

# DFARS Procedures, Guidance, and Information

## PGI 204—Administrative and Information Matters

---

(Revised August 17, 2023)

### PGI 204.4—SAFEGUARDING CLASSIFIED INFORMATION WITHIN INDUSTRY

#### PGI 204.402—General.

(1) The use of “Not Releasable to Foreign Nationals” (NOFORN) caveat on Department of Defense (DoD) Information, to include contract documents, shall not be applied to non-intelligence information except for Naval Nuclear Propulsion Information and the National Disclosure Policy document (NDP-1).

(2) Agencies shall not restrict procurements on the basis of foreign origin but rather on the level of security clearance required by industry to submit an offer and perform on the contract.

#### PGI 204.403 Responsibilities of contracting officers.

(1) Consistent with the requirements at FAR 4.403, contracting officers shall ensure that solicitations, to include any broad agency announcement (BAA), commercial solutions opening (CSO), or notice to industry that requires industry access to classified information and/or controlled unclassified information ([see policy memos](#)), shall contain one or more of the following:

(i) Draft DoD Form DD 254, DoD Contract Security Classification Specification. For guidance on completing the DD 254, see “Instructions for Completing DD Form 254, Department of Defense Contract Security Classification Specification” at <https://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd0254-Inst.pdf>. For information on the National Industrial Security Program Contract Classification System, see <https://www.dcsa.mil/is/nccs/>.

(ii) The clause at FAR 52.204-2, Security Requirements.

(iii) Detailed agency instructions for industry requirements to request access to classified information and/or controlled unclassified information. Agency instructions shall clearly reference and be in accordance with the National Industrial Security Program Operating Manual (NISPOM) (32 CFR part 117).

(iv) The following is a template of agency instructions to industry:

“Offerors must have a valid U.S. security clearance of *[to be filled in by the contracting officer]* or higher in order to respond to this RFP (Announcement), because the RFP (Announcement) includes an annex (information) classified at the *[to be filled in by the contracting officer]* level which will be released only to offerors possessing the appropriate clearance. All classified material must be handled in accordance with the National Industrial Security Program Operating Manual (NISPOM) (32 CFR part 117).”

# DFARS Procedures, Guidance, and Information

## PGI 204—Administrative and Information Matters

---

(2) Fundamental research project determination.

(i) Projects being scoped as fundamental research may include the entire contract effort or a specified portion of the statement of work, and must be documented in the written determination and in the contract.

(ii) The determination of fundamental research shall occur when the project is added to the statement of work, either prior to award or during a contract modification that modified the statement of work.

(iii) Fundamental research is defined in the [USD\(AT&L\) memorandum on Fundamental Research, dated May 24, 2010](#).

(iv) See clause [252.204-7000\(a\)\(3\)](#), concerning disclosure of information for fundamental research projects.