

The BAA is a U.S. manufacturing preference law that requires contracts under a certain threshold to purchase 'domestic end products.' There, however, **are exceptions** – TAA Act:

**Are Franke's Sinks a 'Domestic End Product' under BAA?**

The sinks are a product that is predominantly made of iron and steel, which means that the cost of the iron and steel content exceeds 50 percent of the total cost of all its components. However, since Franke is manufacturing this product in Canada (the manufacturing must take place in the United States), then the item is not a domestic end product under BAA. Nevertheless, Franke sources steel for its Canadian manufactured sinks from the United States

**Here is the exception to the BAA that Franke falls under;**

**BAA waiver through the Trade Agreements Act (TAA)**

For government contracts above a certain threshold for the total value of the project, agencies cannot discriminate against products and suppliers from designated countries, including parties to the WTO's Government Procurement Agreement (GPA). Canada is a signatory the GPA. Currently, the threshold is \$174,000 for the value of the total project subject to the supply contract, not merely the products Franke may be quoting, providing Franke then a waiver of the BAA requirement. 48 CFR § 25.402. If the quote is for a construction contract, the threshold is \$6,708,000.

**Summary**

**For all Franke and Kindred sink products manufactured in Canada, Italy, or Switzerland.**

When bidding on government supply contracts (total project value) above \$174,000 we can declare that Franke manufacturing is compliant with the TAA act. If it is on product manufactured in Canada, we can add that the sinks are manufactured in Canada with USA steel in compliance with the TAA Act.