

Government Sales Compliance Handbook

BAA | BABAA | TAA | USMCA | AIS

This resource is your guide to navigating government product compliance requirements, resources, and processes.



Support
government
procurement success



Provide accurate and
timely compliance
documentation



Reduce risk
and strengthen
compliance confidence



Build trust with
customers and
government partners

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UNDERSTANDING BAA

The Buy American Act (BAA) requires that federal agencies procure only “domestic end products.”

Key Points

- **Federal Law:** Applies to all federal agencies and government procurements.
- **Domestic End Product:** The final product must be manufactured in the United States.
- **Thresholds Apply:** BAA compliance is determined based on the total contract value of the end product.
- **Certification Required:** Suppliers must certify compliance with BAA at the contract level.
- **Supports U.S. Industry:** Ensures federal dollars strengthen the U.S. economy and supply chain.

BAA Compliance Is Based on Two Requirements

To qualify as a “U.S.-made end product,” a product must meet both requirements below (unless another exception or trade agreement applies).

1

U.S.-Made End Product
Final manufacturing of the end product must be completed in the United States.



MEETS REQUIREMENT
Final manufacturing in the U.S.

2

Domestic Content
The cost of components mined, produced, or manufactured in the United States must exceed the required percentage of the cost of all components:

Delivery Year	Required Domestic Content
2024-2028	65%
2029 and beyond	75%



MEETS REQUIREMENT
At or above the required domestic content level for the delivery year.



DOES NOT MEET REQUIREMENT
Below the required domestic content level for the delivery year.

Multi-Year Contracts

If a contract spans multiple calendar years, contractors must monitor and dynamically adapt to the delivery year's applicable threshold (e.g., transitioning from 65% to 75% in 2029).

Important

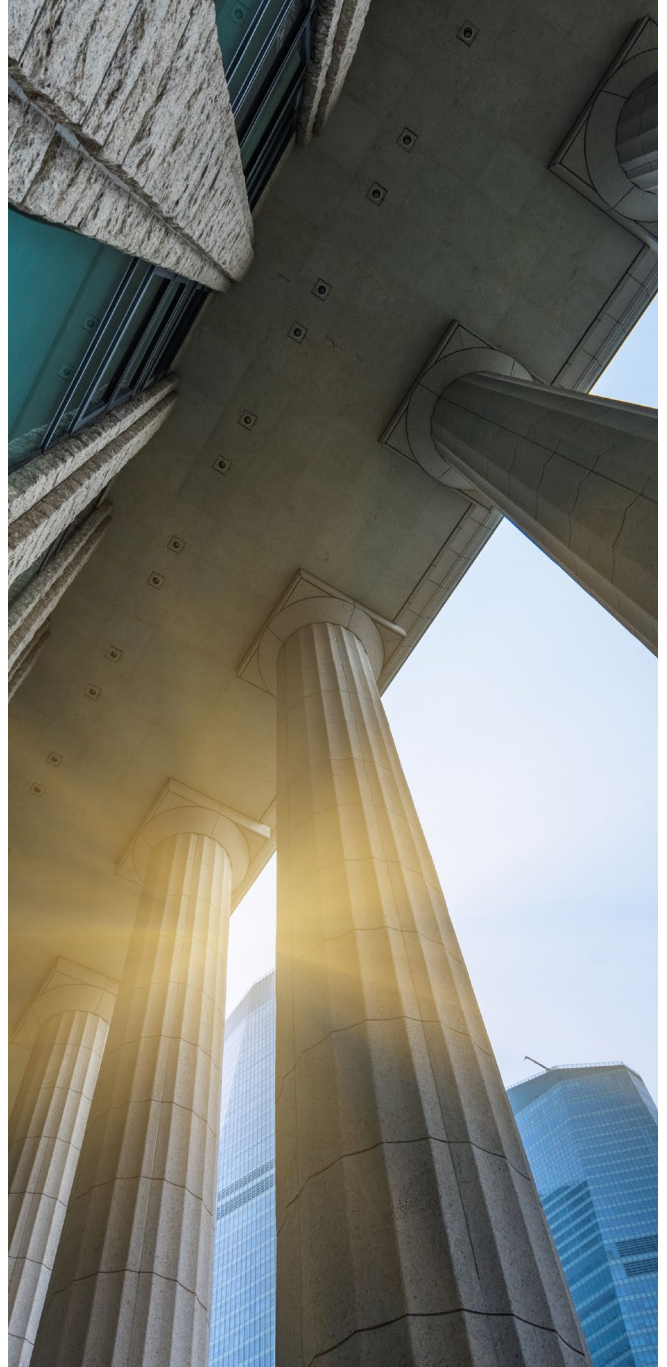
A product must qualify as a U.S.-made end product AND satisfy the applicable domestic content requirement to meet Buy American Act (BAA) requirements.

Our Role

Ensure products meet BAA requirements, provide accurate documentation, and help our customers succeed in government procurement.

Legal Reference

(FAR Clause 52.225-1, Buy American-Supplies):
“The cost of components mined, produced, or manufactured in the United States exceeds 60 percent of the cost of all components, except that the percentage will be 65 percent for items delivered in calendar years 2024 through 2028 and 75 percent for items delivered starting in calendar year 2029.”



UNDERSTANDING BAA THRESHOLDS

The eligibility to use products from trade-friendly countries of origin (COO) depends on the applicable trade agreement and whether the total project cost exceeds the required threshold.

Compliance Thresholds (Total Project Cost)

- **BAA Threshold: \$6,708,000.00** - Applies to products with a country of origin (COO) of the United States.
- **TAA Threshold: \$6,683,000.00** - Applies to products with a country of origin (COO) that is categorized under TAA agreements.
- **USMCA Threshold: \$13,749,689.00** - Applies to products with a country of origin (COO) that is categorized under USMCA agreements.

Determine Applicability



TAA Threshold

Determine the final total project cost, including all costs from the initial design phase through completion of construction and issuance of the certificate of occupancy.

Compare that amount to the **\$6,683,000 TAA threshold.**



Equal to or Greater

Project cost is equal to or greater than \$6,683,000



Less Than

Project cost is less than \$6,683,000



USMCA Threshold

Determine the final total project cost, including all costs from the initial design phase through completion of construction and issuance of the certificate of occupancy.

Compare that amount to the **\$13,749,689 USMCA threshold.**



Equal to or Greater

Project cost is equal to or greater than \$13,749,689



Less Than

Project cost is less than \$13,749,689

Important

Thresholds are based on total project cost, which includes all costs from design and ground-breaking through occupancy. If the total cost does not exceed the applicable threshold, the BAA, TAA, or USMCA requirements are not triggered.

Key Takeaway

Identify the country of origin (COO) of the products and compare the total project cost to the applicable threshold to determine which compliance requirements apply.

UNDERSTANDING BABAA

Build America, Buy America Act (BABAA) establishes domestic sourcing requirements for infrastructure projects funded by the Infrastructure Investment and Jobs Act (IIJA). Products must meet U.S. manufacturing and domestic content requirements.

BABAA Requirements

1. **U.S. Manufacturing:** The product must be manufactured in the United States.
2. **Required Domestic Materials Content:** Required domestic materials percentage thresholds must be U.S. sourced according to the thresholds below. Content percentages should align with the actual funding year.

To be BABAA compliant, a product must meet BOTH requirements: (1) required domestic materials percentage thresholds are U.S. sourced according to the thresholds below AND (2) the product is manufactured in the United States.

Domestic Content Thresholds Based on Funding Year

- **Pre-2025:** 55% Domestic Content
- **2025-2028:** 65% Domestic Content
- **2029 and beyond:** 75% Domestic Content

Thresholds are based on the date of obligation of federal funds.

When Does BABAA Apply?

- **IIJA-Funded Infrastructure Projects:** Applies to infrastructure projects funded in whole or in part by the Infrastructure Investment and Jobs Act (IIJA).
- **Federal Financial Assistance:** BABAA applies when federal financial assistance is provided for the project.
- **Documentation Required:** Documentation must be maintained and available to demonstrate compliance.

Compliance Summary

- All materials within the product are sourced in the United States
- Meets the domestic content threshold for the applicable funding year
- Manufactured in the United States

Reference

Infrastructure Investment and Jobs Act (IIJA), 49 U.S.C. Section 5323(j)(1), 49 CFR Part 661, and 2 CFR Part 184.

Important

Compliance with BABAA is required for applicable IIJA-funded projects. Failure to comply may result in loss of federal funding or other penalties. All suppliers must provide accurate information to support compliance.

WAIVERS & EXCEPTIONS FOR BAA AND BABAA

Waivers and exceptions to Buy American Act (BAA) and Build America, Buy America Act (BABAA) requirements are determined by the funding or contracting agency.

Allegion is not a funding agency or government agency. We cannot grant waivers or exceptions. Only the applicable funding or contracting agency has the authority to approve or deny waivers and exceptions.

Who Can Grant Waivers and Exceptions?

The funding or contracting agency (e.g., federal, state, local, or other applicable agency) is the only entity that can grant waivers or exceptions.

Examples may include:

- Federal Granting Agencies
- State or Local Funding Authorities
- Contracting Officers
- Other Authorized Officials

Rules and processes vary by agency and program. Please contact the appropriate agency for guidance.

How Allegion Can Help

Upon request, Allegion can provide information to help you and your customers prepare and submit a waiver or exception request.

We can provide:

- Product country of origin information
- Domestic content information
- Manufacturing location details
- Other supporting documentation as available

This information is for your use in preparing requests to the appropriate agency. We are not the deciding authority.

Important

Allegion's role is to support with information, not to approve or deny waivers or exceptions. The determination rests solely with the applicable funding or contracting agency based on their rules and criteria.

Questions?

For questions about waivers and exceptions, please contact the funding or contracting agency.

SUPPORT & CONTACTS

Know who to contact, what they handle, and why it matters. For more information on products and prices: reach out to your Allegion Sales Contact.

Compliance BAA / BABAA Support

For compliance BAA / BABAA related questions, and request status updates, reach out to compliance.support@allegion.com.



WHO

Know which team to contact for each type of need



WHAT

Understand what each team handles and the types of requests.



WHY

Get faster answers and keep your projects moving



WHERE

Use the correct mailbox to ensure your request reaches the right team

Tip

Using the right contact helps us respond faster and more accurately.

FUTURE COMPLIANCE CAPABILITIES COMING SOON

The following compliance tools and resources are currently in development and will be released in future editions of the Government Sales Compliance Handbook.



COMPLIANCE PRODUCT FINDER

Search products, verify compliance, and discover alternatives.



COMPLIANCE PRODUCT CATALOG

Browse verified compliance products and view key product information.



SUBMIT A COMPLIANCE REQUEST

Submit new BAA and BABAA compliance requests through the online request form.



COMPLIANCE REQUEST WORKFLOW

Understand each step in the compliance review process from submission to completion.



TRACKING COMPLIANCE REQUESTS

Track the status of submitted requests and review completed compliance determinations.



COMPLIANCE DOCUMENTATION

Access compliance certificates, letters, and supporting documentation for products.

Future Releases

These compliance tools and resources represent upcoming features designed to streamline compliance processes and enhance visibility into your compliance requests.

Questions?

For questions about these upcoming capabilities or to provide feedback, please contact us at compliance.support@allegion.com.



About Allegion

At Allegion (NYSE: ALLE), we design and manufacture innovative security and access solutions that help keep people safe where they live, learn, work and connect. We're pioneering safety with our strong legacy of brands like CISA®, Interflex®, LCN®, Schlage®, SimonsVoss® and Von Duprin®. Our comprehensive portfolio of hardware, software and electronic solutions is sold around the world and spans residential and commercial locks, door closer and exit devices, steel doors and frames, access control and workforce productivity systems.

For more, visit www.allegion.com

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