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Buy America Guide for Utility Relocations in Iowa

Form: BA1

February 17, 2014

HISTORY:

Buy America requirements originated in 1983 in the Code of Federal Regulations 23CFR 635.410. Part 1 states: *“The project either: (i) Includes no permanently incorporated steel or iron materials, or (ii) if steel or iron materials are to be used, all manufacturing processes, including application of a coating, for these materials must occur in the United States. Coating includes all processes which protect or enhance the value of the material to which the coating is applied.”* This applied to all projects where Federal aid is involved.

Beginning January 1, 2014 per section 1518 of MAP-21, if the project as defined by National Environmental Policy Act (NEPA), has at least one authorized Federal-Aid Highway Program (FAHP) construction contract, all utility relocations eligible for federal reimbursement utility work must meet Buy America regardless of funding source.

APPLICABILITY:

- Buy America requirements only affect products containing or composed of steel or iron.
- Buy America only applies to relocations of utility facilities that must move due to highway projects under certain specific conditions as stated below.
- Buy America applies if the utility relocation is eligible for reimbursement with federal funds, however in the case of Buy America few of the eligible relocations will be reimbursed. See below for eligibility criteria and reimbursement guidance.
- Buy America applies in the case where the utility relocation is included in the federal-aid contract. This can be through an agreement with the DOT or Local Agency.

PROJECTS WHERE BUY AMERICA APPLIES TO UTILITY RELOCATIONS IN IOWA:

There are four primary cases when Buy America provisions must be applied to utility relocations in Iowa.

Case 1, Agreement work

This case involves relocation of a utility on private property (fee title or easement) in response to an Iowa Department of Transportation (DOT) project where any Federal funds are used within the NEPA project boundary and where property rights require the DOT to reimburse the utility for relocation. This case applies when the project is on any primary highway or freeway under the jurisdiction of the DOT.

Case 2, Interstate project relocation - DOT permitted work

This case involves relocation of any utility inside DOT right of way due to a DOT project on the interstate system and any federal funds are used within the NEPA project boundary. The reason this case applies in Iowa is because this relocation is eligible for reimbursement due to Iowa Code Section 306A.10 that states the relocation *may* be paid. While the relocation of the utility facility is eligible for reimbursement, historically, the DOT has not paid for such relocations.

Case 3, Interstate project relocation – city or county permitted or franchised work

This case involves relocation of any utility inside city or county right of way due to a DOT project on the interstate system and any federal funds are used within the NEPA project boundary. The reason this case applies in Iowa is because this relocation is eligible for reimbursement due to Iowa Code Section 306A.10 that states the relocation *may* be paid. While the relocation of the utility facility is eligible for reimbursement, historically, the DOT has not paid for such relocations.

Case 4, Utility relocation is included in a federal-aid contract

This involves relocation of any utility that is done as part of a federal-aid DOT project or a federal aid local agency project due to Article 1107.06 of the DOTs Standard Specification. This could be a project on a primary highway or city street. Special provisions may not override or circumvent the requirements of the specifications for Buy America Compliance.

HOW TO COMPLY WITH BUY AMERICA PROVISIONS (Case 1,2,3):

1. The DOT will determine if Buy America applies to utility relocations based on DOT or Local Public Agency (LPA) project requirements.
2. Complete Bill of Materials (form BA2) to determine items that may need to be Buy America compliant.
3. Complete Certificate of Compliance (form BA3) to signify compliance.

4. Submit the signed documents with the permit applications or reimbursement agreements to the DOT (BA2 and BA3).
 - Case 1: Submit signed BA2 and BA3 with the DOT reimbursement agreement.
 - Case 2: Submit signed BA2 and BA3 with the DOT permit application.
 - Case 3: Submit signed BA2 and BA3 to the DOT with a copy of the application or permit granted by the city or county.
5. Complete the relocation work in accordance with the Buy America requirements.
6. Retain verification paperwork (ie. mill and/or step certifications, bills of lading, manufacturers' certificates, etc.) for all Buy America materials for a period of 5 years from the date of issuance of the permit or reimbursement agreement. Field audits of the materials and/or office audits of the certification paperwork by DOT personnel should be expected.

HOW TO COMPLY WITH BUY AMERICA PROVISIONS (Case 4):

1. Comply with article 1107.06 of the DOT Standard Specifications. The process is identified in IADOT I.M. 107. It will be updated for the October 2014 letting. If you have a project that will be let before then, please request the draft information from Bryan Bradley (515-294-1014), bryan.bradley@iowa.gov.

MATERIALS THAT NEED TO MEET BUY AMERICA REQUIREMENTS:

For a specific part or item to be required to comply with the Buy America regulations, the product must be manufactured predominantly of steel or iron. The FHWA deems a product to be manufactured predominately of steel or iron if the product consists of at least 90% (by weight) steel or iron content when it is delivered to the job site for installation.

Examples of products that are subject to Buy America:

Coverage includes but is not limited to, the following:

- Steel or iron products used in pavements, bridges, tunnels or other structures, which include, but are not limited to, the following: fabricated structural steel, reinforcing steel, piling, high strength bolts, anchor bolts, dowel bars, permanently incorporated sheet piling, bridge bearings, cable wire/strand, prestressing/post tensioning wire, motor machinery brakes and other equipment for moveable structures;
- guardrail, guardrail posts, end sections, terminals, cable guardrail;
- steel fencing material, fence posts;
- steel or iron pipe, conduit, grates, manhole covers, risers;
- mast arms, poles, standards, trusses, or supporting structural members for signs, luminaires, or traffic control systems;

- steel or iron components of precast concrete products, such as reinforcing steel, wire mesh, and pre-stressing or post-tensioning strands or cables and
- cabinets (the outer shell of the cabinet, not including the internal components).

Examples of products that are NOT subject to Buy America:

- The miscellaneous steel or iron components, subcomponents and hardware necessary to encase, assemble and construct the above components (or manufactured products that are not predominantly steel or iron) are not subject to Buy America coverage. Examples include, but are not limited to, covers, shelves, clamps, fittings, sleeves, washers, bolts, nuts, screws, tie wire, spacers, chairs, lifting hooks, faucets, door hinges, etc. and
- Miscellaneous interior components inside cabinets.

Specific examples of items that have been evaluated for Buy America are available at:

- The list of items is available online at <http://www.iowadot.gov/traffic/utility/utility.html>.
- This list is general guidance for items that must be complaint or need not be compliant. Some of the items are manufacturer part number specific and others are general classes of items.
- This list is constantly updated as items are evaluated and added.

POSSIBLE EXCEPTIONS:

Possible Waiver:

Title 23 Section 313 and FHWA's regulations in 23 CFR 635.410 provide that the Administrator may issue a waiver if, (1) the application of Buy America provisions would be inconsistent with the public interest or (2) iron and steel materials/products are not produced in the United States in sufficient and reasonably available quantities which are of satisfactory quality. Very few of these waivers have been granted and the expectation is it will continue to be a stringent process with few applications being approved. The waiver process is a very lengthy process so time must be allowed for approvals up to the national level that would typically be on the order of a full year after initiation of the request before final approval. These applications have typically been denied. Consideration should be given to these issues when seeking a waiver.

Minimal Use of Foreign Steel:

Additionally, the FHWA's regulations permit a minimal use of foreign steel and iron in the amount of \$2,500 or one-tenth of one percent of the utility relocation contract/cost, whichever is greater. This amount would be the total amount of foreign steel or iron allowed on the utility project across all of the materials supplied.

Incorporation of any foreign steel must be preapproved by the DOT.



Bill of Material for Buy America evaluation. Feb.17, 2014 **BA2**

Only include items containing steel or iron, or precast concrete products.

Utility fills out this section

DOT fills out this section

Utility Company:	Agreement #	Name:	
Completed by:	Permit #	Date:	
Comments:		BA Applies	Comments
Date:			

Include only items that contain steel or iron

Item #	Part Number	Item Description	Quantity	Date:		Item is precast concrete	BA Applies		Comments
				Contain greater than 90% steel or iron (By Weight)			(YES)	(NO)	
				(YES)	(NO)	(YES)	(YES)	(NO)	
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2									
3									
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Buy America Certificate of Compliance - Utility Relocation (Iowa)

BA3

ROW Project No.: _____

Construction Project No.: _____

Permit or Agreement No.: _____

The Iowa Department of Transportation and its subgrantees must assure that all manufactured products purchased or donated for permanent installation in a utility relocation under specific conditions are produced in the United States, or meet certain conditions. The referenced project above is a project where relocations do have to meet the Buy America requirements. Section 1518 of the MAP-21 legislation expanded 23 CFR § 635.410 to cover utility relocations. As such, each utility must provide as part of their facility relocation a certificate of compliance with the following requirements:

§661.6 Certification Requirement for Procurement of Steel or Manufactured Products.

If steel, iron, or manufactured products (as defined in §§661.3 and 661.5 of 49 CFR) are being procured, certificates to verify compliance shall be completed and submitted by each bidder/supplier in accordance with the requirements contained in §661.13(b) of 49 CFR. 23CFR § 635.410 lists possible exceptions.

Certification retention: Utility must retain certification paperwork for all Buy America materials for a period of 5 years from the date of issuance of the permit or reimbursement agreement. Audits of the certification paperwork by DOT personnel should be expected.

Certificate of Compliance with 49 U.S.C. 5323(j)(1)

The utility company hereby certifies that it will meet the requirements of 49 U.S.C. 5323(j)(1), and the applicable regulations in 49 CFR Part 661.

Date _____

Signature _____

Printed Name _____

Company Name _____

Title _____