

When Do We Need to Buy American-Made Products?

As a federal agency, the NIH is subject to many requirements regarding its acquisitions. There are many reasons for these requirements, ranging from strengthening the economy to protecting the environment. Federal agencies are generally required to buy domestic products whenever possible (domestic products are manufactured in the United States). Buying domestic products not only helps support American businesses and improve the economy, it also ensures the products have been manufactured according to standards that protect the environment and human health.

Below is a summary of the commonly used documents for guiding acquisitions at the NIH. These regulations play a large role in determining when we are required to purchase domestic products. Following all of these purchasing rules can be tricky, so please consult your acquisition specialists for advice and guidance.

The Buy American Act

[The Buy American Act](#) requires federal agencies to procure domestic materials and products if these two conditions are met:

- the procurement must be intended for public use within the United States
- the items to be procured or the materials from which they are manufactured must be present in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality

EO 13881

[Executive Order 13881](#) (Maximizing Use of American-Made Goods, Products and Materials) establishes a policy to buy American and to maximize the use of goods, products and materials produced in the United States. Notably, this EO increases the price preference for domestic products to make them more desirable. The new price preferences are:

- 20% more for domestic products from large businesses
- 30% more for domestic products from small businesses

EO 14005

[Executive Order 14005](#) (Ensuring the Future Is Made in All of America by All of America's Workers) establishes that federal agencies must maximize the use of goods, products and materials produced in, and services offered in, the United States. Agencies also should, whenever possible, procure goods, products, materials and services from sources that will help American businesses compete in strategic industries and help America's workers thrive. This EO increases the domestic content threshold for determining if a product should be considered domestic. The threshold increases in these steps:

- the domestic content threshold is increased to 60% immediately
- the threshold is increased to 65% in calendar year 2024
- the threshold is increased to 75% in calendar year 2029

EO 14057

[Executive Order 14057](#) (Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability) describes requirements for the sustainability of federal procurement and acquisitions. Federal agencies must promote environmental stewardship, support resilient supply chains, incentivize markets for sustainable products, maximize environmental benefits and cost savings through the use of full lifecycle cost methodologies and, to the maximum extent practicable, purchase sustainable products and services identified or recommended by the EPA. Domestic products can offer many advantages for sustainability, so these criteria should also be considered when making acquisitions.

Federal Acquisition Regulation (FAR)

[The Federal Acquisition Regulation](#) is the main directive used by all federal agencies to guide their acquisition actions. The FAR is updated to reflect changes in acquisitions policies, such as those described above. The FAR should be referenced for up-to-date acquisitions guidance.

In conclusion, products currently manufactured with 60% content from the United States are considered domestic products (although this threshold will increase in coming years). These products should be purchased over foreign products with a price preference of 20% for domestic products from large businesses and 30% from small businesses. These requirements must be met when making future acquisitions.