

NOTICE

Notice to Industry, Defense Priorities and Allocation System (DPAS)

The U.S. Army Corps of Engineers (Corps) has authority to place a priority rating on its contracts for industrial resources, in accordance with the Defense Priorities and Allocations System (DPAS) regulation (15 C.F.R. Part 700), to support its Hurricane and Storm Damage Risk Reduction System (HSDRRS) program in order to ensure the timely completion of this hurricane protection system by June 2011 for the greater New Orleans area. On 29 October, 2008, Department of Homeland Security/Federal Emergency Management Agency determined the HSDRRS program as a critical infrastructure protection and restoration activity

The HSDRRS program has been authorized the use of a "DO" priority rating. In that capacity, this notice is to inform contractors that this is a "DO-N7" rated orders will be issued under the authority of the Defense Priorities and Allocations System (DPAS) regulation which is administered and enforced by the U.S. Department of Commerce. A copy of the regulation can be found at www.bis.doc.gov/dpas.

A free on-line training course is offered at the Defense Acquisition University (DAU), <http://www.dau.mil>. The course is CLC043 Defense Priorities and Allocations System.

The priority rating on the USACE order indicates that:

1. The order supports an authorized national defense program. The "DO" indicates that this program is vital to the national defense, and the "N7" specifies the program (critical infrastructure protection and restoration).
2. This rated order contains a statement that it has been certified for national defense use and you are required to follow all the provisions of the DPAS regulation (15 C.F.R. § 700).
3. The order contains an authorized written or digital signature.
4. The required delivery date is indicated in the order.

Receipt of a rated order requires the contractor to do four things:

1. **Mandatory Acceptance/Rejection:** A 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. The existence of previously accepted unrated orders or lower rated orders is not sufficient reason for rejecting a rated order. A company may reject a rated order for delivery on a specific date if 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.

2. Customer Notification Requirements: A company must accept or reject a rated order and transmit the acceptance or rejection (in writing or electronically) to the customer placing the order within fifteen (15) working days after receipt of a "DO" rated order. If the order is rejected, the company must give reasons in writing (not electronically) for the rejection.

3. Preferential Scheduling: A company in receipt of a rated order must schedule operations, including the acquisition of all needed production items, in a timely manner to satisfy the delivery requirements of each rated order

4. Extension of Priority Ratings: A company who receives rated orders must in turn place rated orders with its suppliers for the items needed to fill the rated orders. This continues from contractor to subcontractor to supplier throughout the entire supply chain.

USACE intends to ensure that the HSDRRS stays on schedule. Accordingly, the New Orleans District Contracting Division will present a briefing for interested industry members regarding the DPAS priority rating on 25 March 2009 at 2:00 pm in the District Assembly Room, 7400 Leake Ave., New Orleans, 70118.-3651 Please contact Nancy Tullis at (504) 862-1604 or via email Nancy.J.Tullis@usace.army.mil to attend the presentation which will be approximately one and half hours in duration.

Participation in this critical national defense program will help protect and enhance our nation's vital interests.