

Award Term and Condition**Build America, Buy America Act (“BABA”) Requirements**

Applicable to awards made after 10/1/2024 as indicated in block 7 of the Assistance Agreement where the project includes construction, alteration, maintenance, and/or repair of public infrastructure in the United States. This term must be added to existing awards (even if they did not previously include it) if additional funds are provided in a modification executed on or after May 14, 2022. See [DOE Financial Assistance Letter 2023-01](#). Note that this section *does not* apply if the prime recipient is a for-profit entity.

1. Applicability to this Award**[Option A – For Awards with no Approved Waiver]**

This award does not have an approved BABA waiver, so the requirements of BABA fully apply. The remainder of this term provides additional information on BABA’s compliance requirements and recipient obligations. The recipient is put on notice that failure to comply with these requirements will result in a disallowance of costs for any nonconforming item that is purchased under the award. The recipient is very strongly encouraged to read the information provided in this term and to consult with their cognizant legal counsel to ensure that these requirements are fully understood.

[Option B – For Awards to which a General Applicability Waiver Applies]

This award is covered by the following General Applicability waiver:

- Provide hyperlink to waiver

Accordingly, the recipient’s BABA obligations under this term are waived to the extent provided in the General Applicability waiver. (For example, if the General Applicability waiver provides a full waiver of the BABA requirements, then the recipient does not need to comply with BABA requirements in the execution of this award; if the General Applicability waiver only waives a subset of the BABA requirements, then that subset is waived under this award, but any un-waived requirements continue to be applicable. The recipient is responsible for understanding the scope of its BABA obligations as modified by the General Applicability waiver named above.

Regardless of the scope of the waiver, the remainder of this term will remain for contextual and informational purposes.

[Option C – For Awards with an Approved Project-Specific Waiver]

This award is covered by the following Project-specific waiver:

- Provide Hyperlink to waiver

Accordingly, the recipient's BABA obligations under this term are waived to the extent provided in the Project-specific waiver. (For example, if the waiver provides a full waiver of the BABA requirements, then the recipient does not need to comply with BABA requirements in the execution of this award; if the project-specific waiver only waives a subset of the BABA requirements, or is only applicable to a subset of the covered products used in this project, then compliance for that subset is waived under this award, but any un-waived requirements continue to be applicable. The recipient is responsible for understanding the scope of its BABA obligations as modified by the Project-specific waiver named above.

Regardless of the scope of the waiver, the remainder of this term will remain for contextual and informational purposes.

2. Definitions

There are several terms of art that are given specific definitions with respect to the application and execution of BABA. [Full definitions of these terms can be found by following this hyperlink to the relevant section \(2 CFR 184.3\) of the Code of Federal Regulations](#). Any additional context not present in the Code of Federal Regulations definition for a given term is provided below.

- a. *Buy America Preference* (Sometimes also referred to as the **Buy America Requirement** or **Domestic Content Procurement Preference**). Note that, despite the use of the word "Preference," this is very much a mandatory compliance requirement. The statute, implementing regulations, and OMB guidance characterize this requirement as the "Buy America Preference," and so that terminology is reflected here to ensure consistency with the statute and existing guidance.
- b. *Component*
- c. *Construction Materials*
- d. *Infrastructure Project*
- e. *Iron or steel products*
- f. *Manufactured Products*
- g. *Manufacturer*
- h. *Predominantly of iron or steel or a combination of both*
- i. *Produced in the United States* (Sometimes also referred to as the "Domestic Production requirement")
- j. [Section 70917\(c\)](#) *Materials* (i.e., certain materials used in construction that are specifically excluded from being categorized as "construction materials"; as such, the Buy America Preference is not applied to these materials).

Additionally, the following terms are not defined in 2 CFR 184.3, but are important for a proper understanding of BABA and its application:

- k. *Project* – means the construction, alteration, maintenance, or repair of public infrastructure in the United States.
- l. *Infrastructure* – Infrastructure includes, at a minimum: the structures, facilities, and equipment for roads, highways, and bridges; public transportation; dams, ports, harbors,

and other maritime facilities; intercity passenger and freight railroads; freight and intermodal facilities; airports; water systems, including drinking water and wastewater systems; electrical transmission facilities and systems; utilities; broadband infrastructure; buildings and real property; and structures, facilities, and equipment that generate, transport, and distribute energy, including electric vehicle (EV) charging.

- m. *Public infrastructure* – The Buy America Preference does not apply to non-public (private) infrastructure. For purposes of compliance with BABA, infrastructure should be considered “public” if it is:

(1) publicly owned (owned, operated, funded and managed, in whole or in part, by any unit or authority of a Federal, State, or Local government-including U.S. Territories and Indian Tribes); or

(2) privately owned but utilized primarily for a public purpose. Infrastructure should be considered to be “utilized primarily for a public purpose”, and therefore “public”, if it is privately owned but operated on behalf of the public or is a place of public accommodation.

3. Buy America Preference

A. The Buy America Preference

Subject to any applicable waiver, none of the funds provided under this award (federal share or recipient cost-share) may be used for a project for infrastructure unless all iron, steel, manufactured products, and/or construction materials are “produced in the United States.” Standards to satisfy this requirement differ based on the category a given material falls under:

- a. All iron and steel used in the project is produced in the United States—this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States;
- b. All manufactured products used in the project are produced in the United States—this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation. (**Note:** [2 CFR 184.5](#) provides specific guidance for determining the cost of components for manufactured products); and
- c. All construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States. (**Note:** [2 CFR 184.6](#) provides additional standards that must be satisfied for some specified construction materials in order for those materials to be considered “produced in the United States”).

Recipients are responsible for administering their award in accordance with the terms and conditions, including the Buy America Preference. The recipient must ensure that the Buy America Preference flows down to all subawards and that the subawardees and subrecipients comply with the Buy America Preference. The Buy America Preference term and condition must be included all sub-awards, contracts, subcontracts, and purchase orders for work performed under the infrastructure project.

B. Specific Application of the Buy America Preference

Recipients are not required to apply the Buy America Preference to each and every material, supply, or piece of equipment purchase for this award. Only items that are consumed in, incorporated into, or permanently affixed to the infrastructure in the project are required to meet the “produced in the United States” requirements that mandate domestic assembly and (in the case of manufactured products) domestic content thresholds.

As such, this requirement does not need to be applied to tools, equipment, and supplies—such as temporary scaffolding—brought into the construction site and removed at or before the completion of the infrastructure project. This is likewise inapplicable to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project.

C. Section 70917(c) Materials

The BABA Statute at Section 70917(c) provides a list of materials which are specifically excluded from categorization as “construction materials,” and therefore may be used without meeting the relevant “produced in the United States” standard.

Generally referred to as “Section 70917(c) Materials,” these are:

- cement and cementitious materials;
- aggregates such as stone, sand, or gravel; or
- aggregate binding agents or additives, as provided in Section 70917(c) of BABA.

Asphalt concrete pavement mixes are typically composed of asphalt cement (a binding agent) and aggregates such as stone, sand, and gravel. Accordingly, asphalt is also excluded from the definition of Construction materials.

Section 70917(c) materials, on their own, are not manufactured products. Further, Section 70917(c) materials should not be considered manufactured products when they are used at or combined proximate to the work site—such as is the case with wet concrete or hot mix asphalt brought to the work site for incorporation. However, certain Section 70917(c) materials (such as stone, sand, and gravel) may be used to produce a manufactured product, such as is precast concrete. Precast concrete is made of components, is processed into a specific shape or form, and is in such state when brought to the work site. Furthermore, wet concrete should not be considered a manufactured product if not dried or set prior to reaching the work site.

Further clarification is provided in 2 CFR 184 on the circumstances under which a determination is made that [Section 70917\(c\)](#) materials should be treated as components of a manufactured product. That determination is based on consideration of: (i) the revised definition of the “manufactured products” at [2 CFR 184.3](#); (ii) a new definition of “[Section 70917\(c\)](#) materials” at [2 CFR 184.3](#); (iii) new instructions at [2 CFR 184.4\(e\)](#) on how and when to categorize articles, materials, and supplies; and (iv) new instructions at [2 CFR 184.4\(f\)](#) on how to apply the Buy America preference by category.

4. Certification of Compliance

Recipients must request a certification from a product manufacturer that the iron, steel, manufactured product or construction material they are acquiring from the manufacturer were “produced in the United States” (i.e., that they meet the requisite standards outlined at the beginning of Section 3, above). DOE will not provide any sort of “certification template” for this purpose; recipients are responsible for ensuring that a certification contains enough information that it properly validates the BABA compliance of the item(s) listed within the certification.

Although DOE does not require a specific format for the certification, the following elements must be present:

- A listing of all products covered by the certification, including their category (e.g., iron, steel, manufactured product, or construction material);
- A recitation of the relevant “produced in the United States” standard for any categories (iron, steel, manufactured product, or construction material) provided in the above list, to ensure the manufacturer properly understands the standards to be met;
- A clear statement that the products listed meet the relevant “produced in the United States” standard(s);
- A signature from an authorized representative of the manufacturer certifying the contents of the compliance statement; and
- Any other information the recipient deems necessary for the certification to demonstrate compliance with the BABA requirements.

Recipients must also maintain certifications or equivalent documentation for proof of compliance that those articles, materials, and supplies that are consumed in, incorporated into, affixed to, or otherwise used in the infrastructure project, not covered by a waiver or exemption, are produced in the United States. The certification or proof of compliance must be provided by the suppliers or manufacturers of the iron, steel, manufactured products and construction materials and flow up from all subawardees, contractors and vendors to the recipient. Recipients must keep these certifications with the award/project files and be able to produce them upon request from DOE, auditors or Office of Inspector General.

5. Waivers

When necessary, recipients may apply for, and DOE may grant, a waiver from the Buy America Preference. Requests to waive the application of the Buy America Preference must be in writing

to the CO. Waiver requests are subject to review by DOE and the Office of Management and Budget, as well as a public comment period of no less than 15 calendar days.

Waivers must be based on one of the following justifications:

- a. Public Interest- Applying the Buy America Preference would be inconsistent with the public interest;
- b. Non-Availability- The types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
- c. Unreasonable Cost- The inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

Waiver Requests may be submitted utilizing [BABA Waiver Form \(gsa.gov\)](#), [Optional Form 2211 \(OF2211\)](#) or any other format to provide the required information for the project-specific waiver request.

For reference, requests to waive the Buy America Preference must include the following:

- Waiver type (Public Interest, Non-Availability, or Unreasonable Cost);
- Recipient name and Unique Entity Identifier (UEI);
- Award information (Federal Award Identification Number, Assistance Listing number);
- A brief description of the award project objectives, location, and the specific infrastructure project involved;
- Total estimated Financial Assistance award value, inclusive of recipient cost share;
- Total estimated infrastructure costs (estimated costs of the Iron, Steel, Manufactured Products and Construction Materials being purchased under the award and utilized in the infrastructure project);
- List and description of iron or steel item(s), manufactured goods, and/or construction material(s) the recipient seeks to waive from the Buy America Preference, including name, cost, quantity(ies), country(ies) of origin, and relevant Product Service Codes (PSC) and North American Industry Classification System (NAICS) codes for each;
- A detailed justification as to how the non-domestic item(s) is/are essential the project;
- A certification that the recipient made a good faith effort to solicit bids for domestic products supported by terms included in requests for proposals, contracts, and non-proprietary communications with potential suppliers;
- A justification statement—based on one of the applicable justifications outlined above—as to why the listed items cannot be procured domestically, including the due diligence performed (e.g., market research, industry outreach, cost analysis, cost-benefit analysis) by the recipient to attempt to avoid the need for a waiver. This justification may cite, if applicable, the absence of any Buy America-compliant bids received for domestic products in response to a solicitation;
- A description of the market research conducted that includes who conducted the market research, when it was conducted, sources that were used, and the methods used to

- conduct the research; and
- Anticipated impact to the project if no waiver is issued.

The recipient should consider using the following principles as minimum requirements contained in their waiver request:

- *Time-limited*: Consider a waiver constrained principally by a length of time, or phased-out over time, rather than by the specific project/award to which it applies. Waivers of this type may be appropriate, for example, when an item that is “non-available” is widely used in the project. When requesting such a waiver, the recipient should identify a reasonable, definite time frame (e.g., no more than one to two years) designed so that the waiver is reviewed to ensure the condition for the waiver (“non-availability”) has not changed (e.g., domestic supplies have become more available).
- *Targeted*: Waiver requests should apply only to the item(s), product(s), or material(s) or category(ies) of item(s), product(s), or material(s) as necessary and justified. Waivers should not be overly broad as this will undermine domestic preference policies.
- *Conditional*: The recipient may request a waiver with specific conditions that support the policies of IIJA/BABA.

DOE may request, and the recipient must provide, additional information for consideration of this waiver. DOE may reject or grant waivers in whole or in part depending on its review, analysis, and/or feedback from OMB or the public. DOE’s final determination regarding approval or rejection of the waiver request may not be appealed. The waiver request review and public comment process required for a waiver determination can take up to 90 calendar days.