Build America Buy America (BABA) in 2025

Michael Dennee, Contract Services Group Coordinator



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What has changed

- Implementation of the new Build America Buy America requirements will be focused on the use of Construction materials which are non-ferrous metals, plastic and polymer-based products, glass, fiber optic cable, lumber, engineered wood, drywall.
- Note: Minor additions of articles, materials, supplies, or binding agents to a construction material do not change the categorization of the construction material. (Coatings and Glue) effective for contracts with federal construction authorization after October 23,2023.



Implementation

- Build America Buy America <u>does allow</u> for de minimis amount of foreign construction material incorporated in projects
- The allowances for foreign iron or steel from Buy America still remains the same
- There will be two forms that are required (depending on the type of material)
 - Form 734-2126 Certificate of Materials Origin
 - Form 734-5378 Construction Materials CMO



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De minimis allowance

• The USDOT issued a Public Interest Waiver for De Minimis Costs and Small Grants. The final waiver can be viewed here:

https://www.federalregister.gov/documents/2023/08/16/20 23-17602/waiver-of-buy-america-requirements-for-deminimis-costs-and-small-grants and this waiver applies to materials covered by the Build America Buy America Act effective for contracts with federal construction authorization after **August 16, 2023**.



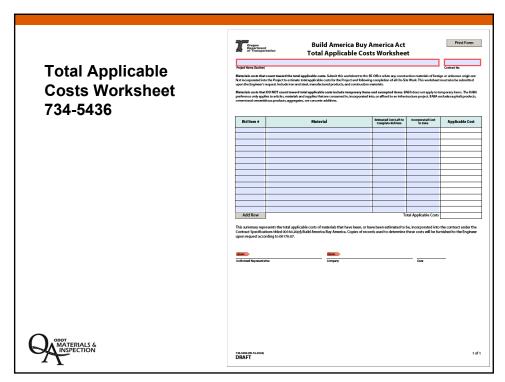
De minimis allowance

• In order to apply the BABA de minimis amount on a project with assistance of \$500K or more, the lesser of \$1M or 5%, we will need to determine the "Total applicable project costs" for that Project. Using a Build America Buy America Total Applicable Costs Worksheet, form 734-5436.



	Project Name (Section	ment Foreign Co	iisti u	.c.o	ateriai	, Juliiiii	,	Contract No.
Foreign Construction		struction Materials used on this Project				Total Applicable F	Voiect Costs	Federal Aid No.
Material Summary	Bid Item No.	Foreign Materials Description	FINAL Approved Water Bern	Quantity	Units	Foreign Cost Per Unit	Total Foreign Cost	Cumulativ Foreign Co
734-5437								
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	Total Value of F	ermanently Incorporated Foreign Co	nstruction	Materials				
	The total value applicable cost	of the non-compliant products (with a for the project.	foreign or	unknown o	rigin) is no i	more than the	lesser of \$1,000,0	00 or 5% of the
	P	ercent of Non-Compliant Products		umulative Fo				
		(foreign or unknown origin)		Applicable Pro sined from Form				





Contract Administration – BABA



De minimis allowance

 Assuming a \$10 million paving project with over \$500K in federal assistance. The paving materials themselves, asphalt and aggregate don't count. We look at estimated material costs for things like pavement markings, delineation, and perhaps some minor signs or drainage and all those material costs for materials under BABA or Buy America add up to \$100,000 "Total applicable project costs", then the waiver would allow up to \$5,000 (5%) of the construction materials under BABA to be unknown or foreign.



De minimis allowance

 Assuming a \$10 million bridge project with over \$500K in federal assistance. The concrete and paving materials themselves, Portland cement, asphalt and aggregate don't count. We look at estimated material costs for things like reinforcement steel, bearings, bridge rail, piling, pavement markings, delineation, and perhaps some minor signs or drainage and all those material costs for materials under BABA or Buy America add up to \$1 million "Total applicable project costs", then the waiver would allow up to \$50,000 (5%) of the construction materials under BABA to be unknown or foreign.



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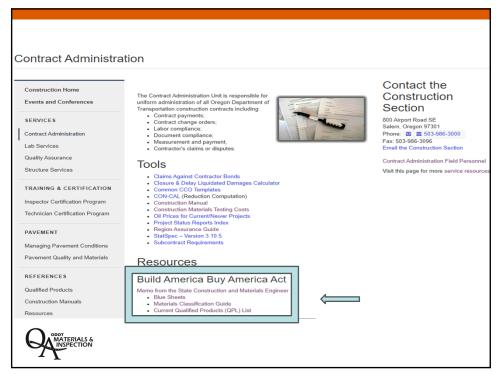
What has changed

- Specific items that Build America Buy America does apply to
 - Lumber- Treated or Glued
 - Glass beads- Coating
 - PVC items- With or Without rubber gaskets
 - Galvanic Zinc Anodes
 - Engineered Wood structural composite lumber and cross-laminated timber. * Not a complete listing of Construction Materials see the Material Classification Guide for additional information.



CERTIFICATE OF MATERIALS ORIGIN		Department of Transportation Certificate of N	on Material Materials Origin ### Authorisation National ### 11/10/2023 and 6/15/2023 on domeniats Commission Material.
OTTEM NO. BIG ITEM NAME		Project Name (Section)	Contract No.
MATERIALS BOUNCE (NAME AND ADDRESS)		Bid from Nane Domestic Materials Source	
MMESTIC MATERIALS DESCRIPTION		Name Address Description Inselmen 1000 characters)	
MATERIALE SOURCE INCLUDING MATERIAL OF UNKNOWN ORIGIN NAME AND ADDRESS		This certification is made for the purpose of establishing mates Build America Buy America. All manufacturing processes for the do of America. Manufacturers' certificates verifying the origin of the above de following final payment. Copies will be furnished to the Engineer use.	mestic materials described above occurred within the United scribed domestic materials will be kept on file for three years
REIGN MATERIALS (OR OF UNKNOWN ORGIN) DESCRIPTION AND VALUE OF IRON OR STEEL PRODUCT AS IT IS DELIVERED TO THE PROJEC		I declare under penalty of perjury or falsification under Oregor	
		Authorized Representative*	Company* Name and Address
		Kana Tike	Company Address 1
his confidents in made for the purpose of establishing instends acceptance under the Contract Special Provisions 1986 001902.00(a) 900 miles. All root sets the manufacturing processes, including protective coatings, for the demonster characteristic devices counted within root and the contract of the c		Sgn	Address 2
nert. Copies will be furnished to the Engineer upon request. declare under penalty of perjuny or falsification under Cregon and Federal laws that the foregoing is true and correct. AUTHORIZED REPRESENTATIVE! COMPANY* NAME AND ADDRESS:		Oute	City/Sules/Zip *May be Contractor, Subcontractor
AME:		Submit a new certificate for subsequent ships	ments if any of the above information changes.
DATE:			
May be Contractor, Sub-Contractor or supplier	1	734-5378 (11-30-2022)	
734-2126 (11-30-2022)	I.		
MATERIALS &			13
INSPECTION			13
_ _			

Oregon Construction Oregon Construction Organisment Certificate of N		T Green	on ortment ansportation Foreign Const	truction N	1aterials :	Summary	Print Form
hoject Name Section)	Contract No.	Project Name Ged					Contract No.
From No.							
		No Foreign t	Construction Materials used on this Project		71	stal Applicable Project Cests	Federal Aid No.
omestic Materials Source		Bid Item No.	Foreign Materials Description Ave	proved Quantity	Units	Foreign Cost Total For Unit Foreign Cost	Cumulative Foreign Cost
a .							
res.							
ription (maximum 500 characters)							
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reign Materials Source (including material of unknown origin)					+		+
ne and Address	Description and Value of Construction Materials as delivered to the project.			-			_
					_		_
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					-		
e total value of the non-compliant products (foreign or unknown origin) no more than the lesser of \$1,000,000 or 5% of total applicable costs for							
e project.							
							_
This certification is made for the purpose of establishing materials acc	reptable under the Contract Specifications titled 00160.20(d) Build						+
America Buy America. All manufacturing processes for the domestic mater Manufacturers' certificates verifying the origin of the above described	sats described above occurred within the United States of America. I domestic materials will be kept on file for three years following final				+		+
payment. Copies will be furnished to the Engineer upon request.					+		+
I declare under penalty of perjury or falsification under Oregon and Fe	ederal laws that the foregoing is true and correct.	Tanklish	Permanently Incorporated Foreign Constru				
		Total value o		Account materials			
Authorized Representative*	Company* Name and Address	The total value	e of the non-compliant products (with foreign	gn or unknown	origin) is no mo	re than the lesser of \$1,000	000 or 5% of the to
Name	Company	applicable co	sts for the project.				
			Percent of Non-Compliant Products _ T	Total Cumulative F	and a Cont		
Title	Address 1		(foreign or unknown origin)	Total Applicable F	roject Cost		
Sign	Address 2						
		Resident Engineer	Representative (signature) Date	Fan	gion Assurance Special	list (signature)	Date
Date	City/State/Dip "May be Contractor, Subcontractor or Supplier		Use form for all projects that must comply with Sec	rtion 00160.2014	d contain permane	ntly incorporated construction on	terials.
Submit a new certificate for subsequent shipn			See contract special provi	isions for restriction	s on foreign constru	action materials.	
4-5378b (12-18-2023)	of	734 5437 (96-96-20	24)				1



- · New language is posted as part of the Construction Manual (Chapter 22-6 starting on page 4)
- This is our best reference for implementation of the Build America Buy America requirements
- Anything that we need to change as this is being implemented will be modified in the Construction Manual so that RE Offices have information to enforce the requirements
- Please contact us if the guidance in the Construction Manual does not follow the guidance that you have heard – so that we can clarify and make adjustments to the Construction Manual as necessary

22-6 Build America Buy America Act

If the Project contains any federal highway funds, the Contract will contain the Federal Build America Buy America provisions defined in Section 00160.20(d). The Build America Buy America provisions require that all Construction Material manufacturing processes shall occur in the United States.

The Contractor must limit the value of foreign Construction Materials to no more than five percent (5.0%) of the "total applicable costs", or \$1.000.000.00, whichever is less. The "total applicable costs" foundates construction materials; nor and steel, and manufactured products. The value of materials are the actual cost of the materials, not the anticipated cost of materials. Any foreign Construction Materials incorporated more than this amount must be removed and replaced with domestic Construction Materials.

Construction materials include an article, Material, or supply that is or consists primarily of:

- non-ferrous metals;
- plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables);
- glass;
- engineered wood
 lumber; or
- drywall.

Minor additions of articles, materials, supplies, or binding agents to a construction material do not change the categorization of the construction material.



Materials Classification Guide

- List of most Construction Materials
- Organized by Material Codes and Specification
- 39 Pages of Material information
- Identifies how most Materials are addressed

Disclaimer: This spreadsheet is to be used as a guide to help determine the BABA classification of installed materials. The classification of the specific product installed may differ from the classification listed on this guide. Refer to the manufacturer's information to determine the proper classification of the specific product. This Guide will be updated and amended as needed. Refer to SP00160.20 Preferences for Materials for additional information.



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MATERIAL COST OPPIS 10,000 OPPI

Blue Sheet Materials

- Represents all materials covered by the Blue Sheets for traffic signals
- Organized by equipment categories
- 2 pages of information
- Identifies how each signal material is addressed

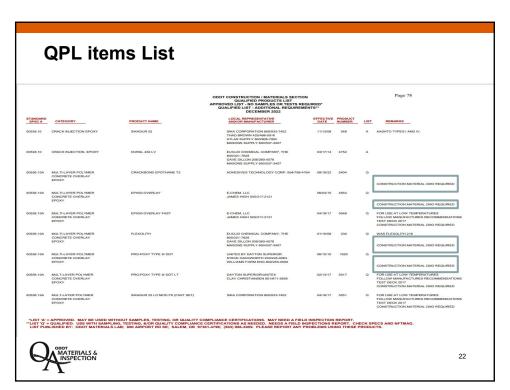


Blue Sheets list						
Blue Sheet Materials	CMO/CCMO block on Blue Sheets	Iron/Steel CMO	BABA construction material CCMO	BABA manufactured product	Comments	
Femporary features						
emporary covers		NO	NO	YES		
emporary meter base socket emporary service cabinet		NO NO	NO NO	YES		
emporary service cabinet emporary terminal cabinet	YES - CMO***	***NO/YES	NO NO	NO YES	***CMO only required if used in permanent applications	
emporary pre-cast 332s foundation	7.C3 - Carlo	NO NO	NO	YES		7
Temporary span wire equipment						•
able ties	YES - CCMO***	NO	***NO/YES	NO	***CCMO only required if used in permanent applications	
nessenger, tether, & stabilizer cable	YES - CMO***	***NO/YES	NO	NO	***CMO only required if used in permanent applications	
eyebolt, turnbuckle, strandvise, S-hook pan wire hanger	YES - CMO*** YES - CCMO***	***NO/YES NO	NO ***NO/YES	NO NO	***CMO only required if used in permanent applications ***CCMO only required if used in permanent applications	To Ch
pan wire nanger ether clamps	YES - CCMO***	***NO/YES	NO NO	NO NO	***CMO only required if used in permanent applications	624
ri-stud adaptor	TES-CINO	NO	NO	YES	Cino only required in data in permanent applications	24
Poles and pedestals						-0K 700
hase nipple	YES - CMO	YES	NO	NO		
pipe plugs	YES - CMO	YES	NO	NO		
pedestal	YES - CCMO	NO	YES	NO		23-2-633
Conduit & appurtenances	YES - CMO/CCMO*	*YES (steel)	*YES (non-metallic)	NO	*Steel requires CMO and non-metallic requires CCMO	7 人名 特殊思想到
conduit bushings	YES - CMO/CCMO*	*YES (steel)	*YES (non-metallic)	NO	*Steel requires CMO and non-metallic requires CCMO	
onduit plug	YES - CCMO	NO	YES	NO		
condulet	YES - CMO	YES	NO	NO		一 交人 经基础分配
conduit hub		NO	NO	YES		
expansion fitting		NO	NO	YES		
oull line underground warning tape	YES - CCMO YES - CCMO	NO NO	YES YES	NO NO		
lunction box	TES - CCMO	NO	163	NU		- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1
lunction boxes		NO	NO	YES		
Cables, wires, grounding/bonding & appurtenances						7.5 7.00 7.00
oond wire	YES - CCMO	NO	YES	NO		
ground rod	YES - CMO	YES	NO	NO		AT TO BE THE REST OF THE
ground rod clamp control cable	YES - CCMO	NO NO	YES NO	NO YES		100000000000000000000000000000000000000
industrial ethernet cable		NO NO	NO NO	YES		4.4.
nterconnect cable		NO	NO NO	YES		The second second
FFN, THWN, & XHHW wire		NO	NO	YES		MARKET AND
strain relief	YES - CMO	YES	NO	NO		10 01 18 18 2 2 80
Misc mountings						MACHINE SERVICE
Radio mount video detection mount	_	NO NO	NO NO	YES		-6333666
Pedestrian equipment		NO	NU	165		A CONTRACTOR OF THE PARTY OF TH
Pedestrian signal and mount		NO	NO	YES		ALL THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAMED IN COLUM
.ED module (pedestrian signal)		NO	NO	YES		The state of the s
oushbutton and mount		NO	NO	YES		The state of the s

QPL

 Identifies in the "Remarks" column which QPL items will require a CMO for either steel or construction materials





Non-Field Tested Materials Guide

C – Construction Materials Certificate of Materials Origin (C-CMO) Form 734-5378 - Build America Buy America (BABA) – Refer to 00160.20(d). Specification Sections that have been identified as containing Construction Materials that may require a C-CMO have been added throughout this guide. They can also be referenced on the Qualified Products List (QPL) at the following website:

https://www.oregon.gov/odot/Construction/Pages/Qualifie d-Products.aspx



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The updated Non field materials acceptance guide

Oregon Department of Transportation Nonfield-Tested Materials Acceptance Guide 2021 Standard Specifications

				ACCEPTANCE DOCUM			5	
SECTION	TYPE OF CONSTRUCTION	MATERIALS	SUBSECTION	FURNISHED BY CONTRACTOR TO		FURNISHED BY AGENCY MATERIALS FIELD		REMARKS
				LAB	ENGR.	LAB	PERSONNEL	
00445 (con't)	Sanitary, Storm, Culvert, Siphon, and Irrigation Pipe (continued)	Nonreinforced Concrete Pipe	02410.10(f)				F	ODOT approved manufacturers: - Oldcastle Infrastructure, Auburn, WA
		Reinforced Concrete Pipe	02410.10(g)		0		F	- Oldcastle Infrastructure, Eugene, OR
								- Oldcastle Infrastructure, Keizer, OR
								Oldcastle Infrastructure, Nampa, ID Cascade Concrete Products, Scappoose, OR
						1		If pipe is not from ODOT approved manufacturer, con Structure Services (503-986-3056) for acceptance
								information 21 Days prior to pipe casting.
								Requires Structure Services inspection.
		Polypropylene Pipe	02415.40		Q, C		F, QPL	"Q" is markings on pipe.
								"C" is for Construction Material CMO according to 00160.20(d)
								"F" must document manufacturer's name, size and AS designation.
								Must be from the QPL and meet the requirements of 02415.40.
		Polyvinyl Chloride Pipe (PVC)	02415.50		Q, C		F	"Q" is markings on pipe.
								"C" is for Construction Material CMO according to 00160.20(d)
								"F" must document manufacturer's name, size and AS designation.

QUIZ TIME!

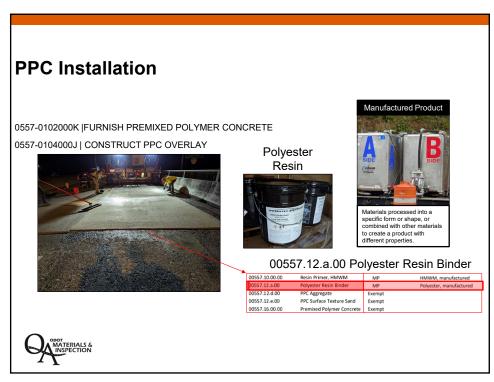
BABA Material Classification Guide

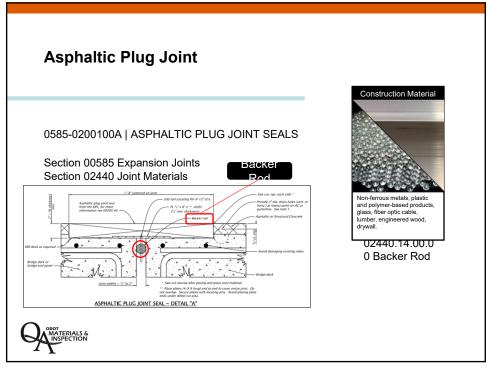


Scan the QR code with your phone and open the classification guide!

https://www.oregon.gov/odot/Construction/ Documents/BABA Materials.pdf











Resources:

 $\textbf{IIJA:}\ \underline{\text{https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf}}$

BABA: IIJA Division G, Title IX, Sections 70901-70941

Office of Management and Budget Memo MB-22-11: https://www.whitehouse.gov/wpcontent/uploads/2022/04/M-22-11.pdf

Contact Information:

General Information & Certificate of Material Origin (CMO) Forms:

Michael.J.Dennee@odot.oregon.gov

503-580-2013

Specifications:

Dan Anderson

 $\underline{\text{Daniel.A.Anderson@odot.oregon.gov}} \text{ or } \underline{\text{ODOTSpecifications@odot.oregon.gov}}$

503-986-3777

Qualified Products List (QPL)

Dean Chess

Dean.M.Chess@odot.oregon.gov

503-986-3059



January 14, 2025: Date of Federal Register Publication.

March 17, 2025 (effective date): For all Federal-aid projects obligated on or after March 15, 2025, all iron or steel products, as defined in § 635.410(c)(1)(iii), must comply with FHWA's Buy America requirements for steel and iron in § 635.410(b). In addition, for all Federal-aid projects obligated on or after March 15, 2025, per § 635.410(c)(2), articles, materials, and supplies should be classified as an iron or steel product, a manufactured product, or another product as specified by law or in 2 CFR part 184 (such other products specified by law or in 2 CFR part 184 include "excluded materials" and "construction materials"); an article, material, or supply must not be considered to fall into multiple categories.

October 1, 2025: The final assembly requirement will become effective for Federal-aid projects obligated on or after October 1, 2025. This means that, for manufactured product to be Buy America compliant, for Federal-aid projects obligated on or after October 1, 2025, final assembly of the manufactured product must occur in the United States.

October 1, 2026: The 55 percent requirement will become effective for Federal-aid projects obligated on or after October 1, 2026. This means that, for manufactured product to be Buy America-compliant, for Federal-aid projects obligated on or after October 1, 2026, all manufactured products permanently incorporated into the project must both be manufactured in the United States (satisfy the final assembly requirement) and have the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States be greater than 55 percent of the total cost of all components of the manufactured product (satisfy the 55 percent requirement).



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Questions?

