



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
ACQUISITION AND GRANTS OFFICE

April 22, 2015

MEMORANDUM FOR: Deputy Assistant Administrators
Staff Office Directors

FROM: Mitchell J. Ross 
Director, Acquisition and Grants Office

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NOAA Chief Information Officer and Director for High
Performance Computing and Communications

SUBJECT: Acquisition Alert 15-02 Supply Chain Risk Management for
Acquiring High and Moderate Impact Information Systems

The purpose of this memorandum is to provide the attached Acquisition Alert 15-02, which implements the interim acquisition policy for moderate impact Information Technology (IT) systems.

Section 515 of the Consolidated Appropriations Act for Fiscal Year (FY) 2015 states that none of the funds appropriated or otherwise made available under this Act may be used by the Department of Commerce (DOC) to acquire a high-impact or moderate-impact information system, as defined for security categorization in the National Institute of Standards and Technology's (NIST) Federal Information Processing Standard Publication 199.

The NOAA Chief Information Officer (CIO) is responsible for determining the need for Supply Chain Risk (SCR) for any acquisition of moderate impact information systems and this determination may be delegated. NOAA AGO contracting officers shall continue to follow the policy of the Department of Commerce Procurement Memorandum (PM) 2014-03, ensure that purchase requisitions include an approved IT Compliance in Acquisition Checklist covering the review of SCR for high impact components and moderate impact information systems, and use the OCIO SCR Assessment Determination prior to making an award.

Questions pertaining to the review of SCR and the IT Compliance in Acquisition Checklist should be directed to the cognizant ACIO or, as appropriate, the NOAA CIO. Questions pertaining to the Acquisition Alert should be directed to Justin Cofer, AGO Policy and Oversight Division (POD) at Justin.L.Cofer@noaa.gov or by telephone at (816) 823-3820.

Attachment

Acquisition Alert 15-02 Supply Chain Risk Management for Acquiring High and Moderate Impact Information Systems

April 22, 2014

ACQUISITION ALERT 15-02

Supply Chain Risk Management for Acquiring High and Moderate Impact Information Systems

This Acquisition Alert (AA) is being transmitted to all NOAA Heads of Contracting Offices (HCO), all Assistant Chief Information Officers (ACIO), and all Acquisition Liaisons.

1. **Purpose:** The purpose of AA 15-02 is to establish interim policy to comply with Section 515 of the Consolidated and Further Continuing Appropriations Act, 2015, P.L. 113-235, Div. B, Title V (“Section 515”) regarding acquisition of high impact or moderate impact information systems.

2. **Background:** Section 515 states that none of the funds appropriated or otherwise made available under this Act may be used by the Departments of Commerce (DOC) and Justice, the National Aeronautics and Space Administration (NASA), or the National Science Foundation (NSF) to acquire a high-impact or moderate-impact information system, as defined for security categorization in the National Institute of Standards and Technology’s (NIST) Federal Information Processing Standard Publication 199, “Standards for Security Categorization of Federal Information and Information Systems” (FIPS-199) unless the agency has—
 - reviewed the supply chain risk for the information systems against criteria developed by NIST to inform acquisition decisions for high-impact and moderate-impact information systems within the Federal Government;
 - reviewed the supply chain risk from the presumptive awardee against available and relevant threat information provided by the Federal Bureau of Investigation and other appropriate agencies; and
 - in consultation with the Federal Bureau of Investigation or other appropriate Federal entity, conducted an assessment of any risk of cyber-espionage or sabotage associated with the acquisition of such system, including any risk associated with such system being produced, manufactured, or assembled by one or more entities identified by the United States Government as posing a cyber threat, including but not limited to, those that may be owned, directed, or subsidized by the People’s Republic of China.

Section 515 specifically references FIPS-199 for its definition of the terms “high-impact,” “moderate-impact,” and “information system.” FIPS-199 defines information system as, “A discrete set of information resources¹ organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.”

On April 22nd, 2014, the DOC Office of Acquisition Management and the DOC Office of the Chief Information Officer (OCIO) issued [Procurement Memorandum 2014-03, Supply](#)

¹ FIPS-199 defines the term “Information Resource” as, “Information and related resources, such as personnel, equipment, funds, and information technology.”

[Chain Risk Management Restrictions on Information Technology Acquisitions – Interim Guidance \(Phase 1\)](#) which implemented restrictions to acquisition of classified Information Technology (IT) systems or IT systems that are rated high impact as determined by the cognizant OCIO. IT systems, equipment, and software are collectively referred to as “Covered” IT within PM 2014-03.

In order for NOAA to be compliant with the statute, it must address Supply Chain Risk (SCR) for moderate impact systems. Effective immediately, NOAA shall follow this policy.

- 3. Applicability:** This acquisition policy is applicable to all NOAA Line and Staff Offices.
- 4. Policy:** The NOAA Acquisition and Grants Office (AGO) has established the following acquisition policy for contracting officers procuring IT:
 - a. Contracting officers shall continue to follow the policy and requirements of PM 2014-03 for high impact systems.
 - b. The NOAA Chief Information Officer (CIO) shall determine the SCR for any acquisition of moderate impact information systems. This determination may be delegated. The CIO has determined that purchases meeting any of the three categories below shall be treated as “Covered IT” within the meaning of PM 2014-03:
 - (i) The acquisition of a new Information System, i.e. purchase of an Information System that does not have an existing Authorization to Operate (ATO).
 - (ii) The acquisition of components to replace or upgrade 51 percent or more of an existing FIPS-199 Moderate Information System.
 - (iii) The acquisition of component(s) that cause a significant change to an existing FISMA system as determined by the Authorizing Official(s) or the NOAA CIO.
 - c. Contracting officers shall ensure that an approved IT Compliance in Acquisition Checklist is part of the requisition and included in the file.
 - d. Contracting officers shall continue to use the contract language identified in PM 2014-03 Section 9.
 - e. Prior to making an award, contracting officers shall comply with the terms of the approved SCR Assessment Determination and include it in the contract file.
- 5. Points of Contact:**
 - a. Questions concerning the review of SCR and the IT Compliance in Acquisition Checklist should be directed to the cognizant ACIO or the NOAA CIO.
 - b. Questions concerning this Acquisition Alert should be directed to Justin Cofer, Acquisition and Grants Office (AGO), Policy and Oversight Division (POD) at Justin.L.Cofer@noaa.gov or by telephone at (816) 823-3820.