

# THELINK

Connecting Suppliers with DLA



Issue 36 April 2025

### 2025 TKO Mark Your Calendars!

Learn how to do business with the Government!



**FREE TKO SEMINARS** 

May 13-14, 2025 (In-Person)
June 3-4, 2025 (APEX Only)
July 8-9, 2025
September 9-10, 2025
November 18-19, 2025 (In-Person)

Register at:
Outreach Calendar (dla.mil)

Find other training opportunities here:
DLA SMALL BUSINESS TRAINING

Find APEX Accelerators
events here:
APEX Accelerators website.

WWW.DLA.MIL
WWW.FACEBOOK.COM/DLA.MIL
WWW.TWITTER.COM/DLAMIL
WWW.YOUTUBE.COM/USER/
DODLOGISTICSAGENCY

# DLA Supply Chain Alliance Symposium & Exhibition

Please join us for the Defense Logistics Agency (DLA) Supply Chain Alliance Symposium & Exhibition <u>June 11-12, 2025</u> in Richmond, VA. This event is hosted by the National Defense Industrial Association (NDIA) in partnership with the Defense Logistics Agency.

This two-day event will bring together Government and Industry leaders to discuss current and future challenges. Hear firsthand perspectives from leading industry executives, DoD senior officials, as well as multiple general/flag officers.

NDIA will also be facilitating "Small Business Matchmaking" breakout sessions for a variety of topics, and creating networking opportunities.

Join us and learn more about DLA, and how we can partner together to continually improve warfighter support!

More information and sign up can be found at NDIA's Registration



## Vendor Shipping Module (VSM) Web Services Update, Mandatory Changes

This notice provides an update to DLA-provided schemas for the upcoming VSM Web Service upgrades. DLA contractors utilizing VSM Web Service are requested to utilize the schema updates imbedded within the following URL and disregard those that were previously provided in the initial notice:

https://www.dla.mil/Portals/104/Documents/InformationOperations/EBS%20Supplier%20Information/VSM\_Web-Service-Update\_FINAL\_27FEB2025.docx?ver=33zBGn62Xb0zcSS1lel9pQ%3d%3d

A start date for testing is not available at this time, however DLA will post an announcement when a date becomes available.

On September 30, 2024, DLA advised suppliers utilizing VSM Web Service that they would need to execute an update to their systems to accommodate a new schema implemented within WMS-VSM if they wish to continue utilizing this service in 2025. This notice may be accessed through URL: <a href="https://www.dibbs.bsm.dla.mil/notices/msgdspl.aspx?">https://www.dibbs.bsm.dla.mil/notices/msgdspl.aspx?</a> <a href="maggid=1229">msgid=1229</a>

Questions regarding the VSM Web Service upgrade can be submitted via email to: JSONWebServiceInquiry@dla.mil.

## **Tracking Devices in Shipments**

For DLA suppliers, the use of any consumer-grade tracking technologies, Internet of Things (IoT) based location systems, Bluetooth based devices, crowd sourced tracking systems, or geolocation devices (i.e., Airtags, Smartags, Tile, or the like), is highly discouraged for shipments of DLA orders, government furnished property, and sensitive shipments unless expressly approved in writing by a DLA contracting officer.

The use of these technologies introduces security risks to the agency, such as compromised information or locations within the DLA or other DLA partners. It creates an additional burden on the DLA to ensure the item is decoupled, or removed from the original owner, as well as properly disposed.

If one of these devices is utilized by a vendor in a shipment, the vendor may be asked to provide verification to the contracting officer that the item was removed from the vendor's account.



## **DLA Distribution Industry Day**

DLA Distribution invites you to attend the DLA Distribution Industry Day on May 14, 2025. The purpose of this forum is to provide our industry partners an avenue to learn about the mission of DLA Distribution and to encourage an open dialogue and exchange of information and ideas with our industry partners. Industry will hear from the organization's staff and gain insight into DLA Distribution's strategic and operational objectives. Industry will learn about DLA Distribution and how to do business with us.

WHEN: May 14, 2025

WHERE: Susquehanna Club, New Cumberland, PA 17070

#### **TOPICS:**

- Storage and distribution
- Construction
- Material handling equipment repair
- Janitorial
- Boxes (cartons, crates, containers, packaging, packing supplies, bags, and sacks)
- Communication equipment
- Material handling equipment and conveyors
- Office supplies
- Furniture (cabinets, lockers, bins, and shelving)



More Information and updates available at: <u>SAM.gov</u> under announcement SP3300-25-SS-5001.

**Registration:** Industry Day registration is open via Eventbrite @:

https://www.eventbrite.com/e/dla-distribution-industry-day-2025-tickets-1106661938649?aff=oddtdtcreator

Questions may be directed to Mr. Ronald Bell at DistributionJ7@dla.mil

### **Tariffs and Quoting Duty Free**

Proposed U.S. tariffs on certain materials may impact costs on these imported materials. Tariffs are the responsibility of the importer of record for affected commodities.

The importer of record is almost always the supplier.

Before importing impacted materials, suppliers must consider requesting the incorporation of <u>DFARS 252.225-7013</u> Duty Free Entry. This clause can significantly offset cost increases due to the tariffs. Duty is another word for the tariff. The basic difference is the tariff is a percentage (25%), and duty is the cost in dollars (\$250).

Unless the supplies have already entered into the customs territory of the United States and the contractor already has paid the duty, Duty Free Entry (DFE) is normally available. When proper DFE procedures are followed, the supplier will <u>not</u> incur the cost of duty. The clause also requires the supplier to remove duty from their quoted price.

The contracting officer will confirm the supplier has removed or not included, as applicable, the cost of duty from their price. This will ultimately allow suppliers offering imported material to quote more competitive prices. It should be noted, suppliers are also able to "flow down" DFE into their subcontracts for component parts. This can be done when DFE is included in the prime contract and the supplier includes the clause in their subcontracts. Suppliers are required to follow the procedures provided in the full text of <u>DFARS 252.225-7013</u> in order to obtain DFE.

The conditions the contracting officer will normally authorize Duty Free Entry appear below:

#### **DFARS 252.225-7013 DUTY-FREE ENTRY (NOV 2023)**

DFARS 225.1101(4) - Use instead of the clause at FAR 52.225-8. Insert in solicitations and contracts for supplies that may be imported into the U.S. and for which duty-free entry may be authorized. Duty free entry may be authorized for all qualifying country supplies under the Buy American statute, eligible end products covered by trade agreements, and other foreign supplies for which duty will exceed \$300 per shipment. This clause may be appropriate for use in solicitations and contracts for foreign material to APO/FPO addresses and FMS requisitions since shipments may enter U.S. customs territory for onward movement.



## Understanding the Cybersecurity Maturity Model Certification (CMMC)

As the Department of Defense (DoD) continues to strengthen its cybersecurity posture, the Cybersecurity Maturity Model Certification (CMMC) program has become a critical initiative for protecting the defense industrial base (DIB) from cyber threats. The 32 CFR part 170 CMMC program and the proposed rule for 48 CFR Assessing Contractor Implementation of Cybersecurity Requirements lay the foundation for how the Department of Defense (DoD) will enforce cybersecurity requirements in federal procurements. Understanding these regulations is essential for ensuring compliance and safeguarding controlled unclassified information (CUI) and Federal Contract Information (FCI) within the supply chain.



#### **Overview of 32 CFR CMMC Final Rule**

The 32 CFR CMMC rule, published as a final regulation, establishes the overarching framework for the CMMC program. It mandates cybersecurity requirements for defense contractors handling CUI and FCI. The rule outlines the three-level CMMC model, which includes:

- Level 1 Basic safeguarding for FCI, which is self-assessed against the FAR clause 52.204-21.
- Level 2 Aligns with NIST SP 800-171, and depending on the criticality of the CUI, may be self-assessed, or requires a third-party certification.
- Level 3 Aligns with NIST SP 800-172, requiring government-led assessments.
- Certification and compliance mechanisms, including third-party assessments for certain contracts.
- The requirement for contractors to meet CMMC levels before contract award to ensure cybersecurity standards are in place.
- Annual affirmations to validate to the DoD that the contractor is actively maintaining its CMMC level status.

## 48 CFR Assessing Contractor Implementation of Cybersecurity Requirements Proposed Rule and Potential Procurement Impacts

The 48 CFR Assessing Contractor Implementation of Cybersecurity Requirements proposed rule, specifically addresses how CMMC will be implemented in DoD contracts. It includes the provisions and clauses to implement the 32 CFR CMMC requirements in the Defense Federal Acquisition Regulation Supplement (DFARS). As a proposed rule, it announces the DoD's intent to issue a new regulation or modify existing regulation. A final rule usually follows a proposed rule and is published after public comment.

#### **Key Aspects Include:**

- CMMC as a pre-award requirement: Offerors must demonstrate compliance before contract award.
- Flow-down provisions: Prime contractors must ensure subcontractors meet the required CMMC level.
- Verification of compliance: Contracting officers will have to verify certifications through the Supplier Performance Risk System (SPRS).
- Inclusion in solicitations and contracts: RFPs, RFIs, and contract clauses will specify CMMC requirements.

## Understanding the Cybersecurity Maturity Model Certification (CMMC) (Cont.)

#### **How This Affects DoD Contractors**

DoD intends to integrate CMMC requirements into procurement actions. If the Title 48 CMMC rule is published, contractors will notice in solicitations and contracts, the appropriate DFARS CMMC provisions and clauses, identifying whether the procurement involves CUI or FCI, and the required CMMC level.

During each phase of the acquisition, contractors may anticipate certain outcomes:

For <u>source selection and award considerations</u>, contracting officers verify contractor CMMC certification status in SPRS before awarding contracts, and evaluate cybersecurity compliance as a go/no-go factor in source selection.

For <u>contract performance</u>, contractors will maintain CMMC certification throughout the life of the contract and comply with flow-down requirements. If a requirement of a DoD contract is not met, then standard contractual remedies applicable to that contract may apply.

Most importantly, remain informed on CMMC updates. DoD encourages contractors to continue to enhance their cybersecurity posture while the rulemaking is underway for the 48 CFR proposed rule. DoD has developed Project Spectrum (<a href="https://www.projectspectrum.io/">https://www.projectspectrum.io/</a>) to help DIB companies assess their cyber readiness and adopt sound cybersecurity practices.

Additional information on the CMMC program may be found on the DoD Chief Information Officer (CIO) website: <a href="https://dodcio.defense.gov/cmmc/Resources-Documentation/">https://dodcio.defense.gov/cmmc/Resources-Documentation/</a>

### **DDSP New Cumberland Address Change**

The shipping address for Transportation DODAAC W25G1U has been updated as follows:

From:

W1A8 DLA DISTRIBUTION DDSP NEW CUMBERLAND FACILITY 2001 NORMANDY DRIVE DOOR 113 TO 134 NEW CUMBERLAND, PA 17070

To:

W1A8 DLA DISTRIBUTION DDSP NEW CUMBERLAND FACILITY 2083 NORMANDY DRIVE DOOR 113 TO 134 NEW CUMBERLAND, PA 17070



The VSM label that you receive for orders shipping to Transportation DODAAC W25G1U should automatically reflect this change. Please contact VSM if you encounter any issues.