



# The Defense Priorities and Allocations System (DPAS)

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PIRA: AER2025050999

# Objectives

- Understand the Definition of DPAS
- Understand how DPAS ratings are assigned to purchase orders.
- Identify how DPAS rated orders are communicated to suppliers
- Understand DPAS implications for suppliers for USG Prime Contract procurements

# Definition & Purpose of DPAS

Definition: The Defense Priorities and Allocations System (DPAS) is a regulation administered by the Department of Commerce (DOC).

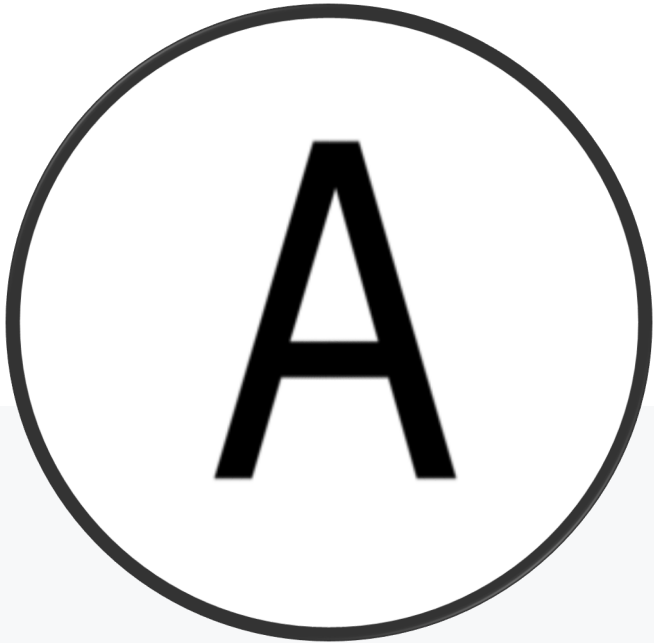
The DPAS is used to prioritize national defense-related contracts/orders throughout the U.S. supply chain in order to support:

- military programs
  - energy programs
  - homeland security
  - emergency preparedness
  - critical infrastructure
- The use of the DPAS is not limited to crises, emergency, or armed conflict



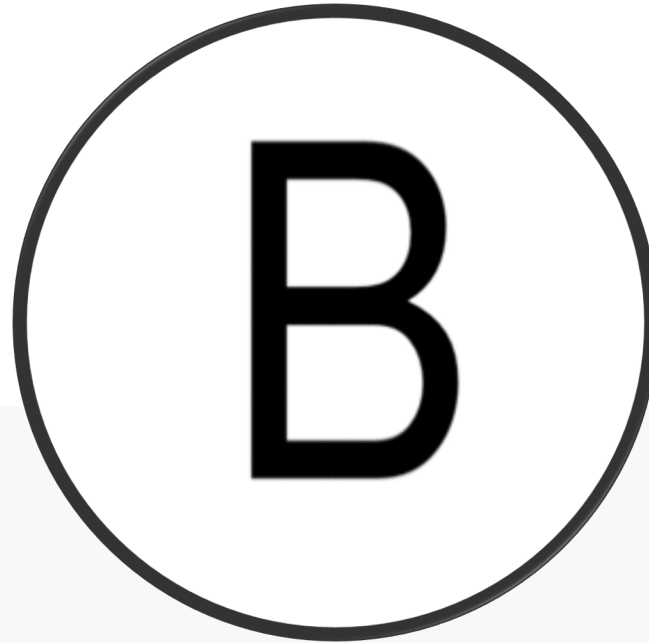


# What is the purpose of DPAS?



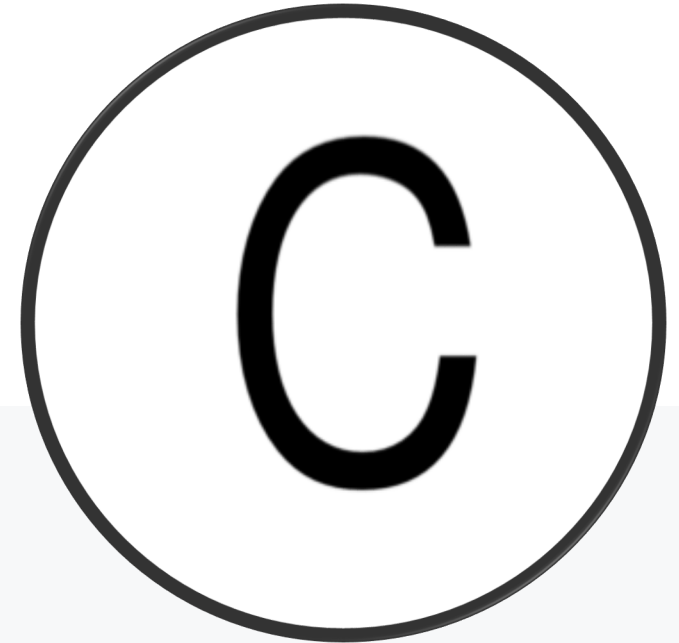
The DPAS is used to prioritize national defense-related contracts/orders throughout the U.S. supply chain

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The DPAS is used to obtain the lowest price possible for national defense-related procurements

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The DPAS is used to create purchase orders directly with the U.S. Government

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# What is a DPAS rated order?

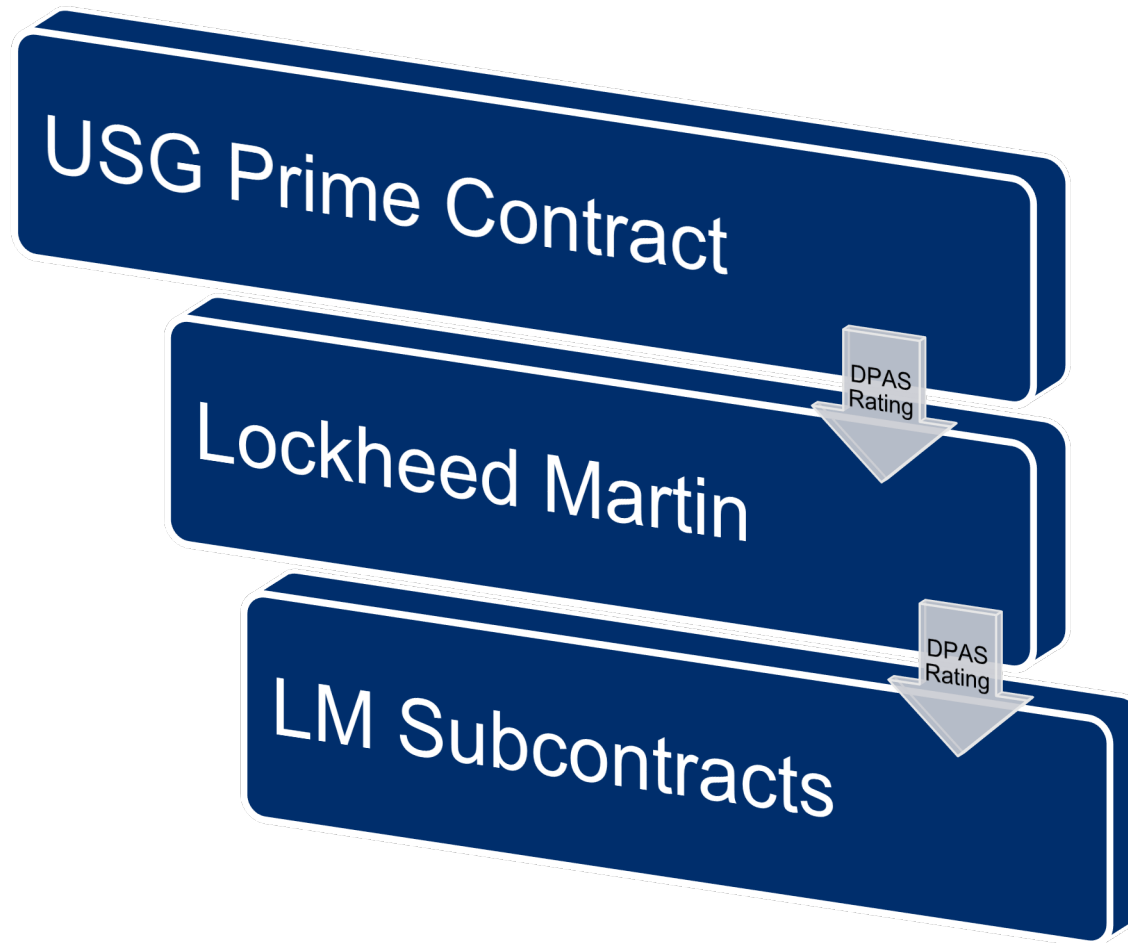
A rated order is a prime contract, a subcontract, or a purchase order issued in accordance with the provisions of the DPAS regulation that supports an approved program.

$$\text{Priority Rating} = (\text{Rating Symbol}) + (\text{Program ID Symbol})$$

There are two levels of priority established by the DPAS regulation, identified by the rating symbols “DX” and “DO”:

1. DX – All DX rated orders have equal priority and take preference over DO and unrated orders (based on shipment schedule).
2. DO – All DO rated orders have equal priority and take preference over unrated orders (based on shipment schedule).

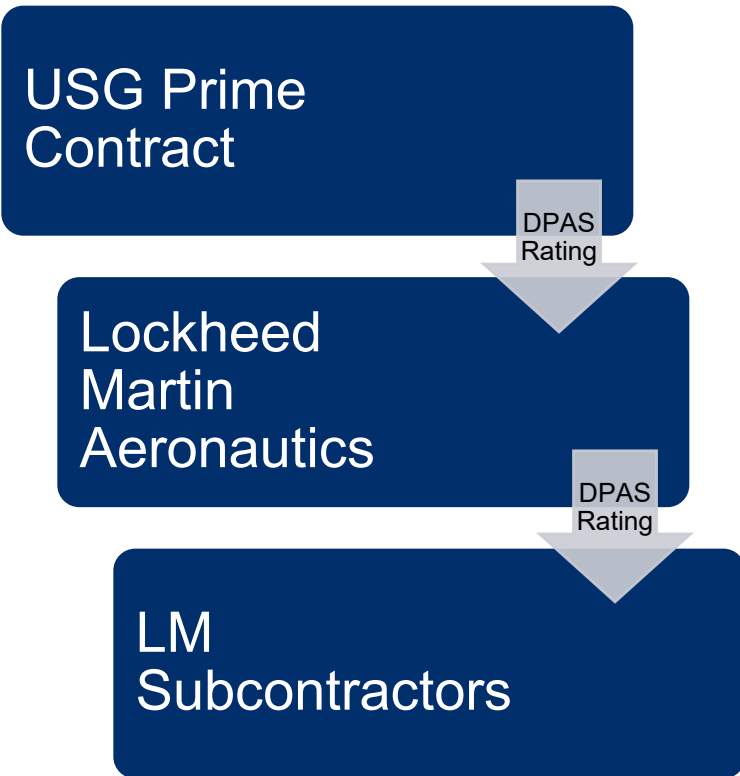
# DPAS rating Flow down



- Companies that accept rated orders must in turn place rated orders with its suppliers for the items it needs to fill the rated orders.
- Companies must use the priority rating indicated on the customer's rated order, except as otherwise provided in the DPAS regulation or as directed by the DOC.

Timely acceptance or rejection of rated orders is critical

# Mandatory Acceptance



- Per [15 CFR § 700.13 \(a\)](#) Any company in the United States must accept and fill a rated order for items that the company normally supplies.
- A company may not discriminate against rated orders in any manner, such as by charging higher prices or by imposing different terms and conditions than for comparable unrated orders.
- If a company accepts a rated order, the company must meet the requirements of that rated order, such as delivery date.
- **Mandatory Extension:** Prime Contractors are responsible for extending the received contract rating to their entire product supply chain to the lowest level in order to obtain items needed to fill rated orders or to obtain replacements of inventoried items.

# Preferential Scheduling

- Once a company has **accepted** a rated order, it must then schedule operations, **including the acquisition of all needed production items**, in order to satisfy the delivery requirements of each rated order.
- Companies are required to **reschedule** unrated orders if they conflict with performance against a rated order and must reschedule DO rated orders if they conflict with performance against a DX rated order.

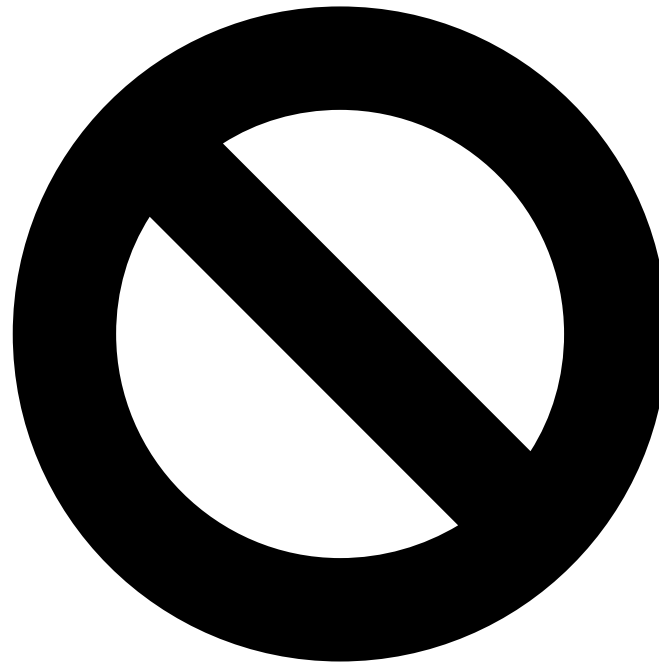




# Mandatory Rejection

A company may not accept a rated order for delivery on a specific date if is unable to meet that date.

- However, the company must inform the customer of the earliest date on which delivery can be made and offer to accept the order on the basis of that date.



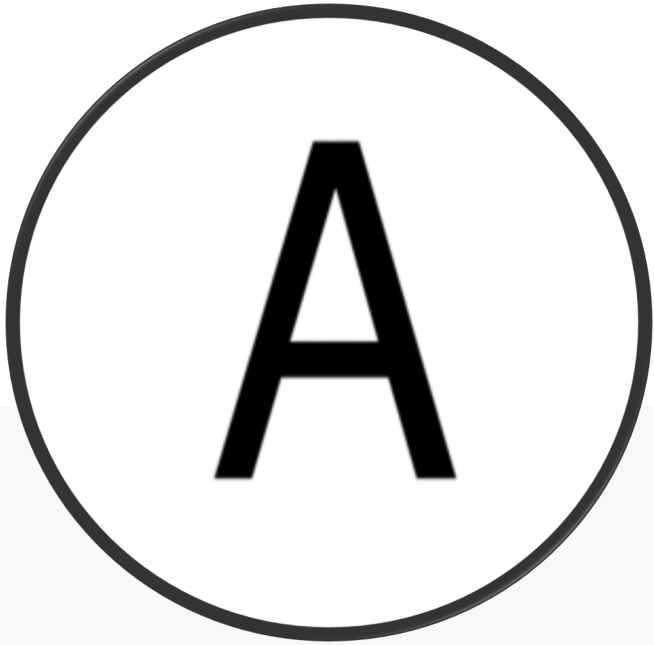
## Scenario

- You receive a DPAS rated order DO-A1 and the delivery date is inside your lead time and there is no way that you could meet the delivery date. What should the you do?

The supplier should reject the order but provide earliest date on which delivery can be made and offer to accept the order on the basis of that date.

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# How is DPAS rating assigned to the purchase orders?



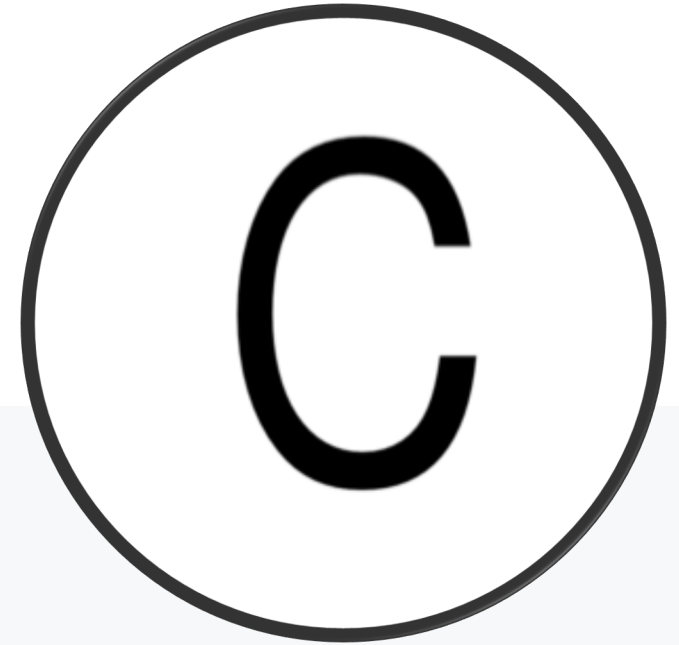
The buyer determines the appropriate DPAS rating and enters it on the Purchase Order

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The DPAS flows down to the purchase order from the prime contract.

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The Secretary of Defense or the Deputy Secretary of Defense assigns ratings to each purchase order

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# Request for Proposal

Bid Due Date 05/11/2023	Solicitation No. 10581	Date Issued 04/26/2023
The response to this solicitation must be received <b>no later than</b> the bid due date above.		
Supplier Name		
Address		City/State/Zip
Phone	Fax	E-Mail
You are invited to submit a proposal for the material and/or services described below. To be responsive to the solicitation, your proposal should be prepared and submitted in compliance with the instructions on this solicitation and any special instructions when called out. In the event the instructions conflict, the special instructions shall apply.		
This potential procurement action <input type="checkbox"/> Should include Sales Tax in the Proposal/Quote at item level. <input checked="" type="checkbox"/> Should NOT include Sales Tax in the Proposal/Quote.		
This potential procurement action <input type="checkbox"/> is not a DPAS-rated order or <input checked="" type="checkbox"/> has a DPAS rating of DO-A1, certified for national defense use.		

**DPAS Rating must be included  
on 10662 or equivalent**





# DPAS Location On Purchase Order

Purchase Order: [REDACTED]



Amendment Number: 00000006

Order Date: 03/22/2023

Item Description			
Drawing Revision Number - [REDACTED]			
IUID: N Point of Acceptance: BUYER SOURCE INSPECTION IS REQUIRED PRIOR TO SHIPMENT FROM			
Schedule			
Quantity: 11.000 each	Required Date (Date Due - Contract) 04/17/2023		Contract Reference: N00019-17-C-0001 Quantity: 2.000 DPAS Rating: DO-A1
			Contract Reference: N00019-19-G-0008 Quantity: 1.000 DPAS Rating: DO-A1
			Contract Reference: N00019-20-C-0009 Quantity: 8.000 DPAS Rating: DO-A1



# PO Acknowledgement

DPAS rated orders have a specific timeline to Acknowledge the order. Under 15 CFR 700.13(d) rated orders must be accepted or rejected:

- within ten (10) working days after receipt of a DX rated order (Domestic Suppliers only)
- within fifteen (15) working days after receipt of a DO rated order (Domestic Suppliers only)

If the order is rejected, the person must give reasons in writing or electronically for the rejection.

DPAS Rated PO Unacknowledged Alert - PO # [REDACTED]

FS Fc-LMP2P, System (RESOURCE)  
To [REDACTED] (US)

Reply Reply All Forward ...

Wed 5/10/2023 2:40 AM

*This message was sent with High importance.  
We removed extra line breaks from this message.*

The purchase order listed below was posted to the LM Procure to Pay website (<https://procure.global.lmco.com>) 5 days ago. Our records indicate the supplier has not yet acknowledged this document.

This is a rated order issued pursuant to the United States Defense Priorities and Allocation System (DPAS). Under 15 CFR 700.13(d) rated orders must be accepted or rejected within fifteen (15) working days after receipt of a DO rated order and within ten (10) days after receipt of a DX rated order. If the order is rejected, the person must give reasons in writing or electronically for the rejection.

Supplier Name: [REDACTED] LM Supplier ID: [REDACTED] Purchase Order: [REDACTED] Procurement Representative: [REDACTED] LM Corp  
ID: [REDACTED] Exostar ID: [REDACTED] LM Business Unit: LM Aeronautics  
Salesperson:

Need Assistance?

For general questions, contact EBS Customer Support as shown at:  
<https://procure.global.lmco.com/in/go/km/docs/documents/P2P/Help/Site%20Lead%20Listing.xls>

This message was sent to you courtesy of the LMP2P automated email notification system. Do not reply to this email as responses are not monitored.

Please consider the environment before printing this email. Thank you!

**Timely acceptance or rejection of rated orders is critical**

# Delayed Deliveries/Performance

If a company has accepted a rated order and subsequently finds that the shipment or performance will be delayed, the company must notify the customer **immediately**, give the reasons for the delay, and advise of new shipment or performance date. If notification is given verbally, written (hard copy) or electronic confirmation must be provided within one working day of the verbal notice.





# Scenarios

Scenario 1: If a company has accepted 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.

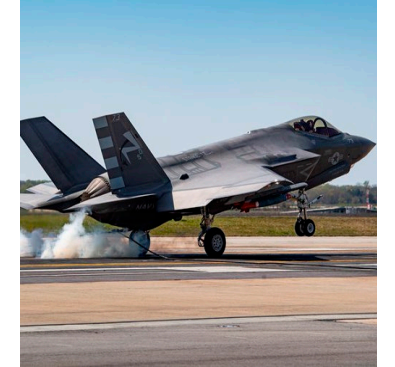
Scenario 2: If a DX rated order is received calling for delivery on July 15 and a company has a DO rated order requiring delivery on June 2 and operations can be scheduled to meet both deliveries, there is no need to alter production schedules to give any additional preference to the DX rated order.



# Course Summary



- Defined DPAS
- Determined how DPAS ratings are assigned to Purchase Orders
- Located the DPAS rating on and Purchase Orders
- Reviewed the implications of DPAS orders for USG Prime Contractors



# References

- <https://www.dcmamilitary.com/DPAS/>

ANY  
Questions?



