25.504-1 Buy American statute.

(a)

(1) *Example 1*.

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

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

(b)

(1) *Example 2*.

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

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

(c)

(1) *Example 3*.

Offer A	$14,000	*Domestic end product* (complies with the required domestic content), small business.
Offer B	12,500	*U.S.-made end product* (not domestic, exceeds 55% domestic content), small business.
Offer C	10,100	*U.S.-made end product* (not domestic, with less than 55% domestic content), small business.

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

Parent topic: 25.504 Evaluation examples.