Northern Border Regional Commission
Project Specific Non-Availability Waiver
Build America Buy America Product Waiver: mini splits
Town of South Hero

1. Summary

Agency**:** Northern Border Regional Commission (NBRC)

Common Governmentwide Accounting Classification (CGAC):
NBRC: 573

Waiver: NBRC is proposing to issue a project-specific 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. 117- 58) for the Town of South Hero. This non-availability waiver would allow the recipient to purchase and use non-compliant mini splits.

Applicability: This waiver action permits the use of non-BABA compliant mini splits. This product will be obtained by the Town of South Hero for renovations to the Old White Meeting House 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 mini split systems.

Summary of Items Covered in Waiver: mini split systems.

Waiver Justification Summary: Fully BABA-compliant mini splits that meet the project's design specifications were not identified based on market research conducted by the grantee and NBRC.

Length of the Waiver: This waiver will be in effect upon approval and will remain in effect until October 1, 2027 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.

3. Description of Award

Title of Project: Town of South Hero

Infrastructure Project Description and Location: The South Hero project will restore and renovate South Hero's historic 1816 Old White Meeting House as a multi-purpose community center for year-round community use. The building is underutilized at present but offers a unique opportunity as a town-owned facility located in South Hero's state designated Village Center. It is also a central contributing resource to the Historic District as listed on the National Register. The community has strongly indicated their preference for the building to be renovated as a community center providing multi-use space for community gatherings. The building will be structurally stabilized by replacing the failed field stone foundation with a new concrete foundation. The garage bays that were installed on the ground floor in the 1950's for fire department vehicle storage will be removed and infilled to match the original structure. The building is currently without heat, which limits its use over the late fall and winter months. The building will be weatherized, and the addition of a new HVAC system will allow for year-round use.

South Hero envisions the renovated building as a vital community hub. The Old White Meeting House will become the focal point for community multi-purpose activities providing the site for a Winter Farmers' Market, rotating gallery space for local artists, community events, classes, and meetings, space for performances, facility rentals for parties and events, office space for the Recreation Committee and a new ¾ time town employee who will oversee building maintenance and usage.

Description of Project: The Town of South Hero seeks to renovate the South Hero Meeting House. Renovations will involve repairing the foundation and stabilizing the building. This work will include a new foundation, new timber-framing, repairing the slate roof and restoring the windows. Renovations will also include restoring the first floor so it can be used for community events. That will include new wiring and installing an HVAC on the first floor.

Recipient Name: Town of South Hero

Unique Entity Identifier: F856GHM8WMH6

Federal Award Identification Number (FAIN)
NBRC: FAIN24SPBILVT02

Federal Financial Assistance Listing Number and Name:
NBRC: 90.601 Northern Border Regional Development

Federal Financial Assistance Funding Amount:
NBRC award amount: $500,000

Total Cost of Infrastructure Expenditure
$1,641,381.00

4. Description of Covered Items

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

- Mini split system
  - NAICS code: 333415
  - PSC: 4120

There are three units needed for this project.

1. A 12,000 BTU/h wall-mounted indoor heat-pump unit using R454B refrigerant, offering quiet operation (as low as 19 dB), built-in Wi-Fi, and heating capacity up to 14,400 BTU/h. Key features:
   a. Sound levels: As low as 19 dB(A) indoors
   b. Dual Barrier Coating to reduce dust/oil buildup on internal surfaces
   c. Econo Cool energy-saving airflow adjustment
   d. Powerful Mode for rapid temperature adjustment
   e. Smart Dry Mode for improved humidity control
   f. Dimensions & Specs
      i. Unit dimensions: 31-13/32" x 9-21/32" x 11-25/32" (798 x 245 x 299 mm)
      ii. 23Ib(10.4kg)
      iii. Voltage: 208/230 V, single-phase
      iv. Line set: 1/4n (liquid) x 3/8" (gas)
2. A 24,000 BTU/h wall-mounted indoor heat-pump unit using R454B

refrigerant, offering quiet operation {as low as 19 dB), built-in Wi-Fi, and heating capacity up to 27,000 BTU/h. Designed for single and multi-zone residential heating and cooling. Key Features

a. Sound levels: As low as 55 dB(A) indoors
b. Dual Barrier Coating to reduce dust/oil buildup on internal surfaces
c. Econo Cool energy-saving airflow adjustment
d. Powerful Mode for rapid temperature adjustment
e. Smart Dry Mode for improved humidity control
f. Dimensions & Specs
    i. Unit dimensions: 43-5/16" x 10-1/8" x 12-13/16" (1,100 x 257 x 325 mm)
    ii. Voltage: 208/230 V, single-phase
    iii. Line set: 1/4" (liquid) x 5/8" (gas)

3. A multi outdoor heat-pump unit using R454B refrigerant, supporting up to 5 zones (with branch box) or up to 12 zones (City Multi), with heating performance down to-13°F. Capacity: 42,000 BTU cooling; up to 48,000 BTU heating at 47 °F. Key features:

a. Cooling down to 5 °F with wind baffle
b. Efficiency: SEER2: 21.5 (non-ducted), HSPF2: 11.1 (non-ducted)
c. Sound Level: As low as 49 dB(A} (per MXZ-SM-NLHZ series specs)
d. Dimensions: Approx. 41 51'16" W x 52 11/16" H x 12 1/1"
e. Hyper-Heating H2i® technology for cold-climate performance
f. INVERTER-driven compressor for precise load matching
g. Quiet operation comparable to normal conversation
h. Seacoast protection on heat exchanger and base panel
i. Multiple safety protections (overcurrent, thermal, high-pressure, fan motor).

5. Waiver Justification Summary

Anticipated Impact if No Waiver is Issued: Absent a waiver issued, the recipient would be unable to move forward with project as alternative systems do not meet the requirements for heating the building in the extreme weather.

Description of Efforts Made to Identify Domestic Products: In June 2026 the grantee consulted the lead technical sales assistant for "building energy" based out of Williston, Vermont. Their research did not yield any ductless mini-split heating and cooling systems manufactured as a whole system in the United States**.** This prompted the grantee to research several of the most utilized American HVAC corporations who design and distribute heavy-duty commercial mini splits. Consistently, they found that the equipment itself is produced through international supply chains and joint manufacturing partnerships outside of the country. Additionally, because the renovation is happening to a historic building, there is no space for ducting like there would be in a modern structure, making a traditional HVAC system impractical. Other forms of heating and cooling would prove to be very inefficient and exponentially more expensive given the extreme weather in South Hero.

In addition, NBRC's outreach included their own internet searches which did not yield a manufacturer that could meet the BABA requirements.

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 nonavailability waiver. NBRC'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 waiver will be posted for fifteen days on NBRC's public facing webpage and the Made in America website to satisfy the requirement to publish any Build America, Buy America Act Project Waiver and provide the public with the opportunity to submit comments. Comments can be sent to Rebecca Dourmashkin at rdourmashkin@nbrc.gov.