



## BABA: MANUFACTURED PRODUCTS

- Per 184.3, Manufactured Product means - articles, materials, or supplies that have been:
  - (i) Processed into a specific form and shape; or
  - (ii) Combined with other articles, materials, or supplies to create a product with different properties than the individual articles, materials, or supplies.
- Manufacturer means – the entity that performs the final manufacturing process that produces a manufactured product.

## BABA MANUFACTURED PRODUCTS; 2 CFR 184 GUIDANCE HIGHLIGHTS

- Component means – an article, material, or supply, whether manufactured or unmanufactured, incorporated directly into: (i) a manufactured product; or, where applicable, (ii) an iron or steel product.
- The term “subcomponent” is not defined

## BABA: MANUFACTURED PRODUCTS

- Final manufacturing in the United States
- Cost of components that are mined, produced, or manufactured in the U.S. is greater than 55% of the total cost of all components of the manufactured product
- Manufacturers are responsible for assessing and documenting BABA compliance for their product(s)



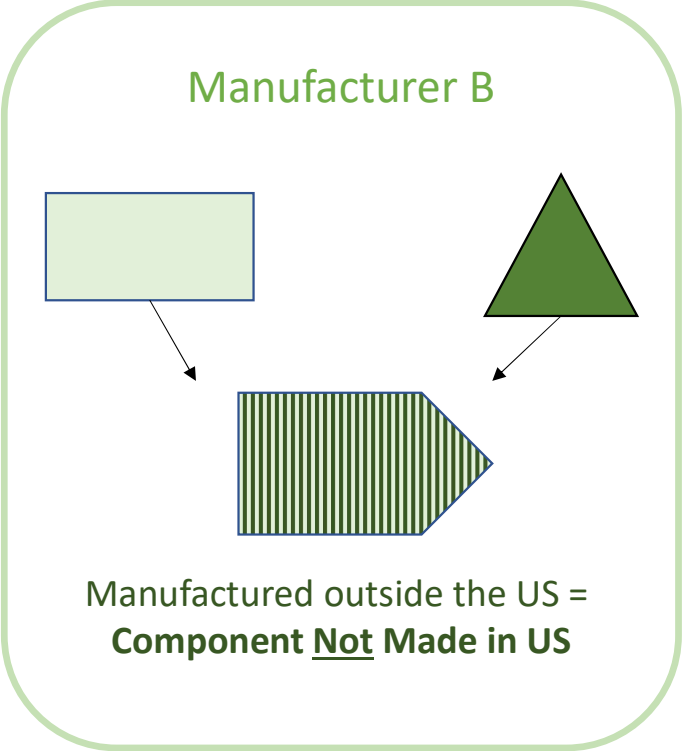
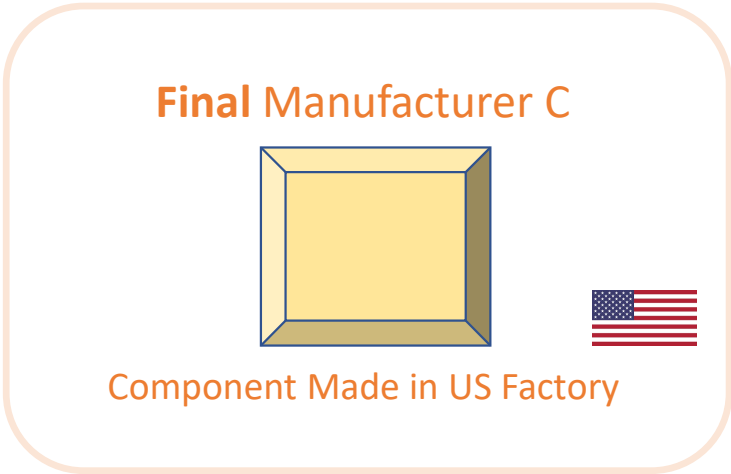
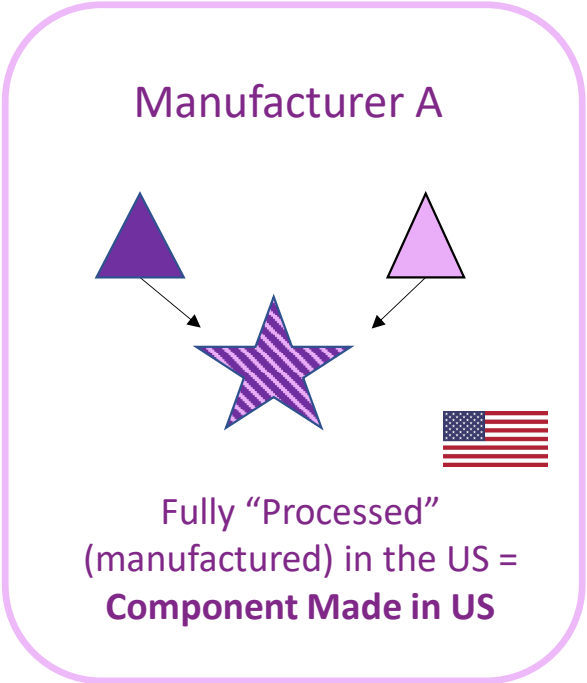
## BABA MANUFACTURED PRODUCTS; 2 CFR 184 GUIDANCE HIGHLIGHTS

### §[184.5](#) Determining the cost of components for manufactured products

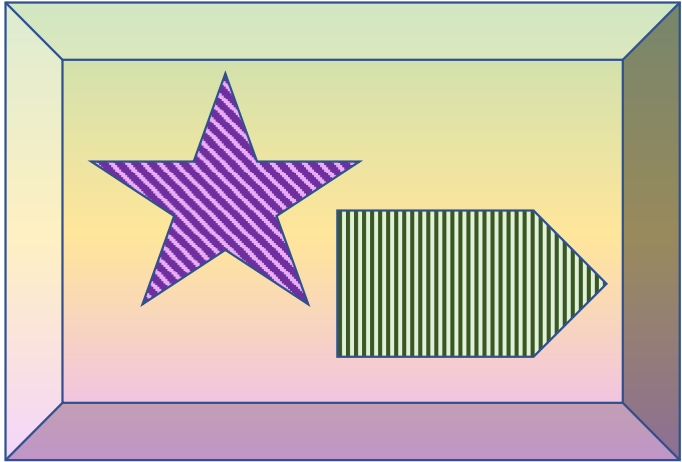
(a) For components purchased by the manufacturer, the acquisition cost, including transportation costs to the place of incorporation into the manufactured product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(b) For components manufactured by the manufacturer, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (a) of this section, plus allocable overhead costs, but excluding profit.

**Cost of components does not include any costs associated with the manufacture of the manufactured product.**




**Final Product: BABA approved or not?**



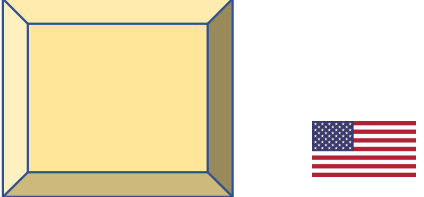
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Manufacturer A  
– US Location



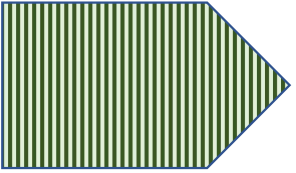
Fully “Processed”  
(manufactured) in the US =  
**Component Made in US**

**Final Manufacturer C – US Location**

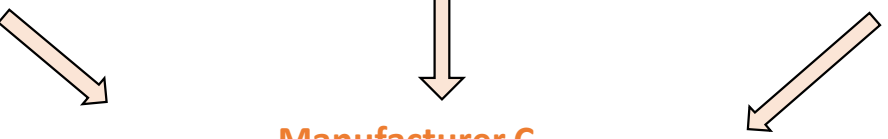


Component Made in US Factory

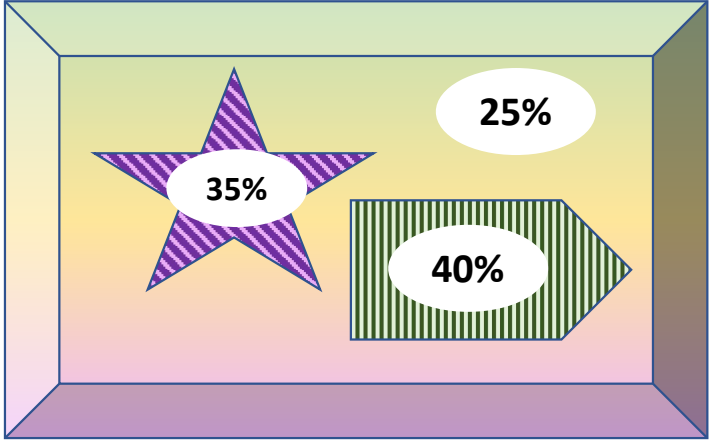
Manufacturer B  
– Non-US Location



Manufactured outside the US =  
**Component 100% Not Made in US**



**Manufacturer C**  
**Product Content Percentages:**



Product Content Test

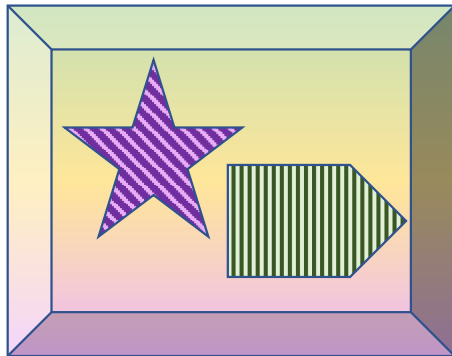
25% + 35% = 60% Made in US  
40% Not Made in US

Manufactured Product > 55 % domestic and  
thus is BABA Compliant

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## Manufacturer C Certification

This product  
meets the 55%  
component test  
= BABA  
compliant  
~ *Manufacturer C*



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## Five Key Elements of a Manufacturer Certification

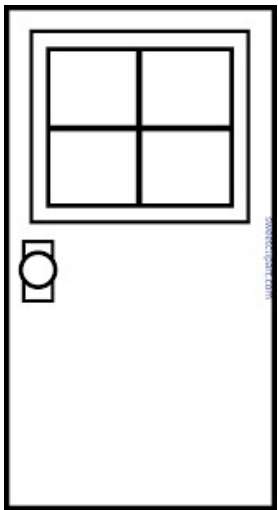
1. Letter on a company letterhead and signed by a company representative
2. Reference to the project
3. List of products
4. City and State of manufacturer
5. Reference to BABA
  - a) Should include “meets 55% component test” for manufactured products

## Door Example

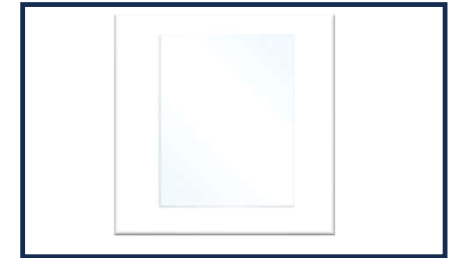
For Build America, Buy America Act (2 CFR 184)  
Manufactured Product Component Cost Test

### Components

Cost: \$100



Manufacturer A  
Frame



Manufacturer B  
Glass Pane



Manufacturer C  
Handle



Manufacturer D  
Hinge(s)

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## Door Example

For Build America, Buy America Act (2 CFR 184)  
Manufactured Product Component Cost Test

### Manufacturer A

Frame



- Manufactured Domestically
- Final Manufacturer
- \$50
  - Note: Alone, the wood frame would be a construction material

### Manufacturer B

Glass Pane



- Manufactured Non-Domestically
- \$25
  - Note: Alone, the pane of glass would be a construction material

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## Door Example

For Build America, Buy America Act (2 CFR 184)  
Manufactured Product Component Cost Test

### Manufacturer C

Handle



- Manufactured domestically
- Subcomponents acquired from anywhere
- Significant transformation performed by domestic manufacturer
- \$15

### Manufacturer D

Hinge(s)



- Manufactured non-domestically
- Subcomponents acquired from anywhere
- \$10

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## Door Example

For Build America, Buy America Act (2 CFR 184)  
Manufactured Product Component Cost Test

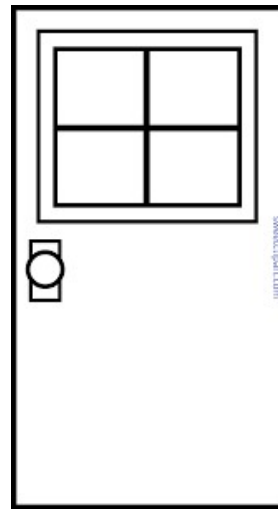
### Domestic Components



Manufacturer A – Final  
Manufacturer  
Frame  
50%



Manufacturer C  
Handle  
15%



**Domestic Content: 65%**  
**Non-Domestic Content: 35%**  
**Door is >55% Domestic - BABA Compliant**

### Non-Domestic Components



Manufacturer B  
Glass Pane  
25%



Manufacturer D  
Hinge(s)  
10%

## BABA MANUFACTURED PRODUCTS AND KITS; 2 CFR 184 – PREAMBLE HIGHLIGHTS

- A product is a “kit” and can be evaluated as a single and distinct manufactured product when it is acquired from a single manufacturer and is assembled on the work site. Kits are limited to discrete products that perform a unified function. Kits are distinguished from more wide-ranging systems.
- See 88 FR [57776](#) in the Federal Register

# Package Pump Station Example

For Build America, Buy America Act (2 CFR 184)  
Manufactured Product Component Cost Test and Kits

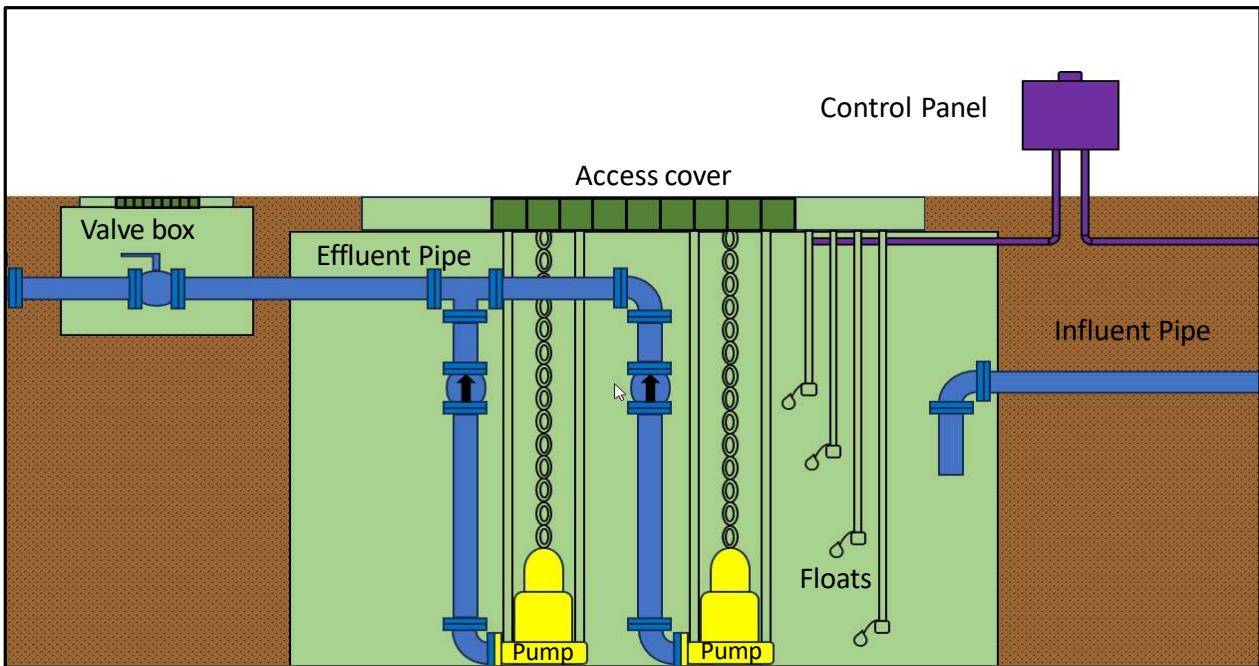


Figure 1. Example Package Pump Station (Kit)

## Package Pump Station is a Kit

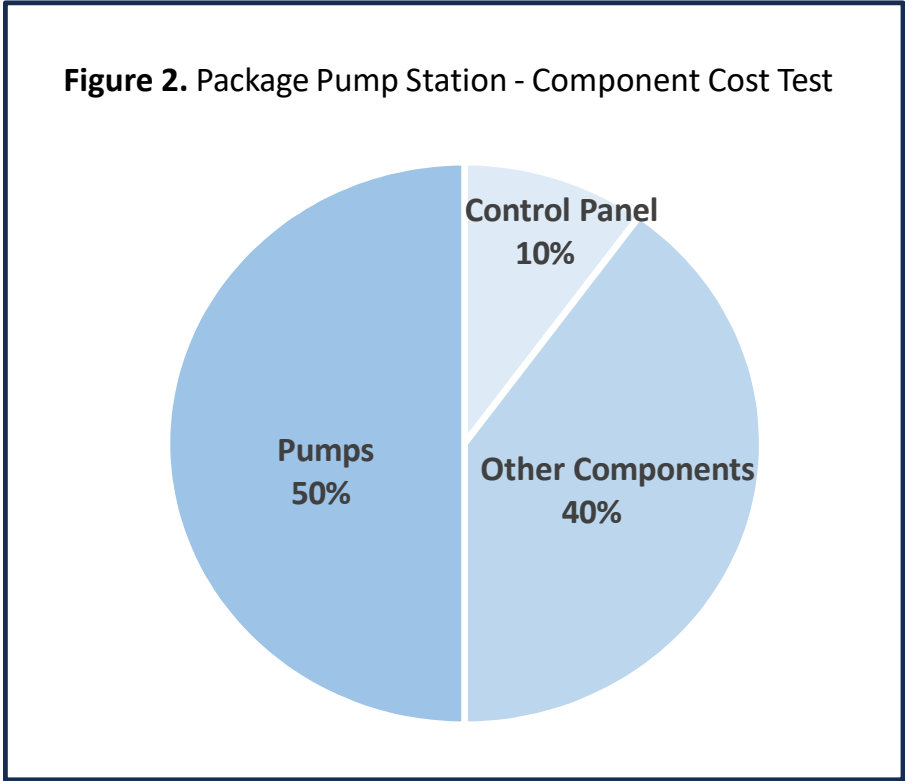
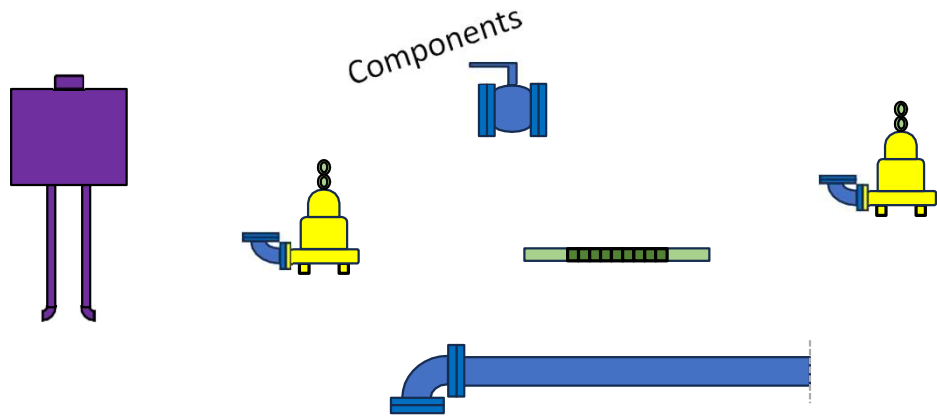
- The Package Pump Station arrives in two parts plus accessories.
- The well is excavated, and all civil work is independent of package system cost.
- All components are purchased with the order for the pump station, but some minor assembly is required on site.
- Pumps, pipes, valves, floats, control panel, access covers, pump rails, and other accessories are all components of the kit.

# Package Pump Station Example

For Build America, Buy America Act (2 CFR 184)  
Manufactured Product Component Cost Test and Kits

**To determine BABA compliance for a kit, each individual component is assessed as part of the total kit cost**

- In this example, pumps are the largest percentage of the total cost
- Pumps (a component of the kit) comprise 50% of the total kit cost
- The pump origins (domestic/non-domestic) will drive whether the kit is made in US and is BABA compliant

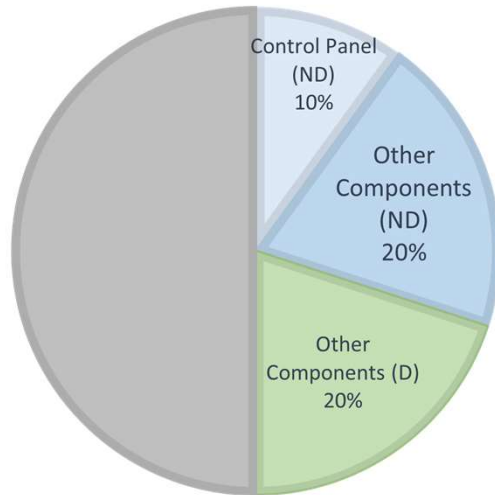


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# Package Pump Station Example

For Build America, Buy America Act (2 CFR 184)  
Manufactured Product Component Cost Test and Kits

- In this example, without including pumps, 20% of components are domestic



- To be BABA compliant, this Package Pump Station would be 70 % domestic components (green) and 30 % non-domestic components (blue)

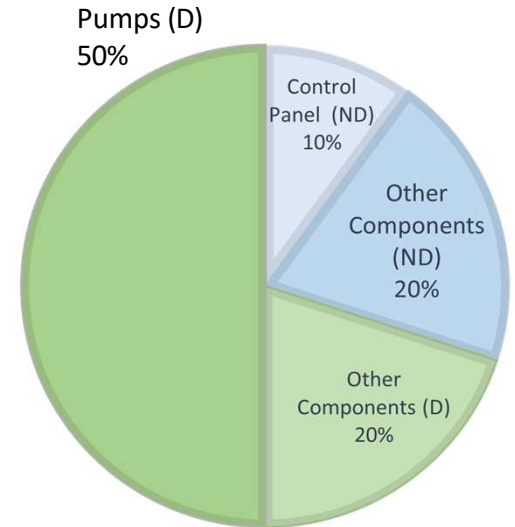


Figure 3. Example Package Pump Station Component Origins (Domestic VS. Non-Domestic)

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## CONSTRUCTION MATERIALS

Construction material	"Produced in the U.S." means all manufacturing processes occurred in the U.S.
Non-ferrous metals	From initial smelting or melting through final shaping, coating, and assembly
Plastic and polymer-based products	From initial combination of constituent plastic or polymer-based inputs, or, where applicable, constituent composite materials, until the item is in its final form
Glass	From initial batching and melting of raw materials through annealing, cooling, and cutting
Fiber optic cable	From the initial ribboning (if applicable), through buffering, fiber stranding and jacketing, occurred in the United States.
Optical fiber	From the initial preform fabrication stage through the completion of the draw
Lumber	From initial debarking through treatment and planing
Drywall	From initial blending of mined or synthetic gypsum plaster and additives through cutting and drying of sandwiched panels
Engineered wood	From the initial combination of constituent materials until the wood product is in its final form