



INTELLIGENCE
AND SECURITY

OFFICE OF THE UNDER SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-5000

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: Implementation Guidance on the Use of the National Industrial Security Program Contract Classification System

References: (a) OUSD(I&S) Memo, "Notice of Amendment to Federal Acquisition Regulation to Use the National Industrial Security Program Contract Classification System," September 2, 2020
(b) USD(I) Memo, "Use of the National Industrial Security Program Contract Classification System," February 8, 2018
(c) OUSD(A&S) Memo, "Use of the National Industrial Security Program Contract Classification System," October 19, 2018
(d) Title 48 Code of Federal Regulation, Federal Acquisition Regulations System, Subpart 4.402(d)(1)

References (a) through (d) require Department of Defense (DoD) Components to use the National Industrial Security Program Contract Classification System (NCCS) for the issuance of a DD Form 254, "Department of Defense Contract Security Classification Specification." The DD Form 254 provides defense contractors and subcontractors the required classification and security guidance when their performance on a contract requires access to classified information. NCCS automates the DD Form 254 processes and workflows for DoD Components, other Federal Government agencies, and cleared contractors participating in the National Industrial Security Program. NCCS establishes a centralized repository to collect the security requirements and supporting information for classified contracts.

NCCS, previously a module within the Procurement Integrated Enterprise Environment, is undergoing rapid development to address critical needs outlined by the NCCS user community. The Defense Counterintelligence and Security Agency (DCSA) is the lead for NCCS development, hosting, and implementation. As stated in Reference (b), the Federal Acquisition Regulation (FAR), Subpart 4.402, required the use of NCCS as of August 3, 2020. Effective August 10, 2022, a technical amendment to FAR 4.402(d)(1) was published (Reference (d)) to update the NCCS web address to <https://www.dcsa.mil/is/nccs>.

DoD Components must prepare for NCCS implementation using guidance established by DCSA, which can be found at https://www.dcsa.mil/is/nccs/gov_onboarding/, to include, at a minimum: providing DCSA with component implementation points of contact, working alongside DCSA to identify hierarchy information, and establishing component guidance to include policy updates for NCCS implementation based on individual component requirements and policies. DoD Components must implement and begin using NCCS within the phased onboarding schedule set by DCSA for each component, with full implementation expected within a year of this memo. DoD Components, with prior approved electronic databases, must reach out

to DCSA within 3 months of this memo to begin planning for appropriate electronic interfaces. To facilitate Component phased implementation, contracting, program, and security offices should be included in NCCS planning efforts.

For questions or concerns, please engage the DCSA point of contact, Mr. Steve Nemeth, Chief, Program Management Branch. The OUSD(I&S) point of contact is Ms. Allyson Renzella, at allyson.c.renzella.civ@mail.mil.

Mr. John P. Dixon
Acting Director for Defense Intelligence
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& Security

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