

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	\$10,000	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 \$25,000 and the acquisition is set aside, none of the trade agreements apply. 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\(c\)\(4\)](#)). Since Offer B is a domestic offer, apply the 30 percent factor to Offer C (see [25.105\(b\)\(2\)](#)). The resulting evaluated price of \$13,000 remains lower than Offer B. The cost of Offer B is therefore unreasonable (see [25.105\(c\)](#)). Award on Offer C at \$10,000 (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\(c\)\(4\)\(ii\)](#)).

Parent topic: [25.504 Evaluation examples.](#)