VENDOR DEMOGRAPHICS
MODERATOR: DAN DIMASE
**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

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

Consideration

- Company HQ and immediate region ownership that maintains oversight over the facility and/or corporate office being contracted with \textit{(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

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

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

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
## VENDOR DEMOGRAPHICS
### CANDIDATE CRITERIA

| LoA: A | • Workforce Composition:  
| • Location & Ownership:  
| • US Only  
| • FVEY (?)  
| • EAR NS1 (?) |
| LoA: B |            |
| LoA: C | • unknown / uncontrolled |
| LoA: D | • DoS, DoC banned, embargoed lists |