

WATER METER SALES AGREEMENT

THIS AGREEMENT is made and entered into this ____ (Day) of _____ (Month), 2025 (the “Effective Date”) by and between the City of Augusta Utilities Department, Augusta GA (the “Customer”), located at 452 Walker Street Suite 200, Augusta GA 30901, and Badger Meter, Inc. (the “Company”), located at 4545 West Brown Deer Road, Milwaukee, WI 53223.

WHEREAS, the Customer put out a request for proposal, Request for Proposal 25-174 (the “RFP”), for qualified firms to supply Water Meters (the “Project”), and the Company provided a response to the RFP attached hereto as Exhibit A;

WHEREAS, based on the Customer’s review of the Proposal, the Customer desires to obtain goods from the Company in connection with the Project;

WHEREAS, the Company desires to provide such goods for the Project; and

WHEREAS, the parties have agreed to certain terms and conditions with respect to the goods provided for the Project by the Company to the Customer.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter set forth, the parties do mutually agree as follows:

1. **INCORPORATION OF EXHIBITS**: This Agreement, along with the attached Exhibits attached hereto and which are fully incorporated herein for all intents and purposes, constitute the Contract Documents. The Company and the Customer hereby agree that the “Contract Documents” shall include (i) this Agreement, (ii) the Proposal (Exhibit A); (iii) the Pricing Table (“Pricing Table”) (Exhibit B); (iv) the Terms and Conditions of Sale (the “T&Cs”) (Exhibit C); and (v) the Georgia Environmental Finance Authority Supplemental General Conditions for Federally Assisted State Revolving Fund Construction Contracts and Build America, Buy America (BABA) Information and Waiver Documents (the “GEFA Provisions”) (Exhibit D).

In the event there is a conflict or contradiction among any of the Contract Documents, the following order of precedence shall govern:

- i. This Agreement.
 - ii. The T&Cs.
 - iii. The Pricing Table.
 - iv. The Proposal.
 - v. The GEFA Provisions.
2. **PURCHASE AND SALE**: In accordance with the Proposal, the Company shall supply to Customer, such products as identified in the Pricing Table (Exhibit B) (collectively, the “Goods”). The Proposal (Exhibit A) shall apply and govern with respect to the specific warranties for the Goods. The terms of this Agreement supersede all terms and conditions contained in any other documentation issued by either Party related to the subject matter of this Agreement and expressly exclude Customer’s terms and conditions contained in any Purchase Order or other document issued by Customer or contained on Customer’s website.

Customer shall initiate all orders to the Company by issuing a purchase order in written form submitted to the Company in accordance with instructions provided by the Company. By placing a purchase order, Customer makes an offer to purchase the Goods pursuant to the terms and conditions of this Agreement, and on no other terms. Any variations made to the terms and conditions of this Agreement by Customer in any purchase order are void and have no effect.

3. COMPENSATION: The Customer will compensate the Company for the Goods at the agreed upon price as detailed in the Pricing Table (Exhibit B). Invoices will be furnished upon shipment. All invoices are due under NET 30 terms from the date of invoice and are payable to the Company by check or in such other methods as agreed upon by the Customer and the Company in writing. Parties shall attempt to resolve any payment disputes within thirty (30) calendar days after the invoice date.

3.1 The Customer shall perform its obligations under this Agreement without setoff, deduction, recoupment, or withholding of any kind for amounts owed (or to become due and owing) or payable to it by the Company, whether under this Agreement, applicable law, or otherwise, and whether relating to the Company's breach, bankruptcy, or otherwise.

4. TERM: The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until ____ (Date) ____ (Month), ____ (Year).
5. TERMINATION: If, through any cause, the Company shall fail to fulfill in a timely and proper manner the Company's obligations under this Agreement, the Customer shall thereupon have the right to terminate this Agreement by giving written notice to the Company of such termination and specifying the effective date thereof, at least sixty (60) days before the effective date of such termination. Termination will become effective as of the effective date in the notice from the Customer to the Company. Customer may terminate the contract in whole or in part for its convenience upon ninety (90) days prior written notice. In the event of early termination, Customer will pay the Company for all Goods shipped to the date specified in the notice of termination.
6. COMPLIANCE WITH LOCAL, STATE AND FEDERAL LAWS: The Company shall comply with all applicable laws, ordinances, and codes of the federal, state, and local governments.
7. SURVIVAL: The provisions of this Agreement that are applicable to circumstances arising after its termination or expiration shall survive such termination or expiration; this includes, but is not limited to, the Company's indemnification and defense obligations, hereunder.
8. ASSIGNMENT: Neither party hereto may assign its rights or delegate its obligations hereunder without the written consent of the other party.
9. NO WAIVER: The failure of any party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce that or any other provision of this Agreement.
10. APPLICABLE LAW, VENUE, AND JURISDICTION: This Agreement shall be construed under and in accordance with the laws of the State of Georgia, with jurisdiction in the courts of the State of Georgia and venue in Richmond County regardless of where the obligations of the parties were performed. By execution of this Agreement, the parties agree to subject themselves to the jurisdiction of the Courts of the State of Georgia in all matters relating to or arising out of this Agreement or the Work.
11. SEVERABILITY: The phrases, clauses, sentences, paragraphs or sections of these conditions are severable. If any phrase, clause, sentence, paragraph, or section of these conditions should be declared invalid by the final decree or judgment of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of these conditions.
12. CONSTRUCTION: In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable for any reason, such provision shall be modified to the minimum

extent necessary to make such provision valid and enforceable, and the remaining provisions shall be affected thereby to the least extent possible.

13. WARRANTY AND MUTUAL LIMITATIONS OF LIABILITY

13.1 Warranty. Company warrants that the Work will be performed in accordance with standard manufacturer warranties provided within Exhibit A (Proposal).

13.2 Limitation for Indirect Damages. To the maximum extent permitted by applicable law, in no event will either party be liable to the other for consequential, exemplary, incidental, or indirect damages or costs, including without limitation, lost profits or revenues, or otherwise in connection with the Work to be performed under this Agreement, even if the other party has been advised of the possibility of such damages or cost.

13.3 Cap on Damages. Except with respect to liability for either party's gross negligence or willful misconduct, in no event will either party be liable to the other party regardless of claim or action, in an amount that exceeds the Price provided in Section 3 to this Agreement.

13.4 Reliance on Limitation of Liability. The parties acknowledge that Company has set its prices and entered into this Agreement in reliance upon the limitations of liability and the disclaimers of warranties and damages set forth therein, and that the same form an essential basis of the bargain between the parties. The parties agree that the limitation and exclusions of liability and disclaimers specified in this Agreement will survive and apply even if found to have failed of their essential purpose.

13.4 Force Majeure. Neither party shall be liable for and will not be responsible to the other for any delay or failure to perform under this Agreement if such delay or failure results from any act or cause beyond the reasonable control of the affected party. If either party is unable to perform under this Agreement because of the occurrence of an event of force majeure lasting more than thirty (30) days, then the other party may terminate the affected Work upon written notice to the other party.

14. ENTIRE AGREEMENT: The Agreement, including the attached exhibits, constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Agreement. The Company, by signing this Agreement, acknowledges the Customer is entering into this Agreement in its governmental capacity, and not a proprietary capacity.

15. AMENDMENT AND MODIFICATION. This Agreement may only be amended or modified in a writing stating specifically that it amends this Agreement and is signed by an authorized representative of each party.

16. NOTICES: All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth below. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), email (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

The Customer

Augusta Utilities Department

The Company

Badger Meter, Inc

452 Walker Street, Suite 200
30901 Milwaukee, WI 53223

4545 W. Brown Deer Rd. Augusta, GA
ATTN: Legal Department

IN WITNESS WHEREOF, the parties have executed this Agreement in on the day and year first above written.

BADGER METER, INC., (the “Company”)

By: _____

Name: Kimberly K. Stoll

Title: V.P. – Sales & Marketing

Date: _____

Augusta-Richmond County, GEORGIA, (the “County”)

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

Proposal

(See Attached)

LETTER OF INTEREST





Friday, June 13, 2025

Darrell White, Interim Procurement Director
535 Telfair Street, Room 605
Augusta, GA 30901

RE: Request for Proposal (RFP) 25-174 Water Meters
Opening Date: Wednesday, June 18 2025 at 11:00a.m. CST

Dear Mr. White:

Accompanying this letter is the response from Badger Meter, Inc. ("Badger Meter") to the Augusta Utilities Department's ("AUD") Request for Proposal ("RFP") Item #25-174. We appreciate your longstanding business and the confidence you have placed in our products and solutions over the last 20+ years. We look forward to presenting our technology and demonstrating how our solution fits the District's operational goals and vision.

Project Understanding & Solution Overview

While the primary purpose of the RFP is to procure a supply of various sizes of water meters, it is also about selecting a partner that can provide solutions for today's requirements and deliver future results beyond the meter. We are pleased to offer our robust solution, which is comprised of our Recordall® positive displacement meters and E-Series® Ultrasonic meters—providing a streamlined and unified solution for AUD. This solution has been purposely designed to fulfill AUD's vision.

Key features of our proposal, in line with AUD's key objectives, include:

- **Selection of Scalable and Extensible Technology:** Badger Meter offers high-accuracy, reliable water meters that can track usage in real-time. These meters come in various sizes and types, including our Recordall® positive displacement meters and E-Series® Ultrasonic meters, to meet diverse customer needs.

Solid State Metering: Badger Meter's E-Series Ultrasonic meters provide accurate water usage data over a 20-year lifespan, even in low-flow conditions. When paired with ORION cellular endpoints, these meters deliver near-real-time alerts for critical conditions like pressure issues and backflow events, all without maintenance due to their durable design.

Proven and Reliable Solutions: Badger Meter has been designing, manufacturing, and supplying water meters for over 119 years. As a leading supplier of Nutating Disc and Ultrasonic meters, Badger Meter has supplied over 35,000,000 water meters in the United States, which have been delivered to customers such as utilities, authorities, water districts, industrial users, commercial users, and privatized water entities.

Products Offered

1. Recordall® Series Residential Meters

- i. Proven reliability. Manufactured with quality and precision since 1972, industry proven with tens of millions installed in the field.
- ii. Long-Term Accuracy. Reduced disc nutation rate decreases chamber wear and extends long-term accuracy.
- iii. Revenue Capture. Known in the industry for their wide-flow range and dependability, particularly in low-flow situations.



2. High-Resolution Encoder (HR-E®)

- i. Durable Design. Built with a unique adhesive sealing technology to withstand harsh environments, including flooded pits.
- ii. 8-Digit Resolution. With eight digits, a much finer reading resolution is provided visually.
- iii. Endpoint Compatibility. Access to the valuable encoder events and alarms for these retrofits.



3. E-Series® Ultrasonic Residential and Commercial Meters

- i. Proven reliability. First solid-state residential meter released to the marketplace in 2010.
- ii. Reduced maintenance cost. Solid state with no moving parts provides a 20-year accuracy guarantee.
- iii. Revenue Capture. Wider flow ranges with greater low flow capture for increased revenue compared to positive displacement meters.
- iv. Additional Parameters. Our ultrasonic meters are equipped with temperature and pressure sensors for enhanced functionality.



4. Recordall Turbo Series Fire Hydrant Meters

- i. Performance. Meets or exceeds all pressure and performance requirements as stated in the most recent revision of AWWA Standard C701.
- ii. System Efficiency. This meter is designed to protect the water system by preventing backflow through fire hydrants.
- iii. Simplification. Factory-calibrated and tested measuring elements that are unitized for simplified installation and inventory.



Thank you for the opportunity to share how our solution will help AUD achieve its goals. As your partner in this project, we recognize that AUD's responsibilities extend beyond meter-to-cash and into the provision of a safe and reliable supply of potable water for your customers. Badger Meter has and will continue to support AUD, powering a solution that grows over time with AUD's requirements and objectives. Should you have any questions, please do not hesitate to reach out to me directly.

Sincerely,

Jimmy Harris

Jimmy Harris - Account Manager

jharris@badgermeter.com

414-573-8923

TEXTUAL RESPONSE





Technical Specifications

1. 5/8 x 3/4 to 2 inch PD Meters

Recordall® Disc Series Meters

Recordall Disc Series meters have been in the utility market since 1972 and are an accurate, cost-effective solution for your metering needs. These positive displacement meters utilize the industry-leading nutating disc technology to drive accuracy and reliability. Water flows directly into the meter housing and first flows through the meter's internal strainer before it enters the measuring chamber. The strainer protects the measuring chamber from damage due to debris in the water. Inside the chamber assembly is a movable disc located on a sliding ball guided by a thrust roller. As the water flows into the measuring chamber, it causes the disc to nutate. The space formed between the disc and chamber wall has a constant volume as it moves around the chamber. The water in the chamber is a fixed volume or displacement. As the disc nutates, the nutating disc translates its movement to a magnetic coupling to the encoder.

Recordall Disc Series meters feature a simple and efficient design, making these meters an ideal solution for measuring flow in your AMR/AMI system.

Long-Term Metering Solution. Reduced disc nutation rate decreases chamber wear and extends long-term accuracy.

Tamper-Proof Features: Unauthorized removal of the register or encoder is inhibited by the option of a tamper detection seal wire screw, TORX® tamper-resistant seal screw or the proprietary tamper-resistant keyed seal screw. Each can be installed at the meter site or at the factory.

Maintenance: Badger Meter Recordall Disc Series meters are designed and manufactured to provide long-term service with minimal maintenance. When maintenance is required, it can be performed easily either at the meter installation or at any other convenient location.

To simplify maintenance, the register, measuring chamber, and strainer can be replaced without removing the meter housing from the installation. No gear changes are required for accuracy calibration. Interchangeability of parts among like-sized meters and meter models also minimizes spare parts inventory investment. The built-in strainer has an effective straining area of twice the inlet size.

Reading System Compatible. Compatible with all Badger Meter reading systems offered as well as other approved technologies.

Recordall Disc Series meters meet or exceed the most recent revision of AWWA Standard C700. The meters comply with the lead-free provisions of the Safe Drinking Water Act, are certified to NSF/ANSI Standards 61 and 372 (Trade Designations: M25-LL, M35-LL, M55-LL, M70-LL, M120-LL, M170-LL) and carry the NSF-61 mark on the housing.

For more in-depth information, please refer to the attached Product Data Sheet located in the Appendix.

Commercial and Industrial

Recordall Compound Series Meter (2 in.–6 in.)

Recordall Combo Meter (8 in.)

Recordall Fire Service Assemblies (4 in.–10 in.)

Recordall Turbo Series 1.5 in. - 12 in.)

Retrofit registers:

High Resolution Encoder (HR-E®)

2. 5/8 x 3/4 to 12 Inch Solid State Meters - Type 1 Solid State meters

E-Series® Ultrasonic Meters

The E-Series Ultrasonic meter have been in production since 2010 and use solid-state technology in a compact, totally encapsulated, weatherproof, and UV-resistant housing, suitable for residential and commercial applications. Electronic metering provides information—such as rate of flow and reverse flow indication—and data not typically available through traditional, mechanical meters and registers. Electronic metering eliminates measurement errors due to sand, suspended particles and pressure fluctuations.

The Ultrasonic meter is available with an in-line connector for easy connection and installation to AMR/AMI endpoints. It is also available with a flying lead for field splice connection.

The next generation E-Series G2 Ultrasonic meter uses solid-state technology in a compact, tamper-protect, weatherproof and UV-resistant housing, suitable for commercial applications. Electronic metering provides information—such as rate of flow and status and alarm indication—and data not typically available through traditional, mechanical meters and registers. Electronic metering minimizes measurement errors due to sand, suspended particles and pressure fluctuations.

The next generation meters provide value-added enhancements such as temperature and pressure that differentiate them from competitive offerings.

E-Series G2 Ultrasonic meters*:

- 5/8" x 3/4" Residential E-Series G2 Ultrasonic meter (optional pressure sensor)
- 3/4" Residential E-Series G2 Ultrasonic meter (optional pressure sensor)
 - Fire Service variant available
- 1" Residential E-Series G2 Ultrasonic meter (optional pressure sensor)
 - Potable and Reclaimed Variants
 - Fire service and raw water variants

1-1/2" and 2" Light Commercial E-Series Ultrasonic meters

- Extended low flow rate
- Simple design / maintenance free
- 3", 4", 6" and 8" Commercial E-Series G2 Ultrasonic meters
 - Standard with pressure sensor and test ports, available in TSM and CSM lay lengths.
 - Available for fire service applications (UL listed and FM approved)

*All E-Series Ultrasonic G2 meters come standard with temperature

E-Series Ultrasonic Meter Features (may vary by size):

- Open flow tube design prevents flow obstruction to reduce pressure loss.
- Greater turndown ratio for extended flow ranges and increased revenue.
- Field programmable registration and maintains an hourly internal logging capacity of 160 days of data.
- Minimum extended low-flow rate lower than typical positive displacement meters.
- Simplified one-piece electronic meter and register that are integral to the meter body and virtually maintenance free.
- Pressure alarm and pressure and temperature data reported through ORION Cellular endpoints and BEACON.
- Sealed, non-removable, tamper-protected meter and register.
- Easy-to-read, 9-digit LCD display, which presents consumption, rate of flow, unit of measure, pressure, temperature, alarm conditions, firmware version, empty pipe, exceeding max flow, sensor error, reverse flow, suspected leak, 30 day no usage, and end of life.
- Single and dual outputs include high resolution industry standard ASCII encoder protocol, scaled/unscaled and 4-20 mA.

High resolution industry standard ASCII encoder protocol sends alarms and data to ORION Cellular Endpoints and BEACON SaaS* suite to establish a smart water solution.

The meter is available with an inline connector for easy connection and installation to ORION endpoints. It is also available with a flying lead for field splice connection.

Increased Revenue. Greater turndown ration for extended flow ranges and increased revenue.

Suitable for Fire Service Applications. Conform to UL 327B and FM 1044 for fire service applications.

Operation: As water flows into the measuring tube, ultrasonic signals are sent consecutively in forward and reverse directions of flow. Velocity is then determined by measuring the time difference between the measurement in the forward and reverse directions. Total volume is calculated from the measured flow velocity using water temperature and pipe diameter. The LCD shows total volume, unit of measure, rate of flow, pressure, temperature, firmware and alarm

conditions (reverse-flow, no usage, empty pipe, exceeding max flow, suspected leak, pressure, temperature, end of life and measurement error).

Reading System Compatible. Compatible with all Badger Meter reading systems offered as well as other approved technologies such as AUD's selected provider, Itron.

Commercial Sizes Available. The E-Series Ultrasonic meters are offered in sizes 3" through 8" for commercial applications.

E-Series Ultrasonic meters meet and exceed AWWA C715 and the most recent revision of AWWA C750 Standards. The lead-free bronze alloy meters comply with the lead-free provisions of the Safe Drinking Water Act and NSF/ANSI/CAN Standards 61 and 372. E-Series Ultrasonic meters also conform to UL 327B and FM 1044 for fire service applications.

For more in-depth information, please refer to the attached Product Data Sheet located in the Appendix.

3. 2 to 12 Inch Solid State Meters - Type 2 Solid State meters

Badger Meter is not bidding Category 3.

4. 3 Inch Aluminum Fire Hydrant Meters

Recordall Turbo Series Fire Hydrant Meters

Recordall Turbo Series Fire Hydrant Meters have been in production since 1998 and are designed for use in measuring cold water from a fire hydrant or other non-permanent installation where flow is in one direction. The Model 450 reduced pressure backflow preventer meter is designed to protect the water system by preventing backflow through fire hydrants.

Recordall Fire Hydrant meters are ideal for situations when a temporary source of water is needed. Many businesses including landscape service companies or construction and pool contractors can simply attach a portable meter and hose to an idle fire hydrant for a temporary source of water.

Built-In Flow Restrictor. Limits the maximum flow of water through the meter.

Field Maintainable. Field replaceable handles for easy portability.

Optional Valves. Optional check valve and flow rate control valve.

The Recordall Turbo Series Fire Hydrant Meter is manufactured from an aluminum alloy. The couplings, gate valve and register box/lid are manufactured from waterworks bronze. Fire hydrant meters meet or exceed registration accuracy for the low flow rate, normal operating flow rate, and maximum continuous operation flow rate as specifically stated in AWWA Standard C701.

For more in-depth information, please refer to the attached Product Data Sheet.

5. 5/8 x 3/4 to 1.5 Inch Remote Shut Off Capable Meters

Badger Meter is not bidding Category 5.

SUMMARY OF EXCEPTIONS TO REQUIREMENTS



Disclosure: Regarding Type 1 Meters and Registers, Badger Meter offers multiple encoder options for the BEACON solution to provide the power of high-resolution consumption data to manage AUD's water system. The HR-E LCD is a fully electronic, solid-state encoder that operates with no moving parts. Encoder status indicators can also be sent to the endpoint for transmission to BEACON as part of the 9-dial encoded output for endpoints capable of receiving extended messages. The HR-E LCD also offers tamper-resistant features such as encoder removal and magnetic tamper indicators to provide utilities with increased security. The HR-E features eight traditional odometer wheels that utilize a frictionless form of encoding technology.

All Badger Meter encoders use the industry standard ASCII protocol and are packaged to provide a non-gasketed encoder solution to meet the needs in some of the harshest environmental applications.

Exception: Regarding Type 1 Meters, Badger Meter e-series meters is a single manufactured piece, there is no inner or outer chamber.

Exception: Regarding Type 1 Meters, Badger Meter does not offer a test port for 1.5 and 2" e-series meters. Badger Meter suggests striking this requirement.

Regarding items 6.a and 6.b.i., in Appendix A from Addendum 1, - Additional Insured/Primary & Non-Contributory; Badger Meter takes exception to providing additional insured for primary and non-contributory as this is for a supply-only contract.

Regarding item 6.b.iii., Badger Meter takes exception to the requirement as we cannot provide a 30-day notice of cancellation but will provide notice of any material changes that would effect our ability to meet the requirements.

Please see the Cost Proposal for additional exceptions.

DETAILS OF EXCEPTIONS





Exception to Proposal

Augusta Utilities Department

Action #	Document and Location	Sub Section /Area	Meter Category	Reason for Exception	Alternative Language
1	REQUEST FOR PROPOSALS	3.2 Specifications for 5/8 x 3/4, 1, 1.5, 2, 3, 4, 6, and 8 Inch Type 1 Solid State Cold Water Meters	Type 1	Regarding Type 1 Meters, Badger Meter e-series meters is a single manufactured piece, there is no inner or outer chamber.	"All meters may have an outer case with separate, removable measuring chambers. Casings shall not be repaired in any manner. The inlet and outlet shall have a common axis."
2	REQUEST FOR PROPOSALS	3.2 Specifications for 5/8 x 3/4, 1, 1.5, 2, 3, 4, 6, and 8 Inch Type 1 Solid State Cold Water Meters	Type 1	Badger Meter does not offer a test port for 1.5 and 2" e-series meters. Badger Meter suggests striking this requirement.	"An NPT test plug port is desired but not required in the outlet side of 1.5 and 2 inch meters."
3	Appendix A, Addendum 1	6. a. Additional Insured and Primary Insurance Provisions 6. b. i. Evidence of Insurance, copy of the policies declarations pages	N/A	Badger Meter takes exception to providing additional insured for primary and non-contributory as this is for a supply-only contract.	<i>Badger Meter recommends removing this requirement as it is not applicable to a supply-only contract.</i>
4	Appendix A, Addendum 1	6. b. iii. Evidence of Insurance, copy of an endorsement	N/A	Badger Meter takes exception to the requirement as we cannot provide a 30-day notice of cancellation but will provide notice of any material changes that would effect our ability to meet the requirements.	"Contractor will make AUD aware of any material insurance changes prior to any impact for meeting the requirements of the Agreement."

REFERENCES





City of Columbia, SC

Contact Information:

Frank Eskridge
Deputy Director of Utilities
1136 Washington Street
Columbia, SC, 29201
Phone: 803-683-1447
Email: william.eskridge@columbiasc.gov

Project Scope:

Full meter and AMI deployment for the following Badger Meter product(s): Recordall mechanical meters (sizes 5/8" - 2") and E-Series Ultrasonic meters (sizes 3" - 8"). The project was completed in 2022.

Salsbury-Rowan Utility District, NC

Contact Information:

Jason Wilson
Utilities Director
500 N Church Street
Salisbury, NC, 28145
Phone: 704-216-7553
Email: jawils@salisburync.gov

Project Scope:

Badger Meter has completed a full system change out of over 23,000 meters in residential and commercial sizes. The project was completed in 2022.

Chesterfield County Utilities, VA

Contact Information:

George Hayes
Director of Operations
9840 Government Center Pkwy
Chesterfield, VA, 23832
Phone: 804-748-1271
Email: hayesg@cheterfield.gov

Project Scope:

Badger Meter has completed a full system change out for Chesterfield. This includes over 126,000 meters in both residential and commercial sizes. The project was completed in 2024.

EXHIBIT B

Pricing Table

(See Attached)



Badger Meter

Augusta Utilities Department

Cost Proposal #25-174

Water Meters for Augusta, GA - Augusta Utilities Department

Opening Day: June 18, 2025



Badger Meter

4545 W Brown Deer Road
Milwaukee, Wisconsin 53223

Jimmy Harris

Account Manager

414-573-8923

jharris@badgermeter.com

Submitted on June 13, 2025

Category 1 - 5/8 x 3/4 to 2 Inch PD Meters																				Additional Costs					
Meter Size / Type (Inches)	Manufacturer	Model	Manufacturer Part Number	Exception?	Estimated Quantity Year 1	Unit Price, Year 1 (each)		Estimated Quantity Year 2	Unit Price, Year 2 (each)		Estimated Quantity Year 3	Unit Price, Year 3 (each)		Estimated Quantity Year 4	Unit Price, Year 4 (each)		Estimated Quantity Year 5	Unit Price, Year 5 (each)		Net Price	Product	Quantity Required	Reason Required	Unit Price (each)	Net Price
5/8 x 3/4	Badger Meter	M25	115-5930	No	25	\$124.13	\$3,103.25	100	\$124.13	\$12,413.00	100	\$124.13	\$12,413.00	100	\$128.47	\$12,847.00	175	\$132.97	\$23,269.75	\$64,046.00					\$0.00
Register Only	Badger Meter	HR-E LCD	101-2150	No	150	\$84.26	\$12,639.00	700	\$84.26	\$58,982.00	700	\$84.26	\$58,982.00							\$130,603.00		\$0.00			
1	Badger Meter	M70	115-5931	No	1	\$261.59	\$261.59	2	\$261.59	\$523.18	2	\$261.59	\$523.18	2	\$270.75	\$541.50	3	\$280.23	\$840.69	\$2,690.14					\$0.00
Register Only	Badger Meter	HR-E LCD	103-2062	No	20	\$84.26	\$1,685.20	100	\$84.26	\$8,426.00	100	\$84.26	\$8,426.00							\$18,537.20		\$0.00			
1.5	Badger Meter	M120	115-6908	No	20	\$467.00	\$9,340.00	100	\$467.00	\$46,700.00	100	\$467.00	\$46,700.00	100	\$483.35	\$48,335.00	150	\$500.27	\$75,040.50	\$226,115.50					\$0.00
Register Only	Badger Meter	HR-E LCD	103-2061	No	20	\$84.26	\$1,685.20	100	\$84.26	\$8,426.00	100	\$84.26	\$8,426.00							\$18,537.20		\$0.00			
2	Badger Meter	M170	115-6914	No	1	\$572.38	\$572.38	2	\$572.38	\$1,144.76	2	\$572.38	\$1,144.76	2	\$592.41	\$1,184.82	3	\$613.14	\$1,839.42	\$5,886.14					\$0.00
Register Only	Badger Meter	HR-E LCD	108-3626	No	20	\$84.26	\$1,685.20	100	\$84.26	\$8,426.00	100	\$84.26	\$8,426.00							\$18,537.20		\$0.00			
Total (Annual):							\$30,971.82			\$145,040.94			\$145,040.94			\$62,908.32			\$100,990.36	\$484,952.38				Total:	\$0.00

Parts Discount:	10%
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Term of Award: The contract award will be a three (3) year contract with two (2) one (1)-year options. Any percentage increase for each of the two (2) one (1) year options will be

Total Cost:	\$484,952.38
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Fourth Year Increase	3.50%
Fifth Year Increase	3.50%

Category 4 - 3 Inch Aluminum Fire Hydrant Meters																						Additional Costs				
Meter Size / Type (Inches)	Manufacturer	Model	Manufacturer Part Number	Exception?	Estimated Quantity Year 1	Unit Price, Year 1 (each)		Estimated Quantity Year 2	Unit Price, Year 2 (each)		Estimated Quantity Year 3	Unit Price, Year 3 (each)		Estimated Quantity Year 4	Unit Price, Year 4 (each)		Estimated Quantity Year 5	Unit Price, Year 5 (each)		Net Price		Product	Quantity Required	Reason Required	Unit Price (each)	Net Price
3	Badger Meter	Fire Hydrant	103-9812	No	1	\$1,236.17	\$1,236.17	3	\$1,236.17	\$3,708.51	3	\$1,236.17	\$3,708.51	3	\$1,279.44	\$3,838.32	5	\$1,324.22	\$6,621.10	\$19,112.61						\$0.00
				Total (Annual):			\$1,236.17			\$3,708.51			\$3,708.51			\$3,838.32			\$6,621.10	\$19,112.61				Total:	\$0.00	

Parts Discount:	10%
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Term of Award: The contract award will be a three (3) year contract with two (2) one (1)-

Total Cost:	\$19,112.61
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Fourth Year Increase	3.50%
Fifth Year Increase	3.50%

EXHIBIT C

Terms and Conditions of Sale

(See Attached)

Badger Meter Terms and Conditions of Sale of Goods

1. **Definitions.** "Buyer" means the party purchasing goods or services pursuant to these Terms and Conditions of Sale ("Terms and Conditions"). "Badger Meter" means Badger Meter, Inc., a Wisconsin corporation and all its subsidiaries. "Goods" means the Badger Meter goods, software, services, and advisory services sold or otherwise provided pursuant to these Terms and Conditions.

2. **Controlling Provisions.**

Generally. This document, including the provisions in Badger Meter's quotation, proposal, price list, acknowledgment and invoice, and Badger Meter's Limited Warranties described in Section 12 (the "Agreement") constitutes an offer by Badger Meter to provide the Goods to Buyer. If this document is deemed an acceptance of a prior offer by Buyer, such acceptance is limited to the express terms contained in this Agreement. Buyer's acceptance of this offer is limited to the terms, covenants and conditions contained in this offer. Badger Meter hereby objects to and rejects any additional, different or varying terms proposed by Buyer, regardless of whether or when Buyer submitted its purchase order or such terms. Such proposal of additional, different or varying terms by Buyer shall not operate as a rejection of Badger Meter's offer, and Badger Meter's offer shall be deemed accepted without such additional, different or varying terms. Fulfillment of Buyer's order does not constitute acceptance of Buyer's terms and conditions and does not serve to modify this Agreement. **THIS AGREEMENT CONSTITUTES THE FINAL EXPRESSION OF THE AGREEMENT BETWEEN BADGER METER AND BUYER REGARDING THE GOODS AND IT IS A COMPLETE AND EXCLUSIVE STATEMENT OF THAT AGREEMENT. ANY TERMS, CONDITIONS, NEGOTIATIONS OR UNDERSTANDINGS WHICH ARE NOT CONTAINED IN THIS AGREEMENT SHALL HAVE NO FORCE OF EFFECT UNLESS MADE IN WRITING AND SIGNED BY BUYER AND AN AUTHORIZED OFFICER OF BADGER METER.** Badger Meter's sales representatives do not have authority to change this Agreement. Badger Meter reserves the right to correct clerical errors in its documents. It is the express wish of the parties that this document and any related documents be drafted in English. Il est la volonté expresse des parties que ce document et tous les documents s'y rattachant soient rédigés en anglais.

Acceptance. Buyer shall be deemed to have made an unqualified acceptance of this offer and the Agreement on the earliest of the following to occur: (a) Badger Meter's receipt of a copy of this Agreement (or any document incorporating this Agreement) signed by Buyer, (b) Buyer's order of Goods after receiving notice of this Agreement, (c) Buyer's payment of any amounts due under this Agreement, (d) Buyer's delivery to Badger Meter of any material to be furnished by Buyer, (e) Badger Meter's delivery of the Goods following Buyer's order, (f) Buyer's failure to notify Badger Meter to the contrary within ten (10) days of receipt of this Agreement, or (g) any other event constituting acceptance under applicable law.

3. **Storage.** If the Goods are not shipped within fifteen (15) days after notification to Buyer that they are ready for shipping, for any reason beyond Badger Meter's reasonable control, including without limitation Buyer's failure to give shipping instructions, Badger Meter may store such Goods, at Buyer's risk, in a warehouse or yard located on Badger Meter's premises, and Badger Meter may at its sole discretion charge Buyer and Buyer shall pay all handling, transportation and storage costs at the prevailing commercial rates upon submission of invoices on the stored Goods.

4. **Prices.** Unless stated otherwise in a governing quotation or tender, prices are stated and payable in U.S. dollars or Euros FCA Badger Meter's Facility (pursuant to Incoterms 2020 of the International Chamber of Commerce, as amended or restated from time to time ["Incoterms"]). All prices are subject to change based on Badger Meter's selling prices in effect as of the date of shipment. Badger Meter reserves the right, upon notice to Buyer, to revise selling prices to adjust for changes in laws, such as changes to taxes, tariffs, fees, trade penalties, or any and all other government required duties on goods or services. Quoted prices are firm for acceptance, via an order, within the effective dates provided in the quote, shipping within sixty (60) days past the expiration of the quote. Prices quoted for blanket orders are subject to review and retroactive adjustment, if necessary, based on actual quantities shipped. Written quotations are void unless accepted within the effective dates listed on the quotation and are subject to earlier change upon notice from Badger Meter. Other Badger Meter publications are maintained as sources of information and are not quotations or offers to sell.
5. **Taxes.** All prices are exclusive of all sales, use, value added, customs and excise taxes, and any other taxes, duties, fees and charges of any kind imposed by any governmental authority in connection with this Agreement. Buyer shall pay or reimburse Badger Meter on demand for all such taxes, duties, fees and charges but Buyer shall not be responsible for any taxes imposed on, or with respect to, Badger Meter's income.
6. **Title and Risk of Loss.** All Goods are shipped F.C.A. Badger Meter's Facility (pursuant to Incoterms 2020 of the International Chamber of Commerce, as amended or restated from time to time). Buyer is responsible for all delivery charges for Goods. Title and risk of loss or damage to Goods passes to Buyer when Goods are moved from Badger Meter's dock into the conveyance vehicle for transport.
7. **Payment Terms.** Buyer shall pay all invoices within thirty (30) days of the invoice date. Badger Meter reserves the right to establish credit limits for Buyer and may require full or partial payment prior to shipment of any Goods or commencement of any services provided hereunder. All payments shall be made via payment methods allowed by Badger Meter according to instructions provided by Badger Meter. For Buyers outside the U.S., Badger Meter may require cash in advance or a Letter of Credit for payment or security in a form acceptable to Badger Meter. If Buyer does not pay Badger Meter any amount due under this Agreement or any other Agreement when such amount is due or if Buyer defaults in the performance of this Agreement, Badger Meter may, without incurring liability to Buyer and without prejudice to Badger Meter's other lawful remedies (a) terminate Badger Meter's obligations under this Agreement, (b) declare immediately and due payable all Buyer's obligations to Badger Meter, (c) change credit terms with respect to any further work or deliveries, (d) suspend or discontinue any further work or deliveries and/or (e) repossess the Goods. Buyer agrees to reimburse Badger Meter for all costs and fees including, without limitation, attorneys' fees and repossession fees incurred by Badger Meter in collecting any sum owed by Buyer to Badger Meter. Any invoices which Buyer does not pay within the time provided in this Agreement shall bear interest at the lower of (i) one and a half percent (1.5%) per month up to a maximum of eighteen percent (18%) per year; or (ii) the highest rate permitted by applicable law. Buyer shall not set off amounts due to Badger Meter against claims against Badger Meter.
8. **Packaging.** Badger Meter reserves the right to select the manner in which Goods are packaged. Special requirements for packing will be subject to extra charges.

9. **Delivery.** Shipping dates and completion dates quoted by Badger Meter are made in good faith but are not guaranteed; Badger Meter reserves the right to extend shipping dates as it deems necessary in its sole discretion, without incurring liability to Buyer and to make delivery in installments. Time for delivery shall not be of the essence. In the absence of shipping instructions from Buyer, Badger Meter will use its discretion as to the selection of shipping services and routings. Installation of Goods is the responsibility of the Buyer unless otherwise agreed in writing. Buyer is responsible for following all applicable installation instructions, guides, or other documentation. Badger Meter is not responsible or liable for product that is installed or maintained improperly.

Badger Meter ships all products FOB – Factory within the United States (unless otherwise agreed to in writing, upon receipt of shipment, Buyer must inspect the goods for damage, shortage, or non-conformance. Buyer will make note of damage on the carrier's delivery receipt. Claims for shortages or other errors must be made in writing to Badger Meter within seven (7) days after receipt of shipment and claims for concealed damage must be made to Badger Meter within fifteen (15) days after receipt of shipment. Failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by Buyer. When the Buyer's carrier and account are used for transit, the Buyer shall be responsible for any claims made for visible and concealed damage and/or loss of partial or complete shipment.

10. **Force Majeure.** Badger Meter shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Badger Meter including, without limitation, acts of God, terrorism, pandemic, global supply chain disruptions, acts of Buyer, embargo or other governmental act, regulation or request such as taxes, tariffs, fees, trade penalties, or any and all other government required duties on goods or services, fire, accident, strike, slow-down, war, riot, delay in transportation, delayed delivery by suppliers, or inability to obtain necessary labor and materials. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost by reason of the delay.
11. **Orders; Changes and Cancellations.** Buyer's orders or mutually agreed change orders shall be subject to all provisions of this Agreement, whether or not the order or change order so states. No order shall be binding upon Badger Meter until received and accepted by Badger Meter in its sole discretion. Minimum order value is \$200 U.S.D. or EUR 200. Orders submitted to Badger Meter may not be cancelled or amended, or deliveries deferred, by Buyer except with Badger Meter's prior written consent, and then only upon such terms as shall be acceptable to Badger Meter on a product by product basis. In the event of cancellation of an order by Buyer, Buyer shall pay Badger Meter's reasonable costs and expenses, plus Badger Meter's usual rate of profit for similar work, and all cancellation charges imposed by Badger Meter's suppliers. Neither Buyer's acceptance of this offer nor any conduct by Badger Meter (including but not limited to shipment of Goods) will oblige Badger Meter to sell to Buyer any quantity of Goods in excess of the quantity that Buyer has committed to purchase from Badger Meter at the time of such acceptance or conduct. Due to continuous efforts to improve and redesign of our products and technology solutions, Badger Meter reserves the right to provide our newest product solutions as an alternative to the quoted or ordered Goods, provided they are in conformance with the requirements of any agreed specifications and do not exceed the prices quoted.

12. **Limited Warranties.**

Generally. Unless otherwise agreed in a writing signed by an authorized officer of Badger Meter, provided by Badger Meter in a written product-specific warranty, or passed through by Badger Meter from the original equipment manufacturer, Badger Meter warrants the Goods (excluding services) supplied hereunder to be free from significant defects in material and workmanship under normal use and service for a period of 18 months from the date of shipment or 12 months from the date of installation, whichever period shall be shorter (“the Warranty Period”). This warranty applies only to the original purchaser of the Goods and does not apply to Goods that are the subject of negligence, accident, or damage by circumstances beyond Badger Meter’s control, or any improper operation, maintenance, storage, installation or use. This warranty does not apply to Goods or component parts that were not manufactured by Badger Meter and not covered by a Badger Meter or original equipment manufacturers written warranty, all of which are sold “AS IS” and without warranty by Badger Meter. This warranty applies only to covered defects that are discovered during the Warranty Period. Buyer’s failure to provide Badger Meter with written notice of any alleged defect within ten (10) days after its discovery constitutes a waiver of the remedies specified herein. If Badger Meter receives timely notice, and if the Goods are proved to Badger Meter’s satisfaction to have a warranted defect, Badger Meter will, at its own discretion, expense and within a reasonable period of time, either (1) repair, correct or cure the warranted defect(s), or (2) replace the specific Goods at issue, or (3) give Buyer a refund of the price it paid for the Goods, prorated where appropriate to adjust for the value of any conforming Goods or services accepted and retained by Buyer. Any parts of Goods repaired or replaced under warranty are warranted only for the balance of the Warranty Period on the original part that was repaired or replaced. These remedies shall be Buyer’s exclusive remedies (and the sole and exclusive liability of Badger Meter) for any defects or deficiencies relating to or arising out of Goods sold or services performed. All repairs are made on a C.P.T. factory basis (pursuant to Incoterms). **THE WARRANTIES IN THIS SECTION ARE THE ONLY WARRANTIES GIVEN WITH RESPECT TO GOODS SOLD OR OTHERWISE PROVIDED BY BADGER METER. BADGER METER EXPRESSLY DISCLAIMS ANY AND ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS, IMPLIED OR OTHERWISE, INCLUDING WITHOUT LIMITATION, WARRANTIES AS TO FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, NON- INFRINGEMENT, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.**

Where Badger Meter provides recommendations to Buyer to address or mitigate issues identified by the Buyer, Buyer acknowledges that Badger Meter will not have access to the full operational aspects and attributes of the Buyer’s network. Badger Meter is not a certified consultant and does not provide consulting services unless specifically contracted. All Goods are selected by the Customer and Badger Meter’s recommendations do not constitute a requirement for purchase. Badger Meter does not warrant that its product recommendations are an adequate solution for any identified or unidentified Customer issues.

Please note that Badger Meter’s warranties for Syrinix branded products do not cover failures, interruptions, and damages resulting directly or indirectly from Acts of God, war, terrorism, civil, disobedience, theft, extreme weather, floods, storms, lightning, tornado, hurricane, fire, combustion, explosion, landslip, volcano and earthquake, extreme temperature, external electrical irregularity including surge and failure, acoustic interference, and third party service provider interruptions.

Buyer's Obligations. Buyer must satisfy the following obligations in order to be eligible for coverage by the applicable warranty. Prior to using or permitting use of the Goods, Buyer shall determine the suitability of the Goods for the intended use and Buyer assumes all risk and liability whatsoever in connection therewith. Buyer agrees that Badger Meter has no post-sale duty to warn Buyer or any other party about any matter or, if such duty exists, Badger Meter satisfies that duty by providing any required warnings only to Buyer. Buyer assumes all post-sale duty to warn its customers and indemnifies Badger Meter against any Losses (as defined in Section 17 below) in connection with such duty or failure to warn. Buyer agrees to test and evaluate Goods promptly upon receipt to ensure compliance with all specifications, quality requirements and other requirements of Buyer's application.

Badger Meter does not guaranty the accuracy of information given and recommendations made as to suitability of Goods for Buyer's application or operating conditions. Nothing shall be construed to imply the nonexistence of any relevant patents or to constitute a permission, inducement or recommendation to practice any invention covered by any patent without authority from the patent owner

13. **Intellectual Property.** No Intellectual Property (as defined below) is assigned to Buyer hereunder. Badger Meter shall own or continue to own all Intellectual Property used or created in the course of performing this Agreement. To the extent, if any, that any ownership interest in and to such Intellectual Property does not automatically vest in Badger Meter, and instead vests in Buyer, Buyer agrees to grant and assign and hereby does grant and assign to Badger Meter all right, title and interest that Buyer may have in and to such Intellectual Property. Buyer agrees not to reverse engineer any Goods purchased or provided hereunder. This includes the reverse engineering of software, source code, or other proprietary elements that Badger Meter provides to Buyer. "**Intellectual Property**" means patents and patent applications, inventions, developments and discoveries, whether or not patentable or copyrightable, trademarks, service marks, trade dress, copyrights, trade secrets, designs, drawings, specifications, database rights, rights in and to confidential information and know-how, and any rights analogous to the same anywhere in the world and existing at any time in the Goods or arising out of or relative to the design or manufacture of the Goods or the provision of services, and all other Intellectual Property and proprietary rights.

Any use of Badger Meter's or its affiliates' or suppliers' trademarks in advertisements or promotion must be preapproved in writing by Badger Meter. Buyer agrees to take all steps which Badger Meter may from time to time consider to be necessary to perfect or protect Badger Meter's or its affiliates' or suppliers' rights in Badger Meter's Intellectual Property including, without limitation, executing all necessary assignments, declarations, and other documents requested by Badger Meter from time to time. Upon expiration or termination of this Agreement for any reason, Buyer shall take such steps and execute such documents as Badger Meter requests to cause Badger Meter or its affiliates or suppliers to own all rights in the Intellectual Property and to terminate any rights Buyer or its affiliates may have to use the Intellectual Property. Buyer shall inform Badger Meter promptly of any potential or actual infringement of any of Badger Meter's or its affiliates' or suppliers' Intellectual Property and shall provide all assistance and information required by Badger Meter, at Badger Meter's expense, in connection with any such infringement.

For Syrinix branded products that require transmission of data, the Buyer agrees to the transmission of information relating to the product and product data during the installation, commissioning and operation of the product and to the analysis and provision of product data, including web-based, server-based and bespoke communication and analytical methodologies, nationally and internationally. The Buyer shall own

all product data provided from the product. Each and every Buyer and its consumers and/or employees hereby grants to Badger Meter a non-exclusive, irrevocable, transferable, royalty free license to store, analyse, copy, edit, record and otherwise use all product data for such purposes, including, without limitation, research, administration and commercial, as Syrinix, in its sole discretion, considers appropriate. This license shall survive the termination of this agreement, however arising, including, without limitation, termination due to Badger Meter's default. To the extent applicable, any use of product data is also subject to the Google Maps/Google Earth Additional Terms of Service (including the Google Privacy Policy) (see https://maps.google.com/help/terms_maps.html).

14. **Compliance with Laws.** Buyer agrees to familiarize itself with and comply with all laws and regulations now or hereafter in effect and applicable to the purchase, transport, use, supply, storage, sale, offer for sale, lease and/or disposal of the Goods ("Laws") including, without limitation, to the extent applicable, the U.S. Foreign Corrupt Practices Act and all other anti-bribery laws, all U.S. anti-boycott laws, and the U.S. Export Administration Act and all regulations thereunder.

If Buyer or its affiliates, agents or representatives engages a freight forwarder or similar service provider, Buyer shall provide Badger Meter with copies of freight forwarder (or similar) records regarding Goods exports promptly upon request.

Buyer shall promptly notify Badger Meter in writing if Buyer receives notice of or otherwise has reason to believe that a violation of any applicable trade laws has occurred or is likely to occur. Buyer assumes all risk with respect to compliance of Goods with applicable Laws (including without limitation all environmental laws in any jurisdiction).

Buyer acknowledges that certain Goods may have restrictions on who can purchase, transport, use, supply, store, sell, offer for sale, lease and/or dispose of ("Actions") the Goods and on how and where such Actions may take place. Buyer agrees to be responsible for determining who may take such Actions and how and where such Actions may take place after Badger Meter's delivery hereunder, and further agrees to ensure that its customers comply with such requirements.

By accepting this Agreement, Buyer confirms that:

- Buyer understands that Goods provided by Badger Meter are subject to U.S. export control laws and regulations, including, without limitation, the International Traffic in Arms Regulation (ITAR) or the Export Administration Regulations;
- Buyer will comply with all applicable U.S., EU, and UN laws and regulations and any other laws, regulations, or orders of similar effect enforced in any other applicable jurisdiction whenever we export, re-export, or transfer Product(s) acquired from Badger Meter, insofar as it does not infringe any applicable anti-boycott rule, and acknowledges that the controlling laws and regulations may be amended from time to time;
- Buyer acknowledges that U.S. law prohibits the sale, transfer, export, re-export, or participation in any export transaction involving Badger Meter's Goods with individuals or companies listed in the United Nations Financial Sanctions List, Consolidated List of Persons, Groups, and Entities Subject to EU Financial Sanctions, U.S. Department of Commerce's Denied Persons List, Entity List, or Unverified List; the U.S. Department of State Nonproliferation Sanctions, AECA Debarred List; U.S. Department

of Treasury's Specially Designated Nationals, Foreign Sanctions Evaders List, Sectoral Sanctions Identifications (SSI) List, Palestinian Legislative Council (PLC) List, The List of Foreign Financial Institutions Subject to Part 561 List, and Blocked Persons Lists; and any additional lists added by the U.S. Government. Buyer will not transfer, export, or re-export, directly or indirectly to any party identified on a restricted party list published by the U.S. government, European Union, or any other government, or to any party otherwise prohibited under any applicable law from receiving Badger Meter Goods;

- Buyer will not use, sell, transfer, export or re-export Badger Meter Goods for use in any activity related to the development, production, use, stockpiling, maintenance, or proliferation of weapons of mass destruction, including, without limitation, uses related to nuclear, chemical or biological weapons (i.e. the nuclear, chemical or biological materials/substances themselves could be used in weapons and/or the weapon delivery systems for those materials/substances) ("Weapons"), and that Buyer will not transfer, divert, export, or re-export, directly or indirectly, Goods, including any products developed or manufactured using Badger Meter's Goods, to any party engaged in any such activity. nor use such Goods in any facilities that are engaged in activities related to such Weapons. This restriction also includes, but is not limited to:
 - nuclear explosive activities, safeguarded and unsafeguarded nuclear activities
 - rocket systems or unmanned air vehicles
 - maritime nuclear propulsion;
- If Buyer is subsequently engaged in the use, development, production, transfer, export or re-export of any Badger Meter Goods, Buyer acknowledges that it may be subject to and responsible for the export licensing requirements of the U.S. government or any other government;
- Buyer acknowledges that it may receive Goods from Badger Meter exported under a written authorization from the U.S. government or any other government and acknowledge that it may be subject to and responsible for conditions subject to this written authorization and/or be subject to and responsible for the re-export licensing requirements applicable to the U.S. government's or any other government's written authorization;
- Buyer will comply with all applicable laws and regulations whenever Buyer transfers, exports, or re-export Goods obtained from Badger Meter, and Buyer acknowledges that the controlling laws and regulations may be amended from time to time; and
- Buyer will provide Badger Meter with information regarding end-user, end-use, and country of ultimate destination if purchasing Badger Meter Goods for anything other than stock inventory.

Buyer acknowledges that Badger Meter shall file all export formalities related to all export sales from the U.S. including exports where Buyer designates the freight forwarder, unless Buyer is otherwise instructed or notified by Badger Meter in writing from the Global Logistics Department. Export formalities include, but are not limited to, preparing and filing the electronic export information ("EEI"), and obtaining any necessary export licenses. Badger Meter shall ensure the goods are properly documented, cleared for export, and meet all requirements for lawful exportation. Buyer, or their freight forwarder, shall provide any necessary information or documentation requested by Badger Meter to facilitate the export process,

including, but not limited to, supplying the export EEI information, the onboard billing of lading/airway bill and notification of any split shipments, destination, consignee or ultimate consignee changes.

Buyer acknowledges the export transactions from the U.S. that are routed export transactions (RET) as defined in the U.S. Export Administration Regulations, 15 C.F.R. § 772.1 and the Federal Trade Regulations, 15 C.F.R. § 30.1(c) will only be transacted under EXW Badger Meter's Facility

U.S. (Incoterms 2020). Buyer, as the foreign party, shall be considered the Foreign Principal Party in Interest ("FPPI") for these transactions, and as the FPPI authorizes their U.S. agent to facilitate the export of items from the U.S. on the Buyer's behalf and prepare and file the EEI. Buyer shall comply with 15 C.F.R. § 30.3(e)(2) and 758.1(h)(1)(i) by supplying their U.S. agent with a power of attorney or other form of written authorization and shall provide a copy to Badger Meter at time the order is placed. Buyer shall also instruct their U.S. agent to provide Badger Meter a copy of the EEI transaction and the onboard bill of lading/airwaybill. Badger Meter will provide all EEI data elements to Buyer's U.S. agent as required under 15 C.F.R. § 30.3(e)(1) to complete the EEI filing.

15. **Customer Validation.** Badger Meter reserves the right to determine OEM qualifications of any and all buyers to request end customer invoicing in situations where project pricing may have been granted by the factory. Badger Meter reserves the right to determine market definition of any and all buyers and to employ third-party sources, including SIC codes, and/or information about the application or products purchased to determine market definition.
16. **Nuclear Disclaimer.** The Goods are not intended for use in connection with any nuclear facility or activity unless covered by a specific quotation where the conditions of such usage will be detailed. If the Goods are used in a nuclear facility or activity without a supporting quotation, Badger Meter disclaims all liability for any damage, injury or contamination and Buyer shall indemnify and hold Badger Meter, its shareholders, directors, officers, agents, employees, successors, assigns and customers, whether direct or indirect, harmless from and against any and all Losses (as defined in Section 17) which they, any of them, may sustain or incur, whether as a result of breach of contract, warranty, tort (including negligence), strict liability or other theories of law, by reason of such use. The foregoing shall not be deemed to imply or impose liability on Badger Meter where the Goods are used in a nuclear facility or activity with a supporting quotation; all limitations and exclusions in this Agreement and in Badger Meter's Limited Warranty shall apply.
17. **Limitation of Liability.**

Cap on Liability. Badger Meter's aggregate liability in any and all claims and causes of action arising under, out of or in relation to this Agreement, its negotiation, performance, breach or termination (collectively "Causes of Action") shall not exceed the total amount paid by Buyer to Badger Meter under this Agreement, whether the Causes of Action are in tort including, without limitation, negligence or strict liability, in contract, under statute or otherwise.

Limitation and Exclusion of Damages. AS A SEPARATE AND INDEPENDENT LIMITATION ON LIABILITY, BADGER METER'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES. BADGER METER SHALL NOT BE LIABLE FOR: (I) ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, DIRECT OR INDIRECT LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, SHUTDOWN OR SLOWDOWN

COSTS, OR LOSSES RELATING TO COLLATERAL CONTRACTS, ARISING OUT OF OR RELATING TO ANY BREACH OF THIS AGREEMENT, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED IN ADVANCE BY BUYER OR COULD HAVE BEEN REASONABLY FORESEEN, REGARDLESS OF THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE; (II) ANY IN/OUT COSTS; (III) ANY MANUAL METER READING COSTS AND EXPENSES NOR (IV) ANY COSTS AND EXPENSES TO REMOVE PRODUCT FOR WARRANTY ANALYSIS, OR RE-INSTALLATION COSTS AND EXPENSES; "IN/OUT COSTS" MEANS ANY COSTS OR EXPENSES INCURRED BY BUYER IN TRANSPORTING GOOD BETWEEN ITS WAREHOUSE AND ITS END USER'S PREMISES. "END USER" MEANS ANY END USER OF THE WATER OR GAS THAT PAYS BUYER FOR THE CONSUMPTION OF WATER OR GAS, AS APPLICABLE.

Limitations Unconditional. The limitations on liability set forth in this Agreement are fundamental inducements to Badger Meter entering into this Agreement. They apply unconditionally and in all respects. They are to be interpreted broadly so as to give Badger Meter the maximum protection permitted under law.

Limit on Actions. To the maximum extent permitted by law, no Cause of Action may be instituted by Buyer against Badger Meter more than twelve (12) months after the Cause of Action first arose. In the calculation of any damages in any Cause of Action, no damages incurred more than twelve (12) months prior to the filing of the Cause of Action shall be recoverable.

18. **Indemnification.** Buyer releases and agrees to defend, indemnify and hold harmless Badger Meter its shareholders, directors, officers, employees, agents, affiliates, successors, assigns and customers from and against all claims, liabilities, actions, causes of action, fines, penalties, judgments, demands, damages, losses, costs and expenses, including without limitation attorneys' fees and costs, and including damages arising from personal injury or death, in law or in equity, of every kind and nature whatsoever (collectively, "Losses"), arising out of (a) Buyer's or its End User's use of the Goods, (b) breach of this Agreement by Buyer, (c) Buyer's or its End User's products, materials, performance, designs, approvals or instructions, (d) infringement of third party proprietary rights, except to the extent such Losses arise out of a breach of this Agreement by Badger Meter, (e) any violation of Buyer of any law, rule or regulation, (f) any negligence or willful misconduct of Buyer, or (g) any modifications or changes made to the Goods by or on behalf of any person other than Seller or its Representatives, if the infringement would have been avoided without such modification or change. Prior to settling any claims, Buyer will give Badger Meter an opportunity to participate in the defense and/or settlement of such claim. Buyer shall not settle any claim without Badger Meter's written consent. In the event of any recall affecting Goods, Badger Meter shall have the right to control the recall process and Buyer shall fully cooperate with Badger Meter in connection with the recall.

19. **Confidentiality.**

Generally. Buyer acknowledges that all Badger Meter Confidential Information (as defined below) which may be disclosed to it by Badger Meter or its affiliates or suppliers shall at all times, during and after expiration or termination of this Agreement for any reason, remain Badger Meter's exclusive property, and

Buyer shall not acquire any proprietary interest whatsoever therein. Buyer shall (and shall cause its employees and contractors to) keep all Badger Meter Confidential Information strictly confidential and shall not disclose it to any third party or use it, except to the extent reasonably required to perform this Agreement or as required under applicable law, court order or regulation. As used herein “Badger Meter Confidential Information” means any and all non-public information of Badger Meter, including without limitation the terms of this Agreement, and all non-public data, specifications, equipment and product information, prototypes, drawings, technical information, engineering drawings, forecasts, sales data, “know-how”, designs, computer programs, processes, inventions, current and future (unreleased) products and technology, and confidential business information such as cost data, profit margins, sales strategies, supplier information, procurement requirements, employee information, customer preference or needs, customer data and employee capabilities which are not available to the public, unpublished U.S. and foreign patent applications, invention disclosure forms, all technical information about products or services, pricing information, marketing and marketing plans, Goods performance, Goods architecture and design, other business and financial information, software, third party information Badger Meter is required to keep confidential, any materials derived from or based upon Badger Meter Confidential Information, and all trade secrets. Badger Meter Confidential Information may be transmitted orally, in writing, electronically or otherwise observed by Buyer.

Notwithstanding the foregoing, “Badger Meter Confidential Information” shall not include: (i) any information that is in the public domain other than due to Buyer’s breach of this Agreement; or (ii) any information Buyer can demonstrate by documentary evidence was in the possession of the Buyer without restriction prior to disclosure by Badger Meter. Upon expiration or termination of this Agreement for any reason, and otherwise upon Badger Meter’s request, Buyer shall, within fifteen (15) days surrender to Badger Meter all plans, drawings, specifications, sketches, literature, samples, documents and other tangible objects and copies thereof relating to Badger Meter Confidential Information and all of Badger Meter’s or its affiliates’ or suppliers’ property. Nothing in this Agreement shall be construed to limit or negate the common or statutory law of torts or trade secrets where it provides Badger Meter, its affiliates or suppliers with broader protection than that provided herein.

Engineering Data. All engineering data, design information and engineering and shop drawings used in the completion of Buyer’s order are and shall remain Badger Meter’s property. Buyer shall not copy, distribute or communicate to any third party such data without Badger Meter’s prior written permission. However, Buyer shall distribute appropriate product data regarding operation, safety and maintenance to the end user.

Personal Information Safeguards This Section will apply unless superseded by a prior agreement. Under this Agreement, Badger Meter will not receive, or have access to, use or store Personal Information (as defined below), unless otherwise notified by Buyer with written notice that such information is pertinent to the transaction. If however, Badger Meter receives, or has access to, uses or stores Personal Information under this Agreement, then this will apply (in addition to Section 18 [Confidentiality]).

“Data Protection Law” means: (a) the Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 (as updated); (b) any other applicable data privacy legislation or regulation; and (c) Badger Meter’s privacy policy (available [here](#).)

“Personal Information” means any information relating to an identified natural person or a directly or indirectly identifiable natural person.

To the extent Badger Meter receives, or has access to, uses or stores Personal Information under this Agreement, Badger Meter will:

- immediately notify Buyer;
- implement and maintain administrative, physical, and technical safeguards (“Safeguards”) that meet or exceed relevant industry standards and that protect the security and privacy of Personal Information. Badger Meter will not permit access to Personal Information except to those who need to know it in order to perform under this Agreement, and will ensure that any third party accessing Personal Information protect it with Safeguards at least as strong as Badger Meter’s Safeguards;
- upon Buyer’s instruction and in accordance with Badger Meter’s electric record retention policy, delete such Personal Information immediately or return it to Buyer in a secure manner and delete all remaining copies of Personal Information after such return and provide documentation of the deletion to Buyer;
- not use the Personal Information for any other purpose than compliance with its’ obligations under this Agreement; and
- if Badger Meter has reason to believe that Personal Information is reasonably likely to have been accessed for an unauthorized purpose or by unauthorized persons (a “Breach”): (a) promptly notify Buyer (b) reasonably assist Buyer in investigating and remedying any Incident and any related inquiry or claim; and (c) provide Buyer with reasonable assurance that Badger Meter has corrected all circumstances under Badger Meter’s control that led to the Incident.

20. **Returns.** No Goods may be returned for credit or repair without a Returned Material Authorization (RMA) issued by Badger Meter. Badger Meter reserves the right to reject return if Buyer does not get prior authorization and RMA. Authorized return shipments must be returned in original packaging and in good condition to Badger Meter’s designated receiving point, must be accompanied by a packing slip, including Badger Meter’s RMA number, and must have transportation charges prepaid. NO RETURNS ACCEPTED WITHOUT PRIOR BADGER METER AUTHORIZATION EVIDENCED BY A VISIBLE RMA NUMBER ON THE OUTSIDE OF THE PACKAGE. If returned Goods are severely damaged in shipping, based on poor packing, they may not be eligible for credit.

Correspondence concerning all returned Goods must be addressed to the appropriate Badger Meter office and party. Badger Meter reserves the right to deduct an adequate service charge to cover all inspection, testing and handling from any credit, plus freight, insurance, packing, import and export costs. Unused or uninstalled product returns received prior to 90 days after invoice date are eligible to be credited back to the customer with Badger Meter approval. Only current versions of other products are eligible to be credited back to the customer. Badger Meter reserves the right to charge a restocking fee.

21. **Assignment.** This Agreement may not be assigned by either party without the written consent of the other (which consent shall not be unreasonably withheld). However, consent will not be required for internal

transfers and assignments of Badger Meter, its subsidiaries or affiliates as part of a consolidation, merger or any other form of corporate reorganization.

22. **Governing Law and Dispute Resolution.** This Agreement shall be deemed as made and accepted in Wisconsin, USA. This Agreement and all disputes hereunder shall be governed by, resolved and construed under the internal laws of the State of Wisconsin without regard to rules relating to conflict of laws. Neither this Agreement nor sales hereunder shall be governed by the provisions of the United Nations Convention on Contracts for the International Sale of Goods. Upon expiration or termination of this Agreement for any reason, Badger Meter shall have all of the rights and remedies provided by law, including, without limitation, the rights of a secured party under Chapter 409, Wisconsin Statutes or any successor statute or similar statute in the jurisdiction where Buyer is located or stores the Goods.

VENUE FOR ANY SUIT OR ACTION RELATING TO OR ARISING OUT OF ANY GOODS PURCHASED FROM OR SERVICES PERFORMED BY BADGER METER SHALL LIE EXCLUSIVELY IN THE STATE OR FEDERAL COURTS LOCATED IN MILWAUKEE COUNTY, WISCONSIN, USA, AND BUYER CONSENTS TO THE JURISDICTION OF SUCH COURTS AND AGREES TO APPEAR IN ANY SUCH ACTION UPON WRITTEN NOTICE THEREOF.

23. **Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
24. **Non-Waiver.** Failure or delay of Badger Meter to exercise a right or power under this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of a right or power preclude any other future exercise thereof.
25. **Government Contracts.** If the provision of Goods by Badger Meter under accepted orders is subject to mandatory provisions of U.S. law concerning contracts or subcontracts with or for the benefit of the U.S. or any state or other national government, Buyer shall so notify Badger Meter in advance of order acceptance specifying the mandatory provisions of U.S. state or other national government law which apply.
26. **Cumulative Remedies.** Badger Meter's rights and remedies under the Agreement are cumulative and in addition to all other rights and remedies available to Badger Meter at law or in equity.
27. **Relationship of Parties.** Buyer and Badger Meter are independent contractors, and nothing herein shall be construed to create a partnership, joint venture, agency or employment relationship. Neither party has nor will have any power to bind the other, or to assume or create any obligation or responsibility, express or implied, on behalf of the other party.

EXHIBIT D

GEFA Provisions

(See Attached)

With respect to the attached GEFA provisions, please note:

1. The original RFP indicated there is a 0% MBE/WBE requirement. As this is a supply-only contract and we are a direct manufacturer that produces all of these products, we believe this is appropriate. As such, it is understood by the parties that the MBE/WBE requirements in the GEFA Provisions are N/A.
2. Badger Meter products meet the American Iron and Steel Requirement of Section 746 of Title VII of the Consolidate Appropriations Act of 2017 in connection with the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF), per the Guidance provided by the United States Environmental Protection Agency on March 20, 2014, as the Guidance states meters and appurtenances are not “construction materials” for the purposes of the AIS requirement.

GEORGIA ENVIRONMENTAL FINANCE AUTHORITY

SUPPLEMENTAL GENERAL CONDITIONS

for

FEDERALLY ASSISTED STATE REVOLVING FUND CONSTRUCTION CONTRACTS

December 7, 2022

The following standard language must be incorporated into construction contract documents and in all solicitations for offers and bids for all construction contracts or subcontracts in excess of \$10,000 to be funded in whole or in part by the federally-assisted State Revolving Fund in the state of Georgia.

These Supplemental General Conditions shall not relieve the participants in this project of responsibility to meet any requirements of other portions of this construction contract or of other agencies, whether these other requirements are more or less stringent. The requirements in these Supplemental General Conditions must be satisfied for work to be funded with the State Revolving Fund.

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INSTRUCTIONS AND GENERAL REQUIREMENTS

It is the policy of the State Revolving Loan Fund (SRF) to promote a fair share of subcontract, materials, equipment, and service awards to small, minority, and women-owned businesses for equipment, supplies, construction, and services. Compliance with these contract provisions is required for project costs to be eligible for SRF funding. The fair share objective is a goal, not a quota. Failure on the part of the apparent successful bidder to submit required information to the loan recipient (Owner) may be considered by the Owner in evaluating whether the bidder is responsive to bid requirements.

THE PRIME CONTRACTOR MUST SUBMIT THE FOLLOWING ITEMS TO THE OWNER:

A. Before beginning the work of any contract:

- 1) **DBE Compliance Form and related documentation.** The Owner must submit this information to the Georgia Environmental Finance Authority (GEFA) to demonstrate compliance with Disadvantaged Business Enterprise (DBE) requirements. GEFA concurrence is recommended prior to award of the construction contract and is required prior to commencement of any SRF-funded construction. (Pages GEFA-4 and 5)
- 2) **Certification Regarding Equal Employment Opportunity.** This form is required for the Prime Contractor and for all subcontractors. The Prime Contractor form should be submitted with the DBE Compliance Form, and the subcontractor forms should be submitted as the subcontracts are executed. (Page GEFA-9)
- 3) **Certification Regarding Debarment, Suspension, and Other Responsible Matters.** This form is required for the Prime Contractor and for all subcontractors. The Prime Contractor form should be submitted with the DBE Compliance Form and the subcontractor forms should be submitted as the subcontracts are executed. (Page GEFA-10)

B. During the performance of the contract:

- 4) **Changes to Subcontractors Form.** If any changes, substitutions, or additions are proposed to the subcontractors included in previous GEFA concurrences, the Owner must submit this information to GEFA for prior concurrence for the affected subcontract work to be eligible for SRF funding. (Page GEFA-11)
- 5) **DBE Annual Report.** The Owner must submit this information to GEFA no later than October 20 of any year that the construction contract is active. (Page GEFA-12)
- 6) **Certified Payrolls.** These should be submitted to the Owner weekly for the Prime Contractor and all subcontractors. The Owner must maintain payroll records and make these available for inspection. Use U.S. Department of Labor form WH-347 or a similar form that contains all the information on the U.S. Department of Labor.

THE OWNER MUST SUBMIT INFORMATION FOR GEFA REVIEW AND CONCURRENCE TO:

Georgia Environmental Finance Authority
47 Trinity Ave SW
Fifth Floor
Atlanta, Georgia 30334
404-584-1000 (phone)
404-584-1069 (fax)
waterresources@gefa.ga.gov

DBE COMPLIANCE FORM

ALL INFORMATION OUTLINED ON THIS FORM IS REQUIRED FOR DBE COMPLIANCE REVIEW. THE PROPOSED PRIME CONTRACTOR AND OWNER SHOULD ENSURE THAT THIS INFORMATION IS COMPLETE PRIOR TO SUBMITTAL.

Loan Recipient _____

SRF Loan Number _____

PRIME CONTRACTOR'S AND OWNER'S CERTIFICATIONS:

I certify that the information submitted on and with this form is true and accurate and that this firm has met and will continue to meet the conditions of this construction contract regarding DBE solicitation and utilization. I further certify that criteria used in selecting subcontractors and suppliers were applied equally to all potential participants and that EPA Forms 6100-2 and 6100-3 were distributed to all DBE subcontractors.

(Prime Contractor signature)

Date _____

(Printed name and title)

I certify that I have reviewed the information submitted on and with this form and that it meets the requirements of the Owner's State Revolving Fund loan contract.

(Signature of Owner or Owner's representative)

Date _____

(Printed name and title)

CONTACT INFORMATION

Owner contact _____

Owner phone number and email _____

Consulting Engineer contact _____

Consulting Engineer phone number and email _____

Proposed Prime Contractor _____

Prime Contractor contact _____

Prime Contractor phone number and email _____

Proposed total contract amount \$ _____

Proposed total MBE participation \$ _____ Percentage _____ Goal: 4.0 percent

Proposed total WBE participation \$ _____ Percentage _____ Goal: 4.0 percent

CONTINUED ON NEXT PAGE

Please submit the following with the DBE Compliance Form:

- a. List of all committed and uncommitted subcontractors by trade, including company name, address, telephone number, contact person, dollar amount of subcontract, and DBE/MBE/WBE status.
- b. Indicate in writing if no solicitations were made because the Prime Contractor intends to use only its own forces to accomplish the work.
- c. Proof of certification by EPA, SBA, DOT (or by state, local, tribal, or private entities whose certification criteria match EPA criteria) for each subcontractor listed as a DBE, MBE, or WBE.
- d. Documentation of solicitation efforts for prospective DBE firms, such as fax confirmation sheets, copies of solicitation letters and emails, printout of online solicitations, printouts of online search results, and copies and affidavits of publication in newspapers or other publications. (see also, "Six Good Faith Efforts", page GEFA-7).
 - i. The Prime Contractor shall use the necessary resources to identify and directly solicit no less than three certified MBE firms and three certified WBE firms to bid in each expected subcontract trade or area. If a diligent and documented search of the recommended directories does not identify three potential certified MBE firms and three potential certified WBE firms, then the Prime Contractor shall post an advertisement in the Owner's local legal organ, the Owner's official website, a regional newspaper in a larger community in the proximity, the Prime Contractor's website, or some other appropriate resource.
 - ii. The Prime Contractor is encouraged to follow-up each written, fax, or email solicitation with at least one logged phone call.
 - iii. Whenever possible, post solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
- e. Written justification for not selecting a certified DBE subcontractor that submitted a low bid for any subcontract area.
- f. Certification By Proposed Prime Contractor or Subcontractor Regarding Equal Employment Opportunity (GEFA-9)
- g. Certification By Proposed Prime or Subcontractor Regarding Debarment, Suspension, and Other Responsible Matters. (GEFA-10)

END OF DBE COMPLIANCE FORM



DBE COMPLIANCE CHECKLIST

THE PRIME CONTRACTOR MUST SUBMIT THE FOLLOWING ITEMS TO THE OWNER BEFORE THE WORK BEGINS:

Loan Recipient _____

SRF Loan Number _____

Include in Package Submittal

PRIME CONTRACTOR ONLY	TOTAL CONTRACT AMOUNT	
ALL SUBCONTRACTORS, INCLUDING DBE FIRMS	TRADE	AMOUNT
ALL SUBCONTRACTORS, INCLUDING DBE FIRMS	TRADE	AMOUNT
DBE SUBCONTRACTORS ONLY	TRADE	AMOUNT
DBE SUBCONTRACTORS ONLY	TRADE	AMOUNT
PRIME CONTRACTOR ONLY (Not applicable if self-performing all work, with no subcontracting)		

1. **DBE Compliance Form.** The Owner must sign and submit this information to the Georgia Environmental Finance Authority (GEFA) to demonstrate compliance with DBE requirements. GEFA concurrence is recommended prior to award of the construction contract and is required prior to commencement of any SRF-funded construction. (Pages GEFA-4 and 5)

2. **Certification Regarding Equal Employment Opportunity.** This form is required for the Prime Contractor and for all subcontractors. The Prime Contractor's form should be submitted with the DBE Compliance Form and the subcontractors' forms should be submitted as the subcontracts are executed. (Page GEFA-9)

3. **Certification Regarding Debarment, Suspension, and Other Responsible Matters.** This form is required for the Prime Contractor and for all subcontractors. The Prime Contractor's form should be submitted with the DBE Compliance Form and the subcontractors' forms should be submitted as the subcontracts are executed. (Page GEFA-10)

Uncommitted Trades

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Documentation of Good Faith Efforts

Newspaper ads	Internet Websites	Fax Confirmation	Copies of Solicitation Emails/letters	Copies of phone logs
PROOF OF CERTIFICATION FOR EACH SUBCONTRACTOR LISTED AS A DBE, MBE, OR WBE				

SIX GOOD FAITH EFFORTS

These good faith efforts are required methods to ensure that DBEs have the opportunity to compete for procurements funded by EPA financial assistance dollars. Such good faith efforts are described as follows:

1. Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. This will include placing DBEs on solicitation lists and soliciting them whenever there are potential sources.
2. Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitation for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
3. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. This will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
5. Use the resources, services, and assistance of the U.S. Department of Transportation (DOT), U.S. Small Business Administration (SBA), and the Minority Business Development Agency of the U.S. Department of Commerce (MBDA).
6. If the Prime Contractor awards subcontracts, it must take the steps described in items (1) through (5) listed above.

Please note that DBEs, MBEs, and WBEs must be certified by EPA, SBA, or DOT (or by state, local, tribal, or private entities whose certification criteria match EPA's). DBEs must be certified to be counted toward the Prime Contractor's MBE/WBE goals. "Self-certified" DBE subcontractors will not be counted toward the Prime Contractor's MBE/WBE goals. Depending upon the certifying agency, a DBE may be classified as a DBE, a Minority Business Enterprise (MBE), or a Women's Business Enterprise (WBE).

The Prime Contractor must employ and document the **Six Good Faith Efforts** for all subcontracts, even if the Prime Contractor has achieved the fair share objectives.

The documentation of solicitations for the **Six Good Faith Efforts** must be detailed to allow for satisfactory review. Such documentation might include fax confirmation sheets, copies of solicitation letters/emails, printouts of the online solicitations, printouts of online search results, and affidavits of publication in newspapers or other publications. The Prime Contractor is encouraged to follow up each written, fax, or email solicitation with at least one logged phone call.

The Prime Contractor should attempt to identify and solicit DBEs in the geographic proximity of the project before soliciting those located farther away.

If a DBE subcontractor fails to complete work under the subcontract for any reason, the Prime Contractor must notify the Owner in writing prior to any termination and must employ the Six Good Faith Efforts described above if using a replacement subcontractor. Any proposed changes from the approved DBE subcontractor list must be reported to the Owner and to GEFA on the *Changes to Approved Subcontractors Form* (GEFA-14) prior to initiation of the action. EPA Forms Nos. 6100-3 and 6100-4 must also be submitted to GEFA for new DBE subcontracts.

RESOURCES FOR IDENTIFYING DBE SUBCONTRACTORS

RESOURCES FOR IDENTIFYING DBE SUBCONTRACTOR'S FOR DIRECT SOLICITATION:

Georgia Department of Transportation (GDOT)
Disadvantaged Business Enterprise Program
404-631-1972
<https://www.dot.ga.gov/GDOT/Pages/DBE.aspx>

City of Atlanta, Georgia Office of Contract Compliance
404-330-6010
<https://www.atlantaga.gov/government/mayor-s-office/executive-offices/office-of-contract-compliance>

DeKalb County, Georgia
Office of Purchasing and Contracting
404-371-4730
<http://dekalbbsbe.info/wordpress1/wp-content/uploads/2016/05/DeKalbCountyCertifiedVendorsListMay10-2016-Final2.pdf>

Fulton County, Georgia
Purchasing and Contract Compliance
404-612-5800

Metropolitan Atlanta Rapid Transit Authority (MARTA)
Disadvantaged Business Enterprise Program
404-848-4656

U.S. Environmental Protection Agency
http://www.epa.gov/osbp/dbe_team.htm

For more information about DBE compliance, contact:
waterresources@gefa.ga.gov

NOTES:

- (1) The Prime Contractor shall use the necessary resources to identify and directly solicit no less than three certified MBE firms and three WBE firms to bid in each expected subcontract area or trade.
- (2) If a diligent and documented search of the recommended directories does not identify three potential certified MBE firms and three potential certified WBE firms, then the Prime Contractor shall post an advertisement in the Owner's local legal organ, the Owner's official website, a regional newspaper in a larger community in the proximity, the Prime Contractor's website, or some other appropriate resource. Whenever possible, post solicitation for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
- (3) Expenditures to a DBE that acts merely as a broker or passive conduit of funds, without performing, managing, or supervising the work of its subcontract in a manner consistent with normal business practices may not be counted.
- (4) The Prime Contractor should attempt to identify and first solicit DBEs in the geographic proximity of the project before soliciting those located farther away.
- (5) Contact GEFA Project Managers at 404-584-1000 or waterresources@gefa.ga.gov for further assistance or resources.

CERTIFICATION BY PROPOSED PRIME CONTRACTOR OR SUBCONTRACTOR REGARDING EQUAL EMPLOYMENT OPPORTUNITY

Proposed Prime Contractor
Proposed Subcontractor

This certification is required pursuant to Executive Order 11246, Part II, Section 203 (b), (30 F.R. 12319-25), (as amended by EO 11375 of Oct. 13, 1967, 32 FR 14303, 3 CFR, 1966–1970 Comp., p. 684; EO 12086 of Oct. 5, 1978, 43 FR 46501, 3 CFR, 1978 Comp., p. 230, EO 13672 of July 21, 2104, 79 FR 42971). Any bidder or prospective prime contractor, or any of the proposed subcontractors, shall state as an initial part of the bid or negotiations of the contract whether it has participated in any previous contract or subcontract subject to the equal opportunity clause; and, if so, whether it has filed all compliance reports due under applicable instructions.

Where the certification indicated that the prime or subcontractor has not filed a compliance report due under applicable instruction, such contractor shall be required to submit a compliance report.

(1) Bidder has participated in a previous contract or subcontract subject to the Equal Opportunity Clause.
YES _____ NO _____

(2) Compliance Reports were required to be filed in connection with such contract or subcontract.
YES _____ NO _____ (If YES, state what reports were filed and with what agency.)

(3) Bidder has filed all compliance reports due under applicable instructions, including SF-100 (EEO-1 Report).
YES _____ NO _____ (If NO, please explain in detail.)

The information above is true and complete to the best of my knowledge and belief. (A willfully false statement is punishable by law – U.S. Code, Title 18, Section 1001.)

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE OF CONTRACTOR OR SUBCONTRACTOR

SIGNATURE OF AUTHORIZED REPRESENTATIVE

DATE

**CERTIFICATION BY PROPOSED PRIME CONTRACTOR OR SUBCONTRACTOR REGARDING
DEBARMENT, SUSPENSION, AND OTHER RESPONSIBLE MATTERS**

Proposed Prime Contractor
Proposed Subcontractor

Under Executive Order 12549 individuals or organizations debarred from participation in federal assistance programs may not receive an assistance award under federal program or sub-agreement there under for \$25,000 or more. Accordingly, each recipient of a state loan or a contract (engineering or construction) awarded under a loan must complete the following certification (see 2 CFR §1532.220).

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency.
- (b) Have not within a three year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state, or local) terminated for cause of default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. (A willfully false statement is punishable by law – U.S. Code, Title 18, Section 1001.)

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE OF CONTRACTOR OR SUBCONTRACTOR

SIGNATURE OF AUTHORIZED REPRESENTATIVE

DATE

_____ **I am unable to certify to the above statements. My explanation is as follows:**

CHANGES TO APPROVED SUBCONTRACTORS FORM

Loan Recipient _____ SRF Loan Number _____

CERTIFICATIONS:

I certify that the information submitted on and with this form is true and accurate and that this firm has met and will continue to meet the conditions of this construction contract regarding DBE solicitation and utilization. I further certify that criteria used in selecting subcontractors and suppliers were applied equally to all potential participants.

(Prime Contractor signature) Date _____

(Printed name and title)

I certify that I have reviewed the information submitted on and with this form and that it meets the requirements of the Owner's State Revolving Fund loan contract.

(Signature of Owner or Owner's representative) Date _____

(Printed name and title)

GENERAL INFORMATION:

- 1) If an approved subcontractor is terminated or replaced, please identify this company and briefly state reason.

Subcontractor Name:	Trade
Reason Terminated or Replaced	

- 2) For new or additional subcontractors, list name, trade, address, telephone number, contact person, dollar amount of subcontract, and DBE status.

New Subcontractor Name and Contact Person	Trade
Address	Telephone Number
Dollar Amount	DBE Status

- 1) Attach proof of certification by EPA, SBA, DOT (or by state, local, tribal, or private entities whose certification criteria match EPA's) for each subcontractor listed as a DBE, MBE, or WBE.
- 2) Attach documentation of Six Good Faith Efforts solicitation effort for all new subcontracts.
- 3) Provide justification for not selecting any certified DBE subcontractor that submitted a low bid for any subcontract area.
- 4) For each subcontractor, attach certifications regarding Equal Employment Opportunity (GEFA-9) and certifications regarding Debarment, Suspension, and Other responsible Matters (GEFA-10)

DBE ANNUAL REPORT
FORM (5700-52A)

This form must be completed by recipients of federal financial assistance for procurement of supplies, equipment, construction, or services. SRF loan recipients are required to submit this report to GEFA by the 20th of October for the previous period of October 1 through September 30. Please submit a "negative" report even if \$0 is the amount paid to MBE/WBE subcontractors during the reporting period.

ANNUAL REPORT FORM (5700-52A)			
1. PRIME CONTRACTOR		2. REPORTING PERIOD (Complete date using current year.) Period Ending (September 30, _____)	
3. SUBMIT TO: Georgia Environmental Finance Authority Attention: DBE Compliance Coordinator 47 Trinity Ave SW Fifth Floor Atlanta, Georgia 30303 waterresources@gefa.ga.gov		4. LOAN RECIPIENT (Name, Address, and Telephone)	
5. LOAN RECIPIENT (OWNER) REPORTING CONTACT	PHONE:	6. TYPE OF FEDERAL FINANCIAL ASSISTANCE PROGRAM (Check one) CWSRF _____ DWSRF _____	7. SRF LOAN NUMBER
8. CONTRACTOR NAME AND TOTAL CONSTRUCTION CONTRACT AMOUNT		9. ACTUAL DOLLAR AMOUNT PAID TO MBE/WBE SUBCONTRACTORS THIS PERIOD \$ MBE _____ \$ WBE _____ NEGATIVE REPORT (\$0) ____	
10. RECIPIENT'S MBE/WBE GOALS MBE 4.0 % WBE 4.0 %		11. TOTAL DOLLARS SPENT THIS PERIOD MBE \$ _____ WBE \$ _____ NON MBE/WBE \$ _____ TOTAL \$ _____	
12. NAME AND TITLE OF AUTHORIZED REPRESENTATIVE OF LOAN RECIPIENT (OWNER).		13. SIGNATURE OF AUTHORIZED REPRESENTATIVE OF LOAN RECIPIENT.	14. DATE
MBE/WBE PAYMENTS MADE DURING PERIOD			
NAME AND ADDRESS of DBE (SUB)CONTRACTOR (indicate if MBE or WBE firm)		TOTAL DOLLAR AMOUNT PAID AND DATE PAID \$ _____ DATE _____	

SPECIAL PROVISIONS

- (a) The Prime Contractor is required to pay its subcontractors in accordance with the Georgia Prompt Payment Act (OCGA 13-11).
- (b) The Prime Contractor is required to insert the entirety of the Davis Bacon contract requirements into all subcontracts.
- (c) Sewer line and water line crossing of all roads and streets shall be done in accordance with the Georgia Department of Transportation (D.O.T.) Policies and Procedures and must comply with the Ga. D.O.T. Standard Specifications, Construction of Roads and Bridges, 1993 Edition.
- (d) Construction shall be carried out so as to prevent bypassing of wastewater flow and to prevent interruption of drinking water treatment during construction. EPD must receive written notification prior to any reduction in the level of treatment and must approve all temporary modifications to the treatment process prior to the activity.
- (e) Erosion and Sedimentation Control shall be accomplished in accordance with the Georgia Erosion and Sedimentation Control Act of 1975 as currently amended and NPDES General Permits (Storm Water from Construction Sites). See also epd.georgia.gov and gaswcc.georgia.gov for information regarding permits.
- (f) Use of Chemicals: All chemicals used during project construction or furnished for project operation, whether herbicide, pesticide, disinfectant, polymer reactant or of other classification, must show approval of either EPA or USDA. Use of all such chemicals and disposal of residues shall be in conformance with state and local regulations as appropriate.
- (g) It is the duty of the Prime Contractor, the Owner and the Engineer to ensure the construction of the project, including the letting of contracts in connection therewith, shall comply with all applicable laws and regulations and requirements of the United States of America or any agency thereof, the state of Georgia or any agency thereof, territorial, or any local government laws or political subdivision and ordinances to the extent that such requirements do not conflict with federal laws and this subchapter.
- (h) EPD, EPA, and GEFA shall have access to the site and the project work at all times.

BONDS

Bonding requirements for Contracts of \$100,000 or less are contained in the General Conditions. Bond requirements of contracts in excess of \$100,000 are:

1. Bid guarantee equivalent to five percent of the bid price. The bid guarantee shall consist of a firm commitment such as a certified check or bid bond submitted with the bid;
2. Performance bond equal to 100 percent of the contract price, and;
3. Payment bond equal to 100 percent of the contract price. Bonds must be obtained from companies holding Certificates of Authority as acceptable sureties, issued by the U.S. Treasury.

SPECIAL NOTICE TO BIDDERS

By the submission of this bid, each bidder acknowledges that he understands and agrees to be bound by the equal opportunity requirements of EPA regulations (40 CFR Part 8, particularly Section 8.4 (b)), which shall be applicable throughout the performance of work under any contract awarded pursuant to this solicitation. Each bidder agrees that if awarded a contract, it will similarly bind contractually each subcontractor. In implementation of the foregoing policies, each bidder further understands and agrees that if awarded a contract, it must engage in affirmative action directed at promoting and ensuring equal employment opportunity in the workforce used under the contract (and that it must require contractually the same effort of all subcontractors whose subcontracts exceed \$10,000.00). The bidder understands and agrees that "affirmative action" as used herein shall constitute a good faith effort to achieve and maintain minority employment in each trade in the on-site workforce used on the project.

EQUAL EMPLOYMENT OPPORTUNITY NOTICE

NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL OPPORTUNITY (EXECUTIVE ORDER 11246)

1. The Offeror's or Bidder's attention is called to the Equal Opportunity Clause which is included in the nondiscrimination Provision and Labor Standards, EPA Form 5720-4 and the Standard Federal Equal Employment Opportunity (EEO) Construction Contract Specifications set forth herein.
2. The goals for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Goals for minority participation for each trade	4.0 percent
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Goals for female participation for each trade	4.0 percent
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These goals are applicable to all the Contractor's construction work (whether or not it is federal or federally assisted) performed in the covered area.

The Contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals established for the geographical area where the contract resulting from this solicitation is to be performed. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minority and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation to the contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 40CFR Part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract.
4. As used in this Notice, and in the contract resulting from this solicitation, the "covered area" is (insert description of the geographical area where the contract is to be performed giving the state, county, and city, if any).

EEO Construction Contract Specifications

Executive Order 11246

<https://www.dol.gov/agencies/ofccp/executive-order-11246/as-amended>

N/A Davis-Bacon and Related Acts

<https://www.dol.gov/agencies/whd/government-contracts/construction>

N/A INSERT WAGE RATE DETERMINATION HERE

Wage Rates (for *Heavy Construction*) are state/county specific can be found at:

<http://www.dol.gov/whd/govcontracts/dbra.htm>

N/A Sample Payroll Form (WH-347) is found at:

<http://www.dol.gov/whd/forms/wh347.pdf>

N/A Labor Standards Interview Form (SF-1445) is found at:

<http://www.gsa.gov/portal/forms/download/115910>

N/A Davis-Bacon (WH-1321) poster is found at:

<http://www.dol.gov/whd/regs/compliance/posters/fedprojc.pdf> (English)

<http://www.dol.gov/whd/regs/compliance/posters/davispan.pdf> (Spanish)

N/A Fair Labor Standards Act Minimum Wage poster is found at:

<http://www.dol.gov/whd/regs/compliance/posters/minwagebwp.pdf> (English)

<http://www.dol.gov/whd/regs/compliance/posters/minwagespbwP.pdf> (Spanish)

“EEO Is the Law” poster is found at:

https://www.eeoc.gov/sites/default/files/2022-10/22-088_EEOC_KnowYourRights_10_20.pdf

(English)

https://www.eeoc.gov/sites/default/files/2022-10/22-088_EEOC_KnowYourRightsSp_10_20.pdf

(Spanish)

OSHA poster is found at:

<https://www.osha.gov/sites/default/files/publications/osh3165.pdf>

(English)

<https://www.osha.gov/sites/default/files/publications/osh3167.pdf>

(Spanish)

N/A CERTIFIED PAYROLL REVIEW CHECKLIST

(This is a recommended Certified Payroll Review Checklist for the Owner's use.)

CONTRACT ID City of CW/DWSRF#00 - 000	PRIME CONTRACTOR/SUBCONTRACTOR X Construction
GENERAL WAGE DECISION AND DATE (Insert number and date)	PAYROLL PERIOD ENDING

INSTRUCTIONS: This checklist is to be used in conjunction with projects requiring Davis-Bacon Wage Rates and compliance reviews. All certified payrolls are to be date stamped upon receipt from the prime contractor.

Payroll Information Checklist:

- _____ Prime Contractor's or subcontractor's name and address
- _____ Contract ID numbers (GEFA SRF No.)
- _____ Week ending.
- _____ Project location.

- _____ Employee ID or Last four digits of Social Security
- _____ Number Social Security Number removed
- _____ Employee's work classification
- _____ Identification of OJTs, apprentices, and program levels (%) on payrolls.
- _____ Verify that OJT and Apprentice Program documentation is in project files.

- _____ Daily and weekly employee hours worked in each job classification.
- _____ Daily and weekly employee overtime (or premium) hours worked
- _____ Total weekly hours worked on all jobs (prevailing and non-prevailing wage).
- _____ Base rate shown for each employee, overtime (or premium) rate shown when worked.
- _____ Verify correct wage rates are being paid.
- _____ Verify overtime is being paid correctly (over 40 hrs/wk, and Time and a half)
- _____ Week's gross wages
- _____ Week's itemized deductions.
- _____ Week's net wages paid

- _____ Compliance statement attached.
- _____ Method of fringe benefit payment described by checking either box (4)(a) or (4)(b).
- _____ Fringe benefit package information in file and updated as needed (if 4(a) is checked)
- _____ Exceptions explanation for fringe benefit (4)(c).
- _____ Signature.

Compliance Review Checklist (for field reviews):

- _____ Verify work classifications reported are consistent with the work performed.
- _____ Compare payrolls with wage rate interviews when conducted.
- _____ Compare number of employees and hours worked with project documentation.

REVIEWED BY:	DATE
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GEORGIA ENVIRONMENTAL FINANCE AUTHORITY

AMERICAN IRON AND STEEL

SPECIAL CONDITIONS AND INFORMATION

For

FEDERALLY ASSISTED

STATE REVOLVING LOAN FUND

CONSTRUCTION CONTRACTS

April 11, 2014

The following standard language must be incorporated into construction contract documents and in all solicitations for offers and bids for all construction contracts or subcontracts to be funded, in whole or in part, through the Federally-assisted State Revolving Fund in the State of Georgia for projects subject to the American Iron and Steel requirements.

These Special Conditions shall not relieve the participants in this project of responsibility to meet any requirements of other portions of this construction contract or of other agencies, whether these other requirements are more or less stringent. The requirements in these Special Conditions must be satisfied in order for work to be funded with the State Revolving Fund.

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GENERAL REQUIREMENTS

These Special Conditions are based on guidance provided by the United States Environmental Protection Agency (EPA). Public Law 113-76, the Consolidated Appropriations Act, 2014 (Act), includes an “American Iron and Steel” (AIS) requirement that requires State Revolving Loan Fund (SRF) assistance recipients to use iron and steel products that are produced in the United States for projects in this project. A copy of Section 436 of the Act is found in Appendix 3.

The products and materials subject to these requirements will be defined in Appendix 1 of these special conditions.

The Owner must maintain documentation of compliance with the AIS requirements. The documentation that the Owner maintains will be subject to review and audit by representatives of the state of Georgia, the EPA, the EPA Office of the Inspector General, and other federal authorities.

The Prime Contractor must provide certifications of compliance for all products subject to AIS requirements to the Owner prior to requesting payments for those products. The Owner or the Engineer may require certifications of compliance with submittals and shop drawings for these products as part of the submittal review process.

All manufacturing processes for a covered iron or steel product, as further defined in Appendix 1, must take place in the United States. If a covered product is taken out of the US for any part of the manufacturing process, it becomes foreign source material.

The EPA recommends the use of a step certification process to document the locations of the manufacturing processes involved with the production of steel and iron materials. A step certification is a process under which each handler (supplier, fabricator, manufacturer, processor, etc.) of the iron and steel products certifies that its step in the process was domestically performed. Each time a step in the manufacturing process takes place, the manufacturer delivers its work along with a certification of its origin. A certification should include the name of the manufacturer, the location of the manufacturing facility where the product or process took place (not its headquarters), a description of the product or item being delivered, and a signature by a manufacturer’s responsible party. Attached in Appendix 2 is a sample step certification.

Alternatively, the final manufacturer that delivers the iron or steel product to the worksite, vendor, or contractor, may provide a certification asserting that all manufacturing processes for the product and for its iron and steel components occurred in the United States. The EPA states that additional documentation may be needed if the certification lacks important information and recommends step certification as the best practice. A sample final manufacturer certification is attached in Appendix 2.

The Prime Contractor may document that incidental and generally low cost components, as defined in Appendix 1, are compliant with AIS requirements under the De Minimis Waiver issued by the EPA. For these items, the Contractor must provide the Owner with documentation of costs for these items, including invoices, and a report of types and categories of materials to which the waiver is applied, the total cost of incidental components covered by the waiver for each category, and the calculations by which the total cost of materials incorporated into the project was determined. A sample De Minimis report is attached in Appendix 2.

Contractor, supplier, and manufacturer records are subject to review and audit by the EPA, its Inspector General, and other federal authorities.

Failure to comply with these requirements may delay, limit, or prevent the disbursement of SRF funds to the Owner. Violations of AIS requirements will require correction by the Contractor as determined by the Owner and Engineer, including replacement of deficient products with compliant products and compensation for costs and other damages that may result. Violations may also subject the Owner, the Contractor, and suppliers to other enforcement actions within the discretion of the EPA and other federal authorities.

The Act permits EPA to issue waivers for a case or category of cases in which EPA finds (1) that applying these requirements would be inconsistent with the public interest; (2) iron and steel products are not produced in the US in sufficient and reasonably available quantities and of a satisfactory quality; or (3) inclusion of iron and steel products produced in the US will increase the cost of the overall project by more than 25 percent. The Contractor should notify the Owner and Engineer immediately if it finds that a waiver may be required.

By submitting a bid for this project and by executing this construction contract, the Contractor acknowledges to and for the benefit of the Owner and the state of Georgia that it understands that the goods and services under this Agreement are being funded with monies made available by the Clean Water State Revolving Fund or the Drinking Water State Revolving Fund and that Federal law authorizing these Funds contains provisions commonly known as "American Iron and Steel" that requires all of the iron and steel products used in the project to be produced in the United States ("American Iron and Steel Requirement") including iron and steel products provided by the Contractor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Owner and the state of Georgia that (a) the Contractor has reviewed and understands the American Iron and Steel Requirement, (b) all of the iron and steel products used in the project will be and/or have been produced in the United States in a manner that complies with the American Iron and Steel Requirement, unless a waiver of the requirement is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the American Iron and Steel Requirement, as may be requested by the Owner or the state of Georgia. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Owner or the state of Georgia to recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney's fees) incurred by the Owner or the state of Georgia resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the state of Georgia or any damages owed to the state of Georgia by the Owner). The Owner and the Contractor agree that the state of Georgia, as a lender to the Owner for the funding of its project, is a third-party beneficiary and neither this paragraph (nor any other provision of this Agreement necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the state of Georgia.

Appendix 1 – Definitions

For purposes of the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) projects that must comply with the AIS requirement, an iron or steel product is one of the following made primarily of iron or steel that is permanently incorporated into the project:

Lined or unlined pipes or fittings;
Manhole Covers;
Municipal Castings (defined in more detail below);
Hydrants;
Tanks;
Flanges;
Pipe clamps and restraints;
Valves;
Structural steel (defined in more detail below);
Reinforced precast concrete (defined in more detail below); and
Construction materials (defined in more detail below).

Product primarily of iron or steel: The product must be made of greater than 50% iron or steel, measured by cost. If one of the listed products is not made primarily of iron or steel, United States (US) provenance is not required, except as required for reinforced precast concrete. If a product is composed of more than 50% iron or steel, but is not listed in Section 436 (a) (2) of the Act, it is not required to be produced in the US. Alternatively, the iron or steel in such a product can be sourced from outside the US.

Steel: An alloy that includes at least 50 percent iron and between 0.02 and 2 percent carbon and may include other elements. Other alloys of iron are not required to be produced in the US.

Produced in the United States: Production in the US of the iron or steel products used in the project requires that all manufacturing processes, including application of coatings, must take place in the United States, with the exception of metallurgical processes involving refinement of steel additives. All manufacturing processes includes processes such as melting, refining, forming, rolling, drawing, finishing, fabricating and coating. Further, if a domestic iron and steel product is taken out of the US for any part of the manufacturing process, it becomes foreign source material. However, raw materials such as iron ore, limestone and iron and steel scrap are not covered by the AIS requirement, and the material(s), if any, being applied as a coating are similarly not covered. Non-iron or steel components of an iron and steel product may come from non-US sources. For example, for products such as valves and hydrants, the individual non-iron and steel components do not have to be of domestic origin.

Municipal Castings: Municipal castings are cast iron or steel infrastructure products that are melted and cast. They typically provide access, protection, or housing for components incorporated into utility owned drinking water, storm water, wastewater, and surface infrastructure. They are typically made of grey or ductile iron, or steel. Examples of municipal castings include access hatches, ballast screen, benches, bollards, cast bases, cast iron hinged hatches, cast iron riser rings, catch basin inlets, cleanout/monument boxes, construction covers and frames, curb and corner guards, curb openings, detectable warning plates, downspout shoes, drainage grates, frames & curb inlets, inlets, junction boxes, lampposts, manhole covers, rings & frames, risers, meter boxes, steel hinged hatches, steel riser rings, trash receptacles, tree grates, tree guards, trench grates, and valve boxes.

Structural Steel: Structural steel is rolled flanged shapes, having at least one dimension of their cross-section 3 inches or greater, which are used in the construction of bridges, buildings, ships, railroad rolling stock, and for numerous other constructional purposes. Such shapes are designated as wide-flange shapes, standard I-beams, channels, angles, tees and zeeks. Other shapes include H-piles, sheet piling, tie plates, cross ties, and those for other special purposes.

Reinforced Precast Concrete: While reinforced precast concrete may not be at least 50% iron or steel, in this particular case, the reinforcing rebar must be produced in the US and meet the same standards as for any other iron or steel product. Additionally, the casting of the concrete product must take place in the US. The cement and other raw materials used in concrete production are not required to be of domestic origin. If the reinforced concrete is cast at the construction site, the reinforcing rebar is considered to be a construction material and must be produced in the US.

Construction Materials subject to AIS: Construction materials are those articles, materials, or supplies made primarily of iron and steel, that are permanently incorporated into the project, not including mechanical and/or electrical components, equipment and systems. Some of these products may overlap with what is also considered “structural steel”. This includes, but is not limited to, the following products: welding rods, wire rod, bar, angles, concrete reinforcing bar, wire, wire cloth, wire rope and cables, tubing, framing, joists, trusses, fasteners (i.e., nuts and bolts), decking, grating, railings, stairs, access ramps, fire escapes, ladders, wall panels, dome structures, roofing, ductwork, surface drains, cable hanging systems, manhole steps, fencing and fence tubing, guardrails, doors, gates, and screens.

Construction Materials not subject to AIS: Mechanical and/or electrical components, equipment and systems are not considered construction materials. Mechanical equipment is typically that which has motorized parts and/or is powered by a motor. Electrical equipment is typically any machine powered by electricity and includes components that are part of the electrical distribution system.

The following examples, including their appurtenances necessary for their intended use and operation, are NOT considered construction materials: pumps, motors, gear reducers, drives, variable frequency drives (VFDs), mixers, blowers/aeration equipment, compressors, meters, electric/pneumatic/manual accessories used to operate valves (such as valve actuators), gates, motorized screens (such as traveling screens), sensors, controls, switches, supervisory control and data acquisition (SCADA), membrane bioreactor systems, membrane filtration systems, filters, clarifiers and clarifier mechanisms, rakes, grinders, disinfection systems, dewatering equipment, presses (including belt presses), conveyors, cranes, HVAC (excluding ductwork), water heaters, heat exchangers, generators, cabinetry and housings (such as electrical boxes/enclosures), lighting fixtures, electrical conduit, emergency life systems, metal office furniture, shelving, laboratory equipment, and analytical instrumentation.

Items temporarily used during construction, which are removed from the project site upon completion of the project, are not required to be made of U.S. Iron or Steel. For example, trench boxes or scaffolding are not considered construction materials subject to AIS requirements.

Incidental Components compliant with AIS under the De Minimis Waiver: This waiver permits the use of de minimis incidental components that may otherwise be prohibited under AIS. These de minimis items may cumulatively comprise no more than a total of 5 percent of the total cost of the materials used in and incorporated into the project. The cost of an individual item may not exceed 1 percent of the total cost of the materials used in and incorporated into the project.

These items are miscellaneous, generally low-cost components that are essential for, but incidental to, the construction and are permanently incorporated into the project. For many of these incidental components, the country of manufacture and the availability of alternatives are not always readily or reasonably identifiable prior to procurement in the normal course of business. For other incidental components, the country of manufacture may be known, but the miscellaneous character in conjunction with the low cost, individually and in total, as typically procured in bulk, mark them as properly incidental. Examples of incidental components include small washers, screws, fasteners (i.e., nuts and bolts), miscellaneous wire, corner bead, ancillary tube.

Examples of items that are not incidental and are not covered by the De Minimis Waiver include significant process fittings (i.e., tees, elbows, flanges, and brackets), distribution system fittings and valves, force main valves, pipes for sewer collection and/or water distribution, treatment and storage tanks, large structural support structures.

Items covered as compliant under this waiver must be documented in a report to the Owner to demonstrate that they are both incidental and that they fall within the cost allowances of this waiver. The costs of these items must be documented by invoices. The report must include a listing of types and categories of materials to which the waiver is applied, the total cost of incidental components covered by the Waiver for each category, and the calculations by which the total cost of materials incorporated into the project was determined.

Appendix 2 – Sample Certifications

Step Certification

The following information is provided as a sample letter of step certification for American Iron and Steel compliance. Documentation must be provided on company letterhead. This is to be provided by each handler (supplier, fabricator, manufacturer, processor, etc.). Each time a step in the manufacturing process takes place, the handler delivers its work along with a certification of its origin.

Date

Company Name
Company Address
City, State Zip

Subject: American Iron and Steel Step Certification for Project (Insert project name and SRF number)

I, (company representative), certify that the (melting, bending, coating, galvanizing, cutting, etc.) process for (manufacturing or fabricating) the following products and/or materials shipped or provided for the subject project is in full compliance with the American Iron and Steel requirement as mandated in EPA's State Revolving Fund Programs.

List of items, products and/or materials:

If any of the above compliance statements change while providing material to this project we will immediately notify the prime contractor and the engineer.

Signed by company representative

Appendix 2 – Sample Certifications

Final manufacturer certification

The following information is provided as a sample letter of the final manufacturer to certify American Iron and Steel compliance for the entire manufacturing process. Documentation must be provided on company letterhead.

Date

Company Name
Company Address
City, State Zip

Subject: American Iron and Steel Certification for Project (Insert project name and SRF number)

I, (company representative), certify that the following products and/or materials shipped/provided to the subject project are in full compliance with the American Iron and Steel requirement of P.L. 113-76 and as mandated in EPA's State Revolving Fund Programs.

List of items, products and/or materials:

If any of the above compliance statements change while providing material to this project we will immediately notify the prime contractor and the engineer.

Signed by company representative

Appendix 2 – Sample Certifications Contractor De Minimis Report

Owner: (Owner Name)

SRF Project No: (SRF Number)

Project Description: (Contract title or brief description)

Date: (Date of report)

Submitted by (name & title): (Contractor representative)
Company Name

LIST OF MATERIALS OR CATEGORIES OF MATERIALS PERMANENTLY INCORPORATED INTO THE PROJECT

Category or Item	\$1,000.00
Category or Item	\$1,000.00
Category or Item	\$1,000.00
Category or Item	\$1,000.00
Category or Item	\$1,000.00
Category or Item	\$1,000.00
Category or Item	\$1,000.00
Category or Item	\$1,000.00
Category or Item	\$1,000.00
Category or Item	\$1,000.00

Total Permanent Materials **\$10,000.00**

1 % of total material cost	\$100.00	Maximum cost for individual item waived
5 % of total material cost	\$500.00	Maximum cumulative cost for category waived

LIST OF MATERIALS OR CATEGORIES OF MATERIALS COVERED BY DE MINIMIS WAIVER

Category or Item	\$100.00	Yes
Category or Item	\$100.00	Yes
Category or Item	\$100.00	Yes
Category or Item	\$100.00	Yes
Category or Item	\$100.00	Yes

Total De Minimis Items **\$500.00** **Yes**

INVOICES ATTACHED FOR DE MINIMIS ITEMS.

Appendix 3 – P.L. 113-76, Consolidated Appropriations Act, 2014

The Act states:

Sec. 436 (a)(1) None of the funds made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or made available by a drinking water treatment revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12) shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products used in the project are produced in the United States.

(2) In this section, the term “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

(b) Subsection (a) shall not apply in any case or category of cases in which the Administrator of the Environmental Protection Agency (in this section referred to as the “Administrator”) finds that—

(1) applying subsection (a) would be inconsistent with the public interest;

(2) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(3) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent.

(c) If the Administrator receives a request for a waiver under this section, the Administrator shall make available to the public on an informal basis a copy of the request and information available to the Administrator concerning the request, and shall allow for informal public input on the request for at least 15 days prior to making a finding based on the request. The Administrator shall make the request and accompanying information available by electronic means, including on the official public Internet Web site of the Environmental Protection Agency.

(d) This section shall be applied in a manner consistent with United States obligations under international agreements.

(e) The Administrator may retain up to 0.25 percent of the funds appropriated in this Act for the Clean and Drinking Water State Revolving Funds for carrying out the provisions described in subsection (a)(1) for management and oversight of the requirements of this section.

(f) This section does not apply with respect to a project if a State agency approves the engineering plans and specifications for the project, in that agency’s capacity to approve such plans and specifications prior to a project requesting bids, prior to the date of the enactment of this Act.

GEORGIA ENVIRONMENTAL FINANCE AUTHORITY

BUILD AMERICA, BUY AMERICA ACT SPECIAL CONDITIONS AND INFORMATION for FEDERALLY ASSISTED STATE REVOLVING LOAN FUND CONSTRUCTION CONTRACTS

The following memorandum issued by the U.S. Environmental Protection Agency on November 3, 2022, provides implementation guidance for the Build America, Buy America Act (BABA). Exhibit D of the Georgia Environmental Finance Authority Loan Agreement requires compliance with BABA as needed. The following two links contain the required language for agreements.

[Appendix 1](#) language is required to be inserted into construction contracts to comply with BABA.

[Appendix 2](#) language is incorporated by reference into Exhibit D of GEFA's State Revolving Fund assistance agreements.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF WATER

November 3, 2022

MEMORANDUM

SUBJECT: Build America, Buy America Act Implementation Procedures for EPA Office of Water Federal Financial Assistance Programs

FROM: Radhika Fox
Assistant Administrator

A handwritten signature in black ink, appearing to be "R. Fox", is placed to the right of the "FROM:" line.

TO: EPA Regional Water Division Directors, Regions I – X
EPA Office of Water Office Directors

OVERVIEW

The Biden-Harris Administration recognized the Nation's critical need for infrastructure investment, championing the Bipartisan Infrastructure Law (BIL), which Congress passed on November 15, 2021 (also known as the Infrastructure Investment and Jobs Act (IIJA)). The BIL will provide an unprecedented level of federal investment in water and wastewater infrastructure in communities across America.

In Title IX of the IIJA, Congress passed the Build America, Buy America (BABA) Act, which establishes strong and permanent domestic sourcing requirements across all Federal financial assistance programs for infrastructure. The U.S. Environmental Protection Agency (EPA) Office of Water is honored to help lead the implementation of these provisions and is proud of its near decade of successful implementation of the American Iron and Steel (AIS) provisions for its flagship water infrastructure programs.

This is a transformational opportunity to build a resilient supply chain and manufacturing base for critical products here in the United States that will spur investment in good-paying American manufacturing jobs and businesses. EPA's efforts to implement BABA will help cultivate the domestic manufacturing base for a wide range of products commonly used across the water sector but not currently made domestically. This will take time, and flexibility will be important to ensure that EPA can leverage critical water investments on time and on budget to protect public health and improve water quality.

IMPLEMENTATION

Recognizing the opportunity and need for BABA implementation guidance, the Made in America Office (MIAO) of the Office of Management and Budget (OMB) published [Initial Implementation Guidance on Application of Buy America Preference in Federal Financial Assistance Programs for Infrastructure](#) (OMB Guidance M-22-11) on April 18, 2022. The guidance provides government-wide implementation direction for all Federal financial assistance programs for infrastructure. Despite the extensive guidance developed by MIAO, EPA's Office of Water infrastructure investment programs have received many questions that were not addressed in OMB Guidance M-22-11 or that require further clarification for EPA water infrastructure programs. The following questions and answers serve to supplement OMB Guidance M-22-11 with implementation procedures specific to EPA's relevant water infrastructure programs.

Section 70914(a) of the IIJA states when a Buy America preference under BABA applies: "Not later than... [May 14, 2022], the head of each Federal agency shall ensure that none of the funds made available for a Federal financial assistance program for infrastructure...may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States." Therefore, Federal financial infrastructure investments obligated on or after May 14, 2022, must comply with the BABA requirements. Absent a waiver, all iron, steel, manufactured products, and construction materials permanently incorporated into an infrastructure project subject to the BABA requirements must be produced in the United States. For many of EPA's Office of Water infrastructure investment programs, the vast majority of products permanently incorporated into construction, maintenance, or repair projects must comply with the BABA requirements, with the exception of select construction materials (cement and cementitious materials; aggregates such as stone, sand, or gravel; or aggregate binding agents or additives), which are specifically excepted by the BABA statute.

EPA's Office of Water implements many infrastructure investment programs subject to BABA requirements, including the following:

- Alaska Native Villages and Rural Communities Water Grant Program (ANV) (and any associated Interagency Agreements with the Indian Health Service)
- Clean Water and Drinking Water State Revolving Fund Programs (CW and DWSRF)
- Clean Water and Drinking Water Grants to U.S. Territories and the District of Columbia
- Clean Water Indian and Drinking Water Tribal Infrastructure Grant Set-aside (and any associated Interagency Agreements with the Indian Health Service)
- Coastal Wetlands Planning, Protection and Restoration Act, (CWPPRA) Programs
- Congressionally Directed Spending/Community Project Funding (also known as Community Grants)
- Geographic Programs¹
- Gulf Hypoxia Program
- National Estuaries Program (CWA Section 320)

¹ Geographic Programs include: Great Lakes Restoration Initiative, Chesapeake Bay, San Francisco Bay, Puget Sound, Long Island Sound, Gulf of Mexico, South Florida, Lake Champlain, Lake Pontchartrain, Southern New England Estuaries, Columbia River Basin, Pacific Northwest

- 319 Nonpoint Source Management Program Implementation
- Reducing Lead in Drinking Water Grant Program (SDWA §1459B)
- Assistance for Small and Disadvantaged Communities Grants: Small, Underserved, and Disadvantaged Community Grant Program (SUDC), Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) and Drinking Water Infrastructure Resilience & Sustainability (SDWA §1459A)
- Sewer Overflow and Stormwater Reuse Municipal Grants (OSG)
- USMCA Implementing Legislation (Section 821 and Title IX, USMCA Supplemental Appropriations, 2020)
- U.S.-Mexico Border Water Infrastructure Program
- Voluntary School and Child Care Program Lead Testing and Remediation Grant Program (SDWA 1464(d))
- Water Infrastructure Finance and Innovation Act (WIFIA)

The questions and answers in this document apply to the implementation of BABA requirements for the Office of Water infrastructure programs listed above unless superseded by regulation, statute, or other applicable guidance. For many of the programs listed above which did not have domestic preference requirements prior to BABA, additional implementation details are pending or may be developed after the issuance of these procedures. In addition, EPA notes that more direction will be helpful to inform the determination and definition of domestic content in manufactured goods. Supplemental guidance on these and other issues, from either OMB or EPA, may be forthcoming. These implementation procedures may also apply to additional, unlisted EPA programs which may be required to apply BABA subsequent to publication of this memorandum (e.g., future funding programs which have been authorized, but not yet appropriated).

For more information on the BABA requirements, visit the EPA Office of Water’s dedicated website – <https://www.epa.gov/cwsrf/build-america-buy-america-baba> – or contact your funding authority (such as your grants officer, portfolio manager, or state contact). For information on approved waivers, visit <https://www.epa.gov/cwsrf/build-america-buy-america-baba-approved-waivers>. You may also email questions to BABA-OW@epa.gov.

This Implementation Procedures document is organized to provide responses to questions in the following topic areas:

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QUESTIONS AND ANSWERS

SECTION 1: GENERAL

- Q1.1: Will EPA provide documentation for BABA for bid solicitations and suggested contract language? Will EPA provide suggested language for Assistance Agreements?
 - A1.1: See Appendix 1, which includes suggested language for construction contracts which addresses the BABA requirements. In addition to the language suggested in Appendix 1, EPA also recommends that assistance recipients prepare contract bid solicitation documents with a statement for the consulting engineers and construction firms as follows: “By signing payment application and recommending payment, Contractor certifies they have reviewed documentation for all products and materials submitted for payment, and the certifications are sufficient to demonstrate compliance with Build America, Buy America Act requirements.” In most cases, the assistance recipient’s representatives assume the responsibility for their clients to conduct due diligence on compliance with applicable domestic preference requirements.

All Federal Financial infrastructure assistance agreements subject to BABA must have a clause requiring compliance with the requirements. See Appendix 2 for example assistance agreement language.
- Q1.2: Would federally-financed infrastructure projects outside of the United States need to comply with the BABA requirements?
 - A1.2: No. According to the OMB Guidance (M-22-11), a “project” is defined as “...any activity related to the construction, alteration, maintenance, or repair of infrastructure in the United States.” Therefore, the BABA requirements are not implicated for infrastructure projects occurring outside of the United States, such as projects funded through the United States-Mexico-Canada Agreement with infrastructure activities occurring in Mexico or Canada (that is, outside the United States).
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- Q1.3: If most of the project is BABA compliant, and a small portion is not, can an assistance recipient self-fund (i.e., paying with non-federal dollars) the non-compliant products?
 - A1.3: Any project that is funded in whole or in part with federal assistance must comply with the BABA requirements, unless the requirements are otherwise waived. All iron, steel, manufactured products, and construction materials used in a project must meet the BABA requirements unless waived. Absent a waiver, there is no “small portion” or product that does not need to satisfy the BABA requirements unless the requirements are waived (or specifically excluded as is the case for cement and cementitious materials; aggregates such as stone, sand, or gravel; aggregate binding agents or additives; or non-permanent products). An assistance recipient may request a waiver or inquire as to whether a broad waiver, such as a *de minimis* waiver, might apply.

- Q1.4: How do international trade agreements affect the implementation of the BABA requirements?
 - A1.4: The BABA requirements apply in a manner consistent with United States obligations under international trade agreements. Typically, these obligations only apply to direct procurement by the entities that are signatories to these trade agreements. In general, assistance recipients are not signatories to such agreements, so these trade agreements have no impact on BABA implementation. In the few instances where such an agreement applies to a municipality, that municipality is responsible for determining its applicability and requirements and communicating with the funding authority (such as EPA and/or a state) on the actions taken to comply with BABA.

SECTION 2: PRODUCT COVERAGE

- Q2.1: For products made of iron and steel, what is the difference between predominantly and primarily iron and steel?
 - A2.1: EPA considers the terms “predominantly” and “primarily” to be interchangeable, such that a product is considered predominantly (or primarily) iron and steel if it contains greater than 50 percent iron and steel by material cost.
- Q2.2: What is the definition of construction materials (with examples)?
 - A2.2: From OMB Guidance M-22-11: “construction materials” include an article, material, or supply (other than an item of primarily iron or steel; a manufactured product; cement and cementitious materials; aggregates such as stone, sand, or gravel; aggregate binding agents or additives; or non-permanent products) that is or consists primarily of:
 - non-ferrous metals,
 - plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), (including optic glass),
 - lumber, and
 - drywall.

For example, a plate of glass would be a construction material under BABA, but a framed window that incorporates the glass into a frame would be a manufactured product. Another common construction material for water infrastructure projects would be polyvinyl chloride (PVC) pipe and fittings. However, if PVC components are incorporated into a more complex product such as instrumentation and control equipment or a water treatment unit, those items would be manufactured products.

- Q2.3: What are manufactured products (with examples)?
 - A2.3: From OMB Guidance M-22-11: “...all manufactured products used in the project are produced in the United States—this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total

cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation...”

The manufactured products category would cover the majority of potential water infrastructure products, including complex products made up of a variety of material types and components. For water infrastructure projects, common manufactured products would include, but not be limited to, pumps, motors, blowers, aerators, generators, instrumentation and control systems, gauges, meters, measurement equipment, treatment equipment, dewatering equipment, actuators, and many other mechanical and electrical items.

- Q2.4: Which category will valves fall under for BABA? Will it differ from the American Iron and Steel (AIS) requirements?
 - A2.4: For programs that are subject to BABA and AIS (SRF, WIFIA, and Community Project Funding), projects using valves should classify them as iron and steel products under BABA as long as their material cost is made up of more than 50 percent iron and/or steel. Valves with 50 percent or less iron and/or steel by material cost would be considered manufactured products under the BABA requirements.

In accordance with OMB Guidance M-22-11, an article, material, or supply should be classified into only one of the three categories: iron and steel, manufactured products, or construction materials. Under the AIS requirements, all valves made primarily of iron and steel (that is, those with iron and/or steel material cost greater than 50 percent) must comply with the AIS requirements. For BABA, EPA interprets Section IV of OMB Guidance M-22-11 to mean that iron and steel products are those items that are primarily iron and steel, the same as for the AIS requirements.

- Q2.5: Does EPA have a list of products to be classified as “Iron and Steel” under BABA?
 - A2.5: Although this list is not comprehensive, the following products were classified as AIS products if made primarily (more than 50 percent) of iron and/or steel by materials cost (for programs subject to both AIS and BABA, this list would be equivalent for “iron and steel” items or products under either requirement):

Products likely made “primarily” of iron and steel to be classified as <u>Iron and Steel</u> under BABA		
Lined and Unlined Pipe	Lined and Unlined Fittings	Tanks
Flanges	Pipe Clamps and Restraints	Structural Steel
Valves	Hydrants	Pre-Cast, Iron/Steel Reinforced Concrete (of all types, regardless of iron/steel content percentage)
Manhole Covers and other Municipal Castings	Access Hatches	Ballast Screens
Iron or Steel Benches	Bollards	Cast Bases
Cast Iron Hinged Hatches	Cast Iron Riser Rings	Catch Basin Inlets
Cleanout/Monument Boxes	Construction Covers and Frames	Curb and Corner Guards

Products likely made “primarily” of iron and steel to be classified as <u>Iron and Steel</u> under BABA		
Curb Boxes	Curb Openings	Curb Stops
Detectable Warning Plates	Downspout Shoes	Drainage Grates
Drainage Grate Frames and Curb Inlets	Inlets	Junction Boxes
Lampposts	Manhole Rings and Frames	Manhole Risers
Meter Boxes	Service Boxes	Steel Hinged Hatches
Steel Riser Rings	Trash Receptacles	Tree Grates
Tree Guards	Trench Grates	Valve Boxes
Valve Box Covers and Risers	Access Ramps	Aeration Pipes and Fittings (separate from aeration/blowers)
Angles	Backflow Preventers/Double Check Valves	Baffle Curtains
Iron or Steel Bar	Bathroom Stalls	Beam Clamps
Cable Hanging Systems	Clarifier Tanks	Coiled Steel
Column Piping	Concrete Reinforcing Bar, Wire, and Fibers	Condensate Sediment Traps
Corrugated Pipe	Couplings	Decking
Digester Covers	Dome Structures	Door Hardware
Doors	Ductwork	Expansion Joints
Expansion Tanks (diaphragm, surge, and hydropneumatics)	Fasteners	Fencing and Fence Tubing
Fire Escapes	Flanged Pipe	Flap Gates
Framing	Gate Valves	Generic Hanging Brackets
Grating	Ground Testing Boxes	Ground Test Wells
Guardrails	HVAC Registers, Diffusers, and Grilles	Joists
Knife Gates	Ladders	Lifting Hooks, J-bar, Connectors within, and Anchors for Concrete
Lockers	Man Baskets and Material Platforms	Manhole Steps
Mud Valves	Municipal Casting Junctions	Non-mechanical (aka stationary) Louvers and Dampers
Overhead Rolling Doors/ Uplifting Doors (manual open, no motor)	Pipe Connectors	Pipe Hangers
Pipe Pilings (any type of steel piling)	Pipe Spool (pipe, flanges, connectors, etc.)	Pipe Supports
Pitless Adaptors	Pre-fab Steel Buildings/Sheds (simple structure, unfurnished)	Pre-stressed Concrete Cylinder Pipe (PCCP)
Railings	Reduced Pressure Zone (RPZ) Valves	Roofing
Service Saddles	Sheet Piling	Sinks (not part of eyewash systems)
Solenoid Valves	Stairs	Static Mixers
Stationary Screens	Surface Drains	Tapping Sleeves
Telescoping Valves	Tipping Buckets	Trusses
Tubing	Valve Stem Extensions	Valve Stems (excluding handwheels and actuators)
Wall Panels	Wall Sleeves/Floor Sleeves	Welding Rods
Well Casing	Well Screens	Wire
Wire Cloth	Wire Rod	Wire Rope and Cables

Q2.6: Does EPA have a list of products that could be made “primarily” of iron and steel but would be classified as “manufactured products” under BABA?

A2.6: Although this list is not comprehensive, the following products would be considered “manufactured products” under the BABA requirements, even if the item might be composed primarily of iron and steel by materials cost (Note: These items are not subject to the AIS requirements.):

Products likely made “primarily” of iron and steel to be classified as <u>Manufactured Products</u> under BABA		
Actuator Superstructures/ Support Structures	Aeration Nozzles and Injectors	Aerators
Analytical Instrumentation	Analyzers (e.g., ozone, oxygen)	Automated Water Fill Stations
Blowers/Aeration Equipment	Boilers, Boiler Systems	Chemical Feed Systems (e.g., polymer, coagulant, treatment chemicals)
Chemical Injection Quills	Chemical Injectors	Clarifier Mechanisms/Arms
Compressors	Controls and Switches	Conveyors
Cranes	Desiccant Air Dryer Tanks	Dewatering Equipment
Dewatering Roll-offs	Disinfection Systems	Drives (e.g., variable frequency drives)
Electric/Pneumatic/Manual Accessories Used to Operate Valves (such as electric valve actuators)	Electrical Cabinetry and Housings (such as electrical boxes/enclosures)	Electrical Conduit
Electrical Junction Boxes	Electronic Door Locks	Elevator Systems (hydraulic, etc.,)
Emergency Life Systems (including eyewash stations, emergency safety showers, fire extinguishers, fire suppression systems including sprinklers /piping/valves, first aid, etc.)	Exhaust Fans	Fall Protection Anchor Points
Fiberglass Tank w/Appurtenances	Filters (and appurtenances, including underdrains, backwash systems)	Flocculators
Fluidized Bed Incinerators	Galvanized Anodes/Cathodic Protection	Gear Reducers
Generators	Geothermal Systems	Grinders
Heat Exchangers	HVAC (excluding ductwork)	HVAC Dampers (if appurtenances to aerators/blowers)
HVAC Louvers (mechanical)	Intake and Exhaust Grates (if appurtenances to aerators/blowers)	Instrumentation
Laboratory Equipment	Ladder Fall Prevention Systems	Ladder Safety Posts
Lighting Fixtures	Lightning and Grounding Rods	Mechanical or Actuated Louvers/Dampers
Membrane Bioreactor Systems	Membrane Filtration Systems	Metal Office Furniture (fixed)
Meters (including flow, wholesale, water, and service connection)	Motorized Doors (unit)	Motorized Mixers
Motorized Screens (such as traveling screens)	Motors	Pelton Wheels
Pipeline Flash Reactors (similar to injectors)	Plate Settlers	Precast Concrete without Iron/Steel Reinforcement

Products likely made “primarily” of iron and steel to be classified as <u>Manufactured Products</u> under BABA		
Furnished Pre-fab Buildings (such as furnished with pumps, mechanics inside)	Presses (including belt presses)	Pressure Gauges
Pump Cans/Barrels and Strainers	Pumps	Mechanical Rakes
Safety Climb Cable	Sampling Stations (unless also act as hydrant)	Scrubbers
Sensors	Sequencing Batch Reactors (SBR)	Steel Shelving (fixed)
Slide and Sluice Gates	Spray Header Units	Steel Cabinets (fixed interior/furniture)
Supervisory Control and Data Acquisition (SCADA) Systems	Tracer Wire	Valve Manual Gears, Actuators, Handles
Voltage Transformer	Water Electrostatic Precipitators (WESP)	Water Heaters
Weir Gates		

- Q2.7: Is asphalt paving a covered product under BABA?
 - A2.7: No. EPA interprets Section 70917(c) of the IIJA to exclude asphalt from BABA requirements. Asphalt paving is a type of concrete composed of an aggregate material mixed with a binder (bitumen). EPA considers asphalt concrete to be excluded by section 70917(c) due to its similarities with cement and cementitious materials.

SECTION 3: CO-FUNDING

- Q3.1: If projects are co-funded with funding mechanisms that don’t require BABA, must the entire project comply with BABA?
 - A3.1: Yes. Any project that is funded in whole or in part with federal assistance must comply with the BABA requirements, unless the requirements are otherwise waived. A “project” consists of all construction necessary to complete the building or work regardless of the number of contracts or assistance agreements involved so long as all the contracts and assistance agreements awarded are closely related in purpose, time, and place. This precludes the intentional splitting of projects into separate and smaller contracts or assistance agreements to avoid BABA’s applicability on some portions of a larger project, particularly where the activities are integrally and proximately related to the whole. However, there are many situations in which major construction activities are clearly undertaken in separate phases that are distinct in purpose, time, or place, in which case, separate contracts or assistance agreements would carry separate requirements.

- Q3.2: How will project requirements be determined for co-funded projects subject to potentially different general applicability/programmatic waiver conditions (such as different adjustment period waivers)?
 - A3.2: OMB Guidance M-22-11 addresses cases with project co-funding from separate programs. EPA would apply the guidance’s “cognizant” program determination to projects that are co-funded with different general applicability/programmatic waivers. For instance, if a project were co-funded between WIFIA and SRF and the majority of the Federal funding for the project is from WIFIA, then WIFIA would be the “cognizant” program for application and determination of waivers. In that case, any conditions from an applicable WIFIA waiver would apply.

SECTION 4: WAIVERS

- Q4.1: Who may apply for a waiver and how do you apply?
 - A4.1: Assistance recipients and their authorized representatives may apply for a project-specific waiver. EPA does not accept waiver requests from suppliers, distributors, or manufacturers unless the assistance recipient endorses and submits the request on its own behalf to the funding authority. In the case where multiple programs are providing federal funds to the project, the assistance recipient should submit the waiver request to the cognizant program, the one providing the greatest amount of federal funds for the project. For information on applying for cost waivers, see questions 4.4 and 4.5. For information on the SRF program roles and responsibilities, see question 7.6.

Project-specific waiver requests should generally include: (1) a brief summary of the project, (2) a description and explanation of the need for the waiver for the product(s) in question, (3) a brief summary of the due diligence conducted in search of domestic alternatives (which could include correspondence between assistance recipient and supplier/distributors), (4) the quantity and materials of the product(s) in question, (5) all engineering specifications and project design considerations relevant to the product(s) in question, (6) the approximate unit cost of items (both foreign and domestic) in addition to an estimated cost of the materials and overall project, (7) the date any products will be needed on site in order to avoid significant project schedule disruptions, and (8) any other pertinent information relevant to EPA’s consideration of the waiver (e.g., if relevant for SRF projects: whether the project is designated as an equivalency project, the date the plans and specifications were submitted to the state, the date of construction initiation, expected date of project completion, any special considerations such as local zoning and building ordinances, seismic requirements, or noise or odor control requirements).

In the case of indirect federal assistance, such as the SRF programs, the state authority reviews and conveys the waiver request to EPA. States should submit waiver requests to the appropriate program waiver request inbox. For SRF projects, please use CWSRFWaiver@epa.gov or DWSRFWaiver@epa.gov.

- Q4.2: Can an assistance recipient request a waiver based on a specification written for a specific brand or model of product (that is, a specification that names a branded item or model)?
 - A4.2: In most cases, performance-based specifications are expected and required for the majority of infrastructure projects funded by EPA's financial assistance programs. In rare cases where "branded" or product-specific sourcing may be included in project specifications, it is suggested that the specifications include the item in question (that is, not simply a catalog page, but also materials of construction, sizing, quantities, and applicable engineering performance design characteristics for the project, etc.) in addition to the standard phrase "or equal." For the purposes of product alternative market research, EPA will evaluate the BABA requirements based on performance-based engineering specifications for the product(s) in question. If the project's specifications do not include performance-based specifications, or at least an "or equal" designation, EPA will base its research on an "or equal" designation using best professional judgment to the extent practicable.
- Q4.3: If a manufactured product is not readily available domestically, will EPA provide short-term "limited availability" product waivers?
 - A4.3: EPA will address the unavailability of domestic products through the waiver process, including potential national short-term waivers for specific products, if appropriate. To the extent practicable and with the intent to maximize domestic market and supply chain development, EPA intends to address issues of broad product unavailability with targeted, time-limited, and conditional waivers, as prescribed in OMB Guidance M-22-11. EPA will follow its robust and thorough product research processes (those put into place for the AIS requirements for the SRF and WIFIA programs and expanded for the new BABA requirements) to identify and determine those products for which proposed national/general applicability waivers may be appropriate.
- Q4.4: What information is needed when applying for a cost waiver under BABA?
 - A4.4: As part of the cost waiver request, the assistance recipient must demonstrate that implementation of the BABA requirements will increase the overall project cost more than 25 percent. Depending on the circumstances of the overall project cost increases, documentation to justify the cost waiver can vary but may include itemized cost estimates or bid tabulations comparing project costs with and without BABA implementation. Assistance recipients should begin assessing the potential cost impacts of the BABA requirements during the design phase of a project.
- Q4.5: Can administrative costs associated with tracking and verification of certifications be considered when determining if the cost of a project increases by 25 percent or more?
 - A4.5: Yes. Section 70914(b)(3) of the IIJA states that a waiver may be provided if the overall cost of the project increases by more than 25 percent due to the "inclusion of iron, steel, manufactured products, or construction materials produced in the United States." EPA interprets this to mean that the "inclusion" of the BABA-covered products could encompass

reasonable administrative costs associated with complying with the BABA requirements, such as staff, contractor, and technological resources to collect and track BABA compliance documentation.

- Q4.6: How can assistance recipients and construction contractors address product delivery delays?
 - A4.6: Assistance recipients should reasonably plan for material procurement to account for known potential supply chain issues or extended lead times and shall notify the funding authority well in advance of the issues so that prompt attention can be given to explore options. Where extended lead times for compliant products are impacting project schedules and may significantly impact construction progress, timely communication with the funding agency is important. For products that are unavailable within a reasonable timeframe to meet the objectives and schedule of a project, EPA may consider a non-availability waiver with adequate justification. An assistance recipient would need to apply for the waiver and contact its funding authority (such as EPA and/or a state) to initiate the waiver process.

SECTION 5: DOCUMENTING COMPLIANCE

- Q5.1: Who will be responsible for BABA enforcement?
 - A5.1: Responsibility for BABA implementation applies at all levels, from manufacturers to suppliers and distributors, construction contractors, assistance recipients, and funding authorities.

The manufacturers have responsibility to provide adequate and accurate documentation of the products manufactured. If suppliers and distributors are involved, they are responsible for passing along compliance documentation for products supplied to projects that are subject to the BABA requirements.

The assistance recipient and their representatives are primarily responsible for ensuring the documentation collected for products used on the project is sufficient to document compliance with the BABA requirements.

The funding authority is responsible for providing oversight and guidance as needed to ensure the proper implementation of the requirements. The Uniform Grants Guidance (UGG) (Title 2 of the Code of Federal Regulations (CFR) Part 200) applies to many Federal financial assistance agreements that will include BABA requirements. The general provisions of 2 CFR Part 200 determine the responsible party for the grant funding authority.

For information on SRF program roles and responsibilities, see question 7.6.

At all levels, where fraud, waste, abuse, or any violation of the law is suspected, the Office of Inspector General (OIG) should be contacted immediately. The OIG can be reached at 1-888-546-8740 or OIG_Hotline@epa.gov. More information can be found at this website: <http://www.epa.gov/oig/hotline.htm>.

- Q5.2: When will the BABA requirements be assessed for compliance? Do assistance recipients need to have waivers for potential non-domestic products before assistance agreements are in place, at the time products are procured or products are incorporated into the project (i.e., used)?
 - A5.2: Compliance is assessed where the domestic product is used (or installed) at the project site. Proper compliance documentation, whether it is a BABA certification letter or a waiver, should accompany a product prior to its “use”, in accordance with Section 70914(a) of IIJA. This may occur prior to assistance agreements being in place but is not necessary. Additionally, communication of BABA requirements through appropriate Terms and Conditions in financial assistance agreements and in project solicitation and contract documents is key in ensuring all parties involved are informed of the requirements for the project before construction is underway.
- Q5.3: How can product compliance with the BABA requirements be demonstrated?
 - A5.3: Assistance recipients and their representatives should ensure that the products delivered to the construction site are accompanied by proper documentation that demonstrate compliance with the law and be made available to the funding authority upon request. The documentation may be received and maintained in hard copy, electronically, or could be embedded in construction management software. The use of a signed certification letter for the project is the most direct and effective form of compliance documentation for ensuring products used on site are BABA-compliant prior to their installation; however, other forms of documentation are also acceptable as long as collectively, the following can be demonstrated:
 - (1) Documentation linked to the project. For example, this can be in the form of the project name, project location, contract number, or project number.
 - (2) Documentation linked to the product used on the project. For example, description of product(s) (simple explanation sufficient to identify the product(s)), or an attached (or electronic link to) purchase order, invoice, or bill of lading.
 - (3) Documentation includes statement attesting that the products supplied to the assistance recipient are compliant with BABA requirement. Reference to the Infrastructure Investment and Jobs Act (“IIJA”) or the Bipartisan Infrastructure Law (BIL) are also acceptable. For iron and steel items under BABA, references to the American Iron and Steel (AIS) requirements are also acceptable and reciprocal with BABA for such items.
 - (4) Documentation that manufacturing occurred in the United States, which could include, for example, the location(s) of manufacturing for each manufacturing step that is being certified. It is acceptable for manufactured products to note a single point of manufacturing, documenting that the final point of manufacturing is in the United States. Note that each BABA category may require different determinations for compliance.
 - (5) Signature of company representative (on company letterhead and signature can be electronic). The signatory of the certifying statement affirms their knowledge of the manufacturing processes for the referenced product(s) and attests that the product meets the BABA requirements.

In addition to compliance documentation, assistance recipients or their representatives should also conduct a visual inspection of the product when it arrives to the project site, especially for iron and steel products which are often stamped with the country of origin. (Note: A country of origin stamp alone is not sufficient verification of compliance with BABA and assistance receipts should not rely on it to ensure compliance.)

EPA may develop alternative procedures for demonstrating compliance. Additional project- or program-specific instructions may be developed on a case-by-case basis in order to meet individual circumstances.

- Q5.4: Will EPA provide a form or template for tracking and documenting compliance?
 - A5.4: EPA does not require a specified format for tracking or documenting compliance. Assistance recipients are free to develop any system (from simple to complex software) for tracking items used on the project and the accompanying compliance documentation, e.g., certification letters, applicable waivers, if it helps with implementation and compliance. Elements that may help with keeping track of compliance may include: product description, quantity required/used, product category (i.e., iron and steel, manufactured product, or construction material), status of obtaining certification letter, product cost, and whether the item might qualify as *de minimis*, or qualify under another applicable waiver.
- Q5.5: If a manufacturer claims to comply with the Buy American Act, does it also comply with BABA?
 - A5.5: No. With the exception of the AIS requirements – which EPA interprets to be equivalent to the “iron and steel” requirements under BABA – EPA does not have an interpretation about the comparability of other domestic preference requirements relative to BABA. Any products that are to be certified as compliant with BABA should include a specific reference to the BABA requirements and appropriate attestation from a responsible manufacturing company official. See Question 5.3 for EPA’s recommendations for BABA certification letters.
- Q5.6: How will assistance recipients manage certification letters for hundreds, possibly thousands of products?
 - A5.6: EPA recognizes that the new BABA requirements will cover most products used in typical water and wastewater infrastructure projects, and that the number of items which may require certification at large and/or complex projects may reach several hundred. EPA is concerned about the potential administrative burden that this would place on assistance recipients. EPA recommends that projects with a high number of potentially covered products meet with their funding authority about potential compliance strategies to minimize burden and streamline compliance activity. Assistance recipients should prepare contract bid solicitation documents with a statement for the consulting engineers and construction firms as follows: “By signing payment application and recommending payment, Contractor certifies they have reviewed documentation for all products and materials submitted for payment, and the documentation is sufficient to demonstrate compliance with Build America,

Buy America Act requirements.” In most cases, the assistance recipient’s representatives may assume the responsibility for their clients to conduct due diligence on compliance with applicable domestic preference requirements.

- Q5.7: Who is responsible for documenting the 55 percent content requirement for manufactured products under BABA? What if the final manufacturer cannot trace or verify domestic origin for all components?
 - A5.7: The manufacturer who signs a certification letter is responsible for documenting compliance with any of the three categories of products (iron and steel, manufactured products, or construction materials). For manufactured products, BABA requires that greater than 55 percent of the total cost of all components of the manufactured product be from domestic sources. EPA recommends that the certification letter for manufactured products document whether the item passes the content test in the final product along with a statement attesting to compliance with the BABA requirements for manufactured products.
- Q5.8: How do final product fabricators document compliance when the final step of manufacturing may be simply assembling components?
 - A5.8: It is acceptable, in many cases, especially for highly complex manufactured products that utilize many sub-components, for the final point of assembly to certify without using a “step certification” process. Multiple certifications (i.e., step certifications) or a singular certification can be used for a product, as long as the certifying official is willing to attest to the product’s compliance with BABA requirements at all stages of manufacturing.
- Q5.9: Will Material Test Reports be acceptable in lieu of a BABA certification for iron and steel?
 - A5.9: Material Test Reports (MTRs, commonly referred to as “Mill Certifications” or “Mill Certs”) provide the chemical composition of steel and iron from a mill or foundry. If an MTR accompanies the delivery of steel or iron to a project site with an invoice or bill of lading, EPA will consider it sufficient to demonstrate compliance (equivalent to a certification letter) as long as the MTR includes a manufacturer representative’s signature in addition to the location (city and state) of the mill/foundry. It is common for MTRs to be the first letter in a “step certification” if the product is further fabricated or painted, etc., by another manufacturer.
- Q5.10: Can a manufacturer use a fillable certification letter for products?
 - A5.10: EPA recommends that certifications be signed by representatives of the manufacturing entity. EPA does not oppose manufacturers using forms to internally develop letters within their company, thereby providing signed, non-manipulable certification letters to suppliers, distributors, and/or assistance recipients. A fillable form that can be changed by someone outside of the manufacturer after signature does not demonstrate compliance and may create compliance concerns for the manufacturer or assistance recipient.

- Q5.11: Are product certifications from suppliers and distributors allowed?
 - A5.11: EPA recommends that representatives of product manufacturers certify compliance and discourages suppliers and distributors from creating certification letters. EPA does not rule out the possibility that a third-party certification process, such as a certification by a distributor, may be viable. However, EPA is currently not aware of a system or proposed system that meets the EPA's recommendations for documentation of product certification.
- Q5.12: How long should assistance recipients keep compliance documentation?
 - A5.12: Assistance recipients should apply recordkeeping requirements for the project according to the procedures dictated by the funding authority. For most EPA grant programs, this is prescribed in the UGG at 2 CFR 200.334-200.338; e.g., the SRF programs require a minimum of three years. Other funding programs may require longer documentation retention periods.

SECTION 6: PROGRAMS WITH AMERICAN IRON AND STEEL REQUIREMENTS

- Q6.1: Does BABA supersede the American Iron and Steel (AIS) Requirements?
 - A6.1: The BABA requirements for items considered “iron and steel” are equivalent to those for covered iron and steel products under the AIS requirements in the Clean Water Act and the Safe Drinking Water Act. These requirements apply to the CWSRF, DWSRF, WIFIA, and Water infrastructure Community Grants. BABA includes a “Savings Provision” (Section 70917(b)) that states that BABA does not affect existing domestic content procurement preferences for infrastructure projects funded by Federal financial assistance programs that meet the requirements of section 70914. EPA views the AIS requirements as meeting the “iron and steel” product requirements of BABA Section 70914, as they both include the key requirement that items made of iron and steel be wholly manufactured in the United States from the point of melting and/or pouring the iron or steel components through final manufacturing step. Because of the “Savings Provision” of Section 70917, the AIS requirements satisfy the “iron and steel” requirements of BABA. For the programs that have AIS requirements, EPA intends to implement BABA requirements the same way for iron and steel items as it has done for AIS products.
- Q6.2: For iron and steel products, does a manufacturer need to demonstrate compliance from initial melting through the finished product?
 - A6.2: For iron and steel products, the BABA requirements are the same as the existing AIS requirements, in that all of the iron and steel in a covered product (that is, the product is comprised of more than 50 percent iron and steel by material cost) must be melted and poured in the United States and all subsequent manufacturing processes (such as grinding, rolling, bending, reheating, and casting) must occur in the United States.

Q6.3: Will EPA apply the same manufacturing standards for BABA iron and steel products as for the American Iron and Steel (AIS) requirements?

- A6.3: Yes. For AIS, EPA did not require raw materials used in the production of steel or iron to be domestically sourced. For BABA, EPA interprets the requirements to be the same. Hence, like AIS, raw materials in the production of iron and steel subject to BABA requirements would not need to be domestically sourced. The key step for both AIS and BABA domestic iron and/or steel production is the melting/pouring (that is, the location of the furnace), which must be in the United States.
- Q6.4: Will the certification process be similar to the process established for the American Iron and Steel requirements?
 - A6.4: EPA expects the certification process for the BABA requirements to be very similar to that established for the AIS requirements. For iron and steel products, the process should remain the same for AIS and BABA. EPA recommends for manufactured products and for construction materials that certification letters include direct reference to the product/material content requirements under BABA, in addition to an affirmative statement verifying that the product meets the BABA requirements.
- Q6.5: Will duplicate certification letters be required for AIS and BABA for iron/steel products?
 - A6.5: No. Compliance with BABA requirements will be sufficient to demonstrate compliance with AIS requirements for iron and steel products. If a project is subject to BABA, the only demonstration of compliance necessary is with the BABA requirements, of which the iron and steel requirements are equivalent to those of the AIS statutory requirements: the iron or steel in a product made primarily or predominantly of iron and steel (comprising more than 50 percent iron and steel by material cost) must be melted and/or poured in the United States and all subsequent manufacturing processes must occur in the United States.

SECTION 7: PROGRAM-SPECIFIC ISSUES

- Q7.1.: How do the BABA requirements apply to Community Grants?
 - A7.1: The Community Project Funding/Congressionally Directed Spending grants for the construction of drinking water, wastewater, and stormwater infrastructure and for water quality protection are subject to the requirements specified in the explanatory statement accompanying the Consolidated Appropriations Act (Explanatory Statement for Division G of P.L. 117-13, the Consolidated Appropriations Act of 2022). The explanatory statement asserts: “Applicable Federal requirements that would apply to a Clean Water State Revolving Fund or Drinking Water State Revolving Fund project grant recipient shall apply to a grantee receiving a CPF grant under this section.” Therefore, the federally funded Community Project Funding/Congressionally Directed Spending grants are subject to the same requirements that apply to CWSRF or DWSRF projects, including BABA and AIS requirements. See also A1.2.

- Q7.2: Should SRF projects covered by the BABA SRF Projects Design Planning Adjustment Period Waiver follow the same procedures for demonstrating compliance as outlined for American Iron and Steel requirements?
 - A7.2: Yes. The SRF Design Planning Adjustment Period waiver does not waive the iron and steel requirements under BABA. The SRF programs have existing domestic preference requirements for SRF projects under CWA Section 608 and SDWA Section 1452(a)(4) (AIS requirements) to use iron and steel products that are produced in the United States. Sections 70917(a) and (b) of BIL explain the application of BABA to existing domestic preference requirements. Specifically, the savings provision in Section 70917(b) states that existing domestic preference requirements that meet BABA requirements are not affected by BABA. The statutory AIS requirements were existing at the time BABA became law and satisfy the BABA iron and steel requirements. Therefore, the statutory AIS requirements that have previously applied to SRF-funded projects will continue to do so, and compliance with AIS requirements will satisfy the BABA iron and steel requirements. Demonstration of compliance for iron and steel products will follow the AIS implementation policies for projects subject to the waiver.
- Q7.3: For SRF programs, is BABA considered a federal cross-cutting authority? (i.e., do “equivalency” rules apply?)
 - A7.3: Yes, BABA is considered a federal cross-cutting requirement that applies to SRF assistance equivalent to the federal capitalization grant (i.e., “equivalency” projects). EPA’s SRF regulations at 40 CFR 35.3145 and 35.3575 require states and recipients of SRF funds equivalent to the amount of the federal capitalization grant to comply with federal cross-cutting requirements. Section 70914 of the IIJA, which states when a Buy America preference applies, explains that “none of the funds made available for a Federal financial assistance program for infrastructure...may be obligated for a project unless all of the iron, steel, manufactured products, and construction materials used in the project are produced in the United States.” Therefore, BABA only applies to projects funded in an amount equivalent to the federal capitalization grant and not to those projects receiving funds in excess of the capitalization grant (i.e., “non-equivalency” projects). (Note: The AIS requirements continue to apply for all SRF projects, including non-equivalency projects, and all WIFIA and Community Grant projects, because equivalency does not apply.)
- Q7.4: Do the BABA requirements apply to Drinking Water State Revolving Fund set-asides?
 - A7.4: Due to requirements related to the deposit of funds in the DWSRF program, almost all of the funds used to conduct set-aside activities are Federal dollars. Therefore, Federal cross-cutting requirements must be applied to all set-aside activities. However, in the case of most set-aside activities, the cross-cutting requirements will not be implicated because of the nature of the activities conducted under the set-asides. Because the BABA requirements only apply to infrastructure, and infrastructure typically is not an eligible set-aside expenditure (with one potential exception being loans for incentive-based source water protection

measures under the Local Assistance and Other State Programs Set-Aside), the BABA requirements will not apply to most set-aside activities.

- Q7.5: What if an SRF project is refinanced using Federal financial assistance on or after May 14, 2022?
 - A7.5: If an SRF project began construction, financed from another funding source, prior to May 14, 2022, but is refinanced through an assistance agreement executed on or after that date, BABA requirements will apply to all construction that occurs on or after May 14, 2022, through completion of construction, unless a waiver applies. There is no retroactive application of the BABA requirements where a refinancing occurs for an SRF project that has completed construction prior to May 14, 2022. (Note: If SRF funding is used for the refinancing, the AIS requirements may still apply depending on the timing of construction.)
- Q7.6: What are the roles and responsibilities for SRF programs for BABA implementation?
 - A7.6: Implementation of the BABA requirements for the State Revolving Fund programs will continue the roles and responsibilities from the successful AIS implementation process.

As with AIS, it is both the assistance recipient's and the state's responsibility to ensure compliance with the BABA requirements. The state is the recipient of a federal capitalization grant and must comply with all grant conditions, including a condition requiring adherence to BABA requirements.

Consequently, states are strongly advised to conduct site visits of projects during construction and review documentation demonstrating the assistance recipient's proof of compliance. In EPA's experience, most states conduct periodic site visits and arrange timely meetings with funded projects. Observed best practices typically include a meeting early in the process (sometimes before bid and usually prior to commencing construction) and at least one project site visit during the construction process. Assistance recipients must maintain documentation of compliance with the BABA requirements, as explained in question 5.3. The documents must be kept by the assistance recipient and should be reviewed by the state during project reviews.

The state's role in the waiver process is to review any waiver requests submitted to the state to ensure that all necessary information has been provided by the assistance recipient prior to forwarding the request to EPA. If a state finds the request lacking, the state should work with the assistance recipient to help obtain complete information. Question 4.1 explains the information needed by EPA to expediently review a waiver request.

In order to implement the BABA requirements, EPA has developed an approach for effective and efficient implementation of the waiver process to allow projects to proceed in a timely manner. The framework described below will allow states, on behalf of the assistance recipients, to apply for waivers of the BABA requirements directly to EPA Headquarters. Only waiver requests received and/or endorsed from states will be considered. Pursuant to BABA, EPA has the responsibility to make findings as to the issuance of waivers to the BABA requirements.

Step-by-step SRF Waiver Process

The waiver process begins with the assistance recipient. To fulfill the BABA requirements, the assistance recipient must in good faith design the project (where applicable) and solicit bids for construction with American-made iron and steel, manufactured goods, and construction materials. It is essential that the assistance recipient include the BABA terms in any request for proposals or solicitations for bids, and in all contracts (see Appendix 2 for sample construction contract language). The assistance recipient may receive a waiver at any point before, during, or after the bid process, if one or more of three statutory conditions is demonstrated to EPA and approved.

To apply for a project-specific waiver, the assistance recipient should email the request in the form of a Word document (.doc) or editable PDF (.pdf) to the funding program. It is strongly recommended that each state identify a person or persons for BABA communications. The state designee(s) will review the application for the waiver and determine whether the necessary information has been included (Note: More information may be provided in the future regarding what information is required to be included in waiver requests). Once the waiver application is complete, the designee will forward the application to CWSRFWaiver@epa.gov or DWSRFWaiver@epa.gov.

Evaluation by EPA

After receiving an application for waiver of the BABA requirements and ensuring sufficient information was provided, EPA will publish the request on its website for 15 days and receive public comment. EPA will then determine whether the application properly and adequately documents and justifies the statutory basis cited for the waiver.

In the event that EPA finds that adequate documentation and justification has been submitted, the Administrator may grant a waiver to the assistance recipient. EPA will notify the state designee whether a waiver request has been approved or not approved as soon as such a decision has been made. Granting such a waiver is a four-step process:

1. Research – After receiving an application for a waiver, EPA will perform market research to determine whether the iron, steel, manufactured goods, or construction materials are available domestically.
2. Posting – After research, if no domestic product has been identified, EPA is required to publish the application and all material submitted with the application on EPA's website for 15 days. During that period, the public will have the opportunity to review the request and provide informal comment to EPA. The website can be found at: <https://www.epa.gov/cwsrf/build-america-buy-america-baba-waivers-open-public-comment>.
3. Evaluation – After receiving an application for waiver of the BABA requirements, EPA will determine whether the application properly and adequately documents and justifies the statutory basis cited for the waiver to determine whether or not to grant the waiver.

3. Signature of waiver approval by the Administrator or another agency official with delegated authority – As soon as the waiver is signed and dated, EPA will notify the State SRF program and post the signed waiver on the Agency's website. The assistance recipient should keep a copy of the signed waiver in its project files.

(Note: Additional steps may be required in the future regarding the waiver process depending on additional guidance from OMB)

APPENDIX 1

Example Build America, Buy America (BABA) Act Construction Contract Language

ALL CONSTRUCTION CONTRACTS MUST HAVE A CLAUSE REQUIRING COMPLIANCE WITH THE BABA REQUIREMENTS. THIS IS AN EXAMPLE OF WHAT COULD BE INCLUDED IN A PROJECT'S CONSTRUCTION CONTRACT. EPA MAKES NO CLAIMS REGARDING THE LEGALITY OF THIS CLAUSE WITH RESPECT TO STATE OR LOCAL LAW:

The Contractor acknowledges to and for the benefit of the _____ (“Owner”) and the _____ (the “Funding Authority”) that it understands the goods and services under this Agreement are being funded with federal monies and have statutory requirements commonly known as “Build America, Buy America;” that requires all of the iron and steel, manufactured products, and construction materials used in the project to be produced in the United States (“Build America, Buy America Requirements”) including iron and steel, manufactured products, and construction materials provided by the Contractor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Owner and Funding Authority (a) the Contractor has reviewed and understands the Build America, Buy America Requirements, (b) all of the iron and steel, manufactured products, and construction materials used in the project will be and/or have been produced in the United States in a manner that complies with the Build America, Buy America Requirements, unless a waiver of the requirements is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the Build America, Buy America Requirements, as may be requested by the Owner or the Funding Authority. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Owner or Funding Authority to recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney’s fees) incurred by the Owner or Funding Authority resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the Funding Authority or any damages owed to the Funding Authority by the Owner). If the Contractor has no direct contractual privity with the Funding Authority, as a lender or awardee to the Owner for the funding of its project, the Owner and the Contractor agree that the Funding Authority is a third-party beneficiary and neither this paragraph (nor any other provision of this Agreement necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the Funding Authority.

APPENDIX 2

Example Build America, Buy America (BABA) Act Assistance Agreement Language

ALL FEDERAL FINANCIAL INFRASTRUCTURE ASSISTANCE AGREEMENTS MUST HAVE A CLAUSE REQUIRING COMPLIANCE WITH THE BABA REQUIREMENTS. THIS IS AN EXAMPLE OF WHAT COULD BE INCLUDED IN AN ASSISTANCE AGREEMENT (E.G., SRF LOAN AGREEMENT). EPA MAKES NO CLAIMS REGARDING THE LEGAL SUFFICIENCY OF THIS CLAUSE WITH RESPECT TO STATE LAW:

Comply with all federal requirements applicable to the assistance received (including those imposed by the Infrastructure Investment and Jobs Act (“IIJA”), Public Law No. 117-58) which the Participant understands includes, but is not limited to, the following requirements: that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States (“Build America, Buy America Requirements”) unless (i) the Participant has requested and obtained a waiver from the cognizant Agency^[1] pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) all of the contributing Agencies have otherwise advised the Participant in writing that the Build America, Buy America Requirements are not applicable to the Project.

Comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or a state), such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the applicable legal requirements and this Agreement may result in a default hereunder that results in a repayment of the assistance agreement in advance of the maturity of the Bonds, termination and/or repayment of grants, cooperative agreements, direct assistance or other types of financial assistance, and/or other remedial actions.

^[1] From OMB Guidance M-22-11: To avoid a need for duplicative waiver requests from entities that receive funding for one infrastructure project through multiple Federal agencies, the Federal agency contributing the greatest amount of Federal funds for the project should be considered the “Cognizant Agency for Made in America” and should take responsibility for coordinating with the other Federal awarding agencies. Such coordination will provide uniform waiver criteria and adjudication processes, minimize duplicative efforts among Federal agencies, and reduce burdens on recipients. The Cognizant Agency for Made in America shall be responsible for consulting with the other Federal awarding agencies, publicizing the proposed joint waiver, and submitting the proposed joint waiver for review to MIAO.

APPENDIX I

Example Build America, Buy America (BABA) Act Construction Contract Language

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The Contractor acknowledges to and for the benefit of the _____ ("Owner") and the _____ (the "Funding Authority") that it understands the goods and services under this Agreement are being funded with federal monies and have statutory requirements commonly known as "Build America, Buy America," that requires all of the iron and steel, manufactured products, and construction materials used in the project to be produced in the United States ("Build America, Buy America Requirements") including iron and steel, manufactured products, and construction materials provided by the Contractor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Owner and Funding Authority (a) the Contractor has reviewed and understands the Build America, Buy America Requirements, (b) all of the iron and steel, manufactured products, and construction materials used in the project will be and/or have been produced in the United States in a manner that complies with the Build America, Buy America Requirements, unless a waiver of the requirements is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the Build America, Buy America Requirements, as may be requested by the Owner or the Funding Authority. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Owner or Funding Authority to recover as damages against the Contractor any loss, expense, or cost (including without limitation attorney's fees) incurred by the Owner or Funding Authority resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the Funding Authority or any damages owed to the Funding Authority by the Owner). If the Contractor has no direct contractual privity with the Funding Authority, as a lender or awardee to the Owner for the funding of its project, the Owner and the Contractor agree that the Funding Authority is a third-party beneficiary and neither this paragraph (nor any other provision of this Agreement necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the Funding Authority.

APPENDIX 2

Example Build America, Buy America (BABA) Act Assistance Agreement Language

ALL FEDERAL FINANCIAL INFRASTRUCTURE ASSISTANCE AGREEMENTS MUST HAVE A CLAUSE REQUIRING COMPLIANCE WITH THE BABA REQUIREMENTS. THIS IS AN EXAMPLE OF WHAT COULD BE INCLUDED IN AN ASSISTANCE AGREEMENT (E.G., SRF LOAN AGREEMENT). EPA MAKES NO CLAIMS REGARDING THE LEGAL SUFFICIENCY OF THIS CLAUSE WITH RESPECT TO STATE LAW:

Comply with all federal requirements applicable to the assistance received (including those imposed by the Infrastructure Investment and Jobs Act ("IIJA"), Public Law No. 117-58) which the Participant understands includes, but is not limited to, the following requirements: that all of the iron and steel, manufactured products, and construction materials used in the Project are to be produced in the United States ("Build America, Buy America Requirements") unless (i) the Participant has requested and obtained a waiver from the cognizant Agency^[1] pertaining to the Project or the Project is otherwise covered by a general applicability waiver; or (ii) all of the contributing Agencies have otherwise advised the Participant in writing that the Build America, Buy America Requirements are not applicable to the Project.

Comply with all record keeping and reporting requirements under all applicable legal authorities, including any reports required by the funding authority (such as EPA and/or a state), such as performance indicators of program deliverables, information on costs and project progress. The Participant understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the applicable legal requirements and this Agreement may result in a default hereunder that results in a repayment of the assistance agreement in advance of the maturity of the Bonds, termination and/or repayment of grants, cooperative agreements, direct assistance or other types of financial assistance, and/or other remedial actions.

^[1]From OMB Guidance M-22- 11: To avoid a need for duplicative waiver requests from entities that receive funding for one infrastructure project through multiple Federal agencies, the Federal agency contributing the greatest amount of Federal funds for the project should be considered the "Cognizant Agency for Made in America" and should take responsibility for coordinating with the other Federal awarding agencies. Such coordination will provide uniform waiver criteria and adjudication processes, minimize duplicative efforts among Federal agencies, and reduce burdens on recipients. The Cognizant Agency for Made in America shall be responsible for consulting with the other Federal awarding agencies, publicizing the proposed joint waiver, and submitting the proposed joint waiver for review to MIAO.

DEPARTMENT OF THE INTERIOR
Bureau of Reclamation
and
The U.S. Environmental Protection Agency

General Applicability Non-Availability Waiver
Build America, Buy America Product Waiver: AMI Water Meters

1. Summary

Agency: Department of the Interior (DOI/Department)'s Bureau of Reclamation (USBR) and the U.S. Environmental Protection Agency (EPA)

Final Waiver: The Department is joining the EPA to issue a partial general applicability/nonavailability waiver of the requirements of section 70914 of the Build America, Buy America Act included in the Infrastructure Investment and Jobs Act (Pub. L. No. 117-58) for Advanced Metering Infrastructure (AMI) water meters used in infrastructure projects funded through USBR and the EPA, while requiring certain components of the water meters to be manufactured in the United States according to the phased implementation schedule below. This waiver is in effect for three (3) years from the date of approval. DOI and the EPA are implementing a phased approach during the waiver period, whereby, for two years from the date of approval, purchases of AMI meters and all components (the entire "manufactured product") are waived. Two (2) years from the date of approval, AMI meter housings shall be domestically manufactured or produced and excluded from the waiver scope; all other components continue to be waived through the end of the three-year period. This waiver only applies to products purchased after the effective date of this waiver and may not be used for products purchased after the expiration date of the waiver. At the conclusion of the full three-year waiver period, DOI and the EPA expect AMI water meters to be manufactured in the United States and their total cost of components to be greater than 55 percent domestically manufactured or produced.

Waiver type: Nonavailability of domestic products

Waiver level: General Applicability, Product level waiver

Waiver justification summary: There are no AMI water meters manufactured in the United States meeting BABA's 55 percent total cost of components domestic content requirement.

Length of the waiver: This waiver is in effect for three (3) years from the date of approval. DOI and the EPA are implementing a phased approach during the waiver period, whereby, for two years from the date of approval, purchases of AMI meters and all components (the entire "manufactured product") are waived. Two (2) years from the date of approval, AMI meter housings shall be domestically manufactured or produced components and will be excluded from the waiver scope. This waiver only applies to products purchased after the effective date of this waiver and may not be used for products purchased after the expiration date of the waiver.

Summary of items covered in the waiver:

- AMI water meters.

NAICS: 334514
PSC: 6632

2. Background

The Buy America Preference set forth in section 70914 of the Build America, Buy America Act included in the Infrastructure Investment and Jobs Act (Pub. L. No. 117-58), requires all iron, steel, manufactured products, and construction materials used for infrastructure projects under Federal financial assistance awards be produced in the United States.

Under section 70914(b), a Federal agency may waive the application of the Buy America Preference, in any case in which it finds that: applying the domestic content procurement preference would be inconsistent with the public interest; types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent. All waivers must have a written explanation for the proposed determination; provide a period of not less than 15 calendar days for public comment on the waiver; and submit the waiver to the Office of Management and Budget Made in America Office for review to determine if the waiver is consistent with policy.

3. Description of Covered Items

Manufactured products: AMI water meters collect water usage information. When used as a fixed network across a community, AMI water meters automatically collect and store consumption data, aiding in water conservation and water use efficiency, improved water management, and energy savings. Information provided helps identify high water usage that could indicate leaks, providing time sensitive leak detection alerts. AMI water meter networks reduce water demand by enhancing conservation, reduce energy use/operating costs, and reduce carbon emissions using remote/automated meter reads.

AMI water meters are composed of meter housings, end points/transmitters, printed circuit boards, meter electronics, batteries, base stations, repeaters and associated equipment. Based on market research completed within the last two years, some manufacturers source the materials for the meter housings domestically. A few manufacturers indicated that their meter housings are 100 percent manufactured or produced within the United States. However, the industry universally sources the end points/transmitters, printed circuit boards, meter electronics, and batteries internationally. As these components are the most expensive parts of the water meter, the meter system as a whole does not meet BABA's 55 percent of total cost of components domestic content requirement.

Based on the market research described below, there are currently no AMI water meters manufactured domestically that meet BABA requirements.

4. Waiver Justification

Based on cumulative and collaborative market research efforts, DOI and the EPA are issuing a three-year waiver split into two phases. In the first phase, a waiver shall be provided for two years from the date of approval to cover AMI meters and all their components. Two (2) years

from the date of approval, AMI meter housings shall be a domestically manufactured or produced component, but other AMI water meter components will continue to be waived. At the conclusion of the three-year waiver period, DOI and the EPA anticipate that AMI water meters (i.e., bundled with their component parts) will be available as a manufactured product with 55 percent or more of the components domestically manufactured or produced.

This waiver's purpose is to incentivize production of BABA compliant AMI water meters. Based on stakeholder feedback, DOI and the EPA have identified that significant challenges prevent AMI water meters from being BABA compliant. However, with appropriate market signals, AMI water meters could be BABA compliant by the expiration of the waiver. DOI and the EPA are seeking this waiver specifically to send the appropriate market signals to the AMI water meter manufacturing community. DOI and the EPA's expectation is that AMI water meters be BABA compliant. This waiver identifies a realistic phased pathway for domestic manufacture of these products, first by targeting the domestic manufacture of meter housings, with the second phase for the remaining components of an AMI water meter that are not currently available to be manufactured or produced within the United States. As an incentive, while this waiver is active, manufacturers may still receive the benefit of Federal funding by providing products to be used under Federal awards, with the phased approach rewarding those manufacturers that take advantage of the waiver period to transition to domestic content.

Anticipated impact if no waiver were issued: DOI's USBR provides annual funding for the competitive Water and Energy Efficiency Grant (WEEG) program, which regularly funds AMI water meter projects. As no BABA compliant AMI water meter is available, there is no alternative but for these projects to be covered by a product or project waiver. In FY23 alone, USBR's WEEG program competitively selected water meter grants totaling \$43 million Federal and \$90 million non-Federal funding. This \$134 million investment is expected to result in an annual water savings of over 20,000 acre-feet. Based on historical data, the EPA anticipates that at least 10 percent of all EPA funded water infrastructure projects will purchase and install AMI water meters. The majority of these will occur through the State Revolving Fund, the Water Infrastructure Finance and Innovation Act program, and other funding programs. As no BABA compliant AMI water meter is available, there is no alternative but for these projects to be covered by a product or project waiver.

In the absence of this waiver, DOI, the EPA, and the Federal grant-making community will miss an opportunity to clearly articulate expectations for creating a domestically manufactured or produced market to the AMI water meter manufacturing community. This could have the impact of slowing the long-term domestic sourcing transition, and curtailing Federal participation in AMI water meter projects, which would weaken support for communities throughout the West that are struggling to conserve their declining water supply.

Market Research to Justify Product Non-Availability Waiver: From 2022 through 2024, DOI, the EPA, and grant recipients conducted market research to assess the availability of domestically manufactured AMI water meters. As a result of this cumulative market research, there is no known manufacturer of AMI water meters, that meet BABA's domestic production requirements.

All manufacturers responsive to market research inquiries stated that they are in the process of evaluating the idea of moving manufacturing to the U.S., but have no immediate plans or timeframes identified. As there are upwards of fifty (50) components to an AMI water meter system, evaluating the domestic sourcing of the manufactured product as a whole through the component cost break down is a significant effort. Should key high-cost components of an AMI water meter be manufactured within the U.S. in the future, this could lead to a domestically produced manufactured product meeting the 55 percent BABA requirement.

DOI and the EPA considered whether an AMI water meter waiver could target certain components, such as the internal electronics and end points, rather than the AMI water meter as a whole. Transmitters, printed circuit boards, meter electronics, batteries, and end points used within AMI water meters were identified as the components most difficult to source domestically. Market research feedback has indicated that one component of the AMI meter -- the meter housings -- are manufactured domestically by several manufacturers. However, BABA-compliant water meter housings are not available immediately in sufficient quantities to meet demand, nor are they universally compatible. This waiver, through the phased approach, reflects market research and public comments confirming that water meter housing components can be manufactured domestically within two years. DOI and the EPA also considered whether this waiver could be targeted to AMI water meters below a size threshold but found no evidence to support targeting specific size thresholds.

To gain additional industry feedback on materials used in water infrastructure products, such as AMI water meters, the EPA published a Request for Information (RFI) *Request for Information Regarding Products and Categories of Products Used in Water Infrastructure Programs* in the Federal Register on November 20, 2023, which closed on December 20, 2023, EPA-HQ-OW-2023-0396-0001). The RFI requested feedback detailing domestic materials sourcing, market readiness, other product supply considerations, and whether water infrastructure products are manufactured in the U.S. The EPA and DOI examined the 12 comments that provided feedback on the domestic availability of water meters.

In general, commentors to the RFI noted that manufacturers need time to assess, design, develop, and test new lines of domestically produced products consistent with BABA requirements. Component changes on manufactured goods require re-evaluation periods to reduce major issues in manufacturing. This includes establishing new domestic production facilities, new BABA compliant lines of domestic products, and staffing for the new facilities. Commenters also reported significant concerns with stocking burdens, customer communication issues, and production capacity issues. Commenters noted that there are significant issues related to the domestic sourcing of electronics. Commenters note that there is no support to offset the foreign procurement of the electronics. One commentor shared that they were unlikely to meet the BABA domestic component sourcing requirements within five years, as the effort requires a significant time and funding investment.

Given that it is not possible for all future funded AMI water meter projects to source the meter housings from the few domestic sources, (for the above described compatibility and market lead times concerns), DOI and the EPA are issuing a time-limited three-year phased waiver, in which all components of the water meter product are waived in phase one. This initial, two-year phase

of the waiver covers all components of the AMI smart meter to provide an opportunity for manufacturers to assess the sourcing of their meter housings and transition to a domestic supply for that component. The second phase of this waiver, which begins two (2) years from the date of approval, extends waiver coverage to components of the AMI water meter except the meter housing, for the third of three years, whereby AMI water meter housings will be required to be domestically manufactured at that time.

DOI and the EPA consider this waiver to provide a significant market signal and time for manufacturers to analyze current issues and develop strategies to create domestically manufactured or produced products that are consistent with BABA requirements. This will also give time to assess, design, develop, and test new lines of the domestic products. Responses to the EPA's RFI were generally consistent with the feedback DOI had previously received.

DOI and the EPA consider this waiver's incentive-based approach to be appropriate and fair for both manufacturers that have manufactured or produced some of their AMI water meter components domestically and those that have not prioritized a domestic supply of components prior to the enactment of the Infrastructure Investment and Jobs Act, sometimes referred to the Bipartisan Infrastructure Law. Manufacturers not sourcing their components domestically will have sufficient and reasonable time to reassess, plan, and implement changes. Manufacturers currently sourcing some of their products domestically will have sufficient and reasonable time to source the high-cost components of AMI water meters domestically. While the industry as a whole manages this transition, DOI and the EPA may continue to fund projects to conserve and efficiently use water resources through the use of AMI water meters. An analysis will be required immediately prior to the conclusion of the waiver period to identify how the AMI water meter industry has shifted in response to changing market conditions.

Expectation for the agency, award recipients, and industry at the conclusion of the waiver: DOI and the EPA expect to continue to engage in conversations with grant recipients and other Federal agencies to encourage the AMI water meter manufacturing industry to meet the 55 percent of total cost domestic content requirement for BABA compliance.

DOI and the EPA will review this waiver annually to assess whether it remains necessary. DOI and the EPA may, based on the results of that review, terminate, or narrow the scope or duration of this waiver, or take such other action deemed as appropriate.

5. Assessment of Cost Advantage of a Foreign-Sourced Product

Under OMB Memorandum M-24-02, Federal agencies are expected to assess "whether a significant portion of any cost advantage of a foreign-sourced product is the result of the use of dumped steel, iron, or manufactured products or the use of injuriously subsidized steel, iron, or manufactured products" as appropriate before granting a public interest waiver. DOI and the EPA's analysis has concluded that this assessment is not applicable to this waiver as this waiver is not based on the cost of foreign-sourced products.

6. Summary of Public Comments

The waiver received sixteen (16) public comments over the thirty (30) day publication period from August 30, 2024 through September 28, 2024. Five (5) municipal water authorities, four (4) manufacturing entities, three (3) state revolving fund programs, two (2) water infrastructure associations, one (1) national manufacturing association, and one (1) consulting engineer submitted comments. None of the comments opposed the waiver, in general. Most comments included detailed information for consideration, all of which were substantive. While commenters expressed support for the waiver generally, many raised concerns with aspects of the waiver including the phasing and overall duration, component specificity, nomenclature, and scope.

Many commenters requested the waiver duration be extended beyond the three years proposed, noting that additional time appears necessary to scale up and build production for the potential demand cited in the proposal. DOI and the EPA considered the comments regarding waiver duration and determined that the points raised did not warrant extension beyond the proposed three-year duration. Market research for this waiver identified several domestic manufacturing entities that have made recent investments in domestic manufacturing, and comments to the waiver confirm that increasing domestic supply will be available nearing the end of the waiver period. Extension of the waiver beyond three years may disincentivize potential investment and expansion of the developing domestic sources. Before the conclusion of the waiver, DOI and the EPA will re-evaluate the conditions of supply chains for water meters. Should domestic availability continue to be a concern and the identified domestic manufacturing base is unable to ramp up production to meet expected demand, the expiring waiver will be re-considered.

Comments also asked for clarification on the timing of the waiver phases, noting that the language in the proposal caused some confusion about the sequence of the phases whereby some commenters interpreted the total waiver time period as five years, which was not the intent of the proposal. This final waiver includes adjusted language to clarify the phases of the waiver, as follows: The first phase, which is two (2) years in duration, covers AMI meters and all their components. Two (2) years from the date of approval, AMI meter housings shall be a domestically manufactured or produced component, but all other components continue to be waived for the final year of the waiver. The total duration of the waiver is three (3) years.

Several comments expressed concerns with terminology used in the waiver, including references to water meter "bodies" and "resins," in addition to requesting clarification regarding the components of a water meter manufactured product. The consensus of comments recommended changing "bodies" to "housings" to clarify and avoid confusion, a change which is reflected in the final waiver. Additionally, comments recommended striking "resins" from inclusion in the components list describing typical water meter products, noting that the resins are typically input materials that are used to produce components (such as meter housings), and therefore are not directly incorporated into the final manufactured product. The term "resins" has been removed from the final waiver. The final waiver does not, however, include any other changes in reference to the components of a water meter product. DOI and the EPA examined the comments and while the consensus of comments requests delineation of all known, specific components of a water meter product, or to refer to the products as "systems," the final waiver is unchanged from the proposal in this aspect. Several comments noted that the technologies can differ

significantly across brands and models, and that products are evolving rapidly. In order to avoid confusion and mischaracterization of product types, the final waiver retains the example list of water meter product components (such as meter housings, end points/transmitters, printed circuit boards, meter electronics, batteries, base stations, repeaters, and associated equipment), noting that components can differ depending on the water meter system in use or the needs of specific projects. DOI and the EPA view this list of components as a reasonable instructive example of what comprises a water meter manufactured product.

The waiver requested comments regarding the substitutability and compatibility of meter housings and meters from different manufacturers. Six (6) commenters responded that AMI water meters from different manufacturers are not compatible without loss of “AMI” features. One (1) commenter shared that intermingling components would likely void product warranties. DOI and EPA, therefore, consider it important to provide sufficient time and appropriate phasing of this waiver to encourage a market-wide domestic sourcing transition.

The waiver requested comments regarding a potential domestic assembly requirement, to which two (2) commenters responded substantively. One (1) commenter requested expanding the timeframe of the waiver significantly in order to include a domestic assembly requirement after four (4) years. Another commenter responded noting that they could presently domestically assemble a portion of the projected national supply for AMI water meters and could expand that domestic assembly capability to a larger portion (though far less than half of the total) of the demand with further investment, but the timing for the expansion was not provided. While DOI and the EPA appreciate the manufacturing entities' encouraging efforts toward domestic assembly, and strongly recommend recipients to utilize domestically assembled water meters when available, comments did not indicate market readiness for domestic assembly across the industry. The comments did not address or remove concerns that including a domestic assembly requirement within the three-year waiver period would alleviate existing supply chain issues. In light of many comments received emphasizing compatibility issues for municipal projects, the evidence for domestic assembly sourcing to supply the wide range and full projected needs of recipient projects does not warrant inclusion of an assembly requirement during the waiver period.

The waiver applies coverage at the point of purchase. Several comments requested that the final waiver include a change or further clarification to the applicability point for the acquisition of water meters. DOI and the EPA consider the purchase date stipulation to be a clear signal point of waiver applicability for manufacturers and a workable definition for recipients and oversight authorities. Other commenter suggested reference points could create confusion between manufacturers and recipients, ultimately undermining the waiver intent and potentially inviting noncompliance through misapplication of the waiver. The EPA has demonstrated success from past national waivers with the use of purchase date as the waiver applicability point, providing clarity for manufacturers, financial assistance recipients (including sub-recipients), and compliance oversight authorities.

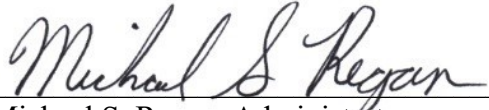
Several comments requested expansion of the waiver to include other types of flow meters beyond AMI water meters. DOI and the EPA are not expanding the waiver to include additional meter types at this time. Although the comments shared supply chain concerns for additional

meter types, the information available does not provide sufficient detail to support expansion of the waiver. DOI and the EPA will continue to evaluate supply chains for these products and may examine future waiver actions based on additional market research or project-specific waiver requests.

Multiple commenters requested the waiver apply to projects with AMI water meter projects already underway, noting that supply chain issues identified in the waiver apply to current activity equally as to future purchases. DOI and the EPA acknowledge that active water meter projects that have already received federal financial assistance for AMI smart water meters are not within the scope of this waiver, noting that extension of this waiver for these situations would "retroactively" apply the waiver, a policy prohibited through M-24-02. If a project has concerns or uncertainty about the status of their project relative to this waiver, DOI and the EPA recommend that projects contact the appropriate funding authority to discuss the specifics of ongoing projects.

For more information on the Buy America Preference, please reference www.doi.gov/grants/buyamerica or MadeinAmerica.gov and www.epa.gov/cwsrf/build-america-buy-america-baba.

The EPA hereby issues this general applicability/nonavailability waiver of the requirements of section 70914 of the Build America, Buy America Act included in the Infrastructure Investment and Jobs Act (Pub. L. No. 117-58) for AMI water meters used in infrastructure projects.

A handwritten signature in black ink, reading "Michael S. Regan". The signature is written in a cursive style with a horizontal line underneath it.

Michael S. Regan, Administrator
U.S. Environmental Protection Agency