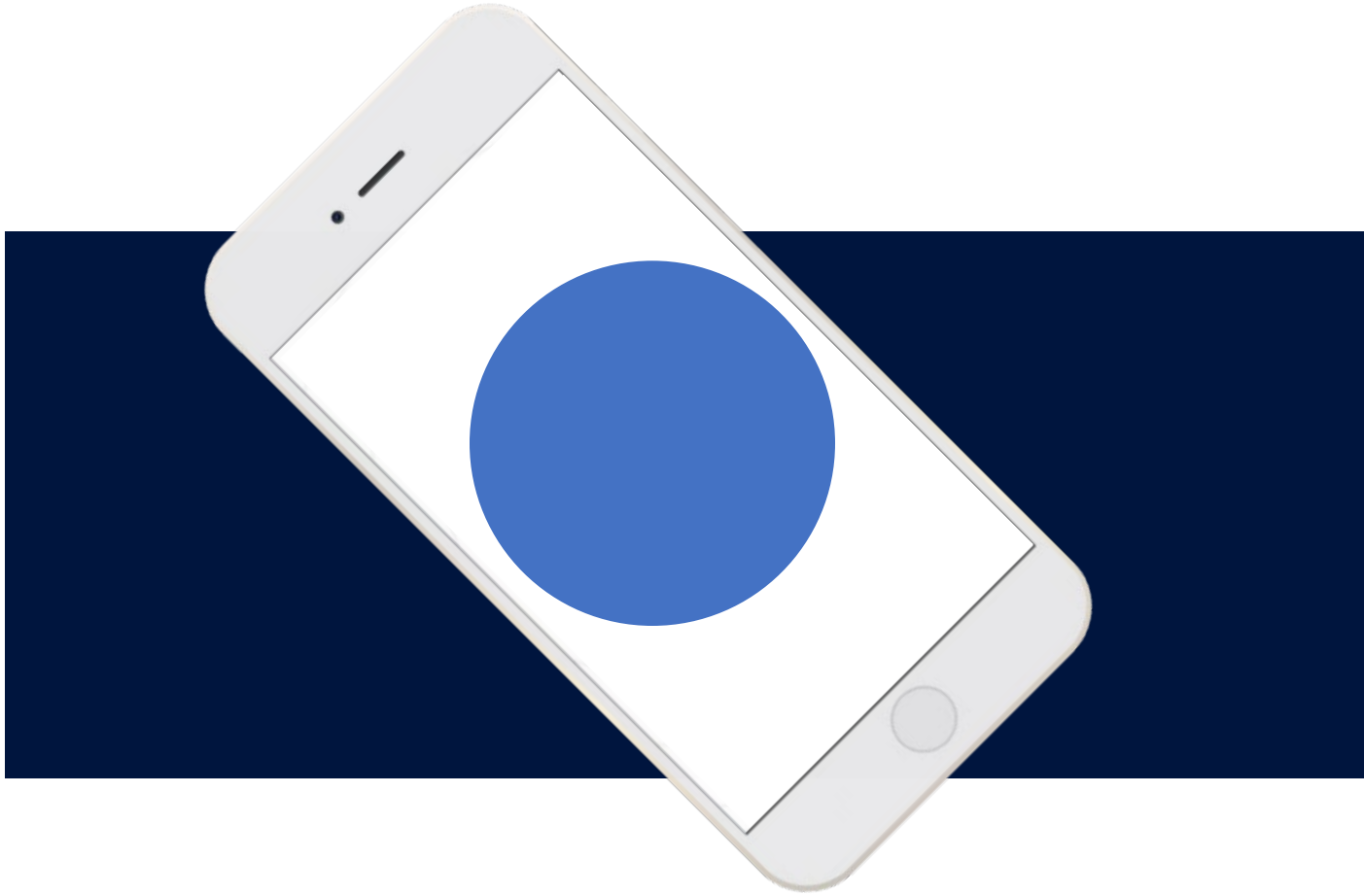


February 14th, 2024

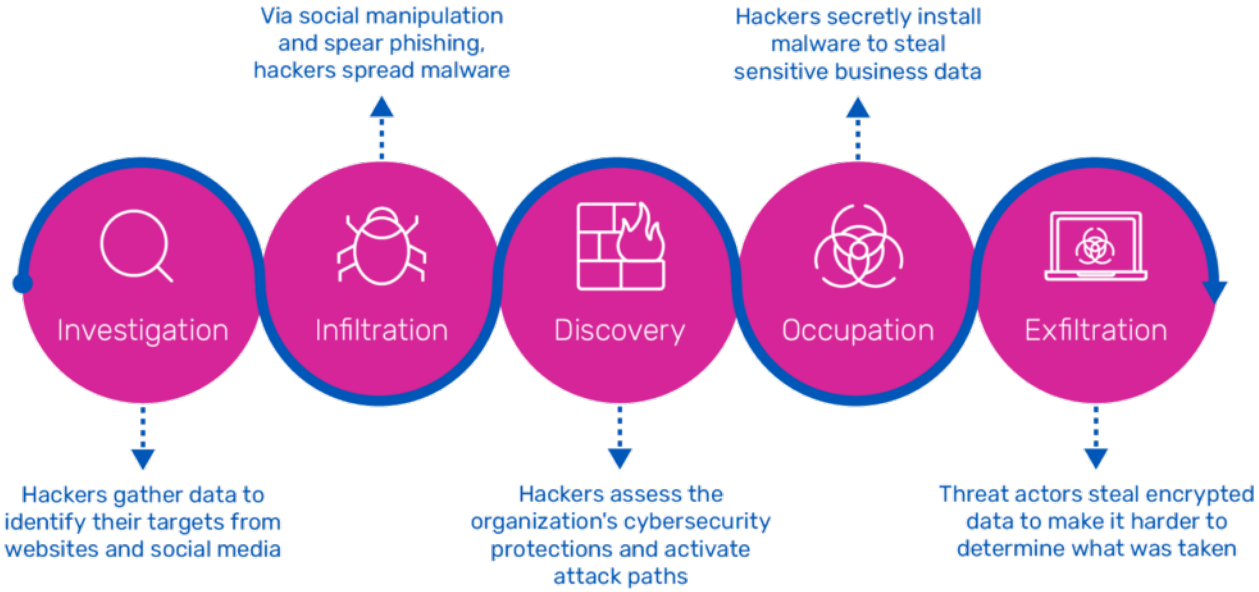
Confirmed in 2013, the theft of data from the F-35 Lightning II represented one of the largest data breaches in world history.

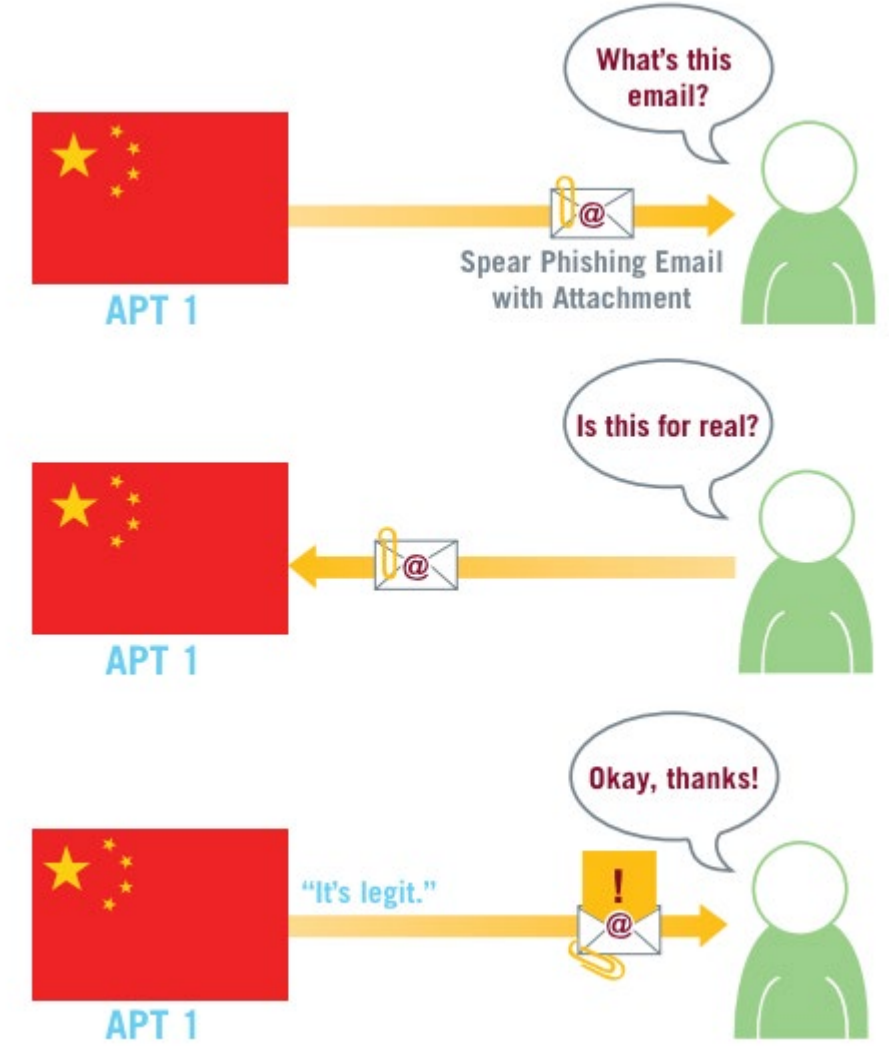
Breach involved a series of units, funded and operated by the PLA, identified as Advanced Persistent Threats (APT).

Targets were companies within Lockheed Martin's supply chain.

Data was primarily unclassified, but controlled, information.

What is an Advanced Persisent Threat?






LOCKHEED MARTIN
3103

1

FAR 52.204-21

2

What is FCI?

3

Requirements for Completion

ACQUISITION.GOV

52.204-21 Basic Safeguarding of Covered Contractor Information Systems.

1 The FAR

https://www.acquisition.gov/far/52.204-21

2 NIST SP 800-171A

NIST Special Publication 800-171A
Assessing Security Requirements for Controlled Unclassified Information

3 DoD Memo

DoD Memo
DoD Guidance for Reviewing System Security Plans and the NIST SP 800-171 Security Requirements

FAR 52.204-21

The Contractor **shall** apply the following basic safeguarding requ irements and procedures to protect covered contractor information systems.

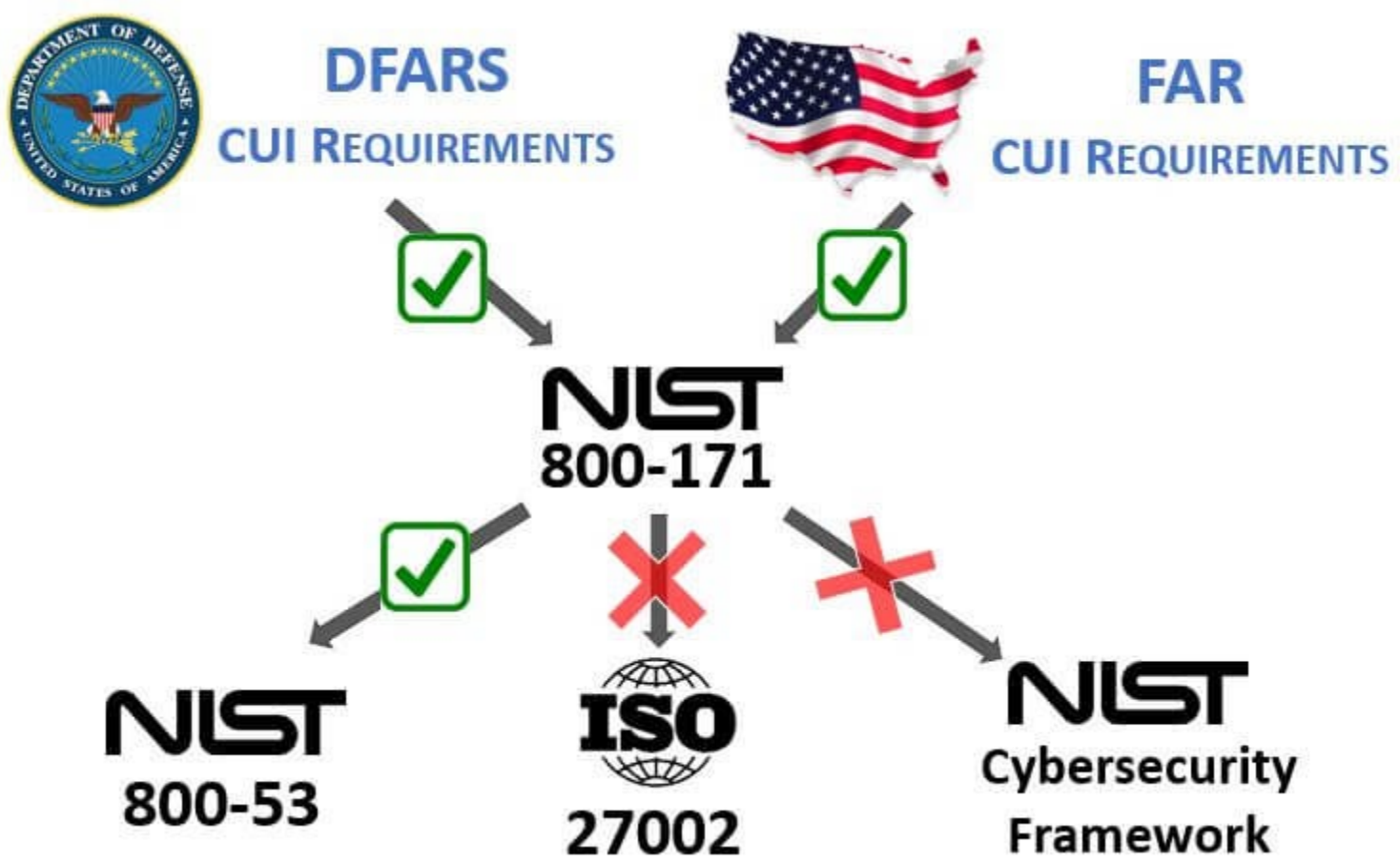
Covered contractor information system means an information system that is owned or operated by a contractor that processes, stores, or transmits Federal contract information.

Federal contract information means information, not intended for public release, that is provided by or generated for the Government under a contract to develop or deliver a product or service to the Government, but not including information provided by the Government to the public.

15 Controls

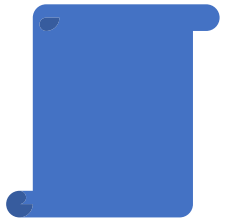
- (i) Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).
- (ii) Limit information system access to the types of transactions and functions that authorized users are permitted to execute.
- (iii) Verify and control/limit connections to and use of external information systems.
- (iv) Control information posted or processed on publicly accessible information systems.
- (v) Identify information system users, processes acting on behalf of users, or devices.
- (vi) Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.
- (vii) Sanitize or destroy information system media containing Federal Contract Information before disposal or release for reuse.
- (viii) Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.
- (ix) Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.
- (x) Monitor, control, and protect organizational communications (i.e., information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the information systems.
- (xi) Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.
- (xii) Identify, report, and correct information and information system flaws in a timely manner.
- (xiii) Provide protection from malicious code at appropriate locations within organizational information systems.
- (xiv) Update malicious code protection mechanisms when new releases are available.
- (xv) Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.

FAR 52.204-21, DFARS, NIST, and Beyond



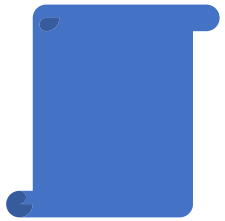
An Evolution – Not a Departure

Key Points



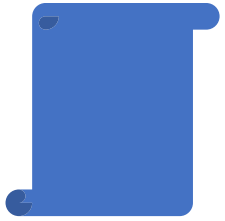
15 Controls

That cover “an inch deep but mile wide” through the information protection landscape.



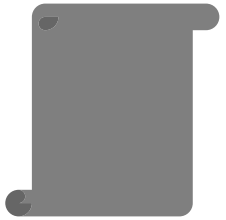
Are Echoed within NIST SP 800-171 Requirements

Complying with FAR 52.204-21 will always contribute to an attempt to comply with DFARS 252.204-7012



Considered Introductory

These controls represent minimal efforts, expense, and expertise to apply. “Common Sense” security.



They Are Maturing

CMMC Level 1 requirements will introduce a more formal approach to compliance with these controls.

1

FAR 52.204-21

2

What is FCI?

3

Requirements for Compliance

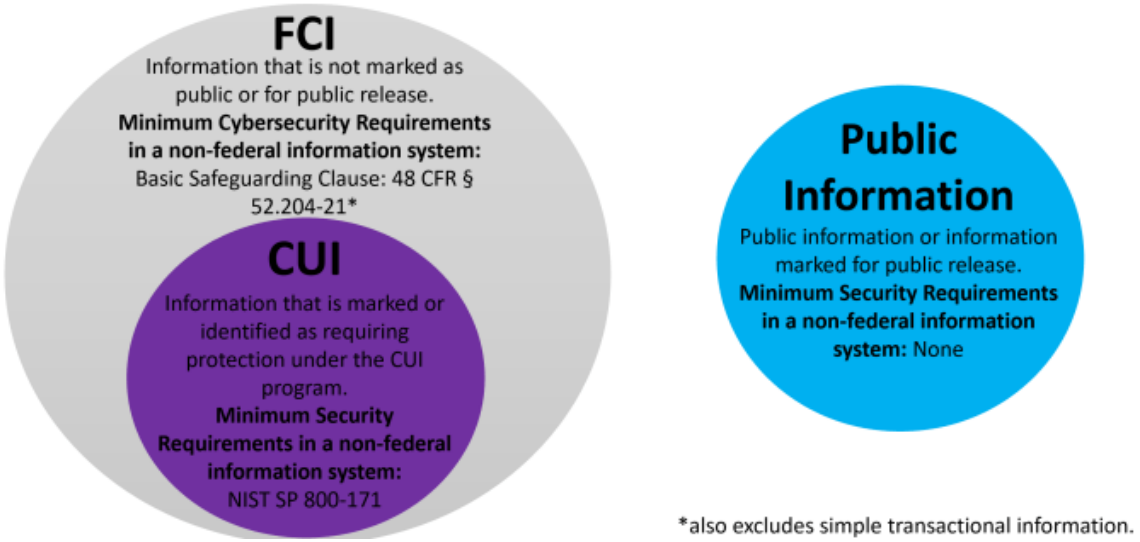
What is FCI?

Federal contract information (from 48 CFR 52.204-21) means information, not intended for public release, that is **provided by or generated for the Government under a contract to develop or deliver a product or service to the Government**, but not including information provided by the Government to the public (such as on public websites) or simple transactional information, such as necessary to process payments.

Paragraph C

The Contractor **shall** include the substance of this clause, including this paragraph (c), in subcontracts under this contract (including subcontracts for the acquisition of commercial products or commercial services**, other than commercially available off-the-shelf items**), in which the subcontractor may have Federal contract information residing in or transiting through its information system.

Information that is collected, created, or received pursuant to a government contract



*also excludes simple transactional information.

1. Reports/Charts/Notes
2. Emails/Bills of Material
3. Contracts,
   Subcontracts,
   Purchase Orders

1

FAR 52.204-21

2

What is FCI?

3

Requirements for Compliance

Cybersecurity Timeline

START

2013

DFARS 252.204-7000 Rule goes into effect requiring the protection of sensitive data on non-federal systems.

JUN 2016

FAR 52.204-21 goes into effect.

DEC 2017

DFARS 252.204-7012 Rule goes into effected requiring all contract holders to self assess to meeting NIST SP 800-171.

OCT 2019

DoD announces the creation of the Cybersecurity Maturity Model Certification (CMMC) to transition from self-attestment to an outside certification of cyber hygeine.

NOV 2020

DFARS 2019-D041, intermin rule authorizing the inclusion of CMMC in procurement contracts.

Cybersecurity Timeline

DEC 8 2020

DOD and Cyber (Formerly CMMC)-AB release an updated timeline – stating the model has to be fully implemented by September 2021.

DEC 31 2020

General Services Administration acknowledges that while CMMC only applies currently to DOD contracts – ALL government contractors civilian or military should prepare to meet CMMC.

NOV 4 2021

DOD announces release of CMMC 2.0 – streamlining the additional requirements.

NOV 2023

CMMC Proposed Rule

Spring 2025?

Build a Program

#	FAR 52.204-21 Cybersecurity Requirement	Control Type			Documentation Expectation		
		Technical	Administrative	Physical	Policies	Standards	Procedures
52.204-21(b)	Safeguarding requirements and procedures.	x	x	x	x	x	x
52.204-21(b)(1)	The Contractor shall apply the following basic safeguarding requirements and procedures to protect covered contractor information systems. Requirements and procedures for basic safeguarding of covered contractor information systems shall include, at a minimum, the following security controls:		x		x	x	x
52.204-21(b)(1)(i)	Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).	x			x	x	x
52.204-21(b)(1)(ii)	Limit information system access to the types of transactions and functions that authorized users are permitted to execute.	x			x	x	x
52.204-21(b)(1)(iii)	Verify and control/limit connections to and use of external information systems.	x	x		x	x	x
52.204-21(b)(1)(iv)	Control information posted or processed on publicly accessible information systems.		x		x	x	x
52.204-21(b)(1)(v)	Identify information system users, processes acting on behalf of users, or devices.	x	x		x	x	x
52.204-21(b)(1)(vi)	Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.	x			x	x	x
52.204-21(b)(1)(vii)	Sanitize or destroy information system media containing Federal Contract Information before disposal or release for reuse.		x	x	x	x	x
52.204-21(b)(1)(viii)	Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.			x	x	x	x
52.204-21(b)(1)(ix)	Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.		x	x	x	x	x
52.204-21(b)(1)(x)	Monitor, control, and protect organizational communications (i.e., information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the information systems.	x	x		x	x	x
52.204-21(b)(1)(xi)	Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.	x			x	x	x
52.204-21(b)(1)(xii)	Identify, report, and correct information and information system flaws in a timely manner.	x	x		x	x	x
52.204-21(b)(1)(xiii)	Provide protection from malicious code at appropriate locations within organizational information systems.	x			x	x	x
52.204-21(b)(1)(xiv)	Update malicious code protection mechanisms when new releases are available.	x			x	x	x
52.204-21(b)(1)(xv)	Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.	x			x	x	x
52.204-21(b)(2)	Other requirements.This clause does not relieve the Contractor of any other specific safeguarding requirements specified by Federal agencies and departments relating to covered contractor information systems generally or other Federal safeguarding requirements for controlled unclassified information (CUI) as established by Executive Order 13556.		x		x	x	x
52.204-21(c)	Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (c), in subcontracts under this contract (including subcontracts for the acquisition of commercial items, other than commercially available off-the-shelf items), in which the subcontractor may have Federal contract information residing in or transiting through its information system.		x		x	x	x

AC.L1-3.1.1 – AUTHORIZED ACCESS CONTROL

Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).

ASSESSMENT OBJECTIVES [NIST SP 800-171A]

Determine if:

[a] authorized users are identified;

[b] processes acting on behalf of authorized users are identified;

[c] devices (and other systems) authorized to connect to the system are identified;

[d] system access is limited to authorized users;

[e] system access is limited to processes acting on behalf of authorized users; and

[f] system access is limited to authorized devices (including other systems).

DFARS 252.204-7021

Cybersecurity Maturity Model Certification Requirements

1 FOUNDATIONAL

An organization must demonstrate basic cyber hygiene practices, such as ensuring employees change passwords regularly to protect Federal Contract Information (FCI). FCI is "information, not intended for public release, that is provided by or generated for the Government under a contract to develop or deliver a product or service to the Government."

2 ADVANCED

An organization must have an institutionalized management plan to implement good cyber hygiene practices to safeguard CUI, including all the NIST 800-171 r2 security requirements and processes.

3 EXPERT

An organization must have standardized and optimized processes in place and additional enhanced practices that detect and respond to changing tactics, techniques and procedures (TTPs) of advanced persistent threats (APTs). An APT is as an adversary that possesses sophisticated levels of cyber expertise and significant resources to conduct attacks from multiple vectors. Capabilities include having resources to monitor, scan, and process data forensics..

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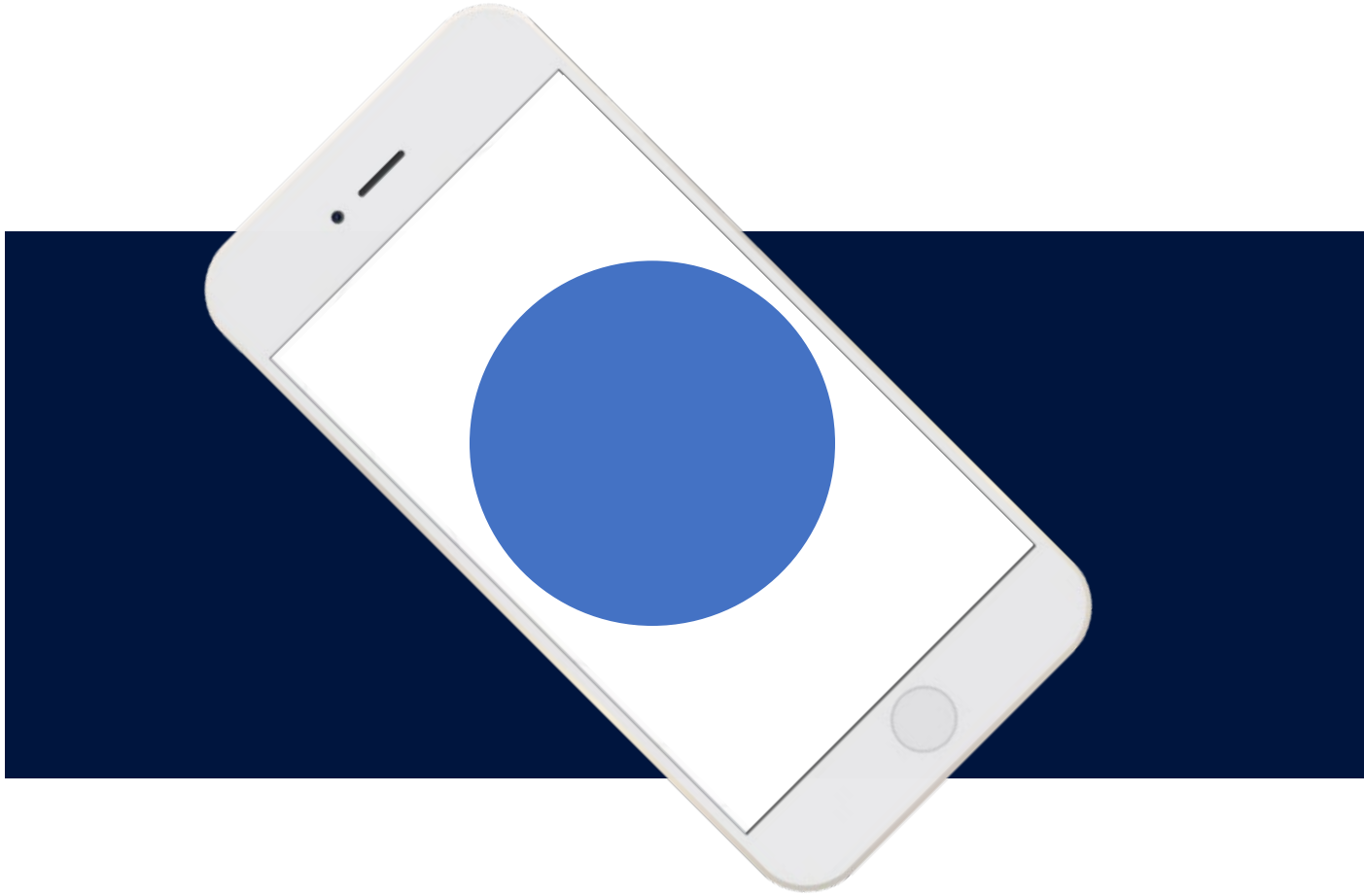

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QUESTIONS?

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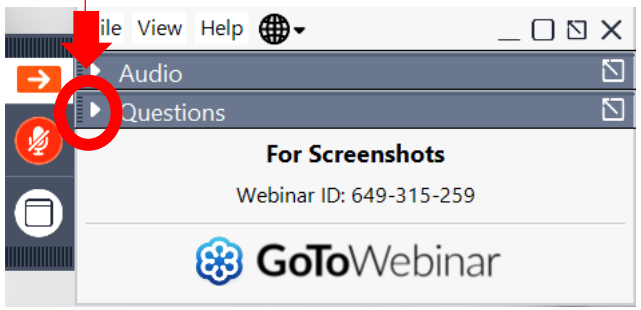

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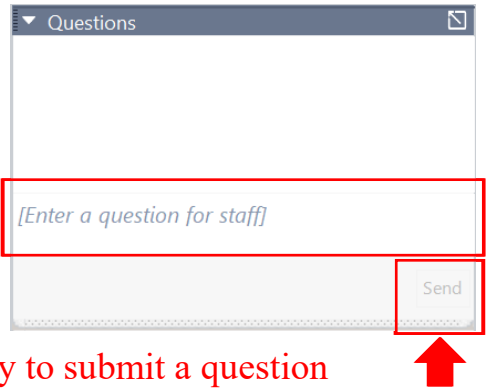

Click Send when ready to submit a question

UPCOMING TRAINING - EVENTS

ACQUISITION HOUR LIVE WEBINAR SERIES

- February 14
  Protecting Federal Contract Information (FCI): An Introduction to FAR 52.204-21
- February 28
  Protecting Federal Contract Information (FCI): An Introduction to FAR 52.204-21
- March 12
  U.S. SBA Surety Bond Guarantees: What to Know
- March 27
  Preparing a Winning Government Proposal

…More information and registrations at wispro.org/events

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EMERGING ISSUES LIVE WEBINAR SERIES

- February 15
  Analyzing and Understanding the DIBBS RFQ – Overlooked Requirements can Create Contract Compliance Issues
- February 29
  From SBIR/STTR to DPA Title III – An Overview of Federal Innovation Programs, Needs and Marketplace
- March 14
  Suggested Process for Creating a Federal Business Development Strategy

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January 30 – March 19

Wispro.org/Events

February 14, 2024

SURVEY

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February 14, 2024

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