



# Government Contracting Supply Chain Trends and Best Practices



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# Panelists

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# Today's Agenda

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- Supply Chain Considerations
  - Flowdown of Supply Chain obligations
  - Cybersecurity and Software Security
  - Domestic Preferences
  - Prohibited Sources
  - Federal Acquisition Supply Chain Security Act
  - Section 889 Telecommunications and Semiconductor Prohibition
  - TikTok Ban
  - NDAA Developments
- Inflation Issues
- Consequences for Noncompliance

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# Supply Chain Considerations

# Flowdown Requirements

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- Federal contracts (including Federal Supply Schedule contracts) contain several provisions that are intended to apply to contractors and subcontractors.
- Because the Government does not contract directly with subcontractors, the mechanism for requiring subcontractors to comply with certain clauses is to require contractors to include those clauses in all (or some) subcontracts.
  - Clauses in a prime contract that are required to be incorporated into a subcontract are commonly referred to as “flowdown clauses” or “flowdowns”
- Once an entity is determined to be a subcontractor, the prime contractor will include flowdown language.
- The exact flowdown clauses that apply to a subcontractor can vary based on numerous factors including type of prime or subcontract, dollar threshold, duration of the subcontract, location of work, etc.
  - *See, e.g.*, FAR 52.212-5(e); FAR 52.244-6; and DFARS 252.244-7000 (note 2023 update)

# Flowdown Mechanics

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- Flowdowns are typically included in a paragraph or list in a contractor's standard purchase order or subcontract template.
- Because the list of required flowdown clauses changes from time to time, the flowdown language may be updated during performance of the subcontract.
  - It is vital to review any proposed changes.
- Some flowdown language has specific regulatory parameters mandating how they are included in contracts.
  - For example, some clauses will require the exact content of a clause be flowed down in its entirety, while others only require the “substance” of the clause be flowed down.
  - Other clauses may not require flowdown but might help a higher-tier contract meet its contractual obligations if flowed down.

# Flowdown Mechanics (contd.)

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- Depending on an organization's role and contract type, there are various considerations for what clauses should flow down.
- Prime contractors will want to ensure they are flowing down legally required provisions, but also those provisions that will allow them to comply with their own contractual obligations.
  - You may also see prime contractors flow down **all** clauses.
  - Prime contractors also have to consider impacts of clauses on subcontractor relationships.
    - *E.g.*, breaking contractual privity, managing second tier subcontractors.
- Subcontractors will want to limit the flowdown to only those clauses that are necessary.

# Cybersecurity and Software Security

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- FAR 52.204-21, Basic Safeguarding of Covered Contractor Information Systems
  - Applies to subcontracts, including subcontracts for the acquisition of commercial products or commercial services, other than commercially available off-the-shelf (COTS) items.
- VAAR 852.204-71, Information and Information Systems Security
  - Applies to subcontracts, third-party agreements, and BAAs, of any amount and in which subcontractor employees, third-party servicers/employees, and business associates will perform functions where they will have access to VA information (including VA sensitive information, i.e., sensitive personal information and protected health information), information systems, information technology (IT) or providing and accessing information technology-related contract services, support services, and related resources.
- HSAR 3052.204-71, Contractor employee access
  - Applies to all subcontracts at any tier where the subcontractor may have access to government facilities, CUI, or information resources.
- HSAR 3052.204-72, Safeguarding of controlled unclassified information
  - Applies to subcontracts when subcontractor employees will have access to CUI; CUI will be collected or maintained on behalf of the agency by a subcontractor; or a subcontractor information system(s) will be used to process, store, or transmit CUI.



# Cybersecurity and Software Security

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- Cyber Threat and Incident Reporting and Information Sharing (Case No. 2021-017)
  - New requirements to increase sharing of information with government about cyber threats and incident reporting and response obligations
  - Applicable to contractors that provide products/services that include information & communications technology (ICT)
  - New clauses to be included in ALL solicitations and contracts:
    - FAR 52.239-AA, Security Incident Reporting Representation (flowdown required to the next lower tier subcontractor of the requirement to notify the prime Contractor and next higher tier subcontractor within 8 hours of discovery of a security incident)
    - FAR 52.239-ZZ, Incident and Threat Reporting and Incident Response Requirements for Products or Services Containing ICT (flowdown required to all subcontracts where ICT is used or provided in the performance of the subcontract, including subcontracts for the acquisition of commercial products or services)
- Standardizing Cybersecurity Requirements for Unclassified Federal Information Systems (Case No. 2021-019)
  - Ensures federal information systems maintained by contractors are better positioned to protect from cyber threats
  - Applicable to contractors that develop or operate a federal information system
  - New clauses that must be flowed down in relevant subcontracts:
    - FAR 52.239-XX, Federal Information Systems Using Cloud Computing Services (flowdown required in all subcontracts for services to develop, implement, operate, or maintain a FIS using cloud computing services)
    - FAR 52.239-YY, Federal Information Systems Using Non-Cloud Computing Services (flowdown required in all subcontracts for services to develop, implement, operate, or maintain, a FIS using other than cloud computing services)

# Cybersecurity and Software Security

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- DFARS 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting
  - Applies to subcontracts for operationally critical support, or for which subcontract performance will involve covered defense information, including subcontracts for commercial products or commercial services.
  - Privity of contract issues with subcontractors reporting directly to the government.
- DFARS 252.204-7020, NIST SP 800-171 DoD Assessment Requirements
  - Applies to all subcontracts, including subcontracts for the acquisition of commercial products or commercial services (excluding COTS items).
  - Requires prime contractors to rely on subcontractor posting of scores to Supplier Performance Risk System (SPRS).

# Cybersecurity and Software Security (contd.)

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- Cybersecurity Maturity Model Certification (CMMC) 2.0
  - Condition of contract award
  - Includes updated assessment and affirmation requirements
  - Allowance for time-bound and enforceable Plan of Action and Milestone (POA&M)
  - DFARS 252.204-7021, Cybersecurity Maturity Model Certification Requirements
    - Must be flowed down to all subcontracts and other contractual instruments, including subcontracts for commercial products/services, excluding commercially available off-the-shelf (COTS) items
      - “The CMMC Program will require prime contractors to flow the appropriate CMMC requirement down throughout the entire supply chain relevant to a particular contract.” 88 Fed. Reg. 89,058 (Dec. 26, 2023).
    - Prior to awarding to a subcontractor, primes must ensure that their subcontractors have a current (*i.e.*, not older than 3 years) CMMC certificate at the CMMC level that is appropriate for the information that is being flowed down to the subcontractor

# Cybersecurity and Software Security (contd.)

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- Software Attestation

- EO 14028, Improving the Nation’s Cybersecurity, and OMB memoranda, M-22-18 and M-23-16
  - Requires federal agencies to only use third-party software that meets secure software development principles (NIST SP 800-218, Secure Software Development Framework, and NIST Software Supply Chain Security guidance).
- Agencies must obtain self-attestation from software producer before using any software that “affects” government information or will be used on government information systems.
  - For critical software, 3 months after OMB approves form and 6 months for all other software.
- FAR Case 2023-002, Supply Chain Software Security
  - Would require suppliers of software available for purchase by agencies to comply with, and attest to complying with, applicable secure software development requirements.

# Cybersecurity and Software Security (contd.)

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- Software Bill of Materials (SBOM)
  - Proposed FAR Rule on Cyber Threat and Incident Reporting and Information Sharing (FAR Case 2021-017)
    - Would require contractors to develop and maintain an SBOM for any software used in contract performance.
  - OMB Memo M-22-18
    - Requires contractors to provide SBOMs only when an agency determines an SBOM to be necessary or when based on a criticality determination.

# Domestic Preferences

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- Trade Agreements Act
  - **Prohibition** regime rather than preference regime
  - End products from designated TAA countries will be treated as if they were U.S.-made products for TAA-covered procurements; other sources prohibited
  - Thresholds recently changed:
    - \$174,000 for supply/service contracts (this changed from \$183,000)
    - \$6,708,000 for construction contracts (this changed from \$7,032,000)
  - Clauses
    - FAR 52.225-5, Trade Agreements (no mandatory flowdown requirement)
    - DFARS 252.225-7021, Trade Agreements (no mandatory flowdown requirement)

# Domestic Preferences (contd.)

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- Buy American Act
  - **Preference** regime rather than prohibition regime
  - Preference for “domestic end products” in direct government purchases of supplies for use in the U.S.
  - Generally applies to all U.S. Government prime contracts above the micropurchase threshold (currently \$10,000) but below TAA threshold (currently \$174,000 for products and services and \$6,708,000 for construction)
  - Increased Domestic Content Requirement
    - 65% for all items delivered between January 1, 2024 through December 31, 2028
    - Will increase to 75% in 2029
- Build America, Buy America Act (BABA Act)
  - Requires the use of U.S.-produced iron and steel, manufactured products, and construction materials in covered federally-funded infrastructure projects
    - Iron and steel items - all manufacturing processes, from the initial melting stage through the application of coatings, must occur in the United States
    - Manufactured products - the final manufacturing process must occur in the United States and the cost of components mined, produced, or manufactured in the United States must be greater than 55 percent
    - Construction materials - all manufacturing processes must occur in the United States

# Domestic Preferences (contd.)

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- Specialty Metal Considerations

- Specialty Metals procured as an end item → DFARS 252.225-7008, Restriction on Acquisition of Specialty Metals
  - No flowdown requirement
- Items containing Specialty Metals → DFARS 252.225-7009, Restriction on Acquisition of Certain Articles Containing Specialty Metals
  - Requires flowdown of certain portions of clause in all subcontracts for items containing specialty metals

- The Berry Amendment

- Restricts the DoD from using funds appropriated or otherwise available to DoD for the procurement of food, clothing, fabrics, fibers, yarns, other made-up textiles, and hand or measuring tools that are not grown, reprocessed, reused, or produced in the United States
- Berry Amendment restrictions are implemented by DFARS 252.225-7012, Preference for Certain Domestic Commodities. The clause requires contractors to deliver under its contract, either as end products or components, items that have been grown, reprocessed, reused, or produced in the United States
- The requirement for domestic origin flows down through all tiers of suppliers, including subcontractors



# Prohibited Sources

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- DFARS Subpart 225.7 – Prohibited Sources
  - Prohibits:
    - (1) acquisition of certain items from Communist Chinese military companies;
    - (2) contracting or subcontracting with a firm that is owned or controlled by the government of a country that is a state sponsor of terrorism; and
    - (3) acquisition of certain foreign commercial satellite services.
- Clauses
  - DFARS 252.225-7007, Prohibition on Acquisition of Certain Items from Communist Chinese Military Companies
    - Mandatory flowdown in all subcontracts for items covered by the United States Munitions List or the 600 series of the Commerce Control List.
  - DFARS 252.225-7049, Prohibition on Acquisition of Certain Foreign Commercial Satellite Services—Representations (no flowdown requirement)
  - DFARS 252.225-7050, Disclosure of Ownership or Control by the Government of a Country that is a State Sponsor of Terrorism (no flowdown requirement)
  - DFARS 252.225-7051, Prohibition on Acquisition of Certain Foreign Commercial Satellite Services (no flowdown requirement)

## Section 889 Prohibition on Covered Chinese Telecommunications or Equipment

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- Contractors must comply with Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (“Section 889”), which seeks to exclude telecommunications equipment and services from Dahua, Huawei, ZTE, Hytera, Hikvision, and their affiliates and subsidiaries from the U.S. Government supply chain.
  - Prohibits agencies from purchasing covered telecommunications equipment or services (Part A) or contracting with organizations that use covered telecommunications equipment or services (Part B)
- Section 889 broadly applies to prime contractors, subcontractors, and other contractual agreements that are connected to a U.S. government contract.
- FAR and DFARS Clauses
  - FAR 52.204-24, Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment (no flowdown requirement)
  - FAR 52.204-25, Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (mandatory flowdown in all subcontracts and other contractual instruments)
  - FAR 52.204-26, Covered Telecommunications Equipment or Services – Representation (no flowdown requirement)
  - DFARS 252.204-7016, Covered Defense Telecommunications Equipment or Services—Representation (no flowdown requirement)
  - DFARS 252.204-7017, Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services—Representation (no flowdown requirement)
  - DFARS 252.204-7018, Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services (mandatory flowdown in all subcontracts and other contractual instruments)

# Federal Acquisition Supply Chain Security Act (FASCSA)

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- On October 5, the Federal Acquisition Regulation (FAR) Council published an interim rule implementing supply chain security requirements of the Federal Acquisition Supply Chain Security Act of 2018 (FASCSA) and a Federal Acquisition Security Council (FASC) final rule.
- To mitigate the U.S. Government risk of purchasing covered products or services, the interim rule establishes three new FAR clauses that must be included in all solicitations and contracts issued after December 4, 2023:
  - FAR 52.204-28, Federal Acquisition Supply Chain Security Act Orders – Federal Supply Schedules, Governmentwide Acquisition Contracts, and Multi-Agency Contracts
  - FAR 52.204-29, Federal Acquisition Supply Chain Security Act Orders – Representation and Disclosures
  - FAR 52.204-30, Federal Acquisition Supply Chain Security Act Orders – Prohibition
    - Mandatory flowdown for all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial products and commercial services.
- The interim rule establishes the new FAR Subpart 4.23, “Federal Acquisition Security Council,” to implement requirements for FASCSA orders and supply chain risk information sharing.

# TikTok Ban

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- On June 2, 2023, the U.S. Government issued an interim rule that bans the use of the popular social media application, TikTok, from government contracting.
- Applicability
  - The rule applies to all government procurement contracts and related subcontracts, including contracts at or below the simplified acquisition threshold, and contracts for commercial products/services and COTS items with both small and other than small businesses.
  - Does not apply to grants and cooperative agreements.
- The ban is implemented through a new contract clause, FAR 52.204-27, Prohibition on a ByteDance Covered Application.
  - Applies to devices regardless of whether they are owned by the Government, contractor, or contractor's employees (including employee-owned devices that are used as part of an employer bring-your-own-device program).
  - No reporting requirement.
  - Must be flowed down to all subcontracts including commercial products/services.

# FY 2024 NDAA Developments

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- **Hogan Lovells FY 2024 NDAA [article](#)**
- **Section 804** prohibits DoD from contracting with persons that have fossil fuel operations with (i) Russia, (ii) a person more than 50% owned by the Russian Federation, or (iii) a fossil fuel company that operates in Russia.
- **Section 805** prohibits DoD from entering into, renewing, or extending contracts to procure goods, services, or technology with any entity identified on the DoD's list of Chinese military companies (published annually) or any entity under the control of such entity.
- **Section 812** seeks to prevent conflicts of interest with certain foreign covered entities as applied to contractors that provide consulting services to the DoD under NAICS code 5416, Management, Scientific, and Technical Consulting Services. Section 812 will also require contractors to certify that they and their affiliates do not hold consulting agreements with covered entities and maintain a Conflict of Interest Mitigation Plan.

# FY 2024 NDAA Developments (contd.)

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- **Section 825** bars DoD from contracting with any entity that provides data to covered logistics platforms, including LOGINK (China's national transportation logistics public information platform) and similar platforms sponsored by a foreign adversary or a commercial entity controlled by the government of a foreign adversary.
- **Section 831** permits use of emergency acquisition authorities to replenish U.S. stockpiles of military supplies and defense articles that have been provided to Ukraine and other foreign allies.
- **Section 833** amends 10 U.S.C. § 4863 to extend the qualifying country exception for specialty metals to include specialty metals procured as mill product (which includes bars, billets, slabs, wires, plates, and sheet metals) or incorporated into a component other than an end item. Section 833 further requires suppliers of aerospace-grade metals for flight-related systems or components to inform DoD if any of the materials were known to be manufactured or processed in China, Iran, North Korean, or Russia.

# FY 2024 NDAA Developments (contd.)

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- **Section 835** increases the “Buy American” domestic content requirements for major defense acquisition programs as defined in 10 U.S.C. § 4201 to 65% for manufactured articles supplied through December 31, 2028; threshold increases to 75% in 2029.
- **Section 154** prohibits DoD from using appropriated funds to procure batteries produced by certain Chinese entities or their successors.
- **Section 1823** prohibits the procurement of any covered unmanned aircraft system manufactured or assembled by a covered foreign entity, including entities domiciled in China or subject to the Chinese Government’s influence or control.
- **Section 1414** directs DoD to develop a strategy to achieve supply chain independence for critical minerals by 2035. Among other objectives, the strategy should identify and assess significant supply chain vulnerabilities; provide recommendations to eliminate reliance on critical minerals mined or processed in China, North Korea, Russia or Iran; and identify potential partnerships with U.S. allies and partners to jointly reduce dependence on critical minerals mined or processed in or by such countries.

# Subcontracting Considerations

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- FAR 52.244-5, Competition in Subcontracting
  - Requires contractors to select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the relevant contract
  - No flowdown requirement
- Small Business Subcontracting Plan Requirements
  - Federal law requires prime contractors to make a good-faith effort to award a portion of their subcontracts to small businesses consistent with the approved subcontracting plan. Small business subcontracting plans, which are required by the Small Business Act, 15 U.S.C. § 637(d), establish goals for small business subcontracting and describe how the contractor plans to achieve those goals.
  - Commercial (company's FY) vs. Individual (specific contract)
  - Current goal: 23%
  - Clauses
    - FAR 52.219-9, Small Business Subcontracting Plan
    - DFARS 252.219-7003, Small Business Subcontracting Plan (DoD Contracts)
    - DFARS 252.219-7004, Small Business Subcontracting Plan (Test Program)



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# Inflation Issues and Considerations

# Other Inflation Relief

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- If a contractor has a contract with a FAR Economic Price Adjustment (EPA) clause, then at least a partial remedy should be available through that clause.
- FAR EPA Clauses:
  - FAR 52.216-2, Economic Price Adjustment-Standard Supplies (NOV 2021)
  - FAR 52.216-3, Economic Price Adjustment-Semistandard Supplies (NOV 2021)
  - FAR 52.216-4, Economic Price Adjustment-Labor and Material (JAN 2017)
  - If the contracting officer determines that the use of the clause at 52.216-4 is inappropriate, the contracting officer may use an agency-prescribed clause instead of the clause at 52.216-4. FAR 16.203-4(c)(2).
- FAR 16.203-4 limits the use of the FAR EPA clauses to fixed-price contracts.
- DFARS EPA Clauses:
  - DFARS 252.216-7000, Economic Price Adjustment—Basic Steel, Aluminum, Brass, Bronze, or Copper Mill Products (MAR 2012)
  - DFARS 252.216-7001, Economic Price Adjustment—Nonstandard Steel Items (JULY 1997)
  - DFARS 252.216-7003, Economic Price Adjustment—Wage Rates or Material Prices Controlled by a Foreign Government (MAR 2012)
- DFARS 216.203-4 limits the use of the FAR EPA clauses to DoD contracts that exceed the simplified acquisition threshold (presently \$250,000 with exceptions), and performance is longer than six months.
- GSAR EPA Clauses:
  - GSAR 552.216-70, Economic Price Adjustment—FSS Multiple Award Schedule Contracts (SEPT 1999)
  - GSAR 552.216-71, Economic Price Adjustment—Special Order Program Contracts (AUG 2010)
  - I-FSS-969, Economic Price Adjustment—FSS Multiple Award Schedule (OCT 2014)

# Other Inflation Relief

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- Ways to Best Position Your Company to Receive an EPA
  - Maintain organized and detailed records
  - Communicate with the government early and transparently
  - Clearly describe the triggering event(s) and what contract provision warrants an EPA
- FY 2024 NDAA Section 824
  - In an ongoing effort to combat the impacts of inflation on defense contractors, the FY 2014 NDAA extended inflation-related authority through the coming year.
  - Section 824 advances DoD's continued efforts via a modification to Public Law 85-804 to counteract the impacts of inflation by extending through December 31, 2024 the temporary inflation-related authority granted in Section 822 of the FY 2023 NDAA.
- Caselaw
  - *McCarthy HITT - Next NGA West JV*, ASBCA Nos. 63571, 63572, 63573 – Holding that the contractor raised sufficient allegations of constructive change, constructive suspension of work, and breach of the implied duties where the agency declined to cooperate with the contractor to address pandemic-related impacts to the work and schedule.
  - *Ace Electronics Defense Systems, LLC*, ASBCA No. 63224 – Dismissing the appeal in part because the contract was a fixed-price agreement with no EPA clause.
  - *B.F. Goodrich Co. v. Vinyltech Corp.*, 711 F. Supp. 1513, 1529 (D. Ariz. 1989) – Determining force majeure clause at issue as not extending to severe price fluctuations and/or changes in market conditions.

# Agency Guidance on Inflation and Economic Price Adjustments

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- GSA Guidance

- March 17, 2022 - Acquisition Letter MV-22-02 - Imposing moratorium on the enforcement of some limitations contained in certain GSA Economic Price Adjustment (EPA) contract clauses → extended through March 31, 2024.
- September 12, 2022 - Acquisition Alert AA-2022-02 - Highlighted various means to combat the impact of inflation on GSA contracts, including EPAs and shorter contract durations.
- November 16, 2023 - Proposed rule updating the General Services Acquisition Regulation (GSAR) Federal Supply Schedule EPA clauses - Focus on consolidation of the four existing Schedule EPA clauses into a single Schedule EPA clause and removal of several procedural limits contained in the clauses to better align with commercial standards and practices.

- DoD Guidance

- DFARS PGI 216.203-4 - Provides detailed guidance for a contracting office creating its own EPA clause pursuant to FAR 16.203-4(c)(2).
- May 25, 2022 - “Guidance on Inflation and Economic Price Adjustments” - Emphasized cost risk under FFP contracts lies with the contractor, even if stemming from inflation.
- September 9, 2022 - “Managing the Effects of Inflation with Existing Contracts” - Affirmed DoD’s initial reluctance to grant price adjustments under FFP contracts.

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# Risk of Noncompliance

# Noncompliance Risk

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- The Government has significant remedies available to address non-compliance.
- To the extent a prime contractor does not flow down a clause to its subcontractor, the prime contractor generally assumes the risk of any subcontractor non-compliance.
- **Termination for Default or Convenience**
  - Non-compliance with flowdowns or supply chain requirements could be the basis for government's termination
  - Example from FSS Contract: “The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions....”
- **Suspension and Debarment**
  - Debarment means exclusion from government contracting for up to 3 years
  - Suspension is temporary exclusion while government determines if debarment is appropriate
  - One of the bases for debarment is “willful failure to perform in accordance with the terms of one or more contracts”

# Noncompliance Risk (contd.)

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- **Contracting Implications**

- Breach of contract
- Government may withhold payments
- Contract may be cancelled or terminated for the Government's convenience or default
- Contract renewal options may not be exercised
- Negative past performance reviews
- Prime may end up in litigation with the subcontractor
- Government contracting officer may deem the offeror ineligible for award
- A competitor may file bid protest litigation challenging the contract award to the noncompliant awardee

- **False Claims Act (FCA) Liability**

- If a contractor/subcontractor misrepresents compliance, and has done so with “reckless disregard,” the contractor may be pursued by the Department of Justice or qui tam relator under the FCA
- The FCA can apply to subcontractors whose conduct induces the government to pay a false claim
- Prime contractors can also be held liable if they fail to adequately oversee their subcontractors and recklessly pass on false claims to the government

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# Key Takeaways



# Key Takeaways

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- Mitigating compliance risk throughout the supply chain is key when contracting with the federal government.
- Companies at the prime contractor or subcontractor level may have differing interests with addressing compliance obligations.
- Understanding flowdown requirements and implementing processes for flow down of such compliance obligations are important for any supply chain risk management program.
- Many recent and forthcoming changes to the cybersecurity and sourcing restriction landscape require proactive compliance efforts aimed at all levels of the supply chain.
- Subcontractor (or even higher-tier reseller) due diligence allows companies to ensure they are partnering with trusted suppliers.
- Inflationary relief may be difficult to obtain – negotiating favorable contract terms can somewhat ease a contractor’s burden of receiving economic relief.
- Noncompliance with supply chain requirements can have severe and long-lasting consequences.

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# Questions?

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# Key Contacts

# Contacts

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With a background in the aerospace and defense industry, Stacy Hadeka has a deep understanding of government contract issues impacting sector clients. Stacy's practice encompasses all areas of government contracting, with a focus on matters of compliance, investigations and disclosure obligations, transactional due diligence, and bid protest litigation. She assists clients in manning complex government regulatory requirements in the areas of schedule contracting, cybersecurity, the supply chain, and domestic preferences. She also counsels clients on contract formation and administration. Prior to joining Hogan Lovells, Stacy gained insight into the industry while working as in-house counsel for a major defense contractor and a commercial subsidiary with sales to the federal government. In her role, she supported the business by assisting with matters of compliance, ethics, and litigation. Stacy also clerked with the Civilian Board of Contract Appeals where she assisted with government contract claims and alternative dispute resolution.



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Michael Scheimer advises clients on government contracts with a particular focus on national security, cybersecurity, and IT contracting. As a former defense contractor himself, Mike leverages his aerospace and defense industry network to maximize opportunities for clients. Mike has vast experience handling government contract cybersecurity issues, including comprehensive knowledge of cloud computing, data breach reporting, information sharing programs, and government information system security accreditation processes. Mike also helps clients on obtaining and maintaining government security clearances, and complying with industrial security requirements. Mike has helped many companies determine the appropriate corporate structure for managing classified work, and he has also advised on industrial security issues in corporate mergers and acquisitions.



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