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mississippi development authority
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BABA to Date

Mississippi Development Authority was required to implement the BABA requirements as of November 15, 2022. It was a slow process ramping up our understanding of the new BABA requirements as the only state required to implement BABA, and with little to no guidance from HUD at that time as they were still reviewing the federal requirements and were not ready to comment on the requirements or how to implement these in our newly awarded grants.

MDA opted for a quick rewriting of our grant agreements to include the BABA language contained in our award agreement with HUD while we attempted to decipher the new requirements.

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BABA Realtime

MDA now has the BABA requirements within our grant agreements, we are monitoring for compliance with BABA at the time of project monitoring by requesting to see current documentation including any documented waivers, BABA materials certification forms and any other BABA-related information the local unit of government can provide. This is really just a soft check to ensure they are aware of and are following BABA requirements.

- At the time of monitoring, we are only checking to see that the grantee is following and is documenting the BABA requirements
- We now have had several BABA projects reach closeout and it is at this time that we ask for the grantee to provide copies of all documents (such as requested at the time of monitoring)
 - Certification Forms
 - Basic Waiver Statements/Requests
 - BABA language in procurement/bid/award documents
- To date we have not had to send any project-specific waiver requests to HUD for approval (we have one pending for an ARC project sent Dec. 2nd of 2024 with no response as of yet)

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Other Points of View

- Engineers
 - Cost Estimates are higher due to BABA requirements
 - Steel for example is approximately 10-15% higher
 - Some products can be as high as 200% higher
 - Build these into the preliminary cost estimates
 - Most manufacturers are catching up and have needed documentation
 - Assembled components can be the most difficult to ensure the requirements are met and documentation is obtained
 - Engineers seem to be exhausting other avenues in order to avoid delays due to waiver requests
 - Redesign
 - Reduce scope of work

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BABA Realtime continued

Engineers are seeing the following in various degrees:

- Increases in the costs of materials (i.e. approx. 10-17% increase in construction costs)
 - One of our largest engineering companies has indicated they have increased their own costs to account for additional time required to bid out projects in phases to try to better align with the budgets, as well as for the additional time spent with BABA requirements
- Plastics are primarily made in the US anyway so no real change in costs or lead times
- Increased lead times on materials = longer construction timelines
 - More orders for materials made in the US and supply chain is still at times severely behind the trend
- Some engineers are saying that manufacturers are now fairly up to speed with certifications on their products so getting easy to find needed materials, while others are still stating that obtaining certifications is a “nightmare” due to manufactures not wanting to provide certification letters until they receive “shop drawing approval” from the engineers who do not want to give this out without the certifications.
- Issues come in when trying to verify multi-component products such as pumps etc.
 - Tracking down where the various components were made
 - Percentages of components
 - \$ Thresholds etc.

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Moving Forward

- While we haven’t had any specific issues following BABA, moving forward we will:
 - encourage careful preparation of cost estimates
 - Encourage project designs to ensure, to the extent possible, that supplies are readily available as Made in America

This should help to avoid unexpected cost overruns, delays in project completion or redesign of the project, but all in all cost increases are a likely result to most projects

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