



North Bay Village

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Addendum 3 Issued on December 6, 2016

BID NO. 2016-004 FOR WATER MAIN REHABILITATION PROGRAM

Issued by: North Bay Village

Notice to all Bidders:

Please include the attached “American and Steel Guidance for State Revolving Fund Projects” as part of the Bid Package.

PROOF OF RECEIPT

Recipient

Signature:

Print Name:

Company:

Date:

SUBMIT WITH RFP RESPONSE



Florida Department of Environmental Protection

Marjory Stoneman Douglas Building
3900 Commonwealth Boulevard
Tallahassee, Florida 32399-3000

Rick Scott
Governor

Carlos Lopez-Cantera
Lt. Governor

Jonathan P. Steverson
Secretary

AMERICAN IRON AND STEEL GUIDANCE FOR STATE REVOLVING FUND PROJECTS

Florida State Revolving Fund Programs

November 2016

P.L. 113-76, Consolidated Appropriations Act, 2014 (Act), includes an "American Iron and Steel (AIS)" requirement in section 436 that requires Clean Water State Revolving Loan Fund (CWSRF) and Drinking Water State Revolving Loan Fund (DWSRF) assistance recipients to use iron and steel products that are produced in the United States for projects for the construction, alteration, maintenance, or repair of public water system or treatment works if the project is funded through an assistance agreement executed beginning January 17, 2014 (enactment of the Act), through the end of Federal Fiscal Year 2014.

Section 436 also sets forth certain circumstances under which the Environmental Protection Agency (EPA) may waive the AIS requirement. Furthermore, the Act specifically exempts projects where engineering plans and specifications were approved by a State agency prior to January 17, 2014.

The approach described below explains how EPA will implement the requirement. The guidance will be in the form questions and answers that address AIS, the types of projects that must comply with the AIS requirement, the types of products covered by the AIS requirement, and compliance.

Implementation

1) What is American Iron and Steel?

The "American Iron and Steel (AIS)" provision requires State Revolving Fund (SRF) projects to use iron and steel products that are produced in the United States. AIS *IS NOT* "Buy American" from the Stimulus of 2009 or "Buy American" that is used by agencies such as the Florida Department of Transportation.

2) What projects need to comply with AIS?

All projects funded with a SRF agreement need to comply with AIS. AIS compliance applies to the entirety of the project, regardless when the construction begins or ends. One dollar in SRF funds requires AIS compliance on the entire project. AIS compliance applies to all parts of the project, regardless of the source of funding.

3) What is an iron or steel product?

The term "iron or steel products" means the following products made primarily of iron or steel:

- Lined or unlined pipes or fittings
- Manhole Covers
- Municipal Castings
- Hydrants
- Tanks
- Flanges
- Pipe clamps and restraints
- Valves
- Structural steel
- Reinforced precast concrete
- Construction materials

4) What is the definition of "primarily iron or steel"?

A product that is primarily iron or steel is a product that is made of greater than 50% iron or steel, measured by cost. The cost should be based on the material costs. If a product is not listed in the AIS provision but is composed of more than 50% iron or steel, it does not have to be produced in the United States.

5) What is an iron or steel product?

An iron or steel product is one that is primarily made of iron or steel that is permanently incorporated. Equipment which are eventually removed from the project upon completion are not required to comply with AIS.

6) What does "produced in the United States" mean?

Produced in the United States means that all manufacturing processes, including application of coatings, must take place in the United States, except for metallurgical processes involving refinement of steel additives. All manufacturing processes includes processes such as melting, refining, forming, rolling, drawing, finishing, fabricating and

coating. Raw materials such as iron ore, limestone and iron and steel scrap are not covered by the AIS requirement. Non-iron or steel components of an iron and steel product may come from non-US sources.

7) What components are not covered by AIS?

Mechanical and electrical components, equipment and systems do not have to comply with AIS. 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.

8) What are some examples of components not covered by AIS?

Examples of components that do not need to comply with AIS include: pumps, motors, gear reducers, drives (including variable frequency drives (VFDs)), electric/pneumatic/manual accessories used to operate valves (such as electric valve actuators), mixers, gates, motorized screens (such as traveling screens), blowers/aeration equipment, compressors, meters, sensors, controls and switches, supervisory control and data acquisition (SCADA), membrane bioreactor systems, membrane filtration systems, filters, clarifiers and clarifier mechanisms, rakes, grinders, disinfection systems, 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, analytical instrumentation, and dewatering equipment.

9) What are the steps to document AIS compliance?

- Contract language - the specific contract language given in the FDEP Supplementary Conditions, Appendix D, must be included in each contract, including purchase agreements.
- Step Certification Process - each handler (supplier, fabricator, manufacturer, processor, etc.) of the iron and steel products certifies that their step in the process was performed domestically.
- Paper Trail - including the originating purchase order, the delivery of service via a bill of lading, and invoice from the manufacturer.

10) What does the certification letter need to contain?

The certification letter should identify:

- What the product is - The letter should list the specific product(s) delivered to the project site.
- Where it was made - The letter should include the manufacturing location of the product(s).
- To whom it was delivered - The letter should include the name of the project and jurisdiction where the project was delivered.

- Signature of a representative who has the authority to speak on behalf of the company.

11) What is the waiver process?

The EPA has the ability to issue waivers when the following can be documented:

- That applying the AIS requirements would be inconsistent with the public interest;
- OR
- Iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality;
- OR
- Inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25%.

12) What are the steps to request a waiver?

- The waiver request is emailed to the SRF program.
- After review, the SRF program will forward the application to the EPA Headquarters.
- After evaluation and review of public comments, EPA Headquarters will either approve or disapprove the waiver request.
- EPA Headquarters will send notification to the SRF program and the decision will be posted online.

13) What are national waivers?

The EPA has the authority to issue national waivers. The national waivers that have been approved to date include:

- De minimis waiver – allows a small percentage of incidental products of unknown or non-domestic origin to be incorporated. Users of the de minimis waiver should maintain documentation of all the de minimis items in a project.
- Plans and Specifications Waiver – exempts projects with plans and specifications approved by a state agency prior to January 17, 2014 and between and including January 17 and April 15, 2014 (the date the waiver was signed).
- Product waiver for pig iron and direct reduced iron –permits the use of pig iron and direct reduced iron manufactured outside the US to be used in the manufacturing process for iron and steel products.
- Short-term waiver for stainless steel nuts and bolts used in pipe couplings, restraints, joints, flanges, and saddles.

14) What are the penalties for not complying with AIS?

Failure to comply with the AIS requirements may delay, limit, or prevent the disbursement of SRF funds. The SRF program will require corrective actions by the

Contractor as a result of violations of AIS compliance, including the replacement of the deficient products, compensation for costs, and other damages that may result. Violations may subject the Owners, the Contractors, and suppliers to enforcement actions from the EPA and other federal agencies.

15) Where can further information be obtained about AIS?

The EPA has a website to address questions and concerns about AIS and can be found at

http://water.epa.gov/grants_funding/aisrequirement.cfm

Appendix: Sample Certification

The following information is provided as a sample letter of **step** certification for AIS compliance. Documentation must be provided on company letterhead.

Date

Company Name

Company Address

City, State Zip

Subject: American Iron and Steel Step Certification for Project (XXXXXXXXXX)

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.

Item, Products and/or Materials:

1. Xxx
2. Xxx
3. Xxx

Such process took place at the following location:

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