unison
Contract Lifecycle Management

3 Key Implications of CMMC Every Contracts Leader Should Know

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Overview

This document summarizes the key takeaways from several Unison Executive Roundtable panel discussions. These discussions focused on implications of the extensive, high stakes cybersecurity regulations.

The implications of the Cybersecurity Maturity Model Certification may put prime contractors' contract eligibility and revenue at risk, will require education on new prime contractor supply chain responsibilities, and necessitates that both prime and subcontractors quickly take the first steps in the certification process.

Contracts' Challenge

The U.S. government is losing more than 600 billion dollars a year due to cyber theft of intellectual property (IP) surrounding Federal Contract Information (FCI) and Controlled Unclassified Information (CUI). In response to this threat, Congress tasked the Department of Defense (DoD) with stemming the intellectual and financial losses.

The CMMC is designed to enhance the protection of CUI in the DoD supply chain. CMMC builds upon DFARS 252.204-7012 and NIST 800-171.

An important claim made by DoD for CMMC was that it will build on work contractors have already put in to meet security requirements for programs like FedRAMP. The Defense Department is working with the General Services Administration to work out aligning the requirements, methodologies, and levels of the CMMC and FedRAMP, and that an answer could come by the end of the 2021 fiscal year.

What Contract Leaders Need to Know

1. **Your contract eligibility and revenue are at risk**

   ■ CMMC contract requirements will be a Go/No-Go proposal evaluation criterion determined by government program manager per contract.

   ■ CMMC Level 3 likely required for most contacts (CMMC Levels 1-5).

   ■ The certification process takes significant time and cross-departmental efforts.

2. **You may need to educate executives on increased supply chain responsibility**

   ■ Primes contractually responsible for supply chain's cybersecurity "hygiene" on CMMC required contracts.

■ Subcontractors will need to be certified. Primes need to look to their subcontracting partners and encourage certification.

■ Prime contractors who don't properly manage IP throughout their supply chain face increased risk of false claims, qui tam lawsuits, suspensions and debarments due to failure to adhere to new DFARS regulation.

3. **You need to start the CMMC process now**

■ CMMC level requirements are now in effect.

■ If you have not already been CMMC certified you should do so as soon as possible and prepare for on-going long-term cyber-security agility.

■ CMMC is applicable to contractors who engage directly with DoD, and to subcontractors who provide fulfilment and execution of those contracts.

■ Due to tight time constraint and limited authorized CMMC assessors, the backlog of certifications will significantly delay those who do not start soon.

Conquering the CMMC Challenge

CMMC requirements are having a significant impact on the contracting industry. Program offices may have difficulty finding compliant prime and subcontractors due to timeframes in the certification requirements. The increased prime contractor responsibility over their supply chain IP further complicates the burdensome oversight process and exposes the need to develop a system to monitor subcontractors' compliance to cybersecurity practices and access controls.

The need to start the CMMC process is urgent. In addition to the Department of Defense, some civilian agencies are looking at adding CMMC requirements to their contracts as well. The shortage of assessors available and a potential six months to a year timeline for certification, creates a significant risk to contractor revenue and compliance. Despite the complexity and urgency, the CMMC process is achievable if decisive action is taken now.

Unison CLM is Contract Management software purpose-built for government contractors. Unison has been following the CMMC process closely and is well-positioned to assist government contractors in their efforts to comply with the policy, having integrated capabilities into Unison CLM to support the relevant technical requirements within the new CMMC model.

Take the first step by engaging leadership to help you get started today.

Stay up to date on CMMC Model and Assessment Guides at acq.osd.mil

Mitigate insidious contracting risks with enhanced visibility and a better understanding of FAR/DFARS and agency-specific regulations.

Unison CLM provides comprehensive support to contract professionals by ensuring compliance with FAR/DFARS, making data calls efficient and audits painless.

> **Unison CLM provides an intuitive, efficient, and integrated approach to answering data calls and fully complying with FAR/DFARS and agency-specific regulations."**
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> – Director of Contracts, Global 500 Aerospace & Defense Company

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> **Unison CLM streamlines our contracts business and allows our employees to focus on items that matter."**
>
> – Scott Ledford, Contracts Analyst, Frontier Technology, Inc.

Get started with Unison CLM.

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