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**Agency Waiver Process for FAR
Prohibition on Covered
Telecommunications and Video
Surveillance Services or Equipment**
A Mandatory Reference for ADS Chapter 302

Partial Revision Date: 12/06/2021
Responsible Office: M/OAA/P
File Name: 302mbp_120621

I. OVERVIEW

[ADS Chapter 302, section 302.3.6.14, FAR Part 4.2101 Prohibition On Covered Telecommunications And Video Surveillance Services and Equipment](#) provides policy and procedures for addressing offers and awards where the offeror/contractor has represented that it uses covered products/services prohibited by FAR 4.21. This mandatory reference supplements ADS Chapter 302 policy and procedures and provides Agency procedures for Agency-approved waivers as authorized by FAR 4.2104. Policy and procedures for Director of National Intelligence (DNI) waivers are not contained in this mandatory reference but are available for internal use only in the [Section 889 DNI Waiver Implementation Guidance](#) (available on the Agency intranet only).

All Agency waivers must be approved by the Deputy Administrator.

Agency waiver request packages and affirmative representation and disclosure information must be sent to Section889Waiver@usaid.gov. If COs have questions related to what constitutes a complete Agency waiver request package and review timelines, they should email them to Section889Waiver@usaid.gov.

General questions regarding Section 889 may be sent to Section889@usaid.gov.

II. BACKGROUND:

FAR 4.21 implements section 889(a)(1)(B) of the [National Defense Authorization Act \(NDAA\) for FY 2019 \(Pub. L. 115-232\)](#) that prohibits agencies from entering into, extending, or renewing contracts with any entity that uses equipment, systems, or services that use telecommunications equipment or services from certain named companies as a substantial or essential component or critical technology as part of any system, on or after August 13, 2020.

Offerors/contractors must indicate whether they use the covered products/services in the annual representation at [FAR 52.204-26 Covered Telecommunications Equipment or Services-Representation \(October 2020\)](#) and [FAR 52.204-24 Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment \(October 2020\)](#), as appropriate. Per [FAR 4.2104](#), the head of an executive agency may, on a one-time basis, waive the prohibition at 4.2102(a) with respect to a Government entity (e.g., requirements office, contracting office) that requests such a waiver. The waiver may be provided, for a period not to extend beyond August 13, 2021 for the prohibition at 4.2102(a)(1), or beyond August 13, 2022 for the prohibition at 4.2102(a)(2), if the Government official, on behalf of the entity, seeking the waiver submits the information specified in FAR 4.2104 (a)(1)(i) and (ii) to the head of the executive agency. Also, see [ADS 302.3.6.14.b.\(3\)](#) for statutory waiver authority for the Director of National Intelligence.

Contracts with [FAR clause 52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment](#) require the contractor to report discovery of covered products/services in their systems or supply chain immediately to the Contracting Officer (CO).

III. GUIDANCE:

A. Waiver Procedures

(1) New Awards

If an offeror(s) represents at FAR 52.204-24 Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment paragraph (d)(2) that it “does” use covered telecommunications equipment or services as described in that provision, it is considered a request for a waiver. If the CO decides to question the representation, see [ADS Chapter 302](#) for further guidance.

With an affirmative representation, the offeror(s) is required to provide disclosure information with its offer as described in paragraph (e)(2) of FAR 52.204-24. The competitive process will proceed as usual, however, if the offeror submits an affirmative representation, an award cannot be made to that offeror unless a waiver as described below is granted, an existing waiver applies, or an exception applies. If the offeror’s affirmative representation also includes a list of prohibited IT in use in their internal operations/infrastructure or elsewhere in their supply chain, the offeror must provide the requisite information listed in Section L to the CO.

Subsequently, if an Agency-approved waiver is required, the CO, working with the Planner/requiring office, must follow the process of requesting a waiver, as outlined below, including completion of the Waiver Request Package that includes a justification, full and complete laydown, and phase-out plan for the prohibited IT in use in their corporate infrastructure.

During the solicitation process, if the offeror(s) requesting the waiver is the apparently successful offeror, the CO must notify the Planner/requiring office of the offeror's representation. The Source Selection Authority makes the decision to pursue a waiver, in consultation with the Planner/requiring office, and if different from the procuring CO, with the CO, taking into consideration the market research and feedback from offerors during the solicitation process and other internal factors. Given the significant information and associated timeframe to obtain such a waiver (currently estimated at a minimum of 8-10 weeks), the agency may reasonably choose not to initiate a waiver and to move forward and make the award to an offeror that does not require a waiver where agency needs do not permit time to obtain a waiver to make an award to that offeror.

If no waiver request will be processed, the CO, in consultation with the Planner/requiring office may decide to move forward without further consideration of that offeror(s). In this case, the CO must document the award file accordingly.

If the CO, in consultation with the Planner/requiring office, determines that **an Agency** waiver will be pursued, the following procedures must be followed for processing the waiver request:

1. The CO must request the offeror to submit the supporting information required under the provision [Waivers under FAR Part 4.21 Prohibition On Covered Telecommunications And Video Surveillance Services and Equipment](#) in Section L of the solicitation. The CO must check the internal [Standard Operating Procedures \(SOP\)](#) (available on the Agency intranet only), for any special instructions on tailoring the information the offeror will provide in Section L.
2. Once the additional information is submitted by the offeror, the CO will provide the submission to the Planner/requiring office.
3. The Planner/requiring office, in accordance with Mission/Bureau/Independent Office (M/B/IO) procedures, and in coordination with the CO, must prepare this [waiver request package](#) within five business days after receipt of the offeror's information from the CO and submit it to M/CIO for review, with a copy to the CO. The request must include an action memorandum that:
 - a) Identifies the type of contract action (*e.g.*, new IDIQ award, exercise of option, etc.) and briefly describes the action being taken;
 - b) Identifies the applicable Product Service Codes for the contract;
 - c) Articulates the lack of viable alternatives for equipment/systems/services that are not covered technologies (if any) as presented by the offeror, along with a compelling mission-critical need for the agency to consider the waiver, to include the impact on the agency/program if the waiver is not approved;
 - d) Includes/states an assessment that the level of risk of successful performance by the alternate offeror(s) with negative representations is unacceptable;
 - e) Includes a list of the FAR 52.204-24 representations by all offerors;
 - f) Includes disclosure information provided by the offeror as required at 52.204-24(e); and
 - g) Includes the Section L offeror submission.

In the case of an emergency acquisition waiver request, see section C below for additional requirements.

Note: All offices must mark emails and documents submitted as part of the waiver request package as “Source Selection Sensitive” and handle them accordingly. All offeror information marked as “Proprietary” must also be handled appropriately.

4. Initial M/CIO review: M/CIO will acknowledge receipt and conduct an initial review of the package.

M/CIO must determine whether a waiver request is entirely covered by any existing approved waiver and inform the CO in writing. The CO must document M/CIO’s determination that the waiver request does not require further review/approval. The CO may proceed to award (see step 8 below).

If the waiver request is not entirely covered by any existing waiver as determined by M/CIO, M/CIO must review the package and advise the CO if there are any omissions in the offeror’s information disclosures as soon as practicable. When this occurs, M/CIO must provide a message for the CO to transmit to the apparent successful offeror with a request for the missing information. Upon receipt of the missing information from the offeror, the CO must resubmit the package to M/CIO.

If M/CIO considers that the waiver request meets the following requirements, M/CIO will clear the waiver package to the next stage of M/CIO review, specifically:

- a. Sufficiently meets the regulatory requirements for a waiver;
- b. Sufficiently meets the statutory requirements for a waiver, and includes a compelling justification from the offeror for the additional time to implement the requirements, a full and complete laydown, and a phase-out plan;
- c. Establishes the lack of viable alternatives for equipment/systems/services that are not covered technologies (if any) as presented by the offeror; and
- d. Does not otherwise present an unacceptable level of cybersecurity risk to USAID.

If M/CIO declines to advance the waiver request, M/CIO will document the reason and return the waiver request to the requiring office for coordination with the CO (see steps 7 and 9 below).

ODNI Consultation: Unless emergency acquisition procedures apply (see Section B.), M/CIO must “notify and consult with the Office of the Director of National Intelligence (ODNI) on the issue of the specific waiver request using

ODNI briefings, best practices, or direct inquiry, as appropriate” before advancing the package (see [FAR 4.2104](#)).

- If ODNI advises USAID of existing information suggesting that the waiver would present a material increase in risk to U.S. national security, M/CIO will document the ODNI consultation in the waiver request accordingly, and advise the requiring office of the results of the consultation with a recommendation. The requiring office must notify the CO accordingly.
 - If ODNI advises USAID it has no existing information suggesting that the waiver would present a material increase in risk to U.S. national security, then M/CIO must document the consultation and response from ODNI in the waiver request package, incorporate M/CIO’s recommendation, and forward the waiver package to the M Bureau (AA/M) and the Planner/requiring office for next steps in the approval process.
5. The AA/M must submit the waiver request package to the Office of the Assistant Administrator, for tracking, and coordination with the Deputy Administrator. The AA/M will forward the waiver request package to the Deputy Administrator for the tentative approval and attestation required by FAR 4.2104.
6. The Deputy Administrator will review the package for approval:
- a. If the waiver is not approved, the Deputy Administrator will notify the AA/M. AA/M will notify the requiring office who will inform the CO and M/CIO of the disapproval of the waiver.
 - b. If the waiver is TENTATIVELY approved for sending notification to ODNI/ Federal Acquisition Security Council (FASC), the Deputy Administrator will sign the attestation and the AA/M must immediately notify the FASC and ODNI of USAID’s intent to approve the waiver and include with the notification any other information that ODNI/FASC requires.

No sooner than 15 days after the notifications, the Deputy Administrator may approve the waiver request; the AA/M will forward the approved waiver request package to LPA and the requiring office. The requiring office must inform the CO, with a copy to M/CIO.

LPA must notify the appropriate congressional committees as required in Section C below.

In the case of an emergency acquisition, notifications to ODNI and FASC may be completed 30 days after award (see section B below for the expedited approval process).

7. The requiring office must provide the CO with the approved/disapproved waiver so that the CO may proceed accordingly with the procurement. The CO must file the entire waiver package (approved or denied) in the contract file **in the new file section called "Section 889"** in ASIST before proceeding.
8. If a waiver for the offer is approved, the CO must incorporate a special contract requirement in Section H in any resulting contract/task order that: 1) requires the contractor to confirm completion of the actions in the Phase Out Plan; and 2) reserves the right of USAID to require further review of relevant information to ensure that all planned Phase Out actions were completed.

GLAAS requirements: The CO must select the appropriate waiver from the Section 889 dropdown list in GLAAS when making the award in GLAAS. If an Agency waiver is granted in accordance with this Agency waiver procedure, the CO must select "Agency Waiver - Caution: Administrator Must Sign" from the dropdown list. If more than one waiver applies to the award, the CO must select "Combination of Waivers" from the dropdown list in GLAAS, and manually enter the waivers by name in the GLAAS field provided. This [GLAAS notice](#) provides more detailed guidance on the Section 889 reporting requirement.

As part of contract administration, the COR must monitor the contractor's compliance with the phase out plan and inform the CO and Section889waiver@usaid.gov of any concerns as necessary.

9. If a waiver is not approved, the CO will proceed with evaluation and award of the remaining offers and notify the offeror in accordance with FAR 15.506. However, if there are no other responsive and responsible offers, or all offerors request a waiver for use of the covered products/services and fail to receive an approved waiver, the CO must advise the requiring office that the solicitation will be cancelled.

(2) Indefinite Delivery/Indefinite Quantity (IDIQ) Task Orders (TOs)

The CO and the requiring office must follow the same procedures when issuing TOs where an IDIQ-awardee represents at FAR 52.204-24 paragraph (d)(2) that it uses covered telecommunications equipment or services. In the case of a single award IDIQ, if an exception does not apply and a waiver is not approved, the CO must not award the TO. In the case of fair opportunity procedures under a multiple award IDIQ, the CO must proceed with award from the remaining pool of IDIQ holders. To initiate the waiver request process, Task Order Contracting Officers (TOCOs) must request the additional information specified in the Requests for Task Order Proposal (RFTOP) (see [ADS 302.3.6.14 b.\(1\)\(iv\)](#)) and follow the procedures in (A)(1) of this guidance. Once a waiver is awarded at the IDIQ level, there may not be a need to obtain waivers at the TO level if the contractor confirms that the TO representation does not include additional covered technology beyond what was identified and approved in the existing waiver.

(3) Existing Awards - Extensions to the Period of Performance

In advance of modifying an award to exercise an option or extend the period of performance, the CO must advise the contractor that the new clause FAR 52.204-25 will be incorporated into the award. and request verification that the contractor does not use the covered equipment/services. The CO must require the contractor to submit the representation at FAR 52.204-24 (October 2020), unless the contractor has updated its annual (October 2020) FAR Representation 52.204-26 in SAM confirming that it “does not use covered telecommunications equipment or services.” If the contractor’s representation indicates that the contractor uses the covered equipment/services and no exception applies, the CO must not proceed with the modification unless a waiver is approved. The same procedures for waiver requests discussed in Section A(1) above apply.

B. Expedited Waiver Process for Emergency Acquisitions

FAR 4.2104(a)(3) provides for waivers in emergency acquisitions:

“In the case of an emergency, including a declaration of major disaster, in which prior notice and consultation with the ODNI and prior notice to the FASC is impracticable and would severely jeopardize performance of mission-critical functions, the head of an agency may grant a waiver without meeting the notice and consultation requirements under 4.2104(a)(2)(iii) and 4.2104(a)(2)(iv) to enable effective mission-critical functions or emergency response and recovery.”

Requiring offices may use this authority only when disasters have been declared in accordance with Agency policy.

For emergency acquisitions, the requiring office must include in the waiver request package a compelling justification for use of the emergency acquisition waiver process. The waiver package must also include a determination that the notice and consultation requirements are impracticable due to the specific emergency condition, consistent with the FAR requirement that the emergency acquisition only be used when prior notice and consultation with the ODNI and prior notice to the FASC is impracticable and would severely jeopardize performance of mission-critical functions.

Within 30 days of award, the AA/M must notify the ODNI and the FASC of the waiver issued under emergency conditions.

C. Congressional Reporting and Tracking of Waivers

- a. No later than five days after approval, the AA/M will provide a copy of each approved waiver to LPA for submission to Congress as required by FAR 4.1204(a)(2):

“The head of the executive agency shall, not later than 30 days after approval submit in accordance with agency procedures to the appropriate congressional committees—

(1) An attestation by the agency that granting of the waiver would not, to the agency’s knowledge having conducted the necessary due diligence as directed by statute and regulation, present a material increase in risk to U.S. national security; and

(2) The required full and complete laydown of the presences of covered telecommunications or video surveillance equipment or services in the entity’s supply chain; and

(3) The required phase-out plan to eliminate covered telecommunications or video surveillance equipment or services from the entity’s systems.”

The laydown described above must include a description of each category of covered telecommunications or video surveillance equipment or services discovered after a reasonable inquiry, as well as each category of equipment, system, or service used by the entity in which such covered technology is found after such an inquiry.

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