613-ACP

BUY AMERICAN ACT

Substantial Transformation

Questions for Determining Whether Substantial Transformation has Occurred in the U.S.

The following questions are intended to serve as a guide to determine whether a manufactured good to be incorporated into a project being built with ARRA funds was manufactured in America. Substantial transformation has occurred in the U.S. if the answer is yes to either of the following questions - Questions 1, 2, or 3. If the answer to Question 1 is YES, then this is clearly manufactured in the U.S., and the inquiry is complete. If the answer is YES for any of 2a, 2b, or 2c, then answer to Question 2 is YES. If the answer is YES for at least two of 3a, 3b, 3c, 3d, or 3e, then answer to Question 3 is YES.

QUESTIONS/ANSWERS	YES	NO
1. Were all of the components of the manufactured good manufactured in the United States, and were all of the components assembled into the final product in the U.S.? (If the answer is yes, then this is clearly manufactured in the U.S., and the inquiry is complete)		X
While the majority of the components are manufactured in our U.S. facilities, there are components used in some products that are sourced offshore.		
2. Was there a change in character or use of the good or the components in America? (These questions are asked about the finished good as a whole, not about each individual component)		X
a. Was there a change in the physical and/or chemical properties or characteristics designed to alter the functionality of the good?		X
b. Did the manufacturing or processing operation result in a change of a product(s) with one use into a product with a different use?		X
c. Did the manufacturing or processing operation result in the narrowing of the range of possible uses of a multi-use product?		X
3. Was/Were the process(es) performed in the U.S. (including but not limited to assembly) complex and meaningful?	X	
The majority of the product manufacturing and assembly process comes from three locations in the United States. We cast brass bases, as well as plate and polish bases and components, in our Milwaukee, WI foundry. Quaturn cartridges, shanks, handles and other small parts are manufactured at our machining facility in Elyria, OH. Our facility in Michigan City, IN uses the components from Milwaukee, Elyria and		

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components sourced offshore in the final assembly of our products. The processes employed at our United States facilities involve substantial time, significant cost, high-level skills and a number of different operations. By taking raw materials and component parts and assembling them into high-quality faucets, these processes add substantial value and result in finished goods that are distinct from the materials and components from which they were transformed.		
a. Did the process(es) take a substantial amount of time?	**X**	
In order to provide finished products, a substantial amount of time is required in obtaining raw material (ingot, steel rod), foundry, machining, polishing, plating, inspection, testing and final assembly.		
b. Was/Were the process(es) costly?	**X**	
The combination of high skilled labor, product molds, custom machinery and raw materials involved in U.S. facilities represents a substantial amount of the product expense.		
c. Did the process(es) require particularly high-level skills?	**X**	
A high-level skill set is required in almost every step of the process, including foundry operators, machinists, polishers, plating operators, product testers and assemblers.		
d. Did the process(es) require a number of different operations?	**X**	
As described previously, most finished products require obtaining raw material (ingot, steel rod), foundry, machining, polishing, plating, inspection, testing and final assembly.		
e. Was substantial value added in the process(es)?	**X**	
The processes for the manufacturing and assembly our faucets add substantial value to our products. Through the use of custom molds, proprietary machining, plating and other processes - raw materials and component parts are transformed into a much more valuable and highly useful finished good.		

Click here to see a video overview of the manufacturing processes utilized at our U.S. facilities.