

Inflation Reduction Act Pilot Program
Interim IRA Low Embodied Carbon Material Requirements
May 16, 2023

FACT SHEET: GSA Interim Inflation Reduction Act Low Embodied Carbon Material Requirements Pilot

Pilot Overview

The U.S. General Services Administration (GSA) has collaborated with the U.S. Department of Transportation's Federal Highway Administration and the U.S. Environmental Protection Agency (EPA) to pilot interim requirements for the use of low embodied carbon construction materials in GSA projects funded by the Inflation Reduction Act of 2022 (IRA). The six-month Pilot Program will apply these requirements to help gain actual market availability insights, inform adjustments that may be needed, and allow GSA to issue a final set of Material Requirements for the agency's IRA construction program.

The Pilot Program consists of eleven (11) new construction projects, land port of entry projects, limited scope modernization projects and paving projects. The estimated value of the LEC materials for these projects is more than \$300 million. The projects are at different stages of development and execution, and are dispersed across eight states and the District of Columbia. The Pilot Program provides GSA an opportunity to evaluate its Interim IRA LEC Material Requirements on a variety of project types utilizing all four approved LEC materials: asphalt, concrete, glass and steel.

Use of the Interim IRA LEC Materials Requirements will allow GSA to advance implementation of its IRA construction program by providing project-specific insights into how the market responds to these requirements. Lessons learned will inform execution of the balance of GSA's IRA construction program, including potential updates to the Interim IRA LEC Materials Requirements.

GSA's Interim IRA LEC Material Requirements

GSA's Interim IRA LEC Material Requirements build on the agency's experience in developing and implementing the first nationally-applicable <u>environmental product</u> <u>declaration (EPD)</u> requirements for <u>concrete and asphalt</u>, which were launched in March 2022. GSA established its Interim IRA LEC Material Requirements in line with standard GSA requirements development practice, the Federal Acquisition Regulation,



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and EPA's December 2022 <u>Interim Determination</u>. These requirements also reflect comments provided as a part of two <u>IRA industry days</u> organized by GSA in February 2023, each of which were attended by over 300 non-government attendees. In addition, GSA has issued <u>Requests For Information</u>, and has held numerous discussions with industry representatives and trade associations to refine these requirements.

Industry Feedback To Date

As a result of the industry engagement and feedback from the Federal Buy Clean Task Force, GSA made the following adjustments to the Interim IRA LEC Material Requirements:

- Simplified compliance determination methodology.
- Collaborated with trade associations to review the source data, then updated GSA's global warming potential limits.
- Ensured GSA's limits are based only on data generated under North American product category rules, in line with provisions in the EPA Interim Determination.
- Removed limits for processed glass, insulating glass units and fabricated steel plate.
- Added limits for concrete masonry units and unfabricated steel.
- Noted that, with regard to steel manufacturing, once adequate data is available (e.g. from EPDs), GSA plans to develop and issue one or more global warming potential (GWP) limits for materials made via integrated steel mills.

GSA has also developed a list of <u>frequently asked questions</u>, addressing industry feedback about the Interim IRA LEC Material Requirements.

Separate GWP Limits for Some Steel Products

Opportunities for improvement exist throughout the steel industry. Establishing GWP limits for individual manufacturing processes (i.e. integrated mill and electric arc furnace) will promote innovation throughout the industry and lower emissions from all processes. Additionally, current market research suggests it is unlikely for material made from one manufacturing process alone to meet 100% of the demand for steel over time. Therefore, the U.S. must facilitate sustainable steel production throughout the industry. This approach should reduce emissions, creating a more competitive and sustainable industry in the long run.



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Buy American Requirements and IRA LEC Requirements

GSA's Interim IRA LEC Materials Requirements do not supersede existing laws such as the <u>Buy American Act of 1933</u> (updated via the Build America Buy American Act, which was enacted as part of the <u>Infrastructure Investment and Jobs Act</u>) or the <u>Trade Agreements Act of 1979</u>. All materials and products procured for GSA projects must comply with all applicable federal laws. For IRA section <u>60503-funded</u> procurements, existing trade-related laws will be applied first, then GSA's Interim IRA LEC Material Requirements will be applied.

Pilot Learnings Enable Better Requirements

GSA expects that the Pilot Program will result in a better understanding of potential supply chain gaps and the relative availability of the four materials represented in the EPA's Interim Determination. GSA expects to gain insights into the construction materials market, including available materials' EPDs, GWPs, quantities, costs, product category rules, suitability for varied project types, and ENERGY STAR Energy Performance Scores. GSA also expects that the Pilot Program will result in project-specific insights on its Interim IRA LEC Material Requirements. GSA will learn how vendors source materials in compliance with the Buy American and Trade Agreements Acts.

Proceeding with the Pilot Program will enable GSA to understand the market's ability to respond to the Interim IRA LEC Material Requirements. GSA plans to make adjustments to the requirements as necessary, to help ensure timely and successful execution of GSA's entire IRA construction and modernization program.

Pilot Project Locations

Pilot Projects are slated to occur in the following locations (in alphabetical order by state):

- Land Port of Entry (LPOE), San Luis, AZ New construction will use LEC asphalt, concrete and steel.
- U.S. Health and Human Services-Food and Drug Administration Laboratory,
 Federal Center, Lakewood, CO New construction will use LEC asphalt,
 concrete, glass and steel.



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- Patrick V. McNamara Federal Building garage, Detroit, MI Renovation of the garage will use LEC concrete and steel.
- Charles E. Whittaker U.S. Courthouse, Kansas City, MO Facade upgrades will use LEC concrete, glass and steel.
- Alexander Hamilton U.S. Custom House, New York City, NY Rehabilitation will use LEC concrete and steel to address structural deterioration .
- LPOE, Dunseith, ND New construction will use LEC asphalt, concrete and steel.
- World Trade Bridge LPOE, Laredo, TX Paving will use LEC asphalt, concrete and steel.
- Kida de la Garza LPOE, Pharr, TX Paving will use LEC asphalt, concrete and steel.
- LPOE, Ysleta, TX Paving will use LEC asphalt, concrete and steel.
- Lewis F. Powell, Jr. U.S. Courthouse, Richmond, VA Modernization will include LEC glass and steel to support window replacement on this historic courthouse.
- U.S. Department of Homeland Security Cybersecurity & Infrastructure Security Agency (CISA), Washington, DC - New construction of CISA's headquarters on the St. Elizabeths campus will use LEC concrete and steel.