



Illinois Department of Transportation

Division of Highways / Bureau of Construction
2300 South Dirksen Parkway, Springfield, Illinois 62764

Subject:
**Domestic Source Requirements
for Steel Tie Wire**

CONSTRUCTION MEMORANDUM NO. 16-88

Effective: May 1, 2016

Expires: Indefinitely

Purpose

This memo provides direction regarding application of the Federal Highway Administration Buy America Act (23 CFR 635.410) and the Steel Products Procurement Act (30 ILCS 565) for steel tie wire.

Background

The federal Buy America Act (Buy America) generally requires iron and steel products used in federal-aid highway construction to be domestically produced. However, Buy America does allow for the use of non-domestic iron and steel for small dollar amounts of up to \$2500 or 0.1% of contract value, whichever is greater.

The Illinois Steel Products Procurement Act (Act) requires contract specifications that state iron and steel products used in construction shall be domestically produced. Article 106.01 of the Standard Specifications satisfies this specification requirement. However, the Act does allow for the use of non-domestic iron and steel products as follows:

- 1) Where the contract involves an expenditure of less than \$500,
- 2) Where the executive head of the public agency certifies in writing that:
 - a. The specified products are not manufactured or produced in the United States in sufficient quantities to meet the agency's requirements or cannot be manufactured or produced in the United States within the necessary time in sufficient quantities to meet the agency's requirements,
 - b. Obtaining the specified products, manufactured or produced in the United States would increase the cost of the contract by more than 10%,
 - c. When its application is not in the public interest.

Steel Tie Wire

Tie Wire Guns were introduced into the construction industry several years ago. The guns automatically tie reinforcing steel, used in the construction of bridges and other items, eliminating the manual twisting of the wire. Studies have shown using the tie wire guns reduce work related musculoskeletal disorders (carpal tunnel and lower back injuries) among iron workers. Use of the guns increases efficiency which results in lower bid prices.

Tie Wire Guns are patented devices and can only be refilled with spools supplied by the manufacturer. The steel wire in the spools is not domestically produced. On August 31, 2012, the Secretary of Transportation provided in writing that enforcement of the Act was not in the public interest. On March 23, 2016, The Illinois Division of the FHWA provided written concurrence that the use of steel tie wire can be considered a minimal use of foreign steel. The amount or value of steel tie wire used will not have to be monitored or reported for a construction contract. The result will be that the Buy America provisions will not be enforced on steel tie wire.

A handwritten signature in cursive script that reads "Tim Kell".

Tim Kell, P.E.
Interim Engineer of Construction

Finding of Public Interest

WHEREAS: Tie Wire Guns were introduced into the construction industry several years ago. The guns automatically tie reinforcing steel used in the construction of bridges and other items, eliminating the manual twisting of the wire. Use of the guns increases efficiency which results in lower bid prices.

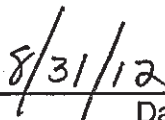
WHEREAS: Studies have shown using the guns significantly reduce work-related musculoskeletal disorders (carpal tunnel and lower back injuries) among iron workers, resulting in lower rates for workman's compensation insurance.

WHEREAS: Tie Wire Guns are patented devices and can only be refilled with spools supplied by the manufacturer. The steel wire in the spools is not domestically produced resulting in a conflict with the standard specifications, federal and state laws.

WHEREAS: Both federal and state laws have certain exemptions which would allow the use of the guns on typical bridge construction projects.

THEREFORE: As a legitimate means to maximize continually reducing state expenditures and as a matter of worker safety, it is in the public interest to allow the use of Tie Wire Guns on highway construction projects in accordance with the exemptions allowed by law.


Secretary of Transportation


Date



U.S. Department
of Transportation
**Federal Highway
Administration**

Illinois Division

March 23, 2016

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(217) 492-4640
www.fhwa.dot.gov/ildiv

In Reply Refer To:
HFE-IL

Paul A. Loete, P.E.
Director of Highways Project Implementation
Illinois Department of Transportation
2300 South Dirksen Parkway
Springfield, IL 62764

Subject: Tie Wire and Buy America

Dear Mr. Loete:

In response to your March 8, 2016 letter, the Federal Highway Administration (FHWA) agrees with your assessment that the use of tie wire can be determined as being a minimal use of foreign steel. The minimal use is allowed under 23 CFR 635.410(b)(4); therefore, the Illinois Department of Transportation (IDOT) may allow the use of foreign tie wire without tracking it on a project-by-project basis.

An important part of the minimal use criteria is that the entire project does not exceed the 0.1% threshold allowed for minimal use, so this concurrence should be considered if there is a need to determine what is allowed to constitute minimal use for affected projects or for similar, future requests.

The Illinois Steel Procurement Act and IDOT's adherence to it are key elements for this concurrence. Considering the act restricts the use of foreign steel on Illinois projects, we share IDOT's confidence that the cost of tie wire will fall well below the minimal use threshold allowed in the Federal regulations, and we are confident that other miscellaneous items will not cause the threshold to be exceeded. We also note that IDOT has obtained a public interest finding to allow for the use of foreign tie wire under the Illinois act.

If there are any questions on this matter, please contact me at (217) 492-4613.

Sincerely,

Scott McGuire
Field Engineering Manager

ecc: Mr. Omer Osman, Project Implementation, IDOT
Mr. Aaron Weatherholt, Program Development, IDOT
Mr. Tim Kell, Project Implementation, IDOT