

25.504-1 Buy American statute.

(a)

(1) *Example 1.*

<i>Offer A</i>	\$16,000	<i>Domestic end product, small business</i>
<i>Offer B</i>	\$15,700	<i>Domestic end product, small business</i>
<i>Offer C</i>	\$10,100	<i>U.S.-made end product (not domestic), small business</i>

(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.*

<i>Offer A</i>	\$11,000	<i>Domestic end product, small business</i>
<i>Offer B</i>	\$10,700	<i>Domestic end product, small business</i>
<i>Offer C</i>	\$10,200	<i>U.S.-made end product (not domestic), small business</i>

(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.*

<i>Offer A</i>	\$14,000	<i>Domestic end product</i> (complies with the required domestic content), small business.
<i>Offer B</i>	12,500	<i>U.S.-made end product</i> (not domestic, exceeds 55% domestic content), small business.
<i>Offer C</i>	10,100	<i>U.S.-made 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: [25.504 Evaluation examples.](#)