

### Section 3 Requirements

#### "Section 3" Compliance in the Provision of Training, Employment and Business Opportunities (for agreements in excess of \$100,000)

- 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 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 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.
- G. 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).

Contractor's Section 3  
Certification of Compliance

County of Beaver, PA's Certification of Compliance with Regulations to Section 3 of the Housing and Urban Development Act of 1968 as required for Participation in all HUD Programs.

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.

---

(Contractor's Name)

Hereinafter called the Contractor, upon awarded a contract for:

---

(Project Name)

In the County of Beaver, to the extent feasible, will make a good faith effort to train and employ lower income residents and shall 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 County, that the HUD Area Office Director has determined that the project area boundaries for the Section 3 covered assistance are the corporate limits of the County.

To complete the project it is estimated that the Contractor's work force needs will be as reflected in the Table of Manpower Utilization Training and Work Force Needs.

To complete the project it is also estimated that the Contractor will 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 will adopt an Affirmative Action Plan. The Contractor will also require each subcontractor, if any, to adopt an Affirmative Action Plan.

WORK FORCE NEEDS TABLE  
(EMPLOYEES)

OCCUPATION/ CATEGORY	APPROX. NUMBER OF SKILLED EMPLOYEES REQUIRED	TOTAL NUMBER OF SKILLED EMPLOYEES PRESENTLY ON PAYROLL	TOTAL NUMBER OF SKILLED EMPLOYEES TO BE HIRED	TOTAL NUMBER OF LOWER INCOME RESIDENTS TO BE HIRED

The following are the occupational category classifications that should be inserted in the Table:

1. Professional
2. Technicians
3. Office/Clerical
4. Tradesman:
  - a. Carpenter,
  - b. Electrician
  - c. Laborer
  - d. Other

Employment Certification

- A. The Contractor certifies that the above table represents the approximate number of employee positions that are needed and which are not presently filled by regular and permanent employees, and which new employees will be required in the execution of the \_\_\_\_\_ contract and also represents the number of lower income County residents that the Contractor proposes to make a good faith effort to employ.
- B. The Contractor certifies that it will make a good faith effort to employ the number of lower income employees stated above by contacting such community based organizations and service agencies in addition to advertising through the County's newspapers and erecting signs on the project site contractor's employment posters.
- C. The Contractor, prior to subcontracting any portion of the work covered by this contract will require a Manpower Utilization Table to be prepared and certification similar to paragraph A, B, and C to be executed.

MANPOWER UTILIZATION TRAINING TABLE  
(TRAINEES)

OCCUPATION/ CATEGORY	APPROX. NUMBER OF TRAINEES REQUIRED	TOTAL NUMBER OF TRAINEES PRESENTLY ON PAYROLL	TOTAL NUMBER OF TRAINEES TO BE HIRED	TOTAL NUMBER OF LOWER INCOME TRAINEES TO BE HIRED

The following are the occupational category classifications that should be inserted in the Table:

1. Professional
2. Technicians
3. Office/Clerical
4. Tradesman:
  - a. Carpenter
  - b. Electrician
  - c. Laborer
  - d. Other

Trainee Certification

- A. The Contractor certifies that the above table represents the approximate number of trainee positions required in the execution of the \_\_\_\_\_ contract and also represents the number of lower income County residents that the Contractor proposes to utilize in filling trainee positions.
- B. The Contractor certifies that it will make a good faith effort to fulfill the number of lower income trainees stated above by utilizing such community based organizations.
- C. The Contractor certifies that trainees to be utilized on this project in no event are less than the number of trainees determined by the Secretary of Labor for each building construction occupation.
- D. The Contractor, prior to subcontracting any portion of the work covered by this contract will require a Manpower Utilization Table to be prepared and certifications similar to paragraphs A, B and C to be executed.

Reporting

The Contractor will report to the County on a regular basis (monthly or quarterly) the results of employee and trainee employment of lower income residents of the County. The Contractor reports will include not only his efforts, but the efforts of subcontractors, if any.

\_\_\_\_\_, the Contractor will, to the greatest extent feasible, abide by the requirements of Section 3 of the Housing and Urban Development Act of 1968, 12, U.S.C. 1701u, in carrying out its contract.

\_\_\_\_\_  
Project Name

\_\_\_\_\_  
Contractor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

CONTRACTOR'S SECTION 3  
ACTION PLAN FOR BUSINESS UTILIZATION

- A. The Contractor shall utilize, to the maximum extent feasible, eligible Section 3 business concerns located in County of Beaver, PA in contracting for work to be performed in connection with the completion of the contract. Eligible Section 3 businesses are those which qualify as 'small' under the Small Business Administration size standards and which are socially and economically disadvantaged.
  
- B. The Contractor has established a goal of \*\_\_\_\_\_% (\*Minimum Goal 10%) of the total contract amount which he expects to award to eligible Section 3 business concerns. Table I, Business Utilization Table, sets forth the classification of subcontracts, the estimate of each subcontractor dollar amount, whether a Section 3 business is intended to be utilized and the dollar amount of proposed subcontracts to Section 3 businesses.
  
- C. To achieve the goal specified in paragraph "B", the Contractor shall:
  - 1. Make full use of minority business listings made available by the HUD Area Office, Small Business Administration, as compiled by the County.
  - 2. Take steps to insure that subcontracts which are typically let on a negotiated rather than a bid basis are also let on a negotiated basis, whenever feasible.
  - 3. Where competitive bids are solicited, include as part of the bid documents the Contractor's goals for Section 3 as it relates to the work for which bids are being solicited, require each bidder to submit their Utilization Goals and Affirmative Action Plan for achieving Section 3 Business Utilization.
  - 4. Insert the Section 3 contract language required by 24 CFR 135.38 in all subcontracts; and require to be executed by the subcontractor a certification of compliance with Section 3, similar to the Contractor's Certification of Compliance, Form S3-3, and an Affirmative Action Plan for Business Utilization, Form S3-4.
  
- D. The Contractor will report to the County on a regular basis (monthly or quarterly) the results of the affirmative efforts and undertakings per paragraphs A, B, and C above, including the efforts of its subcontractors.

\_\_\_\_\_  
Signature/Contractor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved/County of Beaver

\_\_\_\_\_  
Date

TABLE I  
BUSINESS UTILIZATION TABLE

PROPOSED SUBCONTRACTS	SUBCONTRACT DOLLAR AMOUNT ESTIMATE	USE OF SECTION 3 BUSINESSES		PROPOSED SUBCONTRACTS TO SECTION 3 BUSINESSES DOLLAR AMOUNT
		YES	NO	
TOTALS	\$			\$

The following are the examples of services, which may be required by Subcontractors and these classifications, should be inserted in the Table if applicable:

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. Selling bricks</li> <li>2. Selling lumber</li> <li>3. Selling cement, sand &amp; gravel</li> <li>4. Making steel cast</li> <li>5. Selling electric supplies</li> <li>6. Selling kitchen appliances</li> <li>7. Selling bathroom fixtures</li> </ol> | <ol style="list-style-type: none"> <li>8. Window-installation</li> <li>9. Air conditioning sales and/or installations</li> <li>10. Floor tile sales and/or installations</li> <li>11. Door sales and/or installations</li> <li>12. Landscaping</li> <li>13. Carpeting</li> <li>14. Stationery and/or advertising</li> <li>15. Other (Specify):_____</li> </ol> |
|---|--|

This list should also include professional services, and all of the construction trades, i.e., plumbing, electrical, drywall, carpenters, etc. which are intended to be subcontracted.

CONTRACTOR'S MONTHLY PROGRESS REPORT  
FOR SECTION 3 COMPLIANCE

BUSINESS UTILIZATION

Date: \_\_\_\_\_

Contracting Agency: \_\_\_\_\_

Contract No.: \_\_\_\_\_

Date Executed: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

Section 3 Goals established by Action Plan: \_\_\_\_\_

Month Ending Percent: \_\_\_\_\_ \$ \_\_\_\_\_

Name and Phone No. of Person Preparing Report

Name: \_\_\_\_\_ Phone No.: \_\_\_\_\_

	Name and Address of Subcontractors	Type of Sub-contractors	Owners 50% + Live in County		Date of Award	Subcontracts Awarded (Dollar Amounts)		Section 3 Subcontracts Awarded (Dollar Amounts)	
			YES	NO		Report Period	Cumulative	Report Period	Cumulative
1.									
2.									
3.									
4.									
	Cumulative Totals								

Use appropriate letters for classification of subcontracts.

C - Construction, SP - Supplies, SV – Service

MONTHLY PROGRESS REPORT  
Section 3 Reporting Requirements

- A. Project /Activity: \_\_\_\_\_
- B. Name of Third Party Contractor/Subcontractor: \_\_\_\_\_
- C. Amount of Contract/Subcontract: \_\_\_\_\_
- D. Amount of Section 3 Covered Assistance: \_\_\_\_\_
- E. Total of aggregate new hires related to this contract/project \_\_\_\_\_ (If new hires result from this contract, please answer F, G & H).
- F. New hires resulted from this contract, please indicate, using the Racial Ethnic Codes below:

<u>Job Category</u>	<u>No.</u>	<u>Race</u>	<u>Hispanic or Latino</u>
1. Professional	_____	_____	_____
2. Technicians	_____	_____	_____
3. Office/Clerical	_____	_____	_____
4. Tradesman			
a. Carpenter	_____	_____	_____
b. Electrician	_____	_____	_____
c. Laborer	_____	_____	_____
d. Other	_____	_____	_____
Total	_____	_____	_____

Racial Ethnic Codes:

- |   |   |
|---|---|
| 1. White                                  | 7. Asian & White  |
| 2. Black/African American                 | 8. Black/African American & White                         |
| 3. Asian                                  | 9. American Indian/Alaska Native & Black/African American |
| 4. American Indian/Alaska Native          | 10. Other Multi-racial                                    |
| 5. Native Hawaiian/Other Pacific Islander |   |
| 6. American Indian/Alaska Native & White  |   |

- G. Number of such hires who:
- Reside in public housing \_\_\_\_\_
- Reside in the metropolitan area \_\_\_\_\_
- Lower income \_\_\_\_\_
- TOTAL Section 3 hires \_\_\_\_\_

H. Percent of aggregate new hires classified as Section 3 (low income):

<u>Family Size</u>	<u>Income</u>
1 person	_____
2 person	_____
3 person	_____
4 person	_____
5 person	_____

\_\_\_\_\_  
Signature of Contractor/Subcontractor