GSA Part 540 Provision and Clause

Frequently Asked Questions

July 2026

To see the new GSA part 540 and related provision (552.540-70) and clause (552.540-71): GSAR part 540

1. Why is GSA making this change now?

Making this change now:

- **Embraces the Revolutionary FAR Overhaul (RFO):** The RFO initiative has enabled GSA to assess and fundamentally reimage its acquisition system. GSA is taking this as an opportunity to formalize existing supply chain requirements within the GSAR.

- **Provides Transparency and Efficiency:** Formalizing existing supply chain requirements within the GSAR provides a consistent, transparent agency-wide framework, reducing inconsistencies and duplication of effort.

- **Supports Legislative and Regulatory Requirements:** Supports government-wide laws and requirements, including:
    - P. Law 115-390 - The SECURE Technology Act (including the Federal Acquisition Supply Chain Security Act), which established the Federal Acquisition Security Council.
    - National Institute of Standards and Technology (NIST) Special Publication (SP) NIST SP 800-161r1-upd1, "Cybersecurity Supply Chain Risk Management Practices for Systems and Organizations, which provides guidance to agencies on identifying, assessing, and mitigating cybersecurity risks throughout the supply chain at all levels of their organization.
    - OMB Circular A-130, Managing Information as a Strategic Resource, which directs agencies to implement supply chain risk management principles throughout the system development life cycle.

- **Provides Security and Threat Mitigation:** Currently, there is no FAR or GSAR requirement that addresses supply chain risk management as a whole (i.e., existing FAR requirements only address covered articles. See FAR subpart 40.1). These GSAR requirements enable GSA to formally address specific, evolving threats such as Foreign Ownership, Control, or Influence (FOCI), product

tampering, theft, and unauthorized functionality in products, services, and solutions.

2. How does GSA identify supply chain risks?

Supply chain risks may be identified via various methods, such as

- On-going investigations;
- Agency information sharing;
- Publically available information;
- Post-award reviews and audits;
- Offeror disclosure under FAR 52.240-90;
- Contractor reporting under FAR 52.240-91;
- Offeror submitted questionnaires/information;
- Federal Acquisition Security Council (FASC); and
- Third party commercial supply chain illumination tools.

3. What are some examples of supply chain risks?

The following are examples of supply chain risk that may be considered throughout the acquisition lifecycle:

1. Physical
2. Personnel
3. Geopolitical
4. Cybersecurity
5. Compliance/Legal
6. Company (i.e., source) Information
7. Alignment with Government Interests
8. Foreign Ownership, Control, or Influence (FOCI)
9. Supply Chain Relationships, Visibility, and Controls
10. Functionality, Features, and Components of the Covered Article

4. Will GSA notify me if a supply chain risk is identified?

GSA may notify you if a supply chain risk is identified. Notification depends on:

- The degree and nature of the supply chain risk identified-
  - Within your offer/quote; or
  - During contract performance; and
- For solicitations, the evaluation factors provided in the solicitation.

See questions 5 and 6 for more information on actions the GSA contracting officer may take.

5. **What happens if a supply chain risk is identified during the evaluation stage (new GSAR provision)?**

The GSA contracting officer will, if possible, work with offerors to mitigate any identified supply chain risks. For example, if a supply chain risk is identified for a particular product being offered, that product may be removed from the offer to allow for evaluation of the offer to proceed.

For any unacceptable supply chain risks that cannot be mitigated, the product or offeror may be removed from consideration.

Ultimately, the GSA contracting officer's response is dependent on the solicitation instructions and the degree and nature of the supply chain risk identified within an offer/quote.

6. **What happens if a supply chain risk is identified on my active contract (new GSAR clause)?**

The GSA contracting officer's response is dependent on the degree and nature of the supply chain risk identified.

An initial response may involve temporarily removing the product, service or solution from your catalog until such time you can provide information requested or take corrective action to resolve the supply chain risk identified by the GSA contracting officer.

Ultimately, if the supply chain risk cannot be reasonably mitigated, the GSA contacting officer has the authority to take corrective action using any available remedies, such as, but not limited to:

(a) Removal of the specific product, service, or solution from the contract;
(b) Not extending contract performance;
(c) Contract cancellation; or
(d) Contract termination.

7. **Are these GSAR supply chain risk requirements the same as DoD's Cybersecurity Maturity Model Certification (CMMC) program?**

No, these requirements are completely different from DoD's CMMC program.

- DoD’s CMMC focuses on certifying a contractor's internal cybersecurity network to protect Controlled Unclassified Information (CUI).

- GSA’s supply chain requirements focus on requirements that support the security and integrity of the products, services, and solutions being offered and provided to GSA and its customers.

8. Will GSA be doing rulemaking for this provision and clause?

Yes, GSA will go through the rulemaking process for purposes of implementing the update made through its RGO effort.