

SMALL BUSINESS WEBINAR – 24 JUNE 2020

To assist in helping provide insight and understanding of the Facility Clearance (FCL) process, DCSA took the hundreds of questions provided to our agency after the webinar and organized and compiled them to try and provide some helpful answers.

Please be aware that these questions were answered at face value, with limited amount of data on the work, access, contract, KMPs or company structure. With additional information about those items noted above, this could influence these responses and how they may be answered.

SOLICITATION QUESTIONS

Q: Solicitations sometimes require the contractor to already have clearances. If a contractor has never been awarded a contract and does not have an Active FCL, how can the contractor compete on these solicitations? Or what if there is access to classified information in the pre-award stage, but the government stakeholder does not want to sponsor the contractor?

A: Solicitation requirements are decided by the Contracting Officer. Questions regarding solicitation specific requirements should be directed to their office. We would advise engaging with other companies already in the National Industry Security Program or other government agencies and seeing what opportunities for subcontracting and prime contracting are out there that your company could support and get sponsored for if the government stakeholder does not want to sponsor the contractor.

NOTE: "Pre-Award sponsorship must include access to classified information in the pre-award stage for the FCL process to begin. If there was no access to classified information in the pre-award stage, then the FCL process would start if there was a bona fide need to access classified information in the performance of the work on the contract and a sponsorship was submitted once awarded. (Reference DoDM 5220.22, Section 6 and 6.c., NISPOM 7-101, 1.(a) and DoDM 5220.22, Volume 2, Sections 4.3 and 4.4 and NISPOM 2-102)

FCL CONNECTED TO FSO QUESTIONS

Q: Does the company's FCL follow or relate directly back to the FSO? Is an FSO required to obtain an FCL?

A: An FSO is the company's Facility Security Officer. Facility Clearances (FCLs) are granted to that specific legal entity and do not follow the FSO. To be granted a Facility Clearance, a company will need to have a contractual bona fide need to access classified information in the performance of the contract. The FSO is a position or role that would be cleared in connection to the FCL, as would the ITPSO and SMO and any other roles noted in the business legal documents with authority or control

DCSA VALIDATES THE BONA FIDE NEED TO ACCESS CLASSIFIED INFORMATION

Q: How do the classification levels relate to sensitive or controlled information?

A: DCSA validates the bona fide need to access classified information at a particular level for the FCL to be processed and granted. Pertaining to the specifics on how to handle any sensitive, controlled or technical data, there should be guidance passed along from the GCA or Prime contractor on how that needs to be handled.

Q: Does the “legitimate need” equate to COR giving approval?

A: A ‘bona fide’ need to access classified information should be fairly obvious on the DD254 or in the Performance Work Statement (PWS) or Statement of Work (SOW). If there are questions about the COR approval based on the information submitted in the FCL request, we will reach out and have that discussion. There are also security requirements that are above those identified as DCSA having cognizance over and will require GCA approval. Some government agencies also require that all contracts, to include subcontracts, have approval from their security office, so it truly depends on the details of the FCL request and even the agency that the work is supporting.

Q: How is the FCL related to Cybersecurity requirements?

A: DCSA will validate if there is a contractual requirement to access classified information at a specific level in the performance of a contract in order to approve a FCL request, and subsequently issue a FCL. There may be additional questions on FCL requests submitted with Cybersecurity requirements. This could include DFARS 252.204.7012 (Covered Defense Information (CDI) which is Unclassified Controlled Technical Information (CTI), CMMC or other cyber requirements). You should consult with the GCA on specific guidance on any security requirement if there are questions on how that would affect the FCL.

Q: How can small businesses can get access to SCIF space to read and write documents?

A: We would advise reaching out to the government customer on how to get access as DCSA does not have oversight of Intelligence information

POSSIBLE PERSONNEL SECURITY ELIGIBILITY OR BACKGROUND INVESTIGATION REQUIREMENTS

Q: What is DoD policy for a subcontractor with personnel working in a DoD facility that requires them to have a Secret clearance? The government holds the clearances and the prime is refusing to sponsor the company for an FCL. What if the company is required to hire personnel with clearances, can an FCL be granted?

A: These ‘appear’ to be situations where the GCA may have a Personnel Clearance eligibility (or background investigation) requirement to gain access to DoD spaces or DoD networks. But be aware that I do not have complete access to all of the information related to all of these contracts and actual access, but am trying to provide some insight. Our office does not dispute that there are times that a Personnel Clearance is required, but that distinction means that government agency with that PCL requirement would be the ones responsible for funding, submitting and managing those PCLs. Personnel Security Program policy includes:

- DoDM 5220.22, Volume 2, dated August 1, 2018, Section 6.2.a (2.a) states ""DSS does not fund investigations for non-NISP contracts (i.e., those that do not require access to classified information under DSS security cognizance). GCAs are responsible for funding any and all background investigation requirements established in non-NISP contracts (e.g., network or system administrators, access to government installations or facilities or issuance of the common access card (CAC)). See paragraph 52.204-09 of the FAR and applicable DoD or Component policies for specific guidance.
- DoDM 5200.02, April 3, 2017, Section 8.1a Access to Classified Information states “Granting national security eligibility is a function distinct from granting access to classified national security information. National security eligibility determinations are made on the merits of the individual case and involve

examining a sufficient period of a person's life and background to determine that the person is an acceptable national security risk. Access determinations are made solely on the basis of the eligible individual's need for access to classified information to perform official duties."

- Executive Order #12968: Part I, Definition, Access to Classified Information, Financial Disclosure and Other Items, Sec 1.1 (g): "Need for access" means a determination that an employee requires access to a particular level of classified information in order to perform or assist in a lawful and authorized governmental function." AND Sec 1.1 (h) "(h) "Need-to-know" means a determination made by an authorized holder of classified information that a prospective recipient requires access to specific classified information in order to perform or assist in a lawful and authorized governmental function.
- Executive Order #12968: Part II Access Eligibility Policy and Procedure, Sec 2.1 (b) Eligibility Requirements states: (1) Eligibility for access to classified information shall not be requested or granted solely to permit entry to, or ease of movement within, controlled areas when the employee has no need for access and access to classified information may reasonably be prevented."

Q: We have a subcontract that requires a secret cleared resource, should prime contractor sponsor us for our FCL?

A: Our office would likely need additional information pertaining this situation on if this is a sole person corporation and the owner was the only person who would be completing classified work. We would want to see who the two or more employees will be accessing classified information, will the company being hiring more employees once the FCL is issued? Based on the policy noted below, the government will want to know why this sole owner cannot be a consultant to save time, money and resources of the oversight of an FCL for one person. Policy: DoDM 5220.22, Section 4.8 (8) and NISPOM 2-212 (ISL 2006-02, #12)

Q: Do you need a FCL to get a Personal Clearance (PCL)?

A: A Personnel Clearance could be obtained without an FCL. See policy noted above that helps define when a FCL might not be required but there may be a PCL requirement for specific reasons.

INTERIM FCL QUESTIONS

Q: Why can't your agency just issue an Interim FCL to assist contractors to be able to compete with RFPs? It seems like an Interim FCL could be given relatively quickly.

A: Think of an Interim FCL as a 'step' in the processing of the FCL with the same exact FCL requirements. Interim FCLs are granted when all other tasks for an FCL are complete, but the KMPs have been granted their Interim PCLs connected to their background investigations. Once the investigation is complete and the final PCL is reflected in JPAS/DISS, then the final FCL is granted.

HOW DO WE GET AN FCL QUESTIONS

Q: Our company has worked diligently, with no luck, to get sponsored for an FCL. How do I find a partner or prime that my company has qualifications to support, but we have no FCL?

A: This is a tough part of the process and our office hears this question quite a bit. Policy is very specific on who sponsors an FCL: Government contracting activity (GCA) or Cleared Defense Contractor (CDC) and when they submit a FCL sponsorship: with a bona fide need to access classified information in the

performance of the work on a contract. Some suggestions we try to pass along to companies looking for opportunities: engage with those contractors already involved in the National Industrial Security Program (NISP) and seeing what opportunities that your company could support; learn about the contracting and acquisition process; get involved in your local NCMS chapter. I'm sure there are many more suggestions that our office might not be aware of, so reaching out and asking questions is a good start.

Q: Our company used to have a FCL years ago. Can we just have the FCL re-activated?

A: You will have to start the process over from the beginning if you currently do not have an FCL. Be aware that requirements and policy are continually changing to react to the constant threat to national security. Even though there might have been changes to policy and/or the FCL process since you last had an FCL, there are many resources that can be used to prepare your company if you believe you will be sponsored soon. Accessing www.dcsa.mil website for the FCL Orientation Handbook, CDSE trainings. DoDM 5220.22 and NISPOM are also great resources to review. Coming soon on our agency's webpage will be the updated FCL Orientation Video. Ensuring that all business legal documents are accurate and up to date, sam.gov accounts are correct, address and website information are correct is extremely helpful to prepare for the process as well.

Q: Does the Department of State issue FCLs?

A: There are some agencies that issue their own FCLs, but the Department of State is not one of them. The DoS does issue Personnel Clearances (PCL), but works with DCSA for their FCL requests. For your awareness all Department of State DD254s, including subcontracts need to go through the Dept. of State security office for approval

WHAT IS THE STEP BY STEP PROCESS FOR AN FCL AND HOW LONG DOES THE FCL PROCESS TAKE

Q: What is the step-by-step process to sponsor a company for an FCL?

A: There are resources for companies hoping to be sponsored that can be found on our website: www.dcsa.mil. A great place to start would be the FCL Orientation Handbook. Coming soon will be the updated FCL Orientation Video. An older version of this video was recently removed from our webpage so that it can be updated with some of the new changes to the FCL sponsorship process. Be on the lookout for the new video as it will include information on business structure and KMP requirements! There are also job aids in NISS if you are the sponsor looking for guidance on how to use the system to submit a FCL request.

Q: I am new to contracting with the Federal Government. Is there someone I can email to schedule a call to discuss the overall process of getting started? How can I learn more about the process?

A: You will need to start with a contractual requirement to access classified information and the typical thing we see for justification is a DD254. The Government Contracting Activity (GCA) or a Cleared Defense Contractor (CDC) would submit a FCL request on behalf of your company in the National Industrial Security System (NISS). On www.dcsa.mil, there are resources that can be accessed to help Industry familiarize themselves with the FCL process. A great start would be the FCL Orientation Handbook to see what requirements the company will have once a FCL request is sponsored on their behalf.

Q: How long does it take to get a FCL? I heard it was 45 days, but just saw 180 days on your slides? Is this increase in the amount of days due to COVID?

A: Variables that affect the FCL include, but are not limited to: ability of the KMPs to get their PCLs; are the KMPs already cleared or will they need to go through the PCL process; FOCl involvement; business structure complexities. It is very difficult for our agency to accurately provide a FCL process timeframe for all companies. It is extremely helpful and will likely help with timing if the company being sponsored into the NISP to understand what their requirements are and review for accuracy: their legal business documents, SAM.gov record, address and website information, ensure that their company is in good standing with the Secretary of State.

NOTE: The 20 and 45 day deadlines identified in the webinar Roadmap slide are deadlines for the company to meet. Once the 45 day mark hits, that only means the company has or has not met the required deadlines and will influence if they will continue with in the FCL process, but does NOT mean that all of the DCSA internal tasks for the processing of the FCL are done and therefore the FCL will be issued. If the company submits their KMP PCL information by their 45 day deadline, there is still the PCL investigation that needs to be completed (no worries on this if the KMPs are already cleared), the DCSA internal vetting assessment and the field agent's Orientation Meeting held with the in process company all need to be completed in the system of record before an FCL can be issued. The 180 days is an estimate, but based on the items noted above (KMP PCLs, FOCl and business structure complexity) it may go much quicker or take more time depending on the specifics of your company's information.

This process has not been negatively affected by COVID due to the ability of DCSA to continue to support this work remotely. Our office is continuing to process these Facility Clearances and assist with KMP PCL processing as well during the pandemic.

The timeliness noted on the slides were calendar days since documents and information can be uploaded at any time into the systems of record, allowing flexibility for the user.

SMALL BUSINESS CONCERNS

Q: It is very difficult to be a small business and navigate this process. For example, our project required cleared resources and we cannot get sponsored. How can we compete as a small business?

A: As frustrating as these situations may be, please remember Ms. Elizabeth Mudd noted during the webinar and as identified in the slides, 65% of all companies in the NISP are small businesses. So there is hope! Also, be aware that if an agency no longer agreed to sign the DD254, there may have been policy, requirement or contractual changes that prevented that. It's hard to respond when we might not have the specifics attached to that particular situation. As noted in another response, engaging with other contractors already involved in the NISP and attending NCMS events may help widen the company's contacts and allow small businesses to find opportunities that they could help support.

DCSA RESOURCES

Q: You mentioned a FCL Process video. Where can I find that?

A: DCSA is currently updating the FCL Process video since there have been changes to the FCL process on the front end, briefly discussed during the webinar. Keep checking the DCSA.MIL site for this updated FCL Process video to be uploaded! In the meantime, there are other resources that can be used to

include: The FCL Orientation Handbook, CDSE Training and resources and asking questions of people involved in the NISP and DCSA Knowledge Center to understand the process better.

Q: I heard there was a FSO boot camp – is that the FSO Toolkit?

A: The FSO Toolkit is a great resource! It is a series of trainings that all FSOs are required to complete. It typically takes 30+ hours to complete all trainings and FSOs have up to a year to complete these required courses. Check out <https://cdse.edu> for more information on all of the toolkits at your disposal. Even better, they are all FREE!

Q: Is the Cognizant Security Office (CSO) located near the contractor or the sponsor?

A: The CSO would be the office located near the company being sponsored. There is a list of DCSA Cognizant Security Offices on www.dcsa.mil under Locations. This list can also be found in the system of record, NISS. Be aware that the CSO could refer the contractor to the NAESOC (National Access Elsewhere Security Operations Center) but the CSO information on the DD254 will be the nearest office to that company being sponsored for the beginning of the process.

Q: My first DAU Webinar. Are there any training event for Special Security Agreements (SSA) being available or planned?

A: DCSA does hold a FOCI conference each year where FCL FOCI companies can meet up and discuss their questions and concerns. Since each company's mitigation is unique to their business and the agreements are specific and tailored to that individual company, the DCSA FOCI division assists with FOCI mitigation instruments and ensures that our agency has what we need to mitigate those risks.

Q: Once a FCL request sponsorship application is accepted, are we assigned someone at DCSA with whom we can communicate, ask questions, etc.? When should I expect to receive the Welcome email?

A: Yes! Once the FCL request is accepted and the sponsorship appears to meet the requirements of a FCL, then the DCSA FCB office personnel will assist in helping your company keep the process moving forward. We monitor and work with the company on a frequent basis! The Welcome message is when the FCL request or sponsorship has been accepted.

Q: What do you do if a Prime contractor is found to be out of compliance with DoD Policy for insuring subcontractors performing classified work has an FCL?

A: Due to many variables on the type of work, contracts and access, if you feel a Prime contractor is out of compliance, there are ways to discuss this with DCSA. You could call your local DCSA Field Office and discuss the specific variables of this situation to see if there are policy concerns related to that specific work and lack of an FCL.

CONTRACTUAL REQUIREMENTS HOW IT RELATES TO FCL

Q: Is a FCL good for all levels of classification or is a separate FCL required for each level such as a Secret FCL and a Top Secret FCL.

A: No, a FCL is not good for all levels of classification. Facility Clearances are granted based on the contractual requirement and on the level of information that will be accessed in the performance of the work on the contract.

Q: If a DD254 states we need "Confidential" facility clearance level, is that handled through the same process as for Secret or TS?

A: The FCL process is similar no matter the clearance level, but there might be timeliness differences based on the FCL level, since there are Personnel Clearance (PCL) differences based on the level submitted.

Q: Can a non-FCL company buy a FCL company and inherit the FCL?

A: Facility Clearances (FCLs) are granted to that specific legal entity. If there is a merger, acquisition, re-org or spin-off, then that would affect the business's legal document and the KMP list of that legal entity. The new legal entity would have to go through the FCL process just like any other company starting the process. NOTE: For awareness, if there is an acquisition of a company with an FCL, this is required to be reported to DCSA and it might require a GCA approval of the novation of those current contracts.

WHAT IS A GCA AND WHAT ITEMS NEED GCA APPROVAL

Q: Can you define what a GCA is? Can you clarify GCA approval? Do you have a sample of a GCA authorization?

A: Government Contracting Activity (GCA) approval will include, but may not be limited to, depending on the situation, those security requirements above those identified as DCSA having cognizance over: CNDWI, FGI, SCI and Non SCI Intelligence Information, SAP, NATO, COMSEC. GCA approval is also needed for Pre-Award Contracts to validate that there is access to classified information in the Pre-Award stage. GCA approval has also been requested in cases where it appears the Period of Performance on that contract has expired to ensure that the contractual requirement is a current one.

There is no template for a GCA authorization, since there are many different variations on when this would be needed and is dependent on what exactly needs to be approved.

Q: For a potential Subcontract on an Intelligence community (IC) contract, does the GCA still need to sign off on a FCL sponsorship?

A: Anytime there is Intelligence information access requirements on a subcontract, the GCA responsible for that Intelligence information (SCI/Non SCI) will need to include approval with a sponsorship. This is due to the fact that DCSA does not have oversight or cognizance of that information, so it needs to be approved by the GCA responsible for that information. (DoDM 5220.22, Section 3.7 and NISPOM 9-300.)

CAN AN FCL BE ISSUED TO A COMPANY OPERATING OUT OF A PRIVATE RESIDENCE

Q: How does a small business operating out of their home affect their FCL? Can they even get an FCL? Or do we need to be in a cleared building?

A: If the company's registered to do business at that physical location or address and it is validated to be accurate, that company could be issued an FCL. As noted before in the webinar and elsewhere in this

Q&A, a FCL is granted based on the Key Management Personnel identified in the business legal documents. Typically, these types of situations are seen with "access elsewhere" FCLs, where the access to classified information is at a government site or cleared contractor location.

CAN A ONE PERSON COMPANY GET AN FCL

Q: Can a sole owner, as they only person completing classified work on a contract, be granted a FCL? Is it true a company needs to have at least two employees completing classified work? Is this requirement found in policy?

A: Due to the Policy references below, if the sole owner of any company, regardless of the business structure type, would be the only person accessing classified information, our agency would want additional information on why this person could not be consultant to save the government time, money and resources on the oversight of that FCL for one person. DoDM 5220.22, Section 4.8 (8) and NISPOM 2-212 (ISL 2006-02, #12). If a company is planning on hiring additional employees to meet this requirement, then employment verification may be requested for that second employee. NOTE: JPAS/DISS requires two account managers for cleared companies as well.

DO ALL KMPs NEED TO BE CLEARED BEFORE A SPONSORSHIP NEEDS TO BE SUBMITTED

Q: Do all Key Management Personnel (KMPs) have to be cleared before we start the FCL process? What is one KMP has a clearance and the other KMP had their Personnel Clearance (PCL) expire?

A: There is no need for all KMPs to have PCLs prior to FCL sponsorship. If none of the KMPs have PCLs, but have been sponsored by the GCA or Cleared Prime contractor, our office will initiate those PCLs as part of the FCL process. In some FCL sponsorship cases, some KMPs or all KMPs could have their PCLs already reflected in JPAS, but it is not required. NOTE: If there is a specific contractual requirement related to this, it would be suggested to reach out to the Prime or GCA to get guidance and find out if there are PCL eligibility requirements versus a bona fide need to access classified information in the support of the work on the contract. Of course, if all KMPs are already cleared and reflecting current eligibility in JPAS/DISS, then this task will go faster in the FCL process workflow. The other FCL tasks do need to be completed prior to the FCL issuance though so keep that in mind.

KEY MANAGEMENT PERSONNEL QUESTIONS

Q: Can the co-owner of a company be a dual citizen? Is that a high risk?

A: The key here is US Citizen. DoDM 5220.22, Section 4.8.a (2) addresses this. This information would likely get discussed while the person goes through the background investigation process as well.

Q: What do you do if someone has a TS/SCI PCL from the Intelligence Community?

A: If a KMPs PCL is found in another system of record, our agency will work to get that information reflected in JPAS/DISS if the company is placed in process for a DoD FCL.

Q: I have a TS PCL, but my company has a Secret FCL. How do we get the DD254 so I can read TS docs and get the SCI for projects?

A: Personnel Clearances and Facility Clearances are not one in the same. For your company to be Upgraded to a TS FCL, you will need to have a contractual requirement to access classified information

in the performance of the work on the contract at that level. If it is a pre-award contract, there will need to be pre-award access to classified information and the GCAs approval of that access at that TS level as well.

Q: How do we get a FCL if all of the principals of the company already have Personnel Clearances (PCLs)?

A: The company would need to be sponsored for an FCL to be cleared, since PCLs and FCLs are not one in the same.

Q: Can one person be all KMP roles? For example: Can the company owner be the FSO, Senior Management Official (SMO) and Insider Threat Program Senior Official (ITPSO)?

A: One KMP can be assigned the roles of Senior Management Official (SMO), Facility Security Officer (FSO) and Insider Threat Program Senior Official (ITPSO). NOTE: if the owner of the company is the sole person that will be working the classified contract, additional information will be required on why that person cannot be a consultant to save the government time, money and resources on the oversight of a FCL for only one person (DoDM 5220.22 Section 4.8 (8) and NISPOM 2-212 [ISL 2006-02, #12]). Additionally, JPAS/DISS requires two account managers to manage the company's PSM Net.

Q: Do all personnel that will work on the classified project go through the personnel security clearance in conjunction with the Key Management Personnel or is that a separate process?

A: While the company is in process, DCSA FCB assists the Key Management Personnel List in getting their PCLs in connection to the FCL. The persons who need to be identified on the company's KMP list will relate back to the company's legal business documents and will include those that have authority and control over the company and its decisions and operation. Once those KMPs have their Interim FCLs and JPAS or DISS accounts, then they can submit or initiate the PCLs for the company's personnel who will be working the classified contract.

COVID CONCERNS

Q: With COVID and work-from-home requirements, is a physical office still required? If my principal place of business is now a virtual office since I can't go to the physical location due to risks, and operate out of a home, and I'm the KMP/owner, should we list the home for the FCL?

A: Due to the current health situation there are many unknowns and we aren't really aware how this is going to affect future processes or operations. If your company is being sponsored for an FCL, then you should include the location of the business as noted in the legal business documents, the address listed on sam.gov, on your website and the one that was registered with the Secretary of State. If those items will be updated due to the current situation, then we would want to see that accurate and up to date information. If they will not be updated to see if the situation might return to some semblance of normal, then having an upfront discussion with DCSA Representatives would be helpful as well.

JOINT VENTURES

Q: Can an incumbent company who has graduated from 8(a) program with a FCL with a contract flip a classified contract to another SB (8(a) with FCL and bring subcontractor without FCL SME and sponsor that SME SB for an FCL?

A: Facility Clearances (FCLs) are granted to that specific legal entity. Specific questions about current contracts and already cleared 8a companies, I would reach out to your DCSA Industrial Security Rep to discuss.

Q: What if Subcontractors under a JV have FOCI? Is that still High Risk?

A: It depends on the level or percentage of FOCI present and if FOCI mitigation instruments can be used to mitigate the risk. Be aware that FOCI could affect the timeliness of the FCL as this will need to be mitigated which could take additional time to resolve.

Q: Can a JV bid and qualify for offer w FCL if only one of the JV partners holds the FCL?

A: If the JV is awarded a contract and it is validated that there is a bona fide need to access classified information in the performance of the work on that contract and they meet the requirements, then the JV will then be placed in process. At some point, the Joint Venture Agreement will be reviewed to validate who is the Managing Partner. If that Managing Partner does not hold a FCL, they would be placed in process and be worked alongside the JV, since they would have managerial control of the JV.

Q: If the JV gets FCL, will the entity without the FCL be able to inherit that FCL?

A: Facility Clearances (FCLs) are granted to that specific legal entity. FCLs cannot be inherited but the business legal documents and KMP list will need to be vetted if there are any changes to a current or active FCL. As a side note, if a Joint Venturer is placed in process for a FCL, but the Protégé, typically the Managing Partner, does not have an FCL, that Managing Partner will be placed in process as well since they have managerial control of the JV. The Managing Partner's legal business documents and KMP list will be uploaded into the system of record since they are separate entities.

Q: Are you allowed to use your mentors facility clearance if you are in the mentor protégé program with the 8(a)?

A: A Protégé would not be able to utilize the Mentor's FCL, as they are a separate legal entity. With that being said, a Protégé typically is the managing member in a Joint Venture and would need to be cleared in connection to the JV FCL since they would have managerial control. This information would be verified by DCSA in the legal business docs for the JV and what is outlined in those documents.