## **25.504-1 Buy American statute.**

(a)

(1) Example 1.

| Offer A | \$16,000 | Domestic end product, small business               |
|---------|----------|----------------------------------------------------|
| Offer B | \$15,700 | Domestic end product, small business               |
| Offer C | \$10,100 | U.Smade end product (not domestic), small business |

(2) Analysis: This acquisition is for end products for use in the United States and is set aside for small business concerns. The Buy American statute applies. Since the acquisition value is less than 50,000 and the acquisition is set aside, none of the trade agreements apply. Perform the steps in 25.502(a). Offer C is of 50 percent domestic content, therefore Offer C is evaluated as a foreign end product, because it is the product of a small business but is not a domestic end product ( see 25.502(c)(4)). Since Offer B is a domestic offer, apply the 30 percent factor to Offer C ( see 25.106(b)(2)). The resulting evaluated price of \$13,130 remains lower than Offer B. The cost of Offer B is therefore unreasonable ( see 25.106(b)(1)(ii)). The 25.106(b)(2) procedures do not apply. Award on Offer C at \$10,100 ( see 25.502(c)(4)(i)).

(b)

(1) Example 2.

| Offer A | \$11,000 | Domestic end product, small business               |
|---------|----------|----------------------------------------------------|
| Offer B | \$10,700 | Domestic end product, small business               |
| Offer C | \$10,200 | U.Smade end product (not domestic), small business |

(2) Analysis: This acquisition is for end products for use in the United States and is set aside for small business concerns. The Buy American statute applies. Perform the steps in 25.502(a). Offer C is evaluated as a foreign end product because it is the product of a small business but is not a domestic end product (see 25.502(c)(4)). After applying the 30 percent factor, the evaluated price of Offer C is \$13,260. Award on Offer B at \$10,700 (see 25.502(c)(4)(ii)).

(c)

(1) *Example 3*.

| Offer A | \$14,000 | <i>Domestic end product</i> (complies with the required domestic content), small business.      |
|---------|----------|-------------------------------------------------------------------------------------------------|
| Offer B | 12,500   | <i>U.Smade end product</i> (not domestic, exceeds 55% domestic content), small business.        |
| Offer C | 10,100   | <i>U.Smade end product</i> (not domestic, with less than 55% domestic content), small business. |

(2) Analysis. This acquisition is for end products for use in the United States and is set aside for small business concerns. The Buy American statute applies. Since the acquisition value is less than \$50,000 and the acquisition is set aside, none of the trade agreements apply. Perform the steps in 25.502(a). Offers B and C are initially evaluated as foreign end products, because they are the products of small businesses but are not domestic end products ( see 25.502(c)(4)). Offer C is the low offer. After applying the 30 percent factor, the evaluated price of Offer C is \$13,130. The resulting evaluated price of \$13,130 remains lower than Offer A. The cost of Offer A is therefore unreasonable. Offer B is then treated as a domestic offer, because it is for a U.S.-made end product that exceeds 55 percent domestic content ( see 25.106(b)(2)). Offer B is determined reasonable because it is lower than the \$13,130 evaluated price of Offer C. Award on Offer B at \$12,500.

Parent topic: <u>25.504 Evaluation examples.</u>