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## #25-06: Buy America Requirements for Manufactured Products

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### Purpose

The purpose of this Office Bulletin is to inform Local Public Agencies (LPA) of the Federal Highway Administration's (FHWA) final rule amending Buy America regulations to terminate the general applicability waiver for manufactured products. These changes require updates to the Local Assistance Procedures Manual (LAPM) Chapters 12 and 16 to ensure compliance with new federal requirements for Federal-aid highway projects. More information is available at: <https://www.federalregister.gov/documents/2025/01/14/2024-31350/buy-america-requirements-for-manufactured-products>

### Policy Update

Effective **October 1, 2025**, for Federal-aid projects with construction E-76 authorization on or after this date, all manufactured products permanently incorporated into the project must be assembled in the United States.

The Buy America requirements will continue to apply to:

- Iron or steel products
- Construction materials (per 2 CFR 184 definitions)
- Manufactured products

Excluded materials (as defined in Section 70917(c) of the BABA Act) remain exempt. A waiver is available for construction materials and manufactured products under a single financial assistance award when:

- The total value of non-compliant products does not exceed the lesser of \$1,000,000 or 5% of total applicable project costs; or
- The total amount of Federal financial assistance applied to the project is below \$500,000.

Furthermore, the threshold for determining the applicability of Buy America requirements to manufactured products containing iron or steel products has been revised from 90 percent by weight of the manufactured product to 50 percent of its total cost. Accordingly, when the cost of iron or steel products constitutes more than 50 percent of the total cost of the manufactured product, the Buy America provisions are applicable to all iron or steel products incorporated within that product.



Publication Changes

The following updates reflect the new FHWA Buy America requirements to align with the October 1, 2025 implementation date. These updates supersede the existing LAPM 2025 publication effective October 1, 2025 and will be hardcoded in the January 2026 version.

| LAPM                       | Changes that Supersede Current Publication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
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| Chapter 12<br>Section 12.8 | <p><b>Buy America</b></p> <p>FHWA’s policy for Buy America requires a domestic manufacturing process for all iron or steel products, manufactured products, and construction materials that are permanently incorporated in a <del>federal-aid</del> <b>federally</b> funded project.</p> <p><del>Manufactured products are those that contain steel or iron components that equate to 90 percent or more by weight of the product. Steel or iron products used within precast concrete products, such as reinforcing steel, wire mesh, and pre-stressing or post-tensioning strands, rods, or cables, must meet Buy America regardless of the percentage of use.</del></p> <p><del>FHWA defines a construction material as an article, material, or supply that consists of only one of the following items: non-ferrous metals, plastic and polymer-based products (including polyvinylchloride and composite building materials), glass, fiber optic cable (including drop cable), optical fiber, lumber, engineered wood, or drywall. The manufacturing processes for all materials governed by Buy America requirements are outlined in accordance with 2 CFR 184.6. If one or more of these construction materials have been combined by a manufacturer with other materials through a manufacturing process, Buy America requirements do not apply unless otherwise specified.</del></p> <p><b>Applicability</b></p> <p>Buy America requirements are applicable on all Federal-aid projects with ≥ \$500,000 in federal funding regardless of the funding source used to purchase the product and/or material and regardless of how the products and/or materials were procured (i.e., agency furnished materials, materials added by change order, etc.).</p> <p>When Buy America is applicable, the LPA must include the Buy America provisions from LAPM Exhibit 12-G: Required Federal-aid Contract Language (or equivalent) in their PS&amp;E packages prior to advertising for bids. Awarding a federally funded contract, without applicable Buy America provisions, could render the contract ineligible for federal funds.</p> |



| LAPM | Changes that Supersede Current Publication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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|      | <p>The LPA must not list non-domestic iron or steel products, manufactured products, or construction materials as nonparticipating in order to circumvent the Buy America requirements.</p> <p>Buy America provisions may also be applicable to non-federally funded projects, if:</p> <ul style="list-style-type: none"><li>the non-federally funded contract is included within the scope of the NEPA document, and</li><li>at least one other contract within the scope of the same NEPA document is/ or will be <b>federally</b> funded <del>with federal-aid funds</del>. This includes any contract eligible for <del>federal-aid assistance funds</del> including but not limited to environmental, design, right-of-way, construction, etc.</li></ul> <p><del>When Buy America is applicable, the LPA must include Buy America provisions in their PS&amp;E packages prior to advertising for bids and in its contracts. Awarding any such non-federal-aid highway</del> <b>Awarding a non-federally funded</b> contract, without applicable Buy America provisions, <del>would</del> <b>could</b> render all contracts within the scope of the NEPA document ineligible for federal funds.</p> <p><del>The Buy America provision also applies to all steel and iron components of a manufactured product with at least 90 percent or more by weight of the product(s). Iron and steel used in precast concrete manufactured products must meet the Buy America requirements regardless of the amount used. All manufacturing processes involved in steel or iron products must occur within the United States. These processes include rolling, extruding, machining, bending, grinding, drilling, coating, welding, and smelting. Domestically produced steel billets or iron ingots shipped overseas for any process and returned to the United States do not conform to this requirement.</del></p> <p><del>Buy America provisions do not apply to:</del></p> <ul style="list-style-type: none"><li><del>• Recycled steel • Raw materials, scrap temporary steel items such as sheet pilings, bridges, steel scaffolding, and false work • Materials that remain in place at the contractor's convenience such as sheet pilings and forms • Pig iron and processed, pelletized, and reduced iron ore manufactured outside the United States</del></li></ul> <p><del>Buy America requirements apply to all steel and iron products, manufactured products, and construction materials supplied and permanently incorporated into a federal-aid project regardless of the funding source used to purchase the product and regardless of how the products were procured (i.e., agency furnished materials, materials added by change order, etc.). The LPA must not list non-domestic steel and iron products, or construction materials as nonparticipating in order to circumvent the Buy America requirements.</del></p> |



| LAPM | Changes that Supersede Current Publication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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|      | <p>Buy America requirements apply to Emergency Opening projects under a NEPA document if the subject materials (iron or steel products, construction materials, and manufactured products) are to be installed as part of the permanent facility. If, however, these items are temporary and replaced with compliant materials in the permanent restoration project then these materials are not required to meet Buy America requirements.</p> <p><b>Definitions</b></p> <p>A material is solely classified based on its status at the time it is brought to the project site as either an iron or steel product, construction material, or a manufactured product. These products/materials are further defined below.</p> <p><u>Iron or Steel Products</u> - defined by 23 CFR 635.410 as articles, materials, or supplies that consist wholly or predominantly of iron or steel or a combination of both. For a product to be considered to consist predominantly of iron or steel or a combination of both means the cost of the iron and steel content of the product exceeds 50 percent of the total cost of all its components. The cost of iron and steel is the cost of the iron or steel mill products (such as bar, billet, slab, wire, plate, or sheet), castings, or forgings utilized in the manufacture of the product and a good faith estimate of the cost of iron or steel components.</p> <p>All manufacturing processes involved in steel or iron products must occur within the United States. The manufacturing process begins with initial melting and mixing and continues through fabrication (cutting, drilling, welding, bending, etc.) and coating (paint, galvanizing, epoxy, etc.). Domestically produced steel billets or iron ingots shipped overseas for any process and returned to the United States do not conform to this requirement.</p> <p>When iron or steel products are used in a project, the Buy America requirements do not prevent a minimal use of foreign iron or steel products, if the cost of such materials used does not exceed one-tenth of one percent (0.1 percent) of the total contract cost or \$2,500, whichever is greater. For purposes of this paragraph, the cost is that shown to be the value of the steel or iron products as they are delivered to the project.</p> <p><u>Manufactured Products</u> - defined by 23 CFR 635.410 as articles, materials, or supplies that have been processed into a specific form and shape, or combined with other articles, materials, or supplies to create a product with different properties than the individual articles, materials, or supplies. If an item is classified as an iron or steel product, an excluded material, or other product category as specified by law or in 2 CFR part 184, then it is not a manufactured product. However, an article, material, or supply classified as a manufactured product may include components that are iron or steel products,</p> |



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|      | <p>excluded materials, or other product categories. Mixtures of excluded materials delivered to a work site without final form for incorporation into a project are not a manufactured product.</p> <p>With respect to precast concrete products that are classified as manufactured products, components of precast concrete products that consist wholly or predominantly of iron or steel or a combination of both are required to meet the Buy America requirements for iron or steel products. The cost of such components shall be included in the applicable calculation for purposes of determining whether the precast concrete product is produced in the United States.</p> <p>With respect to Intelligent Transportation Systems (ITS) and other electronic hardware systems that are classified as manufactured products, the cabinets or other enclosures of such systems that consist wholly or predominantly of iron or steel or a combination of both are required to meet the Buy America requirements for iron and steel products. The cost of cabinets or other enclosures shall be included in the applicable calculation for purposes of determining whether systems referred to in the preceding sentence are produced in the United States.</p> <p>Additional information regarding how to determine the cost of components of a manufactured product is found in 2 CFR 184.5.</p> <p><u>Construction Materials</u> – defined by 2 CFR 184.6 as an article, material, or supply that consists of only one of the following items:</p> <ul style="list-style-type: none"><li>• Non-ferrous metals - All manufacturing processes, from initial smelting or melting through final shaping, coating, and assembly, must occur in the United States.</li><li>• Plastic and polymer-based products - All manufacturing processes, from initial combination of constituent plastic or polymer-based inputs, or, where applicable, constituent composite materials, until the item is in its final form, must occur in the United States.</li><li>• Glass - All manufacturing processes, from initial batching and melting of raw materials through annealing, cooling, and cutting, must occur in the United States.</li><li>• Fiber optic cable (including drop cable) - All manufacturing processes, from the initial ribboning (if applicable), through buffering, fiber stranding and jacketing, must occur in the United States. All manufacturing processes also include the standards for glass and optical fiber, but not for non-ferrous metals, plastic and polymer-based products, or any others.</li><li>• Optical fiber - All manufacturing processes, from the initial preform fabrication stage through the completion of the draw, must occur in the United States.</li><li>• Lumber - All manufacturing processes, from initial debarking through treatment</li></ul> |



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|      | <p>and planing, must occur in the United States.</p> <ul style="list-style-type: none"><li>• Drywall - All manufacturing processes, from initial blending of mined or synthetic gypsum plaster and additives through cutting and drying of sandwiched panels, must occur in the United States.</li><li>• Engineered wood - All manufacturing processes from the initial combination of constituent materials until the wood product is in its final form, must occur in the United States.</li></ul> <p>If one or more of these construction materials have been combined by a manufacturer with other materials through a manufacturing process, they are considered a manufactured product.</p> <p><b>Buy America Exceptions</b></p> <p>Buy America requirements do not apply to the following:</p> <ul style="list-style-type: none"><li>• Pig iron and processed, pelletized, and reduced iron ore manufactured outside the United States</li><li>• Tools and construction equipment used in performing the work</li><li>• Temporary work that is not incorporated into the finished work</li><li>• Section 70917(c) materials (cement and cementitious material; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives) as defined in 2 CFR 184.3</li></ul> <p><b>Waiver of Buy America Requirements for De Minimis Costs and Small Grants</b></p> <p>FHWA’s general waiver for manufactured products, established in 1983, has been rescinded, and manufactured products permanently incorporated into the project must be manufactured in the United States. However, a waiver is available for de minimis costs and small grants, which applies to manufactured products and construction materials when:</p> <ul style="list-style-type: none"><li>• The total value of non-compliant products does not exceed the lesser of \$1,000,000 or 5% of total applicable project costs (de minimis costs); or</li><li>• The total amount of Federal financial assistance applied to the project, through awards or subawards is below \$500,000 (small grants).</li></ul> <p>The percent threshold is calculated based on the following formula:</p> |



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|      | <p>(total value of non-compliant manufactured products and construction materials) / total applicable project costs (steel, iron, manufactured products, and construction materials)</p> <p>This threshold is based on the actual cost of the steel, iron, manufactured products, and construction materials, not just the anticipated cost of those materials. In other words, the applicable project costs only include total actual material costs and does not include excluded materials as part of this total.</p> <p>The cost of the non-compliant products must be accompanied by invoices and must include transportation to the project site.</p> <p><b>Waivers</b></p> <p>Use of non-domestic steel or iron products, manufactured products, or construction materials that exceed the De Minimis Costs waiver will require a waiver by the appropriate federal administration authority prior to advertisement of the construction project. Any authorized waivers of Buy America requirements must be clearly identified within the contract's specifications for bidders' consideration as part of contract advertisement.</p> <p>Typically, the need for Buy America waivers is identified during the early phases of the project. If the need for a waiver is identified during the design phase, the LPA must wait until the FHWA's Buy America waiver is approved before requesting <del>PS&amp;E approval</del> <a href="#">authorization to proceed for construction</a>. In the case of non-federally funded projects covered under the NEPA document, the LPA must wait for the FHWA's Buy America waiver approval to advertise the project for bids. If during construction, the LPA identifies the need for a Buy America waiver, the LPA must wait for FHWA's approval of the Buy America waiver to incorporate the material in the project. A request for a Buy America waiver does not guarantee FHWA's approval of the waiver request. The LPA must expeditiously contact the DLAE to discuss potential Buy America waivers.</p> <p>The LPA may request a waiver of the Buy America requirement for specific projects, certain materials or products in specific geographical areas, or combinations of both if:</p> <ul style="list-style-type: none"><li>• Buy America is inconsistent with the public interest, or</li><li>• There is not a sufficient supply of domestic materials of satisfactory quality.</li></ul> <p>The LPA must submit their Buy America waiver request to the DLAE which will review the request and recommend to FHWA for further processing. The following supporting information must be provided by the LPA, but additional information may be requested during the waiver review period:</p> |



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|      | <ul style="list-style-type: none"><li>• Federal project number</li><li>• Project description</li><li>• Total construction project cost, including Federal, State, and Local share amounts</li><li>• Description of the waiver item(s)</li><li>• Cost of waiver item(s)</li><li>• Country of origin of the product(s) (if known at the time)</li><li>• Reasons for the waiver request</li><li>• A description of the efforts made by the LPA to locate domestically-manufactured product(s)</li><li>• An analysis of re-design of the project using alternate or approved equal domestic product</li><li>• LPA’s documentation of good faith efforts to maximize the use of domestic iron and steel products in accordance with U.S. President Executive Order 14005 Section 1: Ensuring the Future is Made in All of America by All of America’s Workers</li></ul> <p>In addition to the Buy America waiver, FHWA’s Buy America policies allow the LPA to incorporate non-domestic iron or steel products if <b>any of the following methods is used:</b></p> <p><del>• Minimal use of foreign steel and iron materials. If the cost of foreign iron or steel products used does not exceed one-tenth of one percent (0.1 percent) of the total contract cost or \$2,500, whichever is greater. The total cost of iron or steel products includes the cost of the material plus the cost of transportation to the project site, but does not include labor costs involved in final assembly.</del></p> <p><del>• Alternate bid provisions. The LPA elects to include alternate bid provisions for both, foreign and domestic steel and iron materials. The contract provisions must require all bidders to submit a bid based on furnishing domestic steel and iron materials, and clearly state that the contract will be awarded to the bidder who submits the lowest total bid based on furnishing domestic steel and iron materials unless such total bid is more than 25 percent higher than the total bid based on foreign steel or iron products. The comparison must be between the total lowest bid using domestic steel and iron product and the total lowest bid using foreign steel and iron product.</del></p> <p><del>The LPA must coordinate with their DLAE prior to using the alternate bid provisions; the DLAE will coordinate with FHWA.</del></p> <p>Approval authority for waiver of Buy America requirements has not been delegated from the FHWA to Caltrans, and therefore, is not delegated to the LPAs. The LPA should plan for a Buy America waiver request to take at least one year; however, longer timeframes for review and approval should be considered. Additionally, LPAs should be particularly careful not to specify, in the design process, items that are not Buy America compliant.</p> |



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|                                           | <p>Information on the Buy America waiver process can be found at:<br/><a href="http://www.fhwa.dot.gov/construction/contracts/waivers.cfm">http://www.fhwa.dot.gov/construction/contracts/waivers.cfm</a>.</p> <p><b>Non-Compliance</b></p> <p><del>After the fact discoveries of non-domestic materials incorporated in the project are not considered Buy America waivers.</del> The LPA's failure to comply with Buy America provisions will result in the loss of federal funding for not only the applicable contract items, but <b>likely may potentially include</b> all federal funding authorized for the construction phase of the project <b>based on potential circumstances</b>. In the event an after-the-fact discovery <b>of non-compliant foreign materials</b> occurs, the LPA must expeditiously inform their DLAE, who will coordinate with FHWA to determine the appropriate resolution.</p>                                                                                                                                                                                                                                                                                                             |
| <b>Chapter 12<br/>Section 12.12</b>       | <p><b>Local Public Agency Furnished Materials</b></p> <p>Federal regulations require that the contractor must furnish all materials to be incorporated in the work. Exceptions to this requirement may be made when a public interest finding (PIF) is approved for the LPA to furnish materials (23 CFR 635.407). Agency Furnished Materials are a part of the total cost of the project and should be subtotaled and included in the total project cost. All Agency Furnished Materials are subject to Buy America requirements.</p> <p>To be eligible for federal participation, any material (other than local natural material) purchased by the LPA and furnished to the contractor for mandatory use in the project must be acquired on the basis of competitive bidding, except when there is a finding of public interest that justifies the use of another method of acquisition (23 CFR 635.407). PIFs are to be approved by the LPA and submitted to the DLAE for review. <del>The unit cost eligible for federal participation is limited to the unit cost of such material to the LPA.</del> Refer to Buy America regarding applicability of Agency Furnished Materials and De Minimis Waiver requirements.</p> |
| <b>Exhibits 12-D,<br/>12-E &amp; 12-G</b> | Buy America text revised and updated for October 2025 release.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Chapter 16<br/>Section 16.4</b>        | <p><b>Pre-Construction Conference</b></p> <p>...</p> <p><u>Recommended Topics</u></p> <ul style="list-style-type: none"><li>• Progress Schedule</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |



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|                                  | <ul style="list-style-type: none"><li>• Work Plans</li><li>• Quality Control/Quality Assurance</li><li>• Materials Requiring Certificates of Compliance</li><li>• Materials to be Used identified</li><li>• Materials Requiring Buy America Certificates</li><li>• <a href="#">Buy America De Minimis Cost requests and required documentation</a></li><li>• Contract Training (Apprentice) Goals</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Chapter 16<br>Section<br>16.11.1 | <p><b>Materials Acceptance Program</b></p> <p>Acceptance of Manufactured or Fabricated Materials</p> <p><u>Materials Requiring a Buy America Certification</u></p> <p>...</p> <p><b><a href="#">Waiver of Buy America Requirements for De Minimis Costs</a></b></p> <p><a href="#">In addition to the minimal use of foreign iron and steel allowed above there is a De Minimis Waiver which can waive the application of FHWA's Buy America requirements for manufactured products and construction materials under a single project for which the total value of non-compliant Manufactured Products and Construction Materials is no more than the lesser of \$ 1,000,000 or 5% percent of the total applicable costs for the project, including any agency furnished materials.</a></p> <p><a href="#">The percent threshold is calculated based on the following formula:</a></p> <p><a href="#">(total value of non-compliant construction materials and manufactured products) / total applicable project costs (steel, iron, construction materials and manufactured products)</a></p> <p><a href="#">This threshold is based on the actual cost of the steel, iron, construction materials, and manufactured products, not just the anticipated cost of those materials. In other words, the applicable project costs only include total actual material costs and does not include excluded materials as part of this total.</a></p> <p><a href="#">As with iron or steel products, the LPA must track the amount of incorporated foreign materials as the work proceeds to ensure that the minimal use threshold amount is not exceeded at any point in the contract. This includes any change orders impacting the</a></p> |



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|      | <p>applicable project costs. Once the cumulative value reaches the minimum threshold limit, then all additional installed materials must be of domestic origin. Supporting documentation for this minimal use must be on file in the project records (i.e., invoices, including the cost of transportation).</p> <p>To assist in the calculation of the De Minimis Cost for a project, a spreadsheet tool is available as a resource. The tool requires that the agency provide agency furnished material cost information of applicable Buy America materials to use in the calculation of the De Minimis Cost for the project. It is recommended that the spreadsheet tool be made available to the contractor and submitted to the RE early in the contract for review and approval.</p> <p><del>After the fact discoveries of non-domestic materials incorporated in the project are not considered Buy America waivers.</del> The LPA's failure to comply with Buy America provisions will result in the loss of federal funding for not only the applicable contract items, but <del>likely will result in the loss of</del> <b>may potentially include</b> all federal funding authorized for the construction phase of the project <b>based on potential circumstances</b>. In the event an after-the-fact discovery <b>of non-compliant foreign materials</b> occurs, the LPA must expeditiously inform their DLAE, who will coordinate with FHWA to determine the appropriate resolution.</p> |

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