



GSA Office of Government-wide Policy

Acquisition Letter MV-21-02
5/6/2021

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FROM:

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SUBJECT:

Placing Rated Orders Under the Defense Priorities and
Allocations System

1. Purpose. This Acquisition Letter (AL) updates guidance on placing rated orders under the Defense Priorities and Allocations System (DPAS) to assure the timely availability of industrial resources for the placement, acceptance, and performance of priority-rated contracts and orders to support appropriate programs to promote national defense.¹ This AL also updates implementing instructions in accordance with GSAM 501.370.

¹ The term "national defense" means programs for military and energy production or construction, military or critical infrastructure assistance to any foreign nation, homeland security, stockpiling, space, and any directly related activity. Such term includes emergency preparedness activities conducted pursuant to title VI of The Robert T. Stafford Disaster Relief and Emergency Assistance Act [42 U.S.C. § 5195 et seq.] and critical infrastructure protection and restoration.

Use of rated orders should be rare. To ensure an appropriate control environment, only GSA Global Supply and GSA Emergency Acquisition management are authorized to issue rated orders. If there is a need for other offices to issue rated orders, it may be addressed in a supplement to this AL.

2. Background. The Defense Production Act (DPA) was passed in September 1950 (P.L. 81-774, 50 U.S.C. § 4501 et seq.).

It permits DoD to expedite or expand essential services from the U.S. domestic industrial base, in the interest of national defense.

The Department of Homeland Security (DHS) and the Department of Commerce (DOC) work together to implement DPAS. DHS determines program eligibility and DOC leads implementation in the industrial sector.

The DPA established the Defense Priorities & Allocations System (DPAS), as the implementing system which allows the Federal Government to receive priority or “go to the front of the U.S. supply chain line” when ordering from businesses through a “Rated Order” to support military, energy, homeland security, emergency preparedness, and critical infrastructure requirements.

As outlined in section 5 below, GSA has various authorities to use DPAS. The Department of Commerce updated the DPAS delegation #3 (Attachment A) on July 15, 2020. This AL provides updates based on DOC changes. Separate guidance will be provided for implementing GSA’s DPAS authority in support of the COVID-19 pandemic.

3. Effective Date. This AL is effective immediately and remains in effect until cancelled or incorporated into the GSAM.

4. Cancellation. Acquisition Letter MV-20-05 and MV-20-05 Supplement 1 are cancelled by this AL.

5. Authorities.

- a. General.** EO 13603, issued March 16, 2012, established resource departments to manage the DPAS, including the DOC for materials, services, and facilities.² EO 13603 also established the Department of Homeland Security (DHS) as the responsible agency to determine program eligibility for use of DPAS to promote national defense.³
- b. Implementation Standards.** DOC has issued regulations establishing DPAS procedures.⁴ DOC designated GSA's Federal supply items program as an approved program to support DPAS. See Schedule I of the DPAS procedures. DHS' Federal Emergency Management Agency (FEMA) has issued regulations establishing the Emergency Management Priorities and Allocations System⁵, to identify a set of standards and procedures by which FEMA will implement authorities delegated to it by the President in accordance with Section 101 of the DPA.
- c. Implementation Regulations.** FAR Subpart 11.6 *Priorities and Allocations*⁶ implements DPAS regulations to assure timely delivery of industrial resources (products, materials, and services) in support of approved national defense, energy, and civil emergency preparedness (i.e., DHS) programs.

General Services Acquisition Regulation Subpart 511.6 *Priorities and Allocations*⁷ provides supplemental guidance to the FAR specifically for GSA and GSA contractors.
- d. Rating Authorization.** DOC DPAS Delegation #3 (Attachment A), revised July 15, 2020, gave GSA's Administrator delegated authority to:

 - i. Place DO priority rated contracts and orders to acquire Federal supply items e.g., items available through GSA Multiple Award Schedules) for programs approved for priorities and allocations in

² See Section 201(a), *Priorities and Allocations Authorities*.

³ See Section 202, *Determinations*.

⁴ See 15 CFR 700 *Defense Priorities and Allocations System*.

⁵ See 44 CFR 333 *Emergency Management Priorities and Allocations System*.

⁶ [Federal Acquisition Regulation Subpart 11.6 Priorities and Allocations](#)

⁷ [General Services Acquisition Regulation 48 CFR Subpart 511.6](#)

support of the Department of Defense (DOD), Department of Energy (DOE), and DHS, including FEMA.

- ii. Place DX priority rated contracts and orders in support of DOD or DOE for industrial resources in which GSA is acting as DOD or DOE's procuring agent.
- iii. Place priority ratings on contracts and orders for industrial resources needed to implement any program related to food resources, energy resources, health resources, civil transportation, or water resources determined by the DOD, DOE, or DHS, as necessary or appropriate to promote the national defense and authorized for priorities support by the appropriate resource agency.

e. Procurement Restrictions. DOC DPAS Delegation #3 is restricted to program system procurements in support of DOD, DOE, and DHS approved programs. The delegation shall not be used to support the procurement of any items that:

- Are commonly available in commercial markets for general consumption;
- Are readily available in sufficient quantity so as to cause no delay in meeting approved program requirements;
- Require major modification when purchased for approved program use; or
- Are used primarily for administrative purposes, such as for personnel or financial management, including Federal Supply Classification (FSC) codes, classes, groups, or items.

f. GSA Administrator Delegation. The GSA Administrator delegated authority to place rated orders for approved DOD, DOE, and DHS programs to the Commissioner of the Federal Acquisition Service.

g. FAS Commissioner Re-Delegation. The FAS Commissioner re-delegated authority⁸ to place rated orders for approved DOD, DOE, and DHS programs to:

⁸ [ADM 5450.39D Chapter 4 GSA Delegation June 5, 2016](#)

- The Assistant Commissioner of General Supplies and Services Categories (GSS) for the Emergency Contracting Division, and
- The Assistant Commissioner of Travel, Transportation, & Logistics Categories.

6. Applicability. This policy restricts use of DPAS authority to procurements for industrial resources⁹ in support of the DOD, DOE, and DHS approved programs, pursuant to DOC Delegation #3.

7. Requirements. Authorized GSA contracting officers (see paragraph 5) can place rated orders under the DPAS subject to the requirements below. The procedures that contracting officers should follow is in Attachment B and its supplement Decision Tree in Attachment B1 provides detailed guidance on the steps to follow when placing rated orders.

8. Training. Authorized GSA contracting officers should become familiar with DPAS policies and procedures prior to placing rated orders. Training and information is available as noted below.

- [FAR 48 CFR subpart 11.6](#)
- [GSAR 48 CFR subpart 511.6](#)
- [DOC 15 CFR part 700](#)
- [DOC DPAS Training Course](#)
- FAITAS CLC 043 Defense Priorities & Allocations System (DPAS)**

9. Point of Contact. Questions regarding this acquisition letter may be directed to GSARPolicy@gsa.gov.

⁹ Authorities for rated orders of industrial resources are delegated to the following Resource Departments: Department of Agriculture (USDA) for food resources, food resources facilities, livestock resources, veterinary resources, plant health resources, and the domestic distribution of farm equipment and commercial fertilizer; DOE for all forms of energy; Department of Health and Human Services (HHS) for health resources; Department of Transportation (DOT) for all forms of civil transportation; and DOD for water resources; DOC for “all other materials, services, and facilities, including construction materials” which have not been delegated to other agencies.

Attachments

- Attachment A - [Department of Commerce DPAS Delegation #3](#)
- Attachment B - [Procedures for Placing Rated Orders](#)
- Attachment B1 - [DPAS General Decision Tree](#)
- Attachment C - [Sample Contract Language](#)