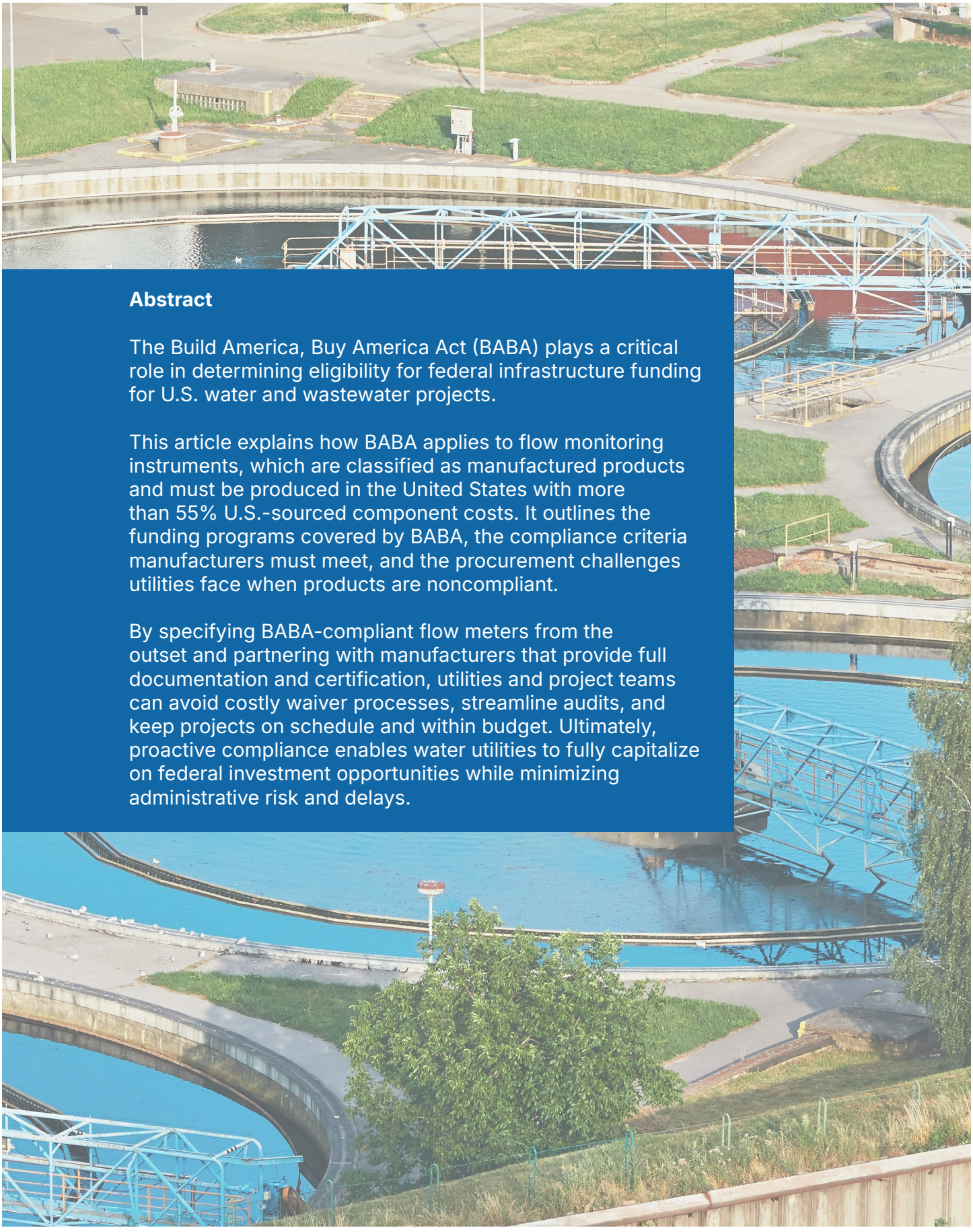
McCROMETER

How Water Utilities Can Unlock Federal Funds Through BABA-Compliant Flow Monitoring Instruments



White Paper



Abstract

The Build America, Buy America Act (BABA) plays a critical role in determining eligibility for federal infrastructure funding for U.S. water and wastewater projects.

This article explains how BABA applies to flow monitoring instruments, which are classified as manufactured products and must be produced in the United States with more than 55% U.S.-sourced component costs. It outlines the funding programs covered by BABA, the compliance criteria manufacturers must meet, and the procurement challenges utilities face when products are noncompliant.

By specifying BABA-compliant flow meters from the outset and partnering with manufacturers that provide full documentation and certification, utilities and project teams can avoid costly waiver processes, streamline audits, and keep projects on schedule and within budget. Ultimately, proactive compliance enables water utilities to fully capitalize on federal investment opportunities while minimizing administrative risk and delays.



What is the Build America, Buy America Act?

For the past several years, a surge in federal infrastructure investment has facilitated several projects to upgrade U.S. water and wastewater systems. A significant part of this funding requires compliance with the **Build America, Buy America Act (BABA)**.

This law mandates that permanent installations, such as pipes, filters, pumps, and flow meters, are made in the U.S. using a specified proportion of U.S.-produced iron and/or steel.

To secure these funds, municipal leaders, project managers, and consulting engineers overseeing grant funding programs need to understand how to fulfill **BABA** requirements as well as document and prove compliance. They should also know how working with **BABA**-compliant vendors ensures **BABA** eligibility, in addition to keeping projects on schedule and within budget.

Understanding BABA Funding And Scope

The BABAA requirement applies to all federal financial assistance programs for infrastructure. In the water sector, this includes resources such as the **Clean Water Revolving Fund** and the **Drinking Water State Revolving Funds**. Even money dedicated to Gulf Coast recovery, such as those administered by the U.S. Treasury Dept. under the **RESTORE** Act's Direct Component program, are subject to **BABA**.

Flow meters and similar instruments typically fall under the BABA category of manufactured products. As such, they need to satisfy two core requirements to be compliant. The first is that they have to be produced in the United States.

Second, the cost of components mined, produced, or manufactured in the United States must exceed 55% of the total cost of all components. For most manufacturers, this requires components (e.g., such as the meter's cones) to be strategically sourced from U.S. origins. In addition, the overall assembly and manufacturing processes must take place in the United States.

Streamlining Procurement

For project managers and engineers advising utilities, working with manufacturers who have proactively established BABA-compliant processes can dramatically simplify the procurement process. It does this by overcoming two major obstacles:

1. Eliminating Lengthy Waiver Requests

The most significant advantage to working with BABA-compliant manufacturers is eliminating the need for a waiver. Federal funding sources allow exceptions when compliant products are either unavailable, unreasonably costly (defined as increasing the overall project cost by more than 25%), or inconsistent with the public interest.

However, applying for a waiver is a burdensome process that involves a significant amount of research and detailed justification/explanation.

Moreover, the request must be submitted to the funding agency (e.g., **U.S. Treasury or EPA**), where it will face a minimum 15-day public comment period. This can cause long and challenging delays, throwing off project timelines.

Even worse, the sheer availability of **BABA**-compliant flow meters, **such as those from McCrometer**, challenges the rationale for seeking a nonavailability exclusion for metering devices, forcing other parties seeking an exception to try a different route. By choosing a compliant product upfront, the entire bureaucratic process can be skipped, keeping the project on schedule.

2. Assured Documentation and Audit Readiness

BABA compliance requires rigorous documentation and record keeping to demonstrate that materials meet production standards. A compliant manufacturer can minimize this burden for the utility and contractors. Manufacturers who have already established compliance almost assuredly have approval processes and rules in place to write the necessary audit documents.

In addition, the **Manufacturer's Certification of Compliance** is a mandatory document required by federal agencies for **BABA**-eligible funds. A compliant vendor will be able to produce this letter, which will detail the product's part number and a specific serial number. This allows the utility to demonstrate compliance in audits with full traceability back to the individual meter.

Compliant By Design

Because BABA compliance starts in the design phase of every project, engineers must do their research early. Partnering with manufacturers known for compliance simplifies the specification process, allowing design engineers to confidently integrate approved products from the project's start. This ensures that the design meets federal requirements, helping maintain the project schedule and budget.

The influx of federal infrastructure funding presents a massive opportunity for water utilities to complete necessary upgrades and improvements. However, access to this funding hinges on strict adherence to the **BABA** requirements. By intentionally specifying **BABA**-compliant flow monitoring instruments and prioritizing suppliers who have their documentation and supply chains in order, utility teams can move quickly, secure their funding, and confidently deliver infrastructure improvements without the headache of costly delays or denied waivers.

Choosing a compliant partner ensures that bureaucratic red tape does not become a dam blocking the flow of federal capital. Get in touch to learn about BABA-compliant products today.