

The Section 3 information contained in the following pages is to be inserted in its entirety into **every** solicitation for work or contracts by the LCHA, its contractors **and** sub-contractors. All required forms and the Section 3 Clause are already included along with instructions to all contractors bidding work.

All contractors requiring any sub-contractors **must** issue this package and receive the completed required forms below on **pages 7-22** before issuing any contracts.

Remember, there must be reasonable (3) bids for all contracts and the residents of the LCHA must be informed of the opportunity and given every chance to submit bids before an award is made.

Any contractor not meeting these requirements will have violated the Section 3 regulation and their contract may and likely will be terminated. If any contractor is terminated for failure to meet Section 3 requirements they will not be able to win awards on any other HUD-funded contracts anywhere.

Section 3 Clause

Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

(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 Section 3 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.

Section 3 Solicitation Overview and Instructions for Contractors

The Lancaster Housing Authority's Section 3 policy requires that when the **Section 3 regulation is triggered by a need for new hires (whether individual employees, contractors or sub-contractors)**, every effort within the contractor's disposal must be made to the greatest extent feasible to offer all available employment and contracting opportunities to its residents based on the tiers below. Only when the regulation is triggered by a contractor and they are unable to offer employment or contracting. The contractor may offer employment related training to the Authority residents. The training must be in an amount equal to or exceeding 3% of the total contract award.

I. Tiers for offering all opportunities to Section 3 Residents and Resident Owned Businesses

1. **Tier I** are Authority residents/resident owned businesses at the property where the work is being performed
2. **Tier I** are Other Residents/resident businesses of the Authority
3. **Tier II** are other low and very low income persons and Youthbuild participants in this authority's service area

II. What is a Section 3 Business Concern and how do they receive Preference in contract award?

A business that meets these certification definitions must receive Preference in contracting:

1. Is 51% or more owned by Section 3 residents;
2. Employs Section 3 residents for at least 30% of its full-time, permanent staff; or (**During the entire life of the contract**)
3. Provides evidence of a commitment to subcontract to Section 3 business concerns, 25% or more of the dollar amount of the awarded contract.

III. Important Items to remember about receiving Preferences in contract award

1. Anytime you can elect to hire at 30% of Lancaster total New Hires, or
2. Sub-contract at least 25% of Lancaster total award to a Section 3 Business Concern
3. **YOU MUST MAINTAIN THOSE PREFERENCE LEVELS DURING THE ENTIRE CONTRACT OR RISK HAVING THE CONTRACT TERMINATED FOR FAILURE TO COMPLY**

IV. Other Methods of Compliance

Contractors can provide an array of trainings to Section 3 residents that are employment related, skills enhancing or employment readiness in nature. Here are the methods of achieving compliance through this method:

1. Contractor must develop a solid professional curriculum and it must be approved by a qualified state Department of Labor or the Authority.
2. Contractor may identify a person or persons that are qualified to provide the training within their staff.

3. Contractors can partner with other groups that provide the desired training and pay them directly for the service.
4. The contractor can sub-contract the Section 3 compliance training to an outside firm specializing in training and educational programs to Section 3 residents.

V. All Contracts and All Contractors must meet Section 3 compliance by:

1. Giving notice of any and all opportunities for employment and contracting to the local PHA and other low and very low income area residents and businesses by running ads, distributing flyers, community announcements, letter to targeted persons, newsletters, etc. as far in advance of the opportunity as possible.
2. Clearly stating the requirements for applying for and achieving the opportunity and that the project is paid by "Section 3 Covered funds under the HUD Act of 1968".
3. Utilizing the Section 3 Clause when soliciting any work.
4. Hold informational or "How to Apply" meetings when possible prior to requesting bids or taking applications so the residents or businesses are encouraged to apply for the opportunity.
5. Help link residents or businesses to local resources that may be available to help prepare them for applying for and achieving the opportunity.
6. Work with the Authority in developing a communication and follow up process to track and report all Section 3 application and hiring activities to ensure the reporting of compliance efforts, and that contracting and sub-contracting are accurate.
7. Provide Preference in hiring and contracting to Section 3 applicants and contractors when all factors are equal for the opportunity including price and salary requests.
8. **Contractors must provide this package to all sub-contractors when soliciting bids;** meet all the same processes in A-F; and provide Preference to all sub-contractors meeting the definitions as stated in Item II on page 14 in that order of priority when all factors remain equal between Section 3 and non-Section other respondents.

Section 3 Contract Compliance Cure and Termination Processes

This language is a component of contract compliance with the work you are responding to in this solicitation. It is being placed in the Section 3 compliance section for ease of reference and due notice. The full requirements are provided in the Section 3 Clause found elsewhere in this package or in the HUD forms 5370-C or 5370 C1 as may be applicable.

All contractors claiming a Preference in contracting by meeting any of the three qualifications including; a Resident Owned Business, Hiring 30% of New Hires and/or Sub-contracting at least 25% of total award to a Section 3 Concern shall maintain that status throughout the life of the contract. Failure to meet this requirement will result in penalties up to and including contract termination. Any contractor triggering the regulation by doing any hiring or contracting once they are awarded the contract through execution must comply with the Section 3 requirements by executing the efforts on their Certification and Action Plan in accordance with the Authority's Section 3 Action Plan.

The Authority shall execute these remedies to achieve compliance in this order:

- A. Based on the first observation or report of non-compliance with Section 3, the contractor will be sent an e-mail by the compliance management contractor notifying them of their non-compliance issue. The contractor will have until the next payroll or 14 calendar days, whichever is lesser to bring the contract into compliance.
- B. If at any time a contractor fails to bring the contract into compliance, the Authority must withhold all future payments until the contract is in compliance.
- C. The contractor shall have up to 15 business days from the most recent notice of non-compliance to meet compliance as a final cure period or justify in writing to the Authority why it cannot meet compliance. The Authority must render a response to the contractor within 10 business days of receipt of its letter of reason for non-compliance. If the Authority deems the cause to be unacceptable, at its option, can extend the cause period one time for up to 5 days to allow the contractor to identify and secure other compliance options, or
- D. If the contractor fails to take any corrective action to bring the contract into compliance within 7 business days from the most recent notice of non-compliance, or the Authority does not accept any of their corrective plans or justifications for non-compliance, the Authority must terminate the contract immediately. **All funds due to the contractor shall be held** and a financial workout of the agreement shall proceed within 24 hours of termination. The workout is to include a contract deduct equal to the total Section 3 contract violation of opportunities provided to non-Section 3 residents or business because they were not offered according to the contract and regulation award. All remaining funds can be paid out based on work satisfactorily completed per the agreement.

Any contractor claiming to meet Section 3 compliance by committing to hire residents, fund training itself **shall meet compliance within seven (7) calendar days of contract start** or the Authority shall halt all work related to the agreement and the actions listed in steps A-D in this section shall apply.

The contractor understands and agrees that a compliance management firm will be used to conduct routine and certified payroll reviews to ensure compliance. Contractor agrees to provide the payroll data in an Excel or Word format each time the payroll is processed throughout the contract.

Lancaster City Housing Authority

Bidder/Offeror/Proposer

Required Section 3 Action Plan and/or Certification

Name of Business _____

Address of Business _____

Type of Business (Check One): Corporation Partnership Sole Proprietorship Other

Business Activity: _____

All firms and individuals intending to do business with the Authority MUST complete and submit this Action Plan and submit it with the bid, offer, or proposal. Any solicitation response that does not include this document (completed, signed, and notarized) will be considered non-responsive and not eligible for award.

I am Certifying as a Section 3 Concern and requesting Preference accordingly (Select only One Option):

1. A business claiming status as a Section 3 Resident-Owned Business Concern (ROB) entity:
Initial here to select this option _____

Provide Certification for Section 3 Residents and proof that they own a minimum 51% of the business

2. A business claiming Section 3 status, because at least 30% of the existing or newly hired workforce for this specific contract will be Section 3 residents throughout the entire contract period. If a Prime or General Contractor is electing this option, the 30% employment requirement will be for the entire project including all the sub-contractors employees:
Initial here to select this option _____

Check all methods you will employ to secure Section 3 Residents/Persons

- Distribute Flyers door-to-door to ALL local public housing authorities
- Post notice on the Authority's web site
- Run multiple advertisements in the local paper announcing the hiring opportunities
- Post signs at the entrance to the job site that it is a Section 3 covered project
- Notify residents and local community organizations including shelters and churches
- Defer to any list of Employment Readiness trained residents provided by the Authority
- Other: _____

I anticipate my total number of employees for this contract to be ____ and ____ will be qualified Section 3.

3. A business claiming Section 3 status by subcontracting 25% of the dollar award to qualified Section 3 Business(es):
Initial here to select this option _____

- Provide a list of intended subcontract Section 3 business(es) with subcontract amount
- Provide certification & all supporting documentation for each planned subcontract Section 3 Business

I am **NOT** certifying as a qualified Section 3 Business Concern but if I trigger the regulation by doing any sub-contracting or hiring I will comply by (Select from below):

4. I commit to hiring and maintaining throughout the life of any contract awarded as part of this solicitation (Including and changes or modifications) at least ____ Tier I Section 3 Residents from the housing authorities lease holders or housing choice voucher holders administered by this county. Only if no Tier I residents can be secured, the contractor may hire other low and very low income persons within the service area. Sufficient written justification will be required as to why no Tier I Resident could be hired.

Check all methods you will employ to secure Section 3 Residents/Persons

- Distribute Flyers door-to-door to ALL local public housing authorities
- Post notice on the Authority's web site
- Run multiple advertisements in the local paper announcing the hiring opportunities
- Post signs at the entrance to the job site that it is a Section 3 covered project
- Notify residents and local community organizations including shelters and churches
- Defer to any list of Employment Readiness trained residents provided by the Authority
- Other: _____

Initial here to select this option _____

5. I will commit to funding, from my contract, a qualified Section 3 training in place of Employment or Contracting in the amount of 3% or more of my total contract award as required by the authority's policy. That training will commence within ten (10) days of contract start. My training will be:

- Employment Readiness Training (*List Training*) _____ for up to ____ residents
- Employment Skills Classroom (*List Training*) _____ for up to ____ residents
- Employment Skills Job Site (*List Training*) _____ for up to ____ residents
- Other Site (*List Training*): _____ for up to ____ residents

(Contractor understands that if Job Site training is completed by having the trainee complete work comparable to HUD defined employment categories, the trainees must be paid Davis-Bacon wages and covered under their workers compensation insurance)

Initial here to select this option _____

6. I will do the following to meet compliance that meet the 3% for all contracts other economic requirements.

Initial here to select this option _____

My selected method of compliance is # ____ from above options #4 - #6.

If Contractor does not anticipate triggering the regulation, check this box and initial by the reason below.

_____ I do not anticipate any new hires on this contract.

_____ I do not anticipate any new contracting by my firm on this contract.

Lancaster City Housing Authority Bidder/Offeror/Proposer Required Previous Section 3 Compliance Certification

Name of Business _____

Address of Business _____

Type of Business (Check One): Corporation Partnership Sole Proprietorship Other

Business Activity:

All firms and individuals intending to do business with the Authority **MUST** complete and submit this certification of prior compliance with their bid, offer, or proposal. Any solicitation response that does not include this document will be considered non-responsive and not eligible for award.

I am certifying that I have complied with the HUD Section 3 Regulations in my past contracts when required by employing the following:

1. I was a Section 3 Resident-Owned Business (ROB). List the Contracts Work and HUD Funded Entity:
- | | |
|--|--|
| | |
| | |
| | |

2. I complied with Section 3 by employing at least 30% of the newly hired workforce for these contracts and maintained them throughout the entire contract period:

List the contracts worked and the HUD funded entity:

3. I complied with Section 3 by subcontracting 25% of the total dollar award to a qualified Section 3 Business:

List the contracts worked and the HUD funded entity and Section 3 Concern you sub-contracted to:

4. I complied with Section 3 on a previous HUD funded contract by doing these things and with these entities:

(What was done?) _____

List Entities you worked for:

_____	_____	_____
_____	_____	_____
_____	_____	_____

5. I have never done any HUD funded contracting. Check this box

6. I completed HUD Section 3 covered contracts in the past three years but was not required to meet compliance. Check this box and initial by the corresponding reason below.

____ I did not trigger the regulation by doing any new hires on the contract(s).

____ I did not trigger the regulation by doing any new subcontracting on the contract(s).

Assurance of Compliance Certification Section 3 Action Plan - HUD Act of 1968

(12 U.S.C. 1701 U)

RE: Lancaster City Housing Authority

Contract Name or Number: _____

Purpose: To ensure that regulations promulgated under 24 CFR Part 135 Employment Opportunities for Businesses and Lower Income Persons in Connection with Assisted Projects and the Section 3 Plan and Policy of the Lancaster Housing Authority to the greatest extent feasible is adhered to, and to serve as the ‘assurance of compliance’ certification and action plan as required in the bid documents, supplemental general conditions, and HUD Forms 5370 or 5370C for the contract for any work with the Authority.

Description of the project’s work detail: The project work will be as listed in the final scope of work in the contract with the Authority including any change orders.

Subcontractor(s): _____

Subcontractor(s): _____

Subcontractor(s): _____

Subcontractor(s): _____

Subcontractor(s): _____

Subcontractor(s): _____

Subcontractor(s): _____

Subcontractor(s): _____

Use an additional sheet if required.

Preliminary Statement for Work Force Needs: Though employment readiness training is our preferred method of Section 3 compliance, it is our intent to identify any short-term and long-term employment or contracting opportunities for qualified Section 3 persons and concerns during the course of our contract with this housing county. Please list the status of all planned employment position and opportunities for this contract. **Preference for all opportunities must be given to public housing residents if they qualify. If awarded a contract I will have to provide a list of my aggregate workforce on this project. Any changes to that workforce during the project will constitute new hires.**

<u>Category</u>	<u># of Project Workforce Positions</u>	<u>Status of All Positions</u>
Skilled	_____	_____
Semi-Skilled Labor	_____	_____
Trainees	_____	_____
Laborers	_____	_____

“To the Greatest Extent Feasible”:

The Contractor has identified ____ # of **OPEN** positions with respect to this contract. The positions are filled by the _____ (Position title) of the Contractor.

Should the scope of work or duties of the contractor change to a degree requiring a modification of the work force needs, the contractor shall put forth a good faith effort to fill vacant positions with the Authority resident applicants and/or very low-income area residents.

Documentation of “To the Greatest Extent Feasible”:

The contractor will work with the Authority property managers and staff to notify residents of any opportunities afforded under our contract. The contractor will partner with the Authority by giving preference of any employment opportunities to the Section 3 persons or concerns that have successfully completed the authorities most recent or previous employment readiness type training. It is the contractor’s intent to partner with the Authority in selecting new employees or businesses from the list they provide, or to execute its own company sponsored training. The contractor will seek to have the Authority provide a referral for a qualified training firm that can also provide technical assistance in working with the Section 3 covered persons and/or businesses to advise the contractor on how best to comply with the HUD regulations.

The contractor shall recruit or attempt to recruit from the Section 3 area the necessary number of low-income and very low-income residents through documentation of the following:

1. Local media advertising
2. Signs placed at the proposed site for the project and the Authority’s offices and flyers hand delivered to all local public housing apartments
3. Maintain a list of all low-income area residents who have applied, either on their own or from referral from any source, and employ such person if otherwise eligible and if a trainee vacancy exists.
4. Provide evidence that the contractor has not filled vacant employment positions in its workforce immediately prior to undertaking work in an attempt to circumvent Section 3 regulations.
5. Review and determine if low-income and very low-income residents meet minimum hiring qualifications. Applicants meeting such minimum qualifications, but not hired due to lack of job openings or for other operations reasons, will be placed on a priority hiring list and offered positions upon the occurrence of the first available appropriate job opening.

Utilization of Businesses Located or Owned in Substantial Part by Persons Residing in the Area:

The contractor does does not intend to subcontract any of the work identified in the scope of work cited in the bid specifications, scope of work or General Conditions.

Should the scope of work or needs of the contractor change, the contractor shall, to the greatest extent feasible, assure that subcontracts be awarded to business concerns within the Section 3 covered area, or to business concerns owned in the substantial part (at least 51%) by persons residing in the Section 3 covered area.

Record Keeping:

The contractor shall maintain on file all records related to employment and job training of low-income and very low-income residents or other such records, advertisements, legal notices, brochures, flyers, publications, assurances of compliance from subcontractors, etc, in connection with this contract. If there is a report that is needed as part of the submission you agree to provide it timely. The contractor shall, upon request, provide such records or copies of records the Authority, its staff, or agents.

Reports:

The contractor shall provide reports as required in connection with the contractor specifications. All certified and regular payrolls shall clearly detail which employees qualify under Section 3.

Certification:

The contractor will certify that any vacant employment positions, including training positions that filled:

- 1) After the contractor is selected but before the contract is executed, and
- 2) With persons other than those to who the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the subcontractor's obligations under 24 CFR Part 135.

Grievance and Compliance:

The contractor or subcontractor hereby acknowledges that they understand that any low-income and very low-income resident of the project area, for him/her or as representatives of persons similarly situated, seeking employment or job training opportunities in the project area, or any eligible business concerns seeking contract opportunities may file a grievance if a good faith effort was not followed. The grievance must be filed with HUD not later than one hundred eighty (180) calendar days from the date of the action (or omission) upon which the grievance is based.

I attest that the above information is true and correct.

Signature

Print Name

Title

Date

STATE OF _____

COUNTY OF _____

I, the undersigned, a Notary Public in and for said County and in said State, hereby certify that, _____, whose name as _____ of _____ is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that, being informed of the contents of the foregoing conveyance, he/she, in his/her capability as _____, and with full county, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the _____ day of _____, 20____.

Notary Public: _____

My Commission Expires: _____

SECTION 3 SELF-CERTIFICATION AND SKILLS DATA FORM

The purpose of this form is to comply with HUD Section 3 administration and certification regulations.

Certification for Public Housing Residents or Others Seeking Employment or Training

I, _____, am legal resident of the United States and meet the income eligibility and federal guidelines for a Section 3 Resident as defined on the next page.

My home address is:

Must be a Street address not a P O Box # Apt Number

City State Zip Home # Cell #

Graduated High School or GED (month/year) _____ I Read and Speak English Fluently Yes or No

Attended College, Trade, or Technical School ___ Yes/No Graduated ___ Yes/No Year Graduated ____

Check the Skills, Trades, and/or Professions you have been employed in or contracted to do for others:

- Grid of checkboxes for skills and professions: Drywall Hanging, HVAC, Siding, Stucco, Data Entry, Administrative, CDL License, Fencing, Drywall Finishing, Electrical, Cabinet Hanging, Window/Door Repl., Roofing, Metal/Steel Work, Interior Painting, Interior Plumbing, Door Replacement, Construction Cleaning, Sales, Personal Care Aide, Concrete/Asphalt Work, Welding, Framing, Exterior Plumbing, Trim/Carpentry, Exterior Framing, Telephone Customer Service, Landscaping, Heavy Equipment Operator, Other.

I am certifying as a Section 3: [] Person seeking Training or [] Person seeking employment

(Check all that apply):

[] I am an LCHA Public Housing or Section 8 Lease holder [] I live in the LCHA service area (Lancaster City)

My total annual household income is \$ _____ There are a total of _____ people living in my household

I certify that all of the information given above is true and correct. If found to be inaccurate, I understand that I may be disqualified as an applicant and/or a certified Section 3 individual which may be grounds for termination of training, employment, or contracts that resulted from this certification. I attest under penalty of perjury that my total household income annually, based on my total household size as listed above is at or below the income amount for that specific size at the time of this document is being signed and notarized. I understand that proof of this statement may be requested in the future.

Signature

Date

STATE OF _____

COUNTY OF _____

I, the undersigned, a Notary Public in and for said County and in said State, hereby certify that, _____, whose name as _____ of _____ is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day, that, being informed of the contents of the foregoing conveyance, he/she, in his/her capability as _____, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the _____ day of _____, 20__.

Notary Public: _____

My Commission Expires: _____

Purpose:

The purpose of Section 3 of the Housing and Urban Development of 1968 (12 U.S.C. 1701u) (Section 3) is to ensure that employment and other economic and business opportunities generated by HUD Financial Assistance shall be directed to the Authority Residents and other low- and very low-income persons, particularly those who are recipients of government housing assistance and to business concerns which provide economic opportunities to Residents and other low- and very low-income persons.

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:
 - I. 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% of the median family income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80% of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families; or
 - II. 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)). 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% of the median family income for the area, as determined by the Secretary with adjustments made for smaller or larger families, except that the Secretary may establish income ceilings higher or lower than 50% of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.
- (3) 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.

Service area means the geographical area in which the persons benefiting from the section 3-covered project reside.

The figures below represent very low-income families; bottom figures represent low-income families.

Lancaster, PA MSA									
Median Income	FY 2013 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
65,600	Very Low (50%) Income Limits	23,150	26,450	29,750	\$33,050	35,700	38,350	41,000	43,650
	Low (80%) Income Limits	37,050	42,350	47,650	\$52,900	57,150	61,400	65,600	69,850