

Issued: February 23, 2026

Expires: April 30, 2026

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**Build America Buy America Act Final Nonavailability Waiver
Floyd County Medical Center
Clinic & Hospital Expansion
DDC Building Control System**

1. Summary

Agency: United States Department of Agriculture (USDA)

Waiver: The United States Department of Agriculture is issuing a nonavailability waiver of the manufactured product requirements of Section 70914 of the Build America, Buy America Act (BABA) included in the Infrastructure Investment and Jobs Act (Pub. L. No. 117- 58) for a DDC Building Control System for use at the Floyd County Medical Center Clinic & Hospital Expansion project in Charles City, IA.

Applicability: This waiver action permits the use of a non-domestic DDC Building Control System in the Floyd County Medical Center project. This product will be obtained by Floyd County Medical Center and incorporated into the subject project, prior to the expiration date of the waiver.

Waiver Type: Nonavailability waiver of the BABA manufactured product requirements for a DDC Building Control System.

Summary of Items Covered in Waiver: DDC Building Control System

Waiver Justification Summary: HVAC controls are a critical component to controlling the building's temperature and humidity in a healthcare environment. The system installed in the existing facility has been installed and is currently maintained by Johnson Controls, Inc. (JCI). JCI's user interface is proprietary to their company, deviating from these products would cause integration issues with their existing system. This leaves 2 options:

1) Install a second system which is BABAA compliant, which does not interface with the existing system. This is not acceptable in a healthcare environment.

2) Remove the entire existing system and replace it with a compliant system. This would be a very large undertaking and extremely costly for the hospital to comply with.

Length of the Waiver: This waiver will be in effect upon approval and will remain in effect until April 30, 2026, the estimated remainder of the project's construction schedule.

2. Background

The Buy America Preference set forth in section 70914 of the Build America, Buy America Act included in the Infrastructure Investment and Jobs Act (Pub. L. No. 117-58), requires all iron, steel, manufactured products, and construction materials used for infrastructure projects under Federal financial assistance awards be produced in the United States.

Under section 70914(b), The Agency may waive the application of the Buy America Preference, in any case in which it finds that: applying the domestic content procurement preference would be inconsistent with the public interest; types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25%. All waivers must have a written explanation for the proposed determination; provide a period of not less than 15 days for public comment on the waiver; and submit the waiver to the Office of Management and Budget Made in America Office for review to determine if the waiver is consistent with policy.

Direct Digital Control (DDC) Building Control System

This waiver contains HVAC controls as a system, including but not limited to - temperature sensors, thermostats, pressure switches, relays, etc.

3. Description of Award

Title of Project: Floyd County Medical Center Clinic & Hospital Expansion

Infrastructure Project Description and Location: This project includes a 3 story addition to the existing hospital as well as renovation of an existing clinic space and public corridors. The addition includes a finished basement with mechanical space and training rooms, clinic space on all 3 levels, a new check-in desk and registration spaces, and a new pharmacy space. The project also includes the

remodel of an existing clinic space for an upgraded speech and occupational therapy, added laboratory space, and new finishes for the public corridors.

Description of Project: The Floyd County Medical Center Clinic & Hospital Expansion project is new construction of a clinic facility and expansion of the existing hospital on a new site already owned by the hospital. The project will allow Floyd County Medical Center to improve the ratio of primary care providers to citizens of Floyd County by increasing the number of providers and expanding clinic space as it relates to safety, privacy, accessibility, energy efficiency, and infection control.

Recipient Name: Floyd County Medical Center

Unique Entry Identifier (UEI): NM7YLLHNVBL8

Federal Financial Assistance Program: Community Facilities Direct Loans & Grants

Federal Financial Assistance Funding Amount: \$24,500,000.00

Total cost of infrastructure expenditures, including all Federal and non-Federal funds: \$40 million

4. Description of Covered Items

Manufactured Products: The waiver seeks an exception to the Buy America requirements for the following manufactured products:

- Qty: 1 - This waiver contains HVAC controls as one complete building system.
- Total Cost: \$186,111.07
- Products: Temperature sensors, thermostats, pressure switches, relays, etc.
- NAICS: 334512
- PSC: 4120
- Country of Origin: Mexico

5. Waiver Justification Summary

Anticipated Impact if No Waiver is Issued: Current hospital has existing system composed of non-BABA-compliant components. Installing a BABA-compliant system would either create two incompatible systems within the hospital space or require the removal of the existing system and the installation of a single BABA-compliant system that would replace all the hospital's existing hardware. Neither option is a viable solution financially.

Description of Efforts Made to Identify Domestic Products: USDA conducted market research to determine if there are domestic manufacturers that can

produce or supply the needed DDC system. USDA contacted multiple manufacturers for product availability. All of the manufacturers contacted either confirmed they cannot manufacture these products to meet the project specifications, did not respond to inquiries, or their products are not BABAA-compliant. Thus, they are not a viable option for this project, given that the project has no approved equals for this product. The DDC controls are part of an addition to the existing facility. The old and new have to be compatible. No compatible system was found from USA sources. The original system and addition have to be the same manufacturer, Johnson Controls, with parts primarily from Mexico.

Assessment of Cost Advantage of a Foreign-Sourced Product: Under OMB M-24-02, agencies are expected to assess “whether a significant portion of any cost advantage of a foreign-sourced product is the result of the use of dumped steel, iron, or manufactured products or the use of injuriously subsidized steel, iron, or manufactured products” as appropriate before granting a public interest waiver. USDA’s analysis has concluded that this assessment is not applicable to this waiver as this waiver is not based on the cost of foreign-sourced products.

Solicitation for Comments: The proposed waiver was posted from February 3 - February 18, 2026 on USDA’s public facing webpage and a notice of the proposed waiver was posted to the Made in America website, to satisfy the requirement to publish any Build America, Buy America Act Project Waiver and provide the public with fifteen (15) days to submit comments. No comments were received from the public, and therefore no substantive changes were made in response.