



VENDOR DEMOGRAPHICS

MODERATOR: DAN DIMASE



OVERVIEW

Overview

- FY20 NDAA Section 224 identifies elements required to be considered in the evaluation of suppliers for DoD microelectronics
- The vendor demographics criteria to be evaluated for each microelectronics part acquired include manufacturing location(s), company ownership, and workforce composition

Candidate Risks

- Evaluation of this risk is required by FY20 NDAA Sec 224

CANDIDATE CONSIDERATIONS

- Manufacturing Location
- Company Ownership
- Workforce Composition
- Access During Manufacturing
- Reliability of the Supply Chain

MANUFACTURING LOCATION

CANDIDATE CONSIDERATION, CRITERIA

Required by
Sec 224

Consideration

- “Manufacturing” refers to entities in the supply chain that conduct development and/or fabrication activities ([strawman](#))
- What are the impacts to the supplier base if this is used as a discriminator in vendor selection? As a factor in risk analysis?

Criteria

- What should be the minimal criteria for secure microelectronics used in DoD/NCI systems?

COMPANY OWNERSHIP

CANDIDATE CONSIDERATION, CRITERIA

Required by
Sec 224

Consideration

- Company HQ and immediate region ownership that maintains oversight over the facility and/or corporate office being contracted with (strawman)
- What are the impacts to the supplier base if this is used as a discriminator in vendor selection? As a factor in risk analysis?

Criteria

- What should be the minimal criteria for secure microelectronics used in DoD/NCI systems?

WORKFORCE COMPOSITION

CANDIDATE CONSIDERATION, CRITERIA

Required by
Sec 224

Consideration

- Training
- Employee vetting or screening
- Citizenship or permanent residence
- What are the impacts to the supplier base if this is used as a discriminator in vendor selection? As a factor in risk analysis?

Criteria

- What should be the minimal criteria for secure microelectronics used in DoD/NCI systems?

ACCESS DURING MANUFACTURING

CANDIDATE CONSIDERATION, CRITERIA

Required by
Sec 224

Consideration

- Also asked of the supply chain protection area breakouts
- How should developers share and protect data that provides evidence of assurance?
 - What data is required? (covered in other sections)
 - Is the data available?
 - Data exists and can be delivered
 - Data does not exist but can be generated
 - Data cannot be made available
 - When is the data available?
 - Can the data delivery be standardized?

Criteria

- What should be the minimal criteria for secure microelectronics used in DoD/NCI systems?

RELIABILITY OF THE SUPPLY CHAIN

CANDIDATE CONSIDERATION, CRITERIA

Required by
Sec 224

Consideration

- Also asked in the Procurement Management breakout
 - Counterfeit Prevention
 - Obsolescence and Materials Shortages
 - Contracting Considerations
 - Data Access
 - Reliability of the supply chain

Criteria

- What should be the minimal criteria for secure microelectronics used in DoD/NCI systems?

VENDOR DEMOGRAPHICS

DEVELOPING CRITERIA

When developing criteria:

- Align to existing authorities: utilize existing lists by established authorities
 - Defer to equity owners (e.g., Dept. of State, Dept. of Commerce)
 - Don't reinvent the wheel
- Prohibited criteria should be limited to regulatory elements

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CANDIDATE CRITERIA

LoA: A	<ul style="list-style-type: none">• Workforce Composition:• Location & Ownership:<ul style="list-style-type: none">• US Only• FVEY (?)• EAR NS1 (?)
LoA: B	
LoA: C	<ul style="list-style-type: none">• unknown / uncontrolled
LoA: D	<ul style="list-style-type: none">• DoS, DoC banned, embargoed lists