



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: The Veterans Administration--Request for
Advance Decision
File: B-230762
Date: May 18, 1988

DIGEST

For purposes of the Buy American Act, structural steel detailing is not a component of fabricated steel because the detailing is not an article, material or supply that is directly and physically incorporated into the final fabricated steel.

DECISION

The Veterans Administration (VA) requests our Office's opinion concerning whether, in applying the Buy American Act, structural steel detailing should be considered a component of fabricated steel.

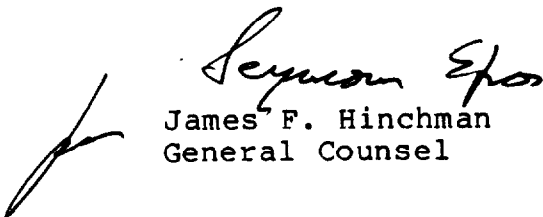
The Buy American Act requires that only domestic construction material be used in public buildings or works in the United States unless such material is not reasonably available in sufficient quantities of satisfactory quality, or its use is impracticable or would unreasonably increase the project's cost. Federal Acquisition Regulation (FAR) § 25.202 (FAC 84-12). Domestic construction material is unmanufactured material mined or produced in the United States, or material manufactured in the United States if the cost of its components mined, produced or manufactured in the United States exceeds 50 percent of the cost of all its components; components are articles, materials or supplies incorporated directly into construction material. FAR § 25.201. To determine if a construction material is domestic only the material itself and its components are considered. Id.

According to the VA, structural steel detailing is an engineering function in which the detailer, under subcontract to the structural steel fabricator, prepares shop drawings that are used to fabricate the steel. The VA's position is that because the detailing involves only labor, it should not be considered a component of the final fabricated steel. The opinion of at least one domestic steel detailer, however, is that the shop drawings that are

the end product of detailing essentially are incorporated into the fabricated steel. Therefore, the detailer argues, where the detailing is performed by a foreign firm, the cost of detailing should be considered in determining whether fabricated steel is of domestic or foreign origin for purposes of the Buy American Act restrictions.

We agree with the VA that the cost of structural steel detailing should not be considered a component cost of fabricated steel. As noted above, the FAR is clear that in order for an article, material or supply to be considered a component, it must be incorporated directly into the construction material. We think this definition generally contemplates some item that is physically incorporated into the construction material. See Patterson Pump Co., et al., B-200165, et al., Dec. 31, 1980, 80-2 CPD ¶ 453 (tests and instructions, which are not physically incorporated into pumps, are not components of the pumps for purposes of the Buy American Act). While we understand that the cost of the detailing is absorbed into the final cost of the fabricated steel, and that the drawings are a product of the steel detailing, the fact is that they are not directly and physically incorporated into the fabricated steel.

Consequently, the drawings in issue are not a component of the fabricated steel, and the detailing cost should not be considered in determining whether the steel is of domestic or foreign construction material.



James F. Hinchman
General Counsel