SubmittalForge

TUTORIAL · 2 CFR PART 184

Build America, Buy America

A practical guide for contractors, suppliers and reviewers: what the rule requires, which products it covers, and how to document compliance in a submittal.

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Current as of November 2026

Educational overview, not legal advice

01 · THE BASICS

What BABA is and when it applies

The Build America, Buy America Act (BABA) requires that iron, steel, manufactured products and construction materials used in federally funded infrastructure projects be produced in the United States.

The law

Enacted November 15, 2021 as part of the Infrastructure Investment and Jobs Act (Pub. L. 117-58, §§ 70901–70927). It took effect for new federal awards on May 14, 2022.

The regulation

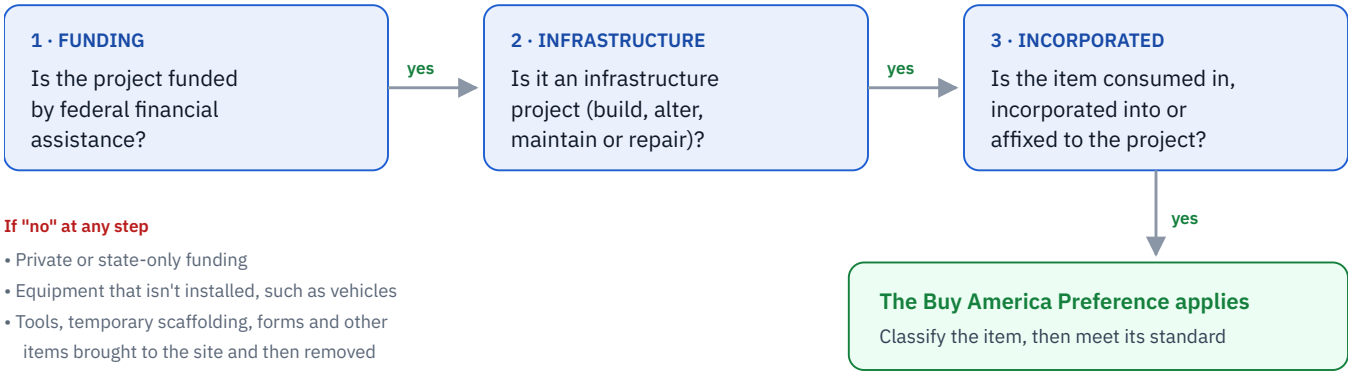
The Office of Management and Budget implemented it in **2 CFR Part 184**, effective October 23, 2024. Funding agencies apply Part 184 through their award terms.

The requirement

It's called the **Buy America Preference**. It flows down from the award to every subrecipient, contractor, subcontractor and supplier on the project.

Does BABA apply to my project?

All three questions must be answered "yes." If any is "no," Part 184 doesn't apply, though other domestic-content rules might (check the contract).



Based on 2 CFR 184.3 (definitions) and 184.4 (applicability).

What counts as infrastructure

The definition is broad. It covers roads, highways and bridges; public transit, rail, airports and ports; water, wastewater and stormwater systems; electrical transmission and generation; broadband; and **buildings and real property**. A project counts as infrastructure even when only part of its funding is federal. The preference then applies to the federally funded work, including when it's done by subrecipients and contractors.

> **Where to check:** the award or contract documents say which domestic-content rules apply. Look for "Build America, Buy America," "2 CFR 184," "Buy America" or "American Iron and Steel" in the general conditions or special provisions.

02 · CLASSIFICATION

The three product categories

Every covered item falls into exactly one category, based on what it is when it arrives at the work site `2 CFR 184.4(e)`. The category decides which standard you have to prove.

Iron or steel products

Rebar, structural steel, pipe, guardrail, steel plate, castings, ductile iron fittings, and anything made predominantly of iron or steel.

Standard: every manufacturing process, from initial melting through coating, in the U.S.

Manufactured products

Pumps, valves, motors, generators, transformers, control panels, lighting fixtures, HVAC units, meters.

Standard: manufactured in the U.S., and U.S. components are more than 55% of total component cost.

Construction materials

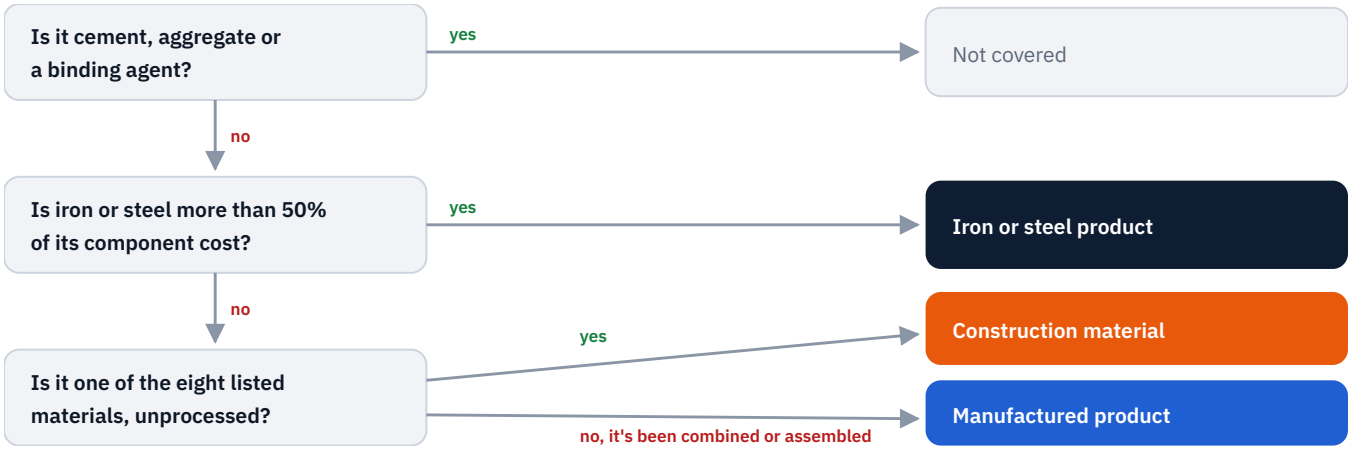
Eight listed materials: non-ferrous metals, plastic and polymer-based products, glass, fiber optic cable, optical fiber, lumber, engineered wood, drywall.

Standard: every manufacturing process for that material in the U.S.

Not covered: cement, aggregates and binding agents

"Section 70917(c) materials" are excluded from the Buy America Preference: cement and cementitious materials, aggregates such as stone, sand and gravel, and aggregate binding agents or additives. Concrete or asphalt mixed from those inputs isn't covered either. Precast concrete is a different matter: it's a manufactured product, and its reinforcing steel may be held to the iron and steel standard depending on the agency (see section 05).

How to classify an item



Classify once, as delivered. A PVC pipe is a construction material (plastic). A pump that contains PVC parts is a manufactured product, and you don't separately test the PVC inside it. A steel valve body that is more than half of the valve's component cost makes the valve an iron or steel product, not a manufactured product.

03 · STANDARDS

Iron, steel and manufactured products

Iron or steel products `2 CFR 184.3`

All manufacturing processes, **from the initial melting stage through the application of coatings**, must occur in the United States. In practice, that means:

Meets the standard

- Melted and poured at a U.S. mill, then rolled, fabricated and galvanized in the U.S.
- Mill test reports show a U.S. melt location and heat numbers that match the material delivered

Does not meet it

- Foreign-melted slab or billet rolled or fabricated in the U.S.
- U.S. steel shipped abroad for galvanizing, epoxy coating or painting
- "Made in USA" shown, but the melt location isn't documented

Manufactured products `2 CFR 184.3, 184.5`

A manufactured product meets the standard when **both** of these are true:

1. **It was manufactured in the United States.** The final manufacturing process, where components become the finished product, happened here.
2. **U.S. components are more than 55% of total component cost.** Exactly 55% doesn't pass. A component counts as U.S. when it was mined, produced or manufactured in the U.S., regardless of where its subcomponents came from.

How to calculate the component cost `2 CFR 184.5`

For purchased components, use the acquisition cost, including transportation to the place where the component is incorporated into the product, and any applicable duties. For components made in-house, use the cost to manufacture them plus allocable overhead. Leave out final assembly labor, profit and the manufacturer's overhead on the finished product.

Worked example: pump control panel, assembled in Ohio

Component	Origin	Delivered cost
Steel enclosure	U.S.	$2,100
Programmable logic controller	Germany	$2,600
Variable frequency drive	U.S. (contains foreign chips)	$3,200
Breakers, relays, terminals	Mexico	$1,600
Wiring, labels, hardware	U.S.	$500
Total component cost		**$10,000**

U.S. components: $2,100 + $3,200 + $500 = **$5,800, which is 58.0%**. That's more than 55%, and the panel was assembled in the U.S., so it meets the standard **58.0% > 55%**. The VFD counts as a U.S. component even though it has foreign chips inside. Iron and steel are only 21% of cost, so the 55% test is the right one.

04 · STANDARDS

Construction materials

For each of the eight listed materials, **every manufacturing process** in the range below must occur in the United States `2 CFR 184.6`. Unlike manufactured products, there is no percentage test.

Material	Processes that must occur in the U.S.	Examples
Non-ferrous metals	Initial smelting or melting through final shaping, coating and assembly	Copper wire, aluminum railing, brass fittings
Plastic and polymer-based products	Initial combination of the plastic or polymer inputs (or composite materials) until the item is in its final form	PVC and HDPE pipe, geotextiles, polymer conduit
Glass (including optic glass)	Initial batching and melting of raw materials through annealing, cooling and cutting	Windows, glazing panels
Fiber optic cable	Initial ribboning (if applicable) through buffering, fiber stranding and jacketing. Also includes the glass and optical fiber standards	Backbone and drop cable
Optical fiber	Initial preform fabrication through completion of the draw	Bare fiber
Lumber	Initial debarking through treatment and planing	Dimensional lumber, treated posts
Engineered wood	Initial combination of constituent materials until the wood product is in its final form	Glulam, LVL, plywood, OSB
Drywall	Initial blending of gypsum plaster and additives through cutting and drying of the panels	Gypsum wallboard

When a material becomes a manufactured product

A construction material stays in this category only if it hasn't been combined with other materials into something new. Once it has been, the item is a manufactured product and the 55% component test applies instead.

Construction material

- A length of HDPE pipe
- A sheet of glass
- Copper building wire
- Treated lumber

Manufactured product

- A pre-assembled HDPE manhole
- An insulated glass window unit with a frame
- A wire harness with connectors
- A prefabricated wood truss with steel plates

Document the process range, not just the factory. A letter saying the pipe was "extruded in Texas" doesn't prove the resin was compounded in the U.S. The certification should say every process from the start of the range through the end happened domestically.

05 · AGENCY RULES

Agency rules that differ

Part 184 doesn't replace an agency's older Buy America rule when that rule is at least as strict `2 CFR 184.2(a)`. Transportation projects in particular follow their own standards for iron, steel and manufactured products. BABA's construction material standards apply on top.

Agency	Iron and steel	Manufactured products	Also note
FHWA (highways)	All processes including coating in the U.S. `23 CFR 635.410`	By obligation date. Before 10/1/2025: not covered. Through 9/30/2026: made in U.S. From 10/1/2026: also > 55% U.S. components.	Iron or steel components, such as precast reinforcement, must meet the iron and steel rule
FTA (transit)	All processes in the U.S., except refining steel additives `49 CFR 661.5`	All processes in the U.S. and **all components** of U.S. origin	Rolling stock has separate rules
EPA (water SRF)	BABA standard	BABA standard (> 55%)	American Iron and Steel (AIS) also applies
HUD, DOE, FEMA, NTIA, USDA	BABA standard	BABA standard (> 55%)	FEMA: Stafford Act aid exempt

06 · EXCEPTIONS

Waivers and allowances

Project-specific waivers `2 CFR 184.7`

The funding agency can waive the preference for a specific item on one of three grounds. Each waiver request is posted for public comment before it's granted, so plan for weeks or months, not days.

- **Public interest:** applying the preference would be inconsistent with the public interest.
- **Nonavailability:** the item isn't produced in the U.S. in sufficient quantity or satisfactory quality.
- **Unreasonable cost:** domestic content would increase the cost of the overall project by more than 25%.

General allowances for small amounts

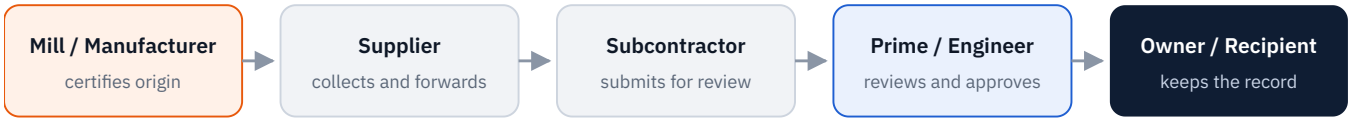
Several agencies let a small share of noncompliant items through without a project-specific waiver. Waivers change and some expire, so confirm the text in effect on your award date and log every item you count against one.

Agency	Allowance
EPA (SRF)	5% of total project cost, cumulative, no dollar cap
FHWA	Iron and steel: greater of 0.1% of contract cost or $2,500. Manufactured products and construction materials: lesser of 5% of their cost or $1,000,000. Awards with less than $500,000 in federal assistance are waived.
HUD, FEMA, NTIA	Generally the lesser of 5% of applicable costs or $1,000,000. HUD also waives awards of $350,000 or less.

07 · ROLES AND DOCUMENTATION

Who does what, and the paperwork

The award recipient is responsible for compliance, but the evidence comes from the bottom of the supply chain. Each party passes documentation up to the next.



Recipients keep these records for audits, generally three years from the final financial report. Federal auditors and the agency's Inspector General can ask for them.

What a reviewer expects to see

Category	Typical documentation
Iron or steel	Manufacturer's certification that all processes from melting through coating occurred in the U.S. **Mill test reports** showing the melt location, with **heat numbers** that match the material tags. A coating or galvanizing certificate when the item is coated.
Manufactured product	Manufacturer's certification naming the U.S. place of manufacture, and stating that U.S. components are more than 55% of component cost. Ideally, a component cost breakdown or a statement that one is available on request.
Construction material	Manufacturer's certification that every process in the material's range (see section 04) occurred in the U.S.
Waived items	A copy of the waiver, or the item's entry in the project's de minimis log with its cost.

What a good certification letter includes

- Manufacturer's name and the city and state of manufacture
- Project name and contract or award number
- Product description, model or part numbers, and quantities
- The category, and the standard being certified to, in its words
- The rule being certified: 2 CFR Part 184, or the agency's rule
- Heat numbers for iron and steel
- Signature, printed name and title of an authorized representative
- Date, on the manufacturer's letterhead

> **Distributor letters aren't enough on their own.** A distributor can pass along the certification, but the statement of origin should come from the manufacturer, who actually knows where the processes happened.

Common gaps and a submittal checklist

Gaps reviewers flag most often

Gap	How to fix it
A generic "Made in USA" or "Buy America compliant" letter	Certify the specific standard for the item's category, in the regulation's words.
Steel "manufactured in the U.S." from foreign-melted slab	Confirm the melt location on the mill test report. Rolling or fabricating here doesn't qualify.
Heat numbers on the MTR don't match the material delivered	Ask for the MTRs for the heats actually shipped, and list them on the certification.
Coating or galvanizing done overseas	Coating is a manufacturing process. It must happen in the U.S. too.
Manufactured product letter with no 55% statement	Ask the manufacturer to certify the component cost share, and to keep the cost breakdown on file.
Item placed in the wrong category	Classify it as delivered. Check whether iron or steel is more than 50% of cost.
Letter doesn't name the project, or isn't signed	Include the project, contract number, products, signer name and title.
De minimis items not tracked	Keep a running log of noncompliant items and their cost against the allowance.

Submittal checklist

- [ ] Confirmed which rule governs: BABA (2 CFR 184), FHWA, FTA, EPA AIS
- [ ] Each item classified into one category, as delivered
- [ ] Excluded items (cement, aggregates, tools, removed equipment) noted
- [ ] Certification from the manufacturer, on letterhead, signed and dated
- [ ] Certification names the project and contract number
- [ ] Iron and steel: MTRs show a U.S. melt location and heat numbers match
- [ ] Coatings applied in the U.S.
- [ ] Manufactured products: U.S. manufacture and > 55% U.S. components
- [ ] Construction materials: the full process range is certified
- [ ] Waived items logged with cost, and waiver copy attached

How SubmittalForge helps

SubmittalForge classifies each item, checks its certification against the right agency's standard, reads mill test reports to match heat numbers and melt locations, tracks de minimis allowances, and returns stamped review documents. Try the free BABA Certification Letter Generator at **submittalforge.com/tools/baba-certification-letter-generator**.

Primary sources

- Build America, Buy America Act, Pub. L. 117-58, §§ 70901–70927
- 2 CFR Part 184 (OMB guidance), ecfr.gov
- 23 CFR 635.410 (FHWA Buy America)
- 49 CFR Part 661 (FTA Buy America)
- EPA BABA De Minimis Waiver (Oct. 2022)
- USDOT De Minimis Costs and Small Grants Waiver, 88 FR 55817

This guide is a general educational overview, current as of November 2026. It isn't legal advice. Agency guidance and waivers change, and your award terms and project specifications govern. Confirm requirements with the funding agency or the project owner.