52.204-2 Security Requirements.

As prescribed in 4.404(a), insert the following clause:

Security Requirements (Mar 2021)

- (a) This clause applies to the extent that this contract involves access to information classified "Confidential," "Secret," or "Top Secret."
- (b) The Contractor shall comply with-
- (1) The Security Agreement <u>DD Form441</u>), including the *National Industrial Security Program Operating Manual* (32 CFR part 117); and
- (2) Any revisions to that manual, notice of which has been furnished to the Contractor.
- (c) If, subsequent to the date of this contract, the security classification or security requirements under this contract are changed by the Government and if the changes cause an increase or decrease in security costs or otherwise affect any other term or condition of this contract, the contract *shall* be subject to an equitable adjustment as if the changes were directed under the Changes clause of this contract.
- (d) The Contractor agrees to insert terms that conform substantially to the language of this clause, including this paragraph (d) but excluding any reference to the Changes clause of this contract, in all subcontracts under this contract that involve access to *classified information*.

(End of clause)

Alternate I (Apr 1984). If a cost contract for research and development with an educational institution is contemplated, add the following paragraphs (e), (f), and (g) to the basic clause:

- (e) If a change in security requirements, as provided in paragraphs (b) and (c), results (1)in a change in the security classification of this contract or any of its elements from an unclassified status or a lower classification to a higher classification, or (2)in more restrictive area controls than previously required, the Contractor *shall* exert every reasonable effort compatible with the Contractor's established policies to continue the performance of work under the contract in compliance with the change in security classification or requirements. If, despite reasonable efforts, the Contractor determines that the continuation of work under this contract is not practicable because of the change in security classification or requirements, the Contractor *shall* notify the *Contracting Officer in writing*. Until resolution of the problem is made by the *Contracting Officer*, the Contractor *shall* continue safeguarding all classified material as required by this contract.
- (f) After receiving the written notification, the *Contracting Officer shall* explore the circumstances surrounding the proposed change in security classification or requirements, and *shall* endeavor to work out a mutually satisfactory method whereby the Contractor can continue performance of the work under this contract.
- (g) If, 15 days after receipt by the Contracting Officer of the notification of the Contractor's stated

inability to proceed, (1) the application to this contract of the change in security classification or requirements has not been withdrawn, or (2)a mutually satisfactory method for continuing performance of work under this contract has not been agreed upon, the Contractor *may* request the *Contracting Officer* to terminate the contract in whole or in part. The *Contracting Officer shall* terminate the contract in whole or in part, as *may* be appropriate, and the termination *shall* be deemed a termination under the terms of the Termination for the Convenience of the Government clause.

Alternate II (Apr 1984). If employee identification is required for security or other reasons in a construction contract or architect-engineer contract, add the following paragraph (e) to the basic clause:

(e) The Contractor *shall* be responsible for furnishing to each employee and for requiring each employee engaged on the work to display such identification as *may* be approved and directed by the *Contracting Officer*. All prescribed identification *shall* immediately be delivered to the *Contracting Officer*, for cancellation upon the release of any employee. When required by the *Contracting Officer*, the Contractor *shall* obtain and submit fingerprints of all persons employed or to be employed on the project.

Parent topic: <u>52.204 [Reserved]</u>