

CITY OF LOCK HAVEN
CLINTON COUNTY, PENNSYLVANIA

SECTION 3 OF THE HOUSING AND URBAN
DEVELOPMENT ACT OF 1968
ACTION PLAN

In accordance with

TITLE 24
PART 135
CODE OF FEDERAL REGULATIONS
Economic Opportunities for
Low- and Very Low-Income Persons and
Business Concerns

Approved by Lock Haven City Council

Date Approved: September 10, 2012

OVERVIEW

The purpose of Section 3 of the Housing and Urban Development (HUD) Act of 1968, as amended in 1992 (12 U.S.C. 170u), and as outlined in 24 CFR 135, is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide employment opportunities to low- and very low-income persons.

POLICY STATEMENT

As a grantee of Community Development Block Grant (CDBG), and HOME funding, the CITY OF LOCK HAVEN is bound by the U.S. Department of Housing and Urban Development Section 3 guidelines. In order to promote local economic development, neighborhood economic improvement, and individual self-sufficiency for low- and very low-income individuals the CITY OF LOCK HAVEN has established the following Section 3 Action Plan. This plan shall be binding on the CITY OF LOCK HAVEN, and its contractors and subcontractors, consistent with the thresholds, definitions, and goals, as defined herein. The CITY OF LOCK HAVEN is committed to this plan and expects its staff and contractors to achieve these goals through hiring practices or subcontracting efforts, or alternatively to clearly demonstrate a good faith effort to comply.

APPLICABILITY

This plan shall apply to the CITY OF LOCK HAVEN at any time the aggregate amount of open contract grants through the Community Development Block Grant, and HOME programs total greater than \$200,000 for covered activities. Furthermore, when applicable to the CITY OF LOCK HAVEN, it shall also apply to any contractor or subcontractor who provides labor when a contract is greater than \$100,000. If the amount of the assistance exceeds \$200,000, but no contract exceeds \$100,000, the Section 3 preference requirements apply only to the CITY OF LOCK HAVEN.

Section 3 objectives are not applicable to contracts for the purchase of supplies and materials that do not include the installation of the material. However, Section 3 objectives are applicable whenever a contract for materials, which exceeds \$100,000, includes the installation of the materials.

The requirements of this plan apply to the entire project or activity that is funded, regardless of whether the activity is fully or partially funded with CDBG and HOME funds.

RESPONSIBILITY

When this plan is applicable, the CITY OF LOCK HAVEN has the responsibility to comply with Section 3 in its own operations, and ensure compliance in the operations of its contractors. However, it is also the responsibility of all contractors and subcontractors, to which this plan is applicable, to implement proactive efforts to achieve these goals. Any contractor or subcontractor that fails to achieve these goals shall demonstrate, in a manner acceptable to the CITY OF LOCK HAVEN, why meeting these goals was not possible.

Section 3 requires that when employment or contracting opportunities are generated because a project or activity undertaken by the CITY OF LOCK HAVEN requires the employment of additional personnel through individual hiring or the awarding of contracts, preference must be given to the hiring of low- and very low- income persons and/or businesses owned by these persons or that substantially employ these persons.

SECTION 3 DEFINITIONS

Contractor - means any entity which contracts or subcontracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Covered Activity (project)- means a Section 3 covered project that involves the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Employment Opportunities Generated by Section 3 Covered Assistance- means all employment opportunities arising in connection with Section 3 covered projects, including management and administrative jobs connected with the Section 3 covered project. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of those activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

Grantee - means any entity that receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any state unit or local government, PHA; or other public body; public or private nonprofit organization; private agency or institution; mortgagor, developer; limited dividend sponsor; builder; property manager; community housing development organization; resident management corporation; resident council; or cooperative association.

Housing Development- low-income housing owned, developed, or operated by public housing agencies in accordance with HUD's public housing program regulations codified in 24 CFR Chapter IX.

HUD (DOL) YouthBuild- means programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families. The HUD YouthBuild program is now managed by the US Department of Labor (DOL).

New Hires - mean full-time employees for permanent, temporary or seasonal employment opportunities.

Section 3 Business Concern - means a business concern:

1. That is 51 percent or more owned by Section 3 residents; or
2. Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment were Section 3 residents; or
3. That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in (1) or (2) above.

Section 3 Covered Community Planning and Development funding- Section 3 applies to a wide variety of Housing and Community Development funding sources, including: Community Development Block Grants (CDBG); McKinney (funding for homeless persons); HOME; HOPE 1, 2, & 3, (Title IV); Section 811 (disabled housing); Multi-family Mortgage Programs; Nehemiah Housing Opportunity Grants; Senior Housing, (Section 202); Fair Housing Assistance; Community Housing Resource Board; Fair Housing Initiatives; and Housing Opportunities for Persons with AIDS (HOPWA).

Section 3 Resident - means:

1. A public housing resident; or
2. An individual who resides in the metropolitan area or non-metropolitan county in which the Section 3 covered assistance is expended, and who is:
 - a) A low-income person, as this term is defined in Section 3(b)(2) of the 1937 Act [42 U.S.C. 1437a(b)(2)]. Section 3 (b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area. At the time of plan adoption the CITY OF LOCK HAVEN'S income limits were as follows:

Income Classification	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
LOW	\$31,150	\$35,600	\$40,050	\$44,500	\$48,100	\$51,650	\$55,200	\$58,750

The income limits change on an annual basis and may be retrieved from the internet at <http://www.huduser.org/portal/datasets/il.html>.

- b) A very low-income person, as this term is defined in Section 3(b)(2) of the 1937 Act [42 U.S.C. 1437a(b)(2)] defines this term to mean families (including single persons) whose incomes do not exceed 50 per centum of the median income for the area. At the time of plan adoption CITY OF LOCK HAVEN income limits were as follows:

Income Classification	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
VERY-LOW	\$19,500	\$22,250	\$25,050	\$27,800	\$30,050	\$32,250	\$34,500	\$36,700

The income limits change on an annual basis and may be retrieved from the internet at <http://www.huduser.org/portal/datasets/il.html>.

Service Area - means the geographical area in which the persons benefiting from the Section 3 covered project reside. The service area shall not extend beyond the unit of local government in which the Section 3 covered assistance is expended.

Subcontractor - means any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

PREFERENCE FOR SECTION 3

Business Concerns in Contracting Opportunities

The CITY OF LOCK HAVEN, contractors and subcontractors shall direct their efforts to award Section 3 covered contracts, to the greatest extent feasible, to Section 3 business concerns (see Attachment A) in the order of the following priority.

1. Category 1 businesses- Section 3 business concerns that provide economic opportunities for Section 3 residents in the service area in which the Section 3 covered project is located.
2. Category 2 businesses- A Section 3 business concern that provides economic opportunity through YouthBuild program operated in a metropolitan or non-metropolitan county where the Section 3 covered assistance is spent.
3. Other Section 3 business concerns.

Residents in Training and Employment Opportunities

A person seeking the training and employment preference provided by Section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference. If evidence of eligibility is requested, the CITY OF LOCK HAVEN shall have final determination if such documentation is sufficient to render Section 3 preference. The CITY OF LOCK HAVEN, contractors and subcontractors must direct their efforts to provide, to the greatest extent feasible, training and employment opportunities generated

from the expenditure of Section 3 covered assistance to Section 3 residents (see Attachment B) in the order of following priority:

1. Category 1 residents - Section 3 residents residing in the service area in which the Section 3 covered project is located.
2. Category 2 residents - participants in YouthBuild programs.
3. Homeless persons - Under the Stewart B. McKinney Homeless Assistance Act, homeless persons in the service area in which the Section 3 covered project is located.
4. Other Section 3 residents.

Procurement Procedures
(That Provide for Preference for Section 3 Business Concerns)

Contract awards shall only be made to responsible bidders possessing the ability to perform under the terms and conditions of the proposed contract. Preference to Section 3 business concerns means that the CITY OF LOCK HAVEN or contractor's procurement procedures include methods to provide preference to Section 3 business concerns. Accordingly, if a Section 3 business concern is a responsible bidder, but their bid price is higher than a non-Section 3 firm, the CITY OF LOCK HAVEN may give preference to the Section 3 business in an effort to meet its annual numerical goals (see Attachment C).

GOALS

The following minimum numerical goals are hereby established by the CITY OF LOCK HAVEN, and to the greatest extent feasible, shall be achieved by contractors and subcontractors on any projects funded in whole or in part by CDBG/HOME funding. The goals established apply to the entire amount of Section 3 covered assistance awarded to the CITY OF LOCK HAVEN in any Federal Fiscal Year (FFY). If CITY OF LOCK HAVEN and any contractor who provides labor for a project fails to meet the Section 3 numerical goals, they must be prepared to demonstrate the efforts taken in an attempt to meet the numerical goals (see Attachment D).

To determine the Section 3 participation level that has been reached, a contractor may divide the total dollar amount of the commitments for the project by the total dollar amount of the prime bidder's bid/contract. A Section 3 business who is the prime bidder on a project will not receive credit for its own work effort for services provided. However, a Section 3 business bidding as prime contractor must attempt to hire Section 3 residents and solicit Section 3 businesses for participation in subcontracts.

Employment: Thirty percent (30%) of the aggregate new hires of the grantee or contractor(s) in the fiscal year in which the contract was awarded.

Contracting: Ten percent (10%) of the total project construction cost; and at least three percent (3%) of the total dollar amount of all other (non-construction) Section 3 covered contracts to Section 3 business concerns.

REQUIRED EFFORTS TO PROVIDE SECTION 3 EMPLOYMENT AND CONTRACTING OPPORTUNITIES

City of Lock Haven

1. Shall notify all potential contractors of the Section 3 requirements. The Section 3 contract clause must be inserted into all publicly advertised Invitation for Bid (IFB) or Request for Proposal/Qualification (RFP/Q) documents when the CITY OF LOCK HAVEN solicits bids on proposals for construction or professional services (see Attachment E).
2. All invitations to bid must include the following information. “The bidders must submit documentary evidence of Section 3 business concerns who have been contacted and to whom commitments have been made. Documentation of such solicitations and commitments shall be submitted with the bid.”
3. Assist and actively cooperate to obtain the compliance of contractors and subcontractors with the requirements of the regulation.
4. Implement procedures designed to notify Section 3 residents about training and employment opportunities generated by Section 3 covered assistance and Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance (see Attachment A and Attachment B).
5. Facilitate the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns by undertaking activities as appropriate to reach the minimum numerical goals set forth in the plan (see Attachment B).
6. Document actions taken to comply with the requirements of this part, the results of actions taken and impediments, if any (see Attachment D).
7. The CITY OF LOCK HAVEN shall refrain from entering into a contract with any contractor after notification by HUD or DCED that the contractor has been found in violation of the Section 3 regulations. The provisions of Section 3 apply to the employment, engagement of services, awarding of contracts or funding of any contractors or subcontractors during any period of debarment, suspension or otherwise ineligible status.
8. If Section 3 covered assistance is awarded and the CITY OF LOCK HAVEN has no need for additional employees or trainees, or the CITY OF LOCK HAVEN has no need to contract for work, then the Section 3 requirements are not triggered. However, the CITY OF LOCK HAVEN will submit a Section 3 Annual Summary report in accordance with 24 CFR 135 and DCED.

Contractors & Subcontractors

1. All potential contractors and subcontractors must complete a Work Force Needs Table and the Section 3 Contract/Solicitation and Commitment Statement demonstrating how they are implementing this Section 3 Action Plan. Contractors and subcontractors failing to meet the minimum levels of participation must submit an explanation of why the goals have not been met. Failure to submit these forms with the bid may result in the bid being rejected as nonresponsive (see Attachment F and G).
2. Contractors and subcontractors must complete and submit a project utilization report (Attachment H and Attachment I) before final payment will be released.
3. Implement procedures designed to notify Section 3 residents about training and employment opportunities generated by Section 3 covered assistance and Section 3 business concerns about contracting opportunities generated by Section 3 covered assistance (see Attachment A and Attachment B).
4. Facilitate the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns by undertaking activities as appropriate to reach the minimum numerical goals set forth in this plan (see Attachment B).
5. Document actions taken to comply with the requirements of this plan, the results of actions taken and impediments, if any (see Attachment D).
6. If Section 3 covered assistance is awarded and there is no need for additional employees or trainees and the contractor has no need to subcontract work, then the Section 3 requirements are not triggered for the contractor.

COMPLIANCE

The CITY OF LOCK HAVEN, contractors and subcontractors shall direct their efforts to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide employment opportunities to low- and very low-income persons.

If the CITY OF LOCK HAVEN has not met the numerical goals set forth, then the CITY OF LOCK HAVEN will demonstrate why it was not feasible to meet the numerical goals. Such justification may include impediments encountered despite actions taken. The CITY OF LOCK HAVEN, contractors, and subcontractors can also indicate other economic opportunities, which were provided in their efforts to comply with Section 3 and the requirements of the regulations.

The contractor will certify that any vacant employment positions, including training positions, that are filled after the contract is selected, but before the contract is executed, and with persons other than those to whom the regulations of 24 CFR 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under Section 3. However, nothing in the regulations shall be construed to

require the employment of a Section 3 resident who does not meet the qualifications of the position to be filled.

SAFE HARBOR DETERMINATION

In the absence of evidence to the contrary (i.e. evidence that efforts to the “greatest extent feasible” were not expended), if the CITY OF LOCK HAVEN meets the minimum numerical goals set forth under 24 CFR 135, it will be considered to have complied with the Section 3 preference requirements.

RECORDKEEPING AND ACCESS TO RECORDS

The CITY OF LOCK HAVEN shall have access to all records, reports, and other documents that are maintained to demonstrate compliance with the requirements, or that are maintained in accordance with the regulations governing the specific program under which Section 3 covered assistance is utilized. All documentation shall be retained for a minimum of ten (10) years.

NONCOMPLIANCE

The CITY OF LOCK HAVEN acknowledges that noncompliance with HUD’s regulations in Title 24 CFR 135 may result in sanctions, termination of a contract for default, and debarment or suspension from future HUD assisted contracts.

Any Section 3 resident or business may file a complaint alleging noncompliance of Section 3 by a grantee, contractor or subcontractor. A complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended for good cause by the Department of Housing and Urban Development. A written complaint must contain: the name and address of the person filing the complaint; the name and address of subject of complaint (grantee, contractor or subcontractor); the description of acts or omissions in alleged violation of Section 3; and the statement of corrective actions sought. A complaint may be filed with one of the below offices:

Philadelphia Regional Office of FHEO
U.S. Department of Housing and Urban Development
The Wanamaker Building
100 Penn Square East, 12th Floor
Philadelphia, Pennsylvania 19107-3380
Phone: (215) 861-7646
Toll Free: (888) 799-2085

Assistant Secretary
HUD Fair Housing and Equal Opportunity
451 7th Street SW
Washington, DC 20410
Phone: (202) 708-3633

ATTACHMENTS

ATTACHMENT A

Examples of Efforts to Award Contracts to Section 3 Business Concerns

1. In determining the responsibility of potential contractors, consider their record of Section 3 compliance as evidenced by past actions and their current plans for the pending contract.
2. Contacting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying Section 3 businesses which may solicit bids or proposals for contracts for work in connection with Section 3 covered assistance.
3. Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information, in the common areas or other prominent areas of the housing development or developments owned and managed by the Housing Authority.
4. Providing written notice to all known Section 3 business concerns of the contracting opportunities. This notice should be in sufficient time to allow the Section 3 business concerns to respond to the bid invitations or request for proposals.
5. Following up with Section 3 business concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.
6. Coordinating pre-bid meetings at which Section 3 business concerns could be informed of upcoming contracting and subcontracting opportunities.
7. Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that Section 3 business concerns can take advantage of upcoming contracting opportunities, with such information being made available in languages other than English where appropriate.
8. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 business concerns.
9. Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by Section 3 business concerns.
10. Contacting agencies administering HUD (DOL) YouthBuild programs, and notifying these agencies of the contracting opportunities.
11. Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
12. Developing or utilizing a list of eligible Section 3 business concerns.
13. Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to Section 3 business concerns.

ATTACHMENT B

Examples of Efforts to Offer Training and Employment Opportunities to Section 3 Residents

1. Entering into "first source" hiring agreements with organizations representing Section 3 residents.
2. Sponsoring a HUD-certified "Step-Up" employment and training program for Section 3 residents.
3. Establishing training programs, which are consistent with the requirements of the Department of Labor, for public and Indian housing residents and other Section 3 residents in the building trades.
4. Contacting resident councils, resident management organizations, and community organizations to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.
5. Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted at a location in the housing development or service area of the Section 3 covered project.
6. Arranging assistance in conducting job interviews and completing job applications for residents of the housing development or developments or service area in which a Section 3 project is located.
7. Conducting job interviews at the housing development or developments or at a location within the service area of the Section 3 covered project.
8. Contacting agencies administering HUD (DOL) YouthBuild programs, and requesting their assistance in recruiting HUD (DOL) YouthBuild program participants for the contractor's training and employment positions.
9. Consulting with State and local agencies administering training programs funded through JTPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 residents for the contractor's training and employment positions.
10. Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
11. Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the Section 3 business concerns) that will undertake the efforts to match eligible and qualified Section 3 residents with the training and employment positions that the contractor intends to fill.
12. Undertaking job counseling, education and related programs in association with local educational institutions.
13. Undertaking such continued job training efforts as may be necessary to ensure the continued employment of Section 3 residents previously hired for employment opportunities.
14. Developing or utilizing a Section 3 resident list.

ATTACHMENT C

Examples of Procurement Procedures that Provide for Preference for Section 3 Business Concerns

This example provides specific procedures that may be followed by recipients and contractors (collectively, referred to as the "contracting party") for implementing the Section 3 contracting preference for each of the competitive procurement methods authorized in 24 CFR 85.36(d).

- (1) Small Purchase Procedures. For Section 3 covered contracts aggregating no more than \$25,000, the methods set forth in this paragraph (1) or the more formal procedures set forth in paragraphs (2) and (3) of this attachment may be utilized.
 - (i) *Solicitation.*
 - (A) Quotations may be solicited by telephone, letter or other informal procedure provided that the manner of solicitation provides for participation by a reasonable number of competitive sources. At the time of solicitation, the parties must be informed of:
 - the Section 3 covered contract to be awarded with sufficient specificity;
 - the time within which quotations must be submitted; and
 - the information that must be submitted with each quotation.
 - (B) If the method described in paragraph (i) (A) is utilized, there must be an attempt to obtain quotations from a minimum of three qualified sources in order to promote competition. Fewer than three quotations are acceptable when the contracting party has attempted, but has been unable, to obtain a sufficient number of competitive quotations. In unusual circumstances, the contracting party may accept the sole quotation received in response to a solicitation, provided the price is reasonable. In all cases, the contracting party shall document the circumstances when it has been unable to obtain at least three quotations.
 - (ii) *Award.*
 - (A) Where the Section 3 covered contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified Section 3 business concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified Section 3 business concern is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.
 - (B) Where the Section 3 covered contract is to be awarded based on factors other than price, a request for quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25 percent of the total number of available rating points to be set aside for the provision of preference for Section 3 business concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.
- (2) Procurement by sealed bids (Invitations for Bids). Preference in the award of Section 3 covered contracts that are awarded under a sealed bid (IFB) process may be provided as follows:

Bids shall be solicited from all businesses (Section 3 business concerns, and non-Section 3 business concerns). The minimum goals for contracting are:

- (i) 10 percent of the total dollar amount of all covered construction contracts shall be awarded to Section 3 business concerns; and
- (ii) 3 percent of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 business concerns. Section 3 covered non-construction projects include maintenance contracts, including lawn care, repainting, routine maintenance, HVAC servicing, and professional service contracts associated with construction (ex: architectural, engineering, legal services, accounting, marketing, etc.)

Recipients that fail to meet the minimum numerical goals above bear the burden of demonstrating why it was not possible to do so. Such justifications should describe the efforts that were taken, barriers encountered, and other relevant information that will enable the CITY to make a compliance determination.

Recipients that submit Section 3 reports containing all zeros, without a sufficient explanation to justify their submission, are in noncompliance with the requirements of Section 3.

- (iii) If no responsive bid by a Section 3 business concern meets the requirements of paragraph (2)(i) of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

(3) *Procurement under the competitive proposals method of procurement (Request for Proposals (RFP)).*

- (i) For contracts and subcontracts awarded under the competitive proposals method of procurement (24 CFR 85.36(d)(3)), a Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals.
- (ii) One of the evaluation factors may include the preference for Section 3 business concerns and the acceptability of the strategy for meeting the greatest extent feasible requirement (Section 3 strategy), to be included in proposals submitted. With respect to (the acceptability of the Section 3 strategy), the RFP shall require the disclosure of the contractor's Section 3 strategy to comply with the Section 3 training, employment, or contracting preference.
- (iii) The contract award shall be made to the responsible firm (either Section 3 or non-Section 3 business concern) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.

ATTACHMENT D

Example of a Section 3 Implementation Action Plan

Desired Outcome	Action Steps to be Taken	Target Completion Date	Resources Needed	Resources Available	Persons Responsible	Evidence of Action Taken
Identify Section 3 residents and certified businesses/contractors						
Develop and implement marketing strategies to inform residents and businesses of employment and training opportunities						
Establish collaboration with experienced partners (i.e. CareerLink, Housing Authority, United Way, YouthBuild)						

ATTACHMENT E

Section 3 Clause

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative or workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.
- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

ATTACHMENT G

SECTION 3 CONTRACT SOLICITATION AND COMMITMENT STATEMENT

Minimum Participation Levels (MPL): Section 3- 10% construction & 3% non-construction
 Section 3- 30% aggregate new hires

Name of Bidder:	E-Mail:
Address:	Bid Opening Date:
Telephone Number:	Contact Person:

List those Section 3 business concerns from which you solicited quotes or which contacted you and gave you quotes in regard to this invitation for bid.

Company Name & Telephone Number	Type of Construction, Equipment, Services, and/or Supplies to be provided to the Project	Total Dollar Amount of Quote Received <small>(Please mark NR if no response was received)</small>	Total Dollar Amount Awarded <small>(if not awarded indicate the reason)</small>	IF NO COMMITMENT WAS MADE TO A SECTION 3 BUSINESS- EXPLAIN
Preparers Signature:			Title	

- (1) Indicate whether Section 3 Business Concerns were solicited for each type of work the bidder expects to subcontract for and for all materials which the bidder expects to procure and, if not, the reason(s) why no such solicitation was made;
- (2) Indicate the reason why a Section 3 Business Concern has not been committed to for a type of subcontract work or materials in any area where a quote was received from a Section 3 Business Concern, and;
- (3) In any case where no quotations are received or commitments made to a Section 3 Business Concern, indicate that no quotes were received, and if there is another reason for no commitments being made, the reason for the lack of commitments.

ATTACHMENTJ

SECTION 3 BUSINESS CERTIFICATION

As principal owner of _____, I certify that
this _____
(Section 3 Business Concern Name)

firm is a bona fide Section 3 owned business.

I further certify that this firm was subcontracted by

for Work on the _____ Project in the amount of
\$ _____.

Date

Signature/Title

ATTACHMENT K

**CONTRACTOR'S
CERTIFICATION OF COMPLIANCE
SECTION 3**

CERTIFICATION OF COMPLIANCE WITH REGULATIONS FOR SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968 AS REQUIRED FOR PARTICIPATION IN THE SMALL COMMUNITIES PROGRAM, PURSUANT TO THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, P.L. 93-383, AS AMENDED.

PURPOSE, AUTHORITY AND RESPONSIBILITY

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (hereinafter Section 3) requires that to the greatest extent feasible, opportunities for training and employment in a Section 3 covered Project be given to lower income residents of the Project area, and that contracts for Work in connection with the Project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the Project.

(hereinafter called the CONTRACTOR)

upon being awarded a contract for

in _____ project area, the CONTRACTOR, to
the extent
(MUNICIPALITY)

feasible, will make a good faith effort to utilize the services of businesses located in or substantially owned by persons who live within the Project boundaries.

The CONTRACTOR has been informed by the OWNER, that the Project area boundaries for the Small Communities Program are the municipal limits.

To complete the Project, it is also estimated that the CONTRACTOR may be subcontracting for supplies and services for which certain business concerns eligible under Section 3 could provide. In order to comply with the regulations for utilization of businesses under Section 3, the CONTRACTOR shall comply with the OWNER'S Section 3 Action Plan.

Signature/CONTRACTOR

ATTACHMENT L

SUBCONTRACTOR'S

CERTIFICATION OF COMPLIANCE

SECTION 3

CERTIFICATION OF COMPLIANCE WITH REGULATIONS FOR SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968 AS REQUIRED FOR PARTICIPATION IN THE SMALL COMMUNITIES PROGRAM, PURSUANT TO THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974, P.L. 93-383, AS AMENDED.

PURPOSE, AUTHORITY AND RESPONSIBILITY

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (hereinafter Section 3) requires that to the greatest extent feasible, opportunities for training and employment in a Section 3 covered Project be given to lower income residents of the Project area, and that contracts for Work in connection with the Project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the Project.

_____ (hereinafter called the SUBCONTRACTOR)

upon being awarded a subcontract
for _____

in _____ project area, the CONTRACTOR, to the
extent

(MUNICIPALITY)

feasible, will make a good faith effort to utilize the services of businesses located in or substantially owned by persons who live within the Project boundaries.

The SUBCONTRACTOR has been informed by the OWNER, that the Project area boundaries for the Small Communities Program are the municipal limits.

To complete the Project, it is also estimated that the SUBCONTRACTOR may use lower tier subcontracts for supplies and services for which certain business concerns eligible under Section 3 could provide. In order to comply with the regulations for utilization of businesses under Section 3, the SUBCONTRACTOR shall comply with the OWNER'S Section 3 Action Plan.

Signature/SUBCONTRACTOR