

## CLIENT ALERT

### DCMA Revises Cyber Supply Chain Review: Updated Guidebook Modifies Audit Standards

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As anticipated, the Defense Contract Management Agency (DCMA) revised its Contractor Purchasing System Review (CPSR) Guidebook as of June 14, 2019, with the most significant updates to Appendix 24, Supply Chain Management Process, to further address supply chain compliance with DFARS 252.204-7012. As we previously noted, the CPSR Guidebook was revised earlier this year to address DoD guidance related to management and oversight of the supply chain in connection with DFARS 252.204-7012.

While much of the CPSR review criteria remain the same, noteworthy revisions include:

- Asking contractors to “show how they have determined” that their subcontractors have an adequate information system that can handle Covered Defense Information, versus the prior guidance to ask contractors to “validate” the adequacy of subcontractor systems.
- Broadening supply chain requirements by applying the Guidebook’s language to “subcontractors,” rather than just “first tier suppliers” as in the prior version.
- Clarifying that the CPSR review is focused only on the protection of “Covered Defense Information” and not “Controlled Unclassified Information” more broadly.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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