



Defense Priority & Allocation System Brief

Presented By:

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April 22, 2014

- What is DPAS?
- Who assigns the rating?
- How are the ratings prioritized?
- Where is the rating?
- Acceptance and rejection of a rated order
- How do delinquent schedules affect the customer?



Defense Priority & Allocation System Regulation

- It authorizes the President of the United States to require priority performance of contracts in support of National Defense when war is imminent or in a time of war.
- Is derived from the Defense Production Act of 1950.
- The DPAS regulation is maintained by the Department of Commerce and only can be superseded by a directive written by the Department of Commerce.
- **IMPORTANT:** These ratings are required to be flowed down from prime to sub throughout the procurement chain.

- Ratings are assigned to approved programs: A program determined as necessary or appropriate for priorities and allocations support to promote the national defense by Secretary of Defense, the Secretary of Energy, or the Secretary of Homeland Security, under the authority of the Defense Production Act.
- This authority is then delegated to the Purchasing Contract Officer on these programs, whom then places the appropriate rating on the required contract.



There are two DPAS priority ratings DX & DO:

DX ratings are assigned
at the Secretary Level.

DO ratings assigned
at Under Secretary
Level or delegated
official.

DX ratings always take precedence over all orders. The contracts are then prioritized by when they are to be delivered. If two (2) DX rated orders are to be delivered on the same date and only one can be completed on-time the date the order was accepted then determines which is completed first.

DO ratings take precedence over all other un-rated, government or commercial orders and are prioritized the same way between themselves as the DX rated.

- DPAS rules are standard part of U.S. defense contracting process:
 - **(DX)** *Highest national defense urgency*
 - All **DX** rated orders have equal priority and take preference over DO and unrated orders (based on ship or Aircraft schedule)
 - **(DO)** *Critical to national defense*
 - All **DO** rated orders have equal priority and take preference over unrated orders (based on ship or Aircraft schedule)

Priority Ratings

- Program identification symbols indicate which approved program is involved with the rated order. For example, A1 identifies defense aircraft programs and A7 signifies defense electronic programs. The program identification symbols, in themselves, do not connote any priority.
- **Examples: DOA1, DXG2, DON7**
- They do However need to be included on flow down on purchase orders throughout the entire procurement chain



- **Preferential Scheduling**

- **Example:** *If a company receives a **DO** rated order with a delivery date of June 3 and if meeting that date would mean delaying production or delivery of an item for an unrated order, the unrated order must be delayed.*

- **Example:** *If a **DX** rated order is received requiring delivery on July 15 and a **DO** rated order is requiring delivery on June 2, yet the contractor can meet both deliveries, there is no need to alter production schedules to give any additional preference to the **DX** rated order.*

- **DPAS is a contract requirement IAW FAR 52.211-15 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS APR/2008**
- **15 CFR 700-** Code of Federal Regulation for implementation of DPAS Requirements
- **DPAS 15 CFR 700.7 (a)** “Compliance with the provisions of this regulation and official actions is required by the Defense Production Act and the Selective Service Act and related statutes. Violators are subject to criminal penalties, (b) Any person who places or receives a rated order should be thoroughly familiar with, and must comply with, the provisions of this regulation.
- **DPAS 15 CFR 700.3 (c)** “All rated orders must be scheduled to the extent possible to ensure delivery by the required delivery date”.


- **Department of Defense**
 - National Reconnaissance Program (Program 390)
 - **Integrated Ballistic Missile Defense System Program**
- **Department of the Army**
 - Mine Protected Vehicle Family/Route Clearance Vehicles Program
- **Department of the Navy**
 - Presidential Helicopter Programs (HV-71, VH-3, VH-60)
 - **Fleet Ballistic Missile Weapons System**, Trident System
 - Program 341
- **Department of the Air Force**
 - Space-Based Infrared System (SBIRS) High Program
- **Joint Service**
 - Mine Resistant Ambush Protected (MRAP) Vehicles Program
 - Counter Improvised Explosive Device CREW Program



DPAS RATING

ORDER FOR SUPPLIES OR SERVICES				PAGE 1 OF 4		
1. CONTRACT PURCH ORDER/AGREEMENT NO. W58RGZ-06-D-0014		2. DELIVERY ORDER/CALL NO. 0002	3. DATE OF ORDER/CALL (YYYYMMDD) 2006DEC22	4. REQUISITION/PURCH REQUEST NO. SEE SCHEDULE	5. PRIORITY DOA1	
6. ISSUED BY US ARMY AVIATION & MISSILE COMMAND AMSAM-AC-CH-A GEORGE OBIYOR (256)955-9725 REDSTONE ARSENAL AL 35898-5280 EMAIL: GEORGE.OBIYOR@PECAVN.REDSTONE.ARMY.MIL		CODE W58RGZ	7. ADMINISTERED BY (If other than 6) DCMA HARTFORD 130 DARLIN STREET EAST HARTFORD CT 06108-3234 SCD: C PAS: NONE ADP PT: HQ0337		CODE S0701A	8. DELIVERY FOB <input type="checkbox"/> DESTINATION <input checked="" type="checkbox"/> OTHER (See Schedule if other)
9. CONTRACTOR SIMMONDS PRECISION PRODUCTS IN 100 PANTON RD VERGENNES, VT 05491-1013 NAME AND ADDRESS		CODE 89305	FACILITY	10. DELIVER TO FOB POINT BY (Date) (YYYYMMDD) SEE SCHEDULE	11. X IF BUSINESS IS <input type="checkbox"/> SMALL <input type="checkbox"/> SMALL DISADVANTAGED <input type="checkbox"/> WOMAN-OWNED	
				12. DISCOUNT TERMS		
				13. MAIL INVOICES TO THE ADDRESS IN BLOCK See Block 15		
14. SHIP TO SEE SCHEDULE		CODE	15. PAYMENT WILL BE MADE BY DFAS-COLUMBUS CENTER NORTH ENTITLEMENT OPERATIONS P.O. BOX 182266 COLUMBUS OH 43218-2266 1-800-756-4571 / FAX 1-866-837-8036		CODE HQ0337	MARK ALL PACKAGES AND PAPERS WITH IDENTIFICATION NUMBERS IN BLOCKS 1 AND 2

- Contractor's must accept rated orders however they are required to reject any rated order with a delivery schedule that they cannot meet based on production capacity being filled by previously accepted, equally or higher rated orders.
- With the rejection an explanation must be sent in writing to the Customer explaining why and the contractor is required to provide a delivery schedule that material can be produced within.
- DCMA IS and Contract Administrator need to be copied on any correspondence to the customer rejecting a delivery schedule on a rated order.

 • **Caution:** Contractor better be able to back up a rejection statement when delivery schedule is shifted due to production capacity. In other words, DCMA doesn't want to see commercial parts built on a production line when a rejected rated order was requested to be built on the same line at the same time.



- **Customer Notification- DPAS 700.13 (d) (1) A Person/Company must accept or reject a rated order and transmit the acceptance or rejection in writing (hard copy), or in electronic format, within fifteen (15) working days after receipt of a DO rated order and within ten (10) working days after receipt of a DX rated order. If the order is rejected, the person must also provide the for the rejection, pursuant to paragraphs (b) and (c) of this section, in writing (hard copy) or electronic format.**

- **Delinquent schedules affect the war-fighter in many ways from Mil-Spares orders keeping down an aircraft in theatre to a LRU not making it to the prime contractor causing an aircraft not to be delivered on-time.**
- **Notifying the customer allows them to plan different activities if they know they are not going to receive material on time.**
- **It also, allows them to focus government resources on influencing the problem causing the delinquency to be resolved if warranted.**

- **As soon as you know that a contract and/or line item will not meet the contract delivery date, by the Defense Priorities and Allocations Systems Regulation (15 CFR 700) you are to notify in writing the PCO and the DCMA Industrial Specialist.**
- **In your notification, you are to provide a detailed justification for the delay, who is the cause, your action plan to get back on track, and a projected delivery date based upon the delay.**
- **Failure to comply, could lead to a DPAS violation.**

- **DPAS flow down of rated orders continues throughout the entire procurement chain**
- **DPAS strength realized via flow down to subcontractors and suppliers**
- **Requires prime contractors to extend ratings to lower tiers**
- **Only enforceable inside the U.S.**



**DCMA Oversight is
Essential**



- **Contractors receiving DPAS rated orders must comply with the following:**
 - *Must give rated orders preferential treatment over unrated orders*
 - *All rated orders must be scheduled to the extent possible to ensure delivery by the required delivery date*
 - *Flow DPAS requirements to all sub-tier suppliers within the supply chain*
 - *Must be thoroughly familiar with the DPAS regulation and must comply*
 - *All rated orders shall be accepted and must be filled regardless of any other rated or unrated orders that have been accepted*

