

SECTION 3 REQUIREMENTS

Section 3 of the Housing and Urban Development of 1968 provides that, to the greatest extent feasible, opportunities for training and employment shall be given to lower-income residents of HUD-assisted project areas. Further, contracts for work in connection with such projects shall be awarded to business concerns located in or owned in substantial part (51% or more) by project area residents.

The Section 3 regulations require that every contractor and subcontractor shall incorporate in all contracts for work 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 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.

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).

For participation in the effort to provide economic opportunities to Section 3 residents, a Section 3 resident is defined as anyone who is residing in the Town of Chapel Hill's and Town of Carrboro's public housing developments, Section 8 residents and individuals residing within the County of Orange who can be classified as low-and very-low income. Low-and very-low income residents are defined as persons whose total family income does not exceed the FY 2015 Income Limits for Orange County, North Carolina:

<u>Family Size</u>	<u>Maximum Annual Income</u>
1	\$ 37,750
2	\$ 43,150
3	\$ 48,550
4	\$ 53,900
5	\$ 58,250
6	\$ 62,550
7	\$ 66,850
8	\$ 71,150

Business concerns refer to firms located within a Section 3 covered project area, which are 51 percent or more owned by persons residing in the covered project areas, which are owned by persons socially or economically disadvantaged, and which qualify as small businesses.

AFFIRMATIVE ACTION UNDER SECTION 3
CFR24 Parts 135.55 and 135.70

Utilization of Lower Income Areas Residents as Employees

Each applicant, recipient, contractor or subcontractor undertaking work in connection with a Section 3 covered project shall fulfill his obligation to utilize lower income project area residents as employees to the greatest extent feasible by:

- a. Identifying the number of positions in the various occupational categories including skilled, semiskilled and unskilled labor, needed to perform each phase of the Section 3 covered project;
- b. Identifying of the positions identified in paragraph (a) of this section, the number of positions in the various occupational categories which are currently occupied by regular, permanent employees;
- c. Identifying of positions identified in paragraph (10) of this section, the number of positions in the various occupational categories which are not currently occupied by regular, permanent employees;
- d. Establishing of the positions identified in paragraph (c) of this section, a goal which is consistent with the purpose of this section, a goal which is consistent with the position of this subpart within each occupational category of the number of positions to be filled by lower income residents of the Section 3 covered project area; and
- e. Making a good faith effort to fill all of the positions identified in paragraph (d) of this section with lower income project area residents.

Utilization of Business located in or Owned in Substantial Part by Persons Residing in the Area

Each applicant, recipient, contractor or subcontractor undertaking work in connection with a Section 3 covered project shall fulfill his obligations to utilize business concerns located within or owned in substantial part by persons residing in the Section 3 covered project area by developing and by implementing an affirmative action plan.

In developing an affirmative action plan, each applicant, recipient, contractor and subcontractor preparing to undertake work pursuant to a Section 3 covered contract shall:

- a. Set forth the approximate number and dollar value of all contracts proposed to be awarded to all businesses within each category (type or profession) over the duration of the Section 3 covered project in question;
- b. Analyze the information set forth in paragraph (a) of this section and the availability of the eligible business concerns within the project area doing business in professions or occupations identified as needed in paragraph (a) of this section and set forth a goal or target number and estimated dollar amount of contracts to be awarded to the eligible businesses and entrepreneurs within each category over the duration of the Section 3 covered project;

- c. Outline the anticipated program to be used to achieve the goals for each business and/or professional category identified. This program should include but not be limited to the following steps:
- 1) Indicate the anticipated process and steps which have been taken and/or will be taken to secure the cooperation of contractors and subcontractors in meeting the goals and carrying out the affirmative action plan developed pursuant to this subpart;
 - 2) Take steps to insure that the appropriate business concerns within the Section 3 covered project area are notified of pending contractual opportunities either personally or through locally utilized media. All contractors and subcontractors which so notify concerns of opportunities to submit bids shall satisfy all requirement for notification of business concerns;

Program to be Followed in the Accomplishment of the Goals as Outlined

In implementing the affirmative action plan, each contractor or subcontractor shall make a good faith effort to achieve its goal or target number and estimated dollar amount of contracts to be awarded to the eligible businesses and entrepreneurs within each category. Each contractor or subcontractor seeking to establish that a good faith effort has been made to implement its affirmative action plan, shall provide evidence acceptable to the Contracting Officer that it has implemented the steps required under Section 3. Each contractor shall also provide evidence that it has attempted to recruit from Section 3 areas the necessary eligible lower-income area residents and business concerns through local advertising, posting signs at the proposed work site and contracting with community organizations and public or private institutions operating within or serving the Section 3 project area such as Project Areas Committee (PAC) in urban renewal areas, Model Cities citizens advisory boards, Service Employment and Redevelopment (SER), Opportunities Industrialization Center (OIC), Urban League, Concentrated Employment Program, or the U. S. Employment Service, as well as the Chamber of Commerce and any equivalent organizations in the Section 3 covered project area.

FOR GOVERNMENT CONTRACT AUTHORITY (City, County, State or Federal)

SUBJECT: Section 3 Affirmative Action Plan
 PROJECT: (Name)
 NUMBER: (Assigned by Contract Authority)
 LOCATION: (Street address, City, County, State; also directions to project)
 DESCRIPTION OF WORK TO BE DONE: (e.g., Utilities, Electrical, Heating, etc.)

I. UTILIZATION PLAN FOR LOWER INCOME AREA RESIDENTS AS EMPLOYEES

<u>Job Categories on this project</u>	<u>Member of employee needed for project</u>	<u>Member of employees currently available</u>	<u>Goal for Section 3 new hires</u>
(Examples)			
Superintendent			
Foreman	(1)	(1)	
Clerical	(0)		
Craftsman (journeyman)	(8)	(7)	(1)
Apprentices	(2)	(0)	(2)
Operator	(4)	(3)	(1)
Laborers	(6)	(6)	
Others (specify)			

II. UTILIZATION PLAN FOR BUSINESS LOCATED IN PROJECT AREA

<u>Subcontracts to be let and/or supplies to be purchased locally</u>	<u>Dollar Amount</u>	<u>Eligible businesses in project area?</u>		<u>Dollar goal for eligible businesses</u>
		<u>Yes</u>	<u>No</u>	
(Examples)				
Clearing	\$10,000		X	
Grading	3,000	X		3,000
Pipe	15,000		X	
Tera cota				
Iron				
Fill material	2,000	X		2,000
Earth				
Sand & gravel				
Concrete	4,000		X	

III. PROGRAM TO BE FOLLOWED IN THE ACCOMPLISHMENT OF THE GOALS AS OUTLINED ABOVE

(See attached guidelines for completion of this portion of your Section 3 Affirmative Action Program. You are still required to submit a separate Affirmative Action Program with reference to Executive Order 11246. These guidelines are also enclosed covering the requirements.)

(Signature)

(Must be a responsible company officer or government official)

STATEMENT OF BIDDER'S QUALIFICATIONS

All questions must be answered and the data given must be clear and comprehensive. This statement must be notarized. If necessary, questions may be answered on additional sheets and attached to this application. The contractor may submit any additional information he/she desires.

1. Name of Business: _____
2. Business Address: _____
3. Business Telephone No.: _____
4. Contact Person(s) and Title(s): _____
5. Business Tax ID # or SS #: _____ Occupational Licenses #: _____
6. Date organized: _____ Date incorporated & where: _____
7. How many years have you been engaged in contracting business under the current firm or trade name? _____
8. List all current workload or contracts on hand and scheduled completion dates: _____

9. Is the company represented and certified as part of its BID that it is a Small business concern? Women-owned business enterprise? Minority business enterprise? Section 3 business and/or contractor?
10. List the important projects completed in the last three (3) years by your company, stating the cost of each and the month and year completed:

<u>CONTRACT</u>	<u>ADDRESS</u>	<u>AMOUNT</u>	<u>DATE COMPLETED</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

11. General character of work performed by your company (i.e. general contracting specialty in any particular trade): _____
12. Have you ever defaulted on or failed to complete any work awarded to you? If yes, give details: _____

13. List names, addresses and types of accounts for the following references:
 - A. Banks: _____
 - B. Material Dealers: _____
 - C. Sub-contractors: _____
14. What is the dollar credit available to the company? _____

15. If requested, will you provide a detailed financial statement and furnish any other information that may be required by the TOWN? _____ . All financial information received in conjunction with the BID will remain specifically confidential between the TOWN and the BIDDER, unless disclosure is otherwise required by law or Court Order.

16. Has the company ever been party to or involved in any action related to discrimination based upon race, color, creed, nationality, sex, age, familial status or religion?: _____ If yes, please explain: _____

17. Has the company ever caused a lien for material or mechanical work default payment to be placed against a homeowner? _____ If yes, please explain: _____

18. Has your company ever been debarred, suspended or otherwise prohibited from professional practice by any Federal, State or Local agency? _____ If yes, please explain: _____

19. Name and home address of owner: _____

20. List three (3) references:

<u>Name of Reference</u>	<u>Title</u>	<u>Name of Company</u>	<u>Telephone No.</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

THE UNDERSIGNED HEREBY AUTHORIZES AND REQUESTS ANY PERSON, FIRM OR CORPORATION TO FURNISH ANY INFORMATION REQUESTED BY THE TOWN OF CHAPEL HILL DEPARTMENT OF HOUSING IN CHAPEL HILL, NORTH CAROLINA IN VERIFICATION OF THE RECITALS COMPRISING THIS STATEMENT OF QUALIFICATIONS, DATED THIS THE _____ DAY OF _____, 2013.

Name of Firm

By: _____

Title: _____

Subscribed and sworn before me this the _____ day of _____, 2013.

Notary Public

My Commission Expires: _____