

Department of Housing & Community Development
- CDBG Program

Disadvantaged Business and Section 3
BID Requirements

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Bid Requirements		
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Contractors and/or Subcontractors are expected to meet the minimum goals to the greatest extent feasible. (Note: Section 3 may not be required for all projects and contractors, however, best efforts to comply with the minimum numerical goals are still highly recommended.) All efforts to utilize Section 3 business and workers should be documented, and this Section 3 Project Plan should be submitted for all relevant project bids.

Build America, Buy America Act. (ALL CONSTRUCTION CONTRACTS)

This project must comply with the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver if applicable, this requirement must be met for the proposed project.

NOTE TO BIDDERS: ALL applicable forms in this packet need to be returned with the bid. Failure to do so may result in the bid being disqualified.

BUSINESS ENTERPRISE INFORMATION FORM

This form is required for <u>ALL</u> projects		
OWNER NAME:	OWNER PROJECT NUMBER:	
PROJECT DESCRIPTION:	PROJECT LOCATION:	
PRIME CONTRACTOR INFORMATION		
NAME/ADDRESS Name of firm: Contact Person: Address: City/State/Zip: Phone: Email:	TYPE OF CONTRACT ☐ ARCHITECT ☐ ENGINEER ☐ CONSTRUCTION ☐ SUPPLIER ☐ SERVICE	SUBCONTRACTOR UTILIZATION This project <u>WILL NOT</u> utilize subcontractors. This project <u>MAY</u> utilize the following subcontractors
☐ DBE ☐ MBE ☐ WBE SEC. 3 ☐ OTHER/NA	AMOUNT OF CONTRACT/BID:	
SUBCONTRACTOR INFORMATION		
☐ DBE ☐ MBE ☐ WBE SEC. 3 ☐ OTHER/NA ☐ Subcontractor ☐ Supplier/Service ☐ Joint Venture ☐ Broker	NAME/ADDRESS Name of Firm: Contact Person: Address: City, Zip: EIN/Phone: Email:	
TYPE OF CONTRACT/ TRADE:		
CONTRACT AMOUNT:		
☐ DBE ☐ MBE ☐ WBE SEC. 3 ☐ OTHER/NA ☐ Subcontractor ☐ Supplier/Service ☐ Joint Venture ☐ Broker	NAME/ADDRESS Name of Firm: Contact Person: Address: City, Zip: EIN/Phone: Email:	
TYPE OF CONTRACT/ TRADE:		
CONTRACT AMOUNT:		
☐ DBE ☐ MBE ☐ WBE SEC. 3 ☐ OTHER/NA ☐ Subcontractor ☐ Supplier/Service ☐ Joint Venture ☐ Broker	NAME/ADDRESS Name of firm: Contact Person: Address: City, Zip: EIN/Phone: Email:	
TYPE OF CONTRACT/ TRADE:		
CONTRACT AMOUNT:		
GOALS FOR MBE & WBE PARTICIPATION		
	% MBE	% WBE
Construction	16.1%	6.9%
Equipment	16.1%	6.9%
Services	16.1%	6.9%
Supplies	16.1%	6.9%
FORM COMPLETED BY		
Name:	Title:	Phone:
Signature	Date:	Email:
FAILURE TO COMPLETE AND SUBMIT THIS FORM WITH BID, WILL CAUSE THE BID TO BE REJECTED AS NON-RESPONSIVE		

DBE=Disadvantaged Business Enterprise

WBE=Woman Owned Business Enterprise (8A)

MBE=Minority Business Enterprise

Federal Section 3

FORM 1-ASSESSMENT AND CERTIFICATIONS

This form is required for ALL projects and must be submitted with bid or application for funding.

Project Information

Project Name:
Project Location or Address(es):

Developer/Contactor Information

Name of Firm:	Address:
Authorized Representative:	Title:
Phone:	Email:

1. Check all that apply to your business:

- ☐ Your business is at least 51% owned and controlled by low- or very low-income persons
- ☐ Over 75% of the labor hours performed for your business over the past three-month period were performed by Section 3 workers
- ☐ Your business is at least 51% owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing
- ☐ None of the above

- 2. Will you be hiring new employees or providing new training opportunities because of this contract? ☐ Yes ☐ No
- 3. Will you be using subcontractors to complete this project? ☐ Yes ☐ No
- 4. Is your bid/contract amount greater than \$200,000? Yes ☐ No ☐

If response to item 4 above is "YES," Section 3 requirements will be fully enforced on this project. Failure to comply may result in the suspension of funding. Please complete the certifications below and submit FORMS 1-4 with your bid or application for funding.

If NO, Section 3 participation is strongly encouraged but not required. Please attempt to meet the Section 3 goals to the greatest extent feasible. You must still complete the certifications below as applicable and return FORMS 1 and 2 with your bid or application for funding.

Certifications		YES	NO	N/A
All Projects:	By completing and signing this form, I agree to comply with all applicable requirements of the Section 3 of the Housing and Urban Development Act of 1968 (24 CFR Part 75)			
	I understand that I must complete and submit FORMS 1 and 2 and submit them with my bid even if my bid is under \$200,000.			
Projects over \$200K:	I have included/will include the Section 3 Clause (FORM 5) in all subcontracts for which Section 3 compliance is required.			
	I understand that I am required to submit quarterly and final Section 3 reports (Form 6), associated forms as applicable (Forms 2, 3, and 4), and supporting documentation located in Section 3 Manual			
	I agree that my company has made and will continue to make efforts "to the greatest extent feasible" to comply with Section 3 as required by HUD.			
	I understand the minimum numerical goals for Section 3 participation and I have completed FORMS 1 through 4 and attached them to my bid.			

I declare that all statements contained in this form and any accompanying documents are true and correct, and made with full knowledge that all statements given are subject to investigation and that any false or dishonest answer to any question may be grounds for denial or revocation of funding or other penalties as prescribed under 18 U.S. Code § 1001.

Authorized Representative Signature

Date

Federal Section 3 FORM 2-List of Permanent Employees

This form is required for all **Section 3-triggered** projects (over \$200,000) and must be submitted prior to work commencing or with application for funding and again with the final Section 3 compliance report.

Project Name	Contract Execution Date	Construction Start Date	Today's Date

Please list all current permanent employees (both full and part-time) employed by your company (or local/regional office). Use additional sheets as necessary. A computer-generated employee registry can be provided in lieu of this form if it includes the worker's name, employer, job category, hire date and indicates Section 3/targeted Section 3 status.

No.	Name of Worker	Employer	Job Classification/ Trade	Section 3 Worker (Y/N)	Targeted Section 3 Worker Y/N	Hire Date
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						

Please note that your business may be eligible for Section 3 Business certification if at least 75% of your labor hours performed on all contracts over the past three-month period were performed by employees who meet one of the following categories below:

- The worker lives within one mile of the Section 3 project (or, if fewer than 5,000 people live within one mile of the Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census);
- The worker is a HUD YouthBuild participant; or
- The worker's income for the previous or annualized calendar year is below 80% of the current area median income for the area in which the worker resides. (Use the worker's annual gross income based on AMI for a single-person household.) HUD income limits can be found at <https://www.huduser.gov/portal/datasets/il.html>.)

Federal Section 3
FORM 3-DOCUMENTATION OF QUALITATIVE EFFORTS

This form is required for all **Section 3-triggered** projects (over \$200,000) and must be submitted with bid or application for funding, as well as with all quarterly or final compliance reports that indicate numeric goals were not met. Please fill out this form completely. Attach additional pages if needed.

Project Name	Contract Execution Date	Construction Start Date	Today's Date

1. Describe all efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, to Section 3 workers. Attach additional pages if needed.

Attach supporting documentation such as:

- Copies of all publications, notices, pictures of posted notices, and other outreach materials.
- List of all Section 3 workers that responded to your outreach efforts (e.g., submitted job applications, phone logs, etc.); were any of them hired? If not, please explain why.
- **If not currently hiring workers** and later in the project period end up needing to hire please explain the intended method of filling the position/positions.

2. Describe all efforts made to notify Section 3 businesses of any subcontracting opportunities generated by HUD financial assistance for this project, to the greatest extent feasible. Attach additional pages if needed.

Attach supporting documentation such as:

- Section 3 Business List used in solicitation.
- List of Section 3 business included in solicitation and documentation of efforts (emails, letters, phone, logs, etc.).
- List of Section 3 businesses that responded to your solicitation and/or outreach efforts; were any of them hired? If not, please explain why.
- Copies of all publications, notices, pictures of posted notices, and any other outreach material utilized.
- **If not using subcontractors**, please state that in this box

Federal Section 3
FORM 3-DOCUMENTATION OF QUALITATIVE EFFORTS
(Continued)

3. Describe all additional qualitative efforts made to comply with Section 3 requirements. See below for examples. Attach all applicable supporting documentation.

4. If there are employment opportunities associated with your project, include a draft of the proposed signage. Section 3 signage should be posted at the construction site. Signage must be large enough to be visible from the street. The sign must (a) identify the name of the project, (b) state the project is a HUD Section 3 Project, and (c) include the name, phone number and email address of an appropriate point of contact regarding employment opportunities.

Examples of Qualitative Efforts

- Engaged in outreach efforts to generate job applicants who are Targeted Section 3 Workers.
<https://northstatejobs.com/post-a-job/>
- Provided technical assistance to help Section 3 Workers compete for jobs (e.g. resume assistance, coaching, etc.).
- Provided training or apprenticeship opportunities.
- Directed Section 3 Workers to obtain financial literacy training and/or coaching.
- Assisted or connected Section 3 Workers with assistance in seeking employment by helping them prepare for interviews, connecting residents to job placement services, or pointed them towards job fairs.
- Provided or referred Section 3 Workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare).
- Engaged in outreach efforts to identify and secure bids from Section 3 Business Concerns.
- Hosted job fairs.
- Divided contracts into smaller jobs to facilitate participation by Section 3 Business Concerns.
- Provided technical assistance to help Section 3 Business Concerns understand and bid on contracts.
- Provided application assistance for attendance at a community college, a four-year educational institution, or vocational/technical training.
- Provided bonding assistance, guarantees, or other efforts to support viable bids from Section 3 Business Concerns.
- Contacted business assistance agencies, minority contractors' associations, and community organizations to inform them of contracting opportunities and request their assistance in identifying Section 3 Business Concerns.
- Provided written notice to all known Section 3 Business Concerns of the contracting opportunities. The notice should be in sufficient time to allow Section 3 Business Concerns to respond to the bid invitation or request for proposal.
- Used the services and assistance of the U.S. Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce
<https://californiaucp.dbesystem.com/> https://dsbs.sba.gov/search/dsp_dsbs.cfm

Federal Section 3 Estimated Project Work Force Breakdown

This document must be submitted with ALL bid documents

Job Category	Total Estimated Positions Needed for Project	No. Positions Occupied by Permanent Employees	No. of Vacant Positions	No. of Positions to be filled with Section 3 and/or Targeted Section 3 workers and their estimated hiring date.
Supervisor				
Professional				
Technical				
Office/Cleric.				
Trade				
Journeyman				
Apprentices				
Trainees				
Others				
Trade				
Journeyman				
Apprentices				
Trainees				
Other				
TOTAL:				

Section 3 Resident:

Individuals residing within the Section 3 Area whose family income does not exceed 80% of the median income in the Metropolitan Statistical Area or the county if not within a MSA in which the Section 3-covered project is located. See attached income schedule.

Company

Project

Project Number

Person Completing Form: _____

Authorized Signature _____ Date: _____

The employment and training component of Section 3 applies to the prime contractor and all subcontractors providing construction services or professional services to the CDBG programs. It is the responsibility of the Prime Contractor to enforce these same requirements within any subcontracts.

To be in compliance with HUD's/HCD's new Section 3 benchmarks, 25% of total labor hours must be Section 3 Workers and 5% of total labor hours must be Targeted Section 3 workers. Please note the Section 3 workers and Targeted Section 3 Workers must meet the minimum qualifications for the available job.

Federal-Form A
"Good Faith"
Effort List of Sub-Contractors Solicited

In accordance with 49 CFR Part 26.11(c), a bidder's list must be created and maintained of ALL firms bidding on prime contracts and bidding or quoting subcontracts; therefore, the following information is required.

THIS FORM TO BE COMPLETED AND RETURNED WITH BID

Prime Contractor: _____
 Address: _____
 City, State, Zip: _____
 Prime's Racial/Ethnic code: _____
 Is Prime a Certified DBE? _____

Project Owner: _____
 Address: _____
 City, State, Zip: _____

 Project Name: _____
 Project Address: _____
 City, State, Zip: _____

LIST ALL SUBCONTRACTORS, VENDERS, AND /OR SUPPLIERS CONTACTED FOR QUOTES PERTAINING TO THIS BID

Company Name	Contact Person	Address	Phone Number	Contract Date	Task description	Response (Y/N)

If any of the above firms are "Certified Disadvantaged Business Enterprises," please designate by placing a check in the box beside the company name.

COMPLETED BY: _____

DATE: _____

Federal-Form B
"Good Faith" Effort Bids Received list

This form shall be completed and submitted if the MBE/WBE goal cannot be met.

Name and Address of Certified Disadvantaged Business Enterprise	Dates of Contact	Method of Contact	Documents Attached	Utilization
Name:				☐ Selected
Address:				☐ NOT Selected Reason:
☐ DBE				
☐ MBE				
☐ WBE				
Name:				☐ Selected
Address:				☐ NOT Selected Reason:
☐ DBE				
☐ MBE				
☐ WBE				
Name:				☐ Selected
Address:				☐ NOT Selected Reason:
☐ DBE				
☐ MBE				
☐ WBE				
Name:				☐ Selected
Address:				☐ NOT Selected Reason:
☐ DBE				
☐ MBE				
☐ WBE				
Name:				☐ Selected
Address:				☐ NOT Selected Reason:
☐ DBE				
☐ MBE				
☐ WBE				
Name:				☐ Selected
Address:				☐ NOT Selected Reason:
☐ DBE				
☐ MBE				
☐ WBE				
Name:				☐ Selected
Address:				☐ NOT Selected Reason:
☐ DBE				
☐ MBE				
☐ WBE				

Failure to accomplish and document good faith efforts may be cause for disqualification of this bid.

Bidder **MUST** attach documentation regarding the good faith efforts put forth.

Documents may include Copies of letters sent, advertisements used, unacceptable bid responses, etc. Good faith efforts must show that the efforts could reasonably be expected to produce a level of DBE participation sufficient to meet the DBE goal of this project.

Authorized Signature: _____

Date: _____

Title: _____

Firm Name: _____

Federal-FORM C
CONTRACTOR/RECIPIENT CERTIFICATION

Firm Name _____ Phone _____

Address _____

Principle Service or Product: _____ Bid Amount _____

Please indicate percentage of ownership

☐ DBE/MBE/WBE _____ % Ownership ☐ Not a DBE/MBE/WBE Business

☐ Prime Contractor

☐ Supplier of Material/Service

☐ Subcontractor

☐ Broker

☐ Sole Ownership

☐ Corporation

☐ Partnership

☐ Joint Venture

Completed by: _____

Title _____ Date _____

IMPORTANT: Contractors can no longer self-certify. They must be certified by EPA, small business administration (SBA), Department of Transportation (DOT), or by state, local, tribal, or private entities whose certification criteria match EPA's.

California Public Utilities Commission where certifications can be obtained: [Certification](#)

Proof of certification must be provided; a copy of the contractor certification must be submitted with this form. Falsification of this certification by a firm selected to perform federally funded work may result in a determination that the firm is non-responsive and ineligible for future contracts.

Federal-Form D
Disadvantaged Business Enterprise(DBE) Efforts

Narrative description of the affirmative actions that the contractor has taken to fulfill the five good faith efforts:

Six Good Faith Efforts (GFE)

Contractor is required to complete, and document, the GFE below to ensure that DBEs have the opportunity to compete for financial assistance dollars.

1. Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities.
2. Make information on forthcoming opportunities available to DBEs, arrange time frames for contracts, and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
3. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs.
4. Encourage contracting with a group of DBEs when a contract is too large for one firm to handle individually.
5. Use the services and assistance of the SBA and Minority Business Development Agency (MBDA) of the US Department of Commerce.
6. If the prime contractor awards subcontracts, require the prime contractor to take the steps in items 1 through 5.

Examples of Documentation for the six Good Faith Efforts

- Use of current bidders/solicitation list or databases that includes DBEs;
- Use of trade journals/databases (local or national);
- Date of last update to bidders/solicitation list or database;
- How were DBEs made aware of the solicitation;
- Where and when posted;
- Sample of letters or records of communication with DBEs, SBA, Minority Business Development Agency;
- Sample of advertisement/posting;
- How long/frequency of advertisement/posting;
- Document good faith efforts of contractors;
- Identify type of outreach that was conducted;
- Date of pre-bid conference;
- Attendance list for pre-bid conference;
- Participation date of last DBE procurement outreach conference;
- Process used to determine if large requirement could be divided into smaller requirements,
- Include unsuccessful bidders on database or list

Websites to help locate DBE businesses

SECTION 3 WORKER AND TARGETED SECTION 3 WORKER CERTIFICATION

This project is subject to Section 3 of the HUD Act of 1968 and its associated regulations, 24 CFR Part 75. The information below must be collected and provided for all employees on-site to demonstrate compliance with meeting benchmark goals.

NA-No Section 3 Workers TO BE COMPLETED BY EMPLOYER -or- WORKER

WORKER INFORMATION

1. Name: _____

Address: _____ Email: _____

City: _____ Zip Code: _____ Phone Number: _____

2. Please view the **Official State Income Limits**. Check to see if the worker's Gross Annual Income (based on the wages paid or their annual income calculated on an annualized process) is **At/BELOW or ABOVE** the amount listed for the county the **WORKER RESIDES**. Thank you for taking the time to fill this out.

Annualized Income Formula: Base rate of pay \$ _____ x2080= _____

Low-Income Maximum (80% Area Median Income)				
Employee County of Residence/ Income Limit:	Current WORKER income (annualized) is At/Below or Above		Worker's Income within Past 5 Years or at Time of Hire was At/Below or Above	
	At/Below	Above	At/Below	Above
\$				

4. Are they or were they a YouthBuild Participant within a 5-year window beginning 11/30/2020?

Yes _____ No _____ Unknown _____

5. Are they or were they a resident of public housing within a 5-year window beginning 11/30/2020?

Yes _____ No _____ Unknown _____

6. Are they or were they a resident of other public housing projects or Section 8-assisted housing within a five year window beginning 11/30/2020? Yes _____ No _____ Unknown _____

7. Do they live within one mile of the service area/neighborhood of this project? Yes _____ No _____

I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief.

Worker Signature: _____ Date: _____

EMPLOYER INFORMATION

Company Name: _____

Is the company a Section 3 Business Concern? Yes _____ No _____

Defined as at least 51% owned and controlled by low- or very low-income persons;

OR over 75% of labor hours for the business over the prior 3-month period are performed by Section 3 workers;

OR 51% or more owned and controlled by current residents of public housing or Section 8-assisted housing.

Employee Job Classification: _____ Employee Hire Date: _____

Project Name: _____ Contract Award Date: _____

Name/Title: _____

Signature: _____ Date: _____

Section 3 Service Area Map

About

Neighborhood Service Area Definition Tool

This tool allows Housing and Community Development Section 3 Recipients to identify Targeted Section 3 Workers in accordance with 24 C.F.R. § 75.19.

Targeted Section 3 Workers are Section 3 Workers located within a one-mile radius of a Section 3 Project. If fewer than 5,000 people live within a one-mile radius of the project, then the radius is expanded until it is sufficient block groups are selected to encompass a population of 5,000 or more according to the most recent census.

Start the search by typing in the address of the Section 3 Project, the map will auto zoom to the selected address, highlight all block groups that are included - *in full or in part* - within the default 1 mile radius, and provide a sum of the populations all highlighted block groups. Use the slider bar to expand the radius of the circle until the block groups total a population 5,000 or higher. Population total shows green when you have reached the population threshold. Population numbers are from ESRI's U.S. Census Block Group Layer.

To create a report or record of the block groups included click the up arrow on the bottom of the screen, select the Options dropdown, then click Export all to CSV. This can then be filed with your Section 3 Records.

Ref: 24 C.F.R. Part 75; if you have questions, corrections, or suggested improvements for this mapping solution please contact Senior Management and Program Analyst Daniel Huyck in the Detroit Field Office at Daniel.Huyck@detroitmi.gov

Section 3 Neighborhood Service Area

Search for an address or locate on map

W Grass Valley St & Culver St, Colfax, CA, 95713, USA



Show results within 1 Miles



0

15

USA Census Block Group Boundaries

Block Group 060610220021 in CA

0 mi

Block Group 060610220023 in CA

0.09 mi

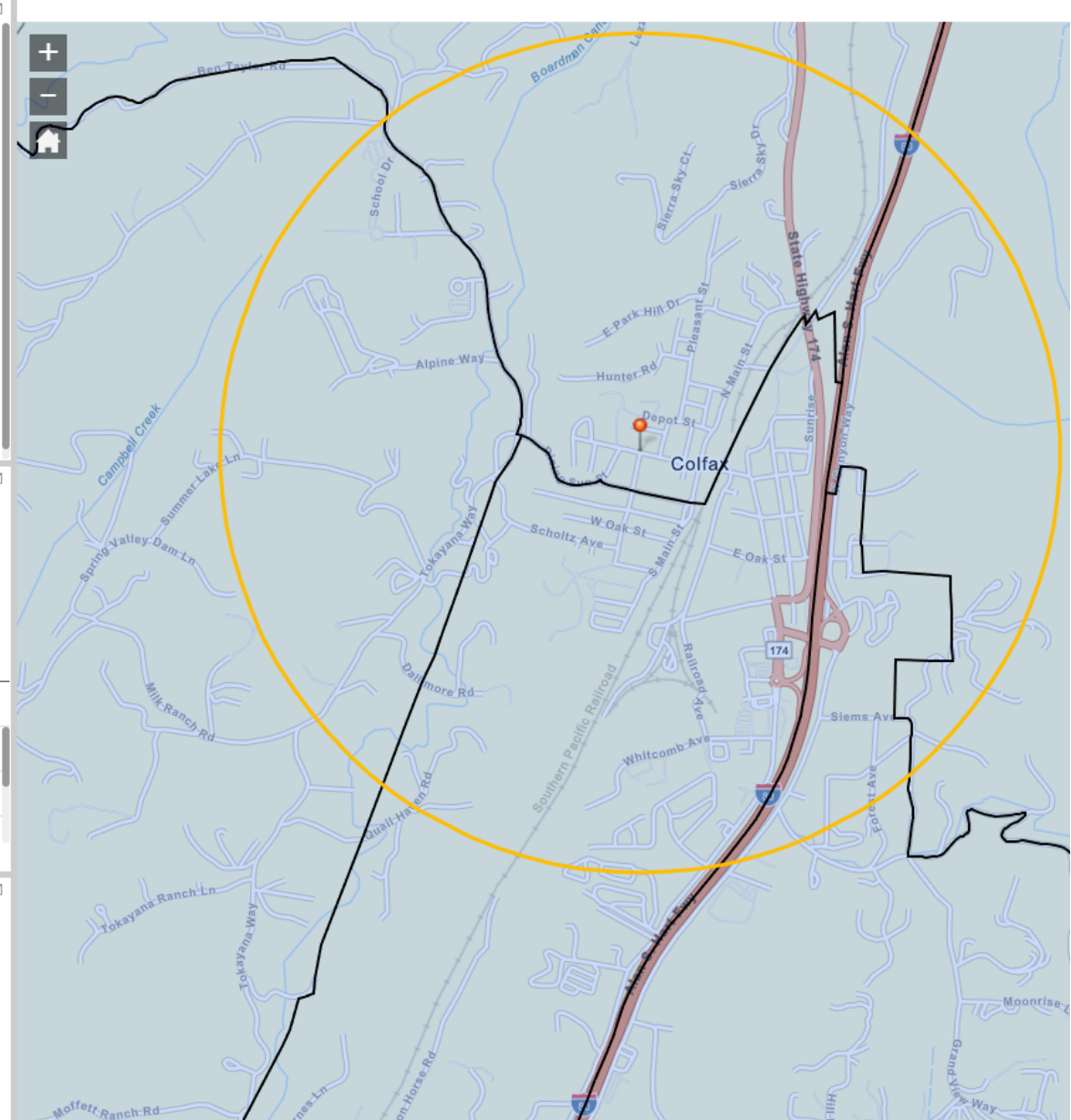
Block Group 060610220024 in CA

0.29 mi

Population

✓ 7,522

Population of Census Block Groups Within or Intersected by Radius



Federal Section 3

Business Concern Certification

To self-certify as a Section 3 Business Concern, per 24 CFR § 75, the company or firm must meet **at least one** of the categories below. Supporting documentation must be provided with this form to be confirmed as a Section 3 Business.

Please read the following statements and **check all that apply to your business.**

Check if Applies	Section 3 Business Category	Additional Required Data
☐	51% or more of the business is owned by low- or very low-income persons.	Proof of ownership showing all owners and their percentages and a completed Section 3 Business Owner Self-Certification form for all low- and very low-income owners.
☐	75% of the labor hours performed for the business over the prior 3 month period were performed by Section 3 workers.	Provide the last 90 days full payrolls for the entire company. Provide a list of employees who worked the last 90 days with the total hours worked for each employee and indication of which employees are Section 3 Workers.
☐	At least 51% owned and controlled by current residents of public housing or Section 8-assisted housing.	Proof of ownership showing all owners and their percentages and a documentation of residence in public housing or a Section 8 unit.
☐	None of the above apply to this business.	

I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief. Any false statements made knowingly and willfully may subject the signer to penalties under Section 1010 of Title 18 of the United States Code.

Authorized Signature

Date

Printed Name

Title

Business Name: _____

Business Address: _____

Telephone Number: _____ Type of Business (Check One): _____ Corporation

Sole Proprietorship

Partnership

Joint Venture

County or Metropolitan Service Area (MSA).

Where business is Located: _____

Business Services (list): _____

Federal Section 3

Form 4 -Section 3 Clause

All Section 3 covered contracts shall include the following clause (referred to as the 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 economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 75, 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 75 regulations.
- C. The contractor agrees to send to each labor organization or representative of 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 engage in qualitative efforts including but not limited to:
 - a. Engaging in outreach efforts to generate job applicants who are Targeted Section 3 Workers.
 - b. Providing training or apprenticeship opportunities.
 - c. Providing or referring Section 3 Workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare).
 - d. Engaging in outreach efforts to identify and secure bids from Section 3 business concerns.
 - e. Promoting the use of business registries designed to create opportunities for disadvantaged and small businesses.
 - f. Engaging in outreach and referrals with the state one-stop system of the workforce Innovation and Opportunity Act.
- E. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 75, 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 75. 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 75.
- F. The contractor must meet the requirements of 24 CFR part 75.19, regardless of whether Section 3 language is included in agreements, program regulatory agreements, or contracts. these requirements include:

Federal Section 3
Form 5-Section 3 Clause
(Continued)

a. Employment and Training

- i. To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, contractors covered by this subpart will ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 Workers within the metropolitan area (or nonmetropolitan county) in which the project is located.
- ii. Where feasible, priority for opportunities and training should be given to:
 1. Section 3 Workers residing within the service area or the neighborhood of the project; and
 2. YouthBuild participants.

b. Contracting

- i. To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 Workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.
- ii. Where feasible, priority for contracting opportunities should be given to:
 1. Section 3 business concerns that provide economic opportunities to Section 3 Workers residing within the service area or the neighborhood of the project; and
 2. YouthBuild programs.

- G. 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 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 75.
- H. Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- I. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).
- J. Contractor will retain all documentation, Contracts, and records for a minimum of five years.