



Contractor/Subcontractor Section 3 Compliance Packet

Section 3 Summary: Section 3 is a Federal program that requires recipients of HUD funding, to the greatest extent possible, to provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.

Any developer, contractor and sub-contractor working on a project utilizing HUD funding is subject to the Section 3 numerical goals listed below.

Hiring: 30% of total newly hired employees or trainees must be Section 3 residents

Contracting:

Hard Cost: 10% of total contract dollar amount must be awarded to Section 3 businesses

Soft Cost: 3% of total contract dollar amount must be awarded to Section 3 businesses

Definitions:

Section 3 Resident: a (1) public housing resident, or (2) A low or very low income resident of Hampden, Franklin or Hampshire County. See low income limits below:

FY 2014 Income Limit Area	FY 2014 Income Limit Category	Persons in Family							
		1	2	3	4	5	6	7	8
Springfield City	Low Income	\$44,750	\$51,150	\$57,550	\$63,900	\$69,050	\$74,150	\$79,250	\$84,350
	Very Low Income	\$30,100	\$34,400	\$38,700	\$42,950	\$46,400	\$49,850	\$53,300	\$56,700

Section 3 Business: A business based in Hampden, Franklin or Hampshire County AND;

- (1) 51% or more of business is owned by a Section 3 resident, or;
- (2) 30% or more full time employees are Section 3 residents or were Section 3 residents within the first three (3) years of employment, or;
- (3) Over 25% of contract dollars are being awarded to Section 3 businesses

All subcontractors with a contract receiving HUD funds are required to submit a completed Section 3 Compliance Packet to the Prime Contractor, who in turn will submit the entire package to Section 3 of the Springfield Office of Housing for review and approval. If you have other pertinent information in addition to that requested on the forms, please include it as an attachment.

General Contractor is responsible to schedule a meeting with the Section 3 Program Manager within 10 days of Notice of Intent to Award (NOIA) to return required documentation and discuss Section 3 requirements. Review comments will be made available to both the developer and contractor within 10 days of the receipt of the documents.



Contractor/Subcontractor Section 3 Compliance Packet

Contact: Melanie Acobe- Section 3 Program Manager
 Office of Housing
 1600 E. Columbus Avenue
 Springfield, MA 01103
 Office: (413) 750-2877
 Fax: (413) 787-6515
 Email: MAcobe@springfieldcityhall.com

Page	Form	Deadline
1	Contractor Compliance Cover Sheet	10 days after NOIA
2-3	Contractor Section 3 Compliance Certification	10 days after NOIA
4-5	First Source Hiring Agreement	10 days after NOIA
6	Permanent Employee List	10 days after NOIA
7	Contractor/Sub Workforce Analysis	10 days after NOIA
8	Copy of Bid Solicitation(s)	At least 3 weeks prior to the start of work or when new employment/contracting opportunities become available
9	Section 3 Business Utilization Plan	When prospective contractors have been selected after procurement and 10 th of each month after
10	Section 3 Signage Template	Prior to commencement of work
11	Start of Work Notice	At commencement of work
12	Monthly Activity Report	Due on the 10 th of each month after Start of Work
13	Section 3 New Hire/ Employee/ Trainee Participation Form	Due on the 10 th of each month after Start of Work
14	Termination of Work Notice	At completion of work



Section 3 Program | A 1968 Housing and Urban Development Act

Contractor Compliance Cover Sheet

Return with Compliance Documents

Project Name	
Name of Contractor/Subcontractor	
Services to be provided	
Company Address	
Tax ID Number	Contract Amount
Contract Person	
Email	
Phone Number	Fax Number
Owners Ethnicity/Racial Background	



Contractor's Section 3 Compliance Certification

The undersigned makes this affidavit with full knowledge that its contents will be used in the expenditure of funds provided by the United States Government. Under penalty of perjury I hereby state:

1. I am the _____ of _____.
(owner, partner, officer, representative, agent) (company name)
2. My company adheres to Section 3 of the Housing and Urban Development (HUD) Act of 1968, as amended, 12 U.S.C. 1701u which requires, to the greatest extent feasible, that a "good faith effort" given to identifying small businesses located within the boundaries of the Section 3 service area, making them aware of contracting opportunities, encouraging their participation and actually awarding contracts to Section 3 business concerns through the assistance of the City of Springfield and their referral system.
3. An attempt will be made to undertake outreach activities intended to encourage participation by Section 3 residents in training and employment opportunities, to include but not limited to utilizing the referral established by the City of Springfield.
4. My company also acknowledges and affirms the required steps stipulated in the Code of Federal Regulations 24 CFR Part §135.38 for any "new" services, i.e. employment/labor, services/materials, or subcontracting. Any violation of this requirement will present a negative impact on the performance rating of the recipient, developer, and contractor/subcontractor.

§135.38 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 employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section3, 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 Part135, 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 by 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.

Affiant's Signature: _____ Address: _____

Affiant's Title: _____ Telephone: _____

Affiant's Company Name: _____

Subscribed and sworn under oath before me this ____ day of _____, 20__.

My commission expires:

Notary: _____



First Source Hiring Agreement

This agreement, is entered into this _____ day of _____, 20____, by and between the City of Springfield and, hereinafter referred to as the "City", and hereinafter referred to the "Contractor", in connection with work to be performed in relation to the City's HUD-assisted project entitled, hereinafter referred to as the "project".

Whereas, HUD has promulgated certain regulations to implement Section 3 of the Housing and Urban Development (HUD) Act of 1968 (12 U.S.C. 1701u)(Section 3), which regulations were published in the Federal Register June 30 1994 at page 33865, hereinafter referred to as the "Section 3 regulations"; and

Whereas, the purpose of Section 3 regulations is to ensure that the employment and other economic opportunities generated by Section 3 covered assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, and to business concerns, which provide economic opportunities to such persons.

Whereas, HUD has set forth numerical employment, and contracting goals to be achieved by all Community Development recipients of Section 3 covered assistance and by other recipients of such assistance in which HUD funds are utilized; and

Whereas, the numerical goal so established by HUD applicable to the Project is set forth below; and

Whereas, recipients of Section 3-covered assistance and their contractors can demonstrate compliance with the Section 3 regulations by committing to employ Section 3 eligible persons as the applicable percentage of the aggregate number of new hires during the time period involved in the Section 3-covered project; and

Whereas, the City and the Contractor are desirous of being in compliance with the Section 3 regulations as they relate to the Project;

Now Therefore, the City and the Contractor agree as follows:

1. The Contractor and any of its subcontractors shall supply the City with a list of all full-time employees currently employed, indicating which, if any, of said employees were hired within the past three years and were also low or very low-income persons when so hired;
2. The Contractor and any of its subcontractors shall provide a listing of any and all positions for which new hires are expected to be required as a result of the Project;
3. The Contractor and any of its contractors will, to the greatest extent feasible, endeavor to hire 30% percent of the new hires generated by the Project from the following list of Section 3 eligible groups, in the order of priority listed:
 - a. Section 3 residents of service area or neighborhood

- b. Youth build participants
 - c. Homeless projects; Homeless persons; and
 - d. Other Section 3 residents
4. The Contractor and any of its subcontractors will be encouraged to make new hires from the list of Section 3-eligible groups in Paragraph 3 above for any and all other projects assisted with Federal Funding, whether or not such project is subject to the Section 3 regulations;
 5. The Contractor and any of its subcontractors shall accept referrals of Section 3-eligible persons from the City.

Provided, however, that nothing in this agreement is to be construed requiring any party hereto, or its subcontractors, to hire any person or persons who are unqualified to or incapable of carrying out the work required of any such new hires.

Witness our hands and seals on the date first written above:

The City of Springfield
Office of Housing

Witness: _____

By _____
Division Manager

Contractors Name:

Witness: _____

By _____
its Owner/President/Vice President



Section 3 Contractor/Subcontractor Workforce Analysis Form

Estimated Project Work Force Breakdown

	Job Category	Estimated Number of Positions Needed for Project	Number of Positions Occupied by Permanent Employees	Number of Positions Not Occupied	Number of Positions to be Filled w/ Section 3 Residents
Non- Construction	Office/Supervisor				
	Professionals				
	Technical				
	Office/Clerical				
	Service Workers				
	Other:				
Construction	Journeyman				
	Apprentices				
	Laborers				
	Trainees				
	Other				

Employment Certification (make additional copies of this form if necessary)

The company hereby certifies that the above table represents the appropriate number of employee's positions required in the execution of project _____ and also represents the number of Section 3 service area residents that the company proposes to employ. The Company certifies that it will make a good faith effort to employ the number of lower income employees stated utilizing such community-based organizations and service agencies such as Youthbuild.

Company: _____

Title: _____

By: _____

Date: _____



Sample Template used for procuring Labor, Contracting & Materials

Date: _____ **Bid Due By:** _____

To: Section 3 Contractors, Labor Force, and Materials Vendor

Project: Project Name
Address
City, State Zip Code

From: _____

Summary of Work:

This project is for _____ . As a General Contractor, we are in need of hiring Section 3 companies/ residents that can perform the following: _____

If interested, please contact me as soon as possible to schedule an appointment to look at the scope of services. This project is funded through a federal grant; therefore, we encourage all qualified Section 3 Business Concerns/ Residents to respond to this E-Bid for employment and Contracting Opportunities.

Contact Information:

Please email this form to _____ . Should you have any questions contact:

Bidder Information:

- Yes, I will be bidding on the project No, I will not be bidding on this project

Contract Name: _____

Company: _____

Address: _____

Phone Number: _____

Email: _____ Fax: _____

Trade/Specialty: _____

*If you or your company are not certified with the City of Springfield as a Section 3 Business/ Resident and would like to become certified, the guidelines and application(s) are available at the following City of Springfield website:
<http://www3.springfield-ma.gov/housing/section3.0.html>. Submit the original application to Section 3 of the Springfield Office of Housing for processing. The contractor is committed to "ensure employment and economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible and consistent with existing federal, state and local laws and regulations, be directed to low- and very low-income persons."*



**City of Springfield
Office of Housing**

The Office of Housing and Community Development
In Partnership with the U.S. Department of Housing and Urban
Development, and

**Acknowledges that the Construction of this project is subject to the
Section 3 plan of the U.S. Department of Housing and Urban
Development. This program is designed to generate various
Employment and Contracting Opportunities.**

Please inquire within:

Contractor name and contractor number/Email:

- _____
- _____



Section 3 Start of Work Notice

Contractor Information

Project Name	
Project Address	
Sub/Contractor Name	
Sub/Contractor Address	
Start of Work Date	

Contractor Information

Name of Authorized Officer	
Signature	
Title	

Please submit Start of Work Notice for each contractor/subcontractor prior to the start of construction via mail, email or fax:

Office of Housing
Section 3
1600 E. Columbus Avenue
Springfield, MA 01103
Email: MAcobe@springfieldcityhall.com
Fax: (413) 787-6515



Section 3 Monthly Activity Report

Contractor Name	Project Name
Contractor Address	Contract Amount
Contact Person	Reporting Month
Phone Number	Date of Submission

Employment and Training

A Job Category	B New Hires <input type="checkbox"/> No New Hires				C Employees		D Trainees <input type="checkbox"/> No Trainees			
	Section 3 New Hires *		Non-Section 3 New Hires		Section 3 Employees*	Non-Section 3 Employees	Section 3 Trainees* Previously Reported That Worked This Month		New Section 3 Trainees* Reporting for the First Time	
	# of New Hires	Hours Worked	# of New Hires	Hours Worked	Hours Worked	Hours Worked	# of Trainees	Hours Worked	# of Trainees	Hours Worked
Professional										
Technician										
Office/Clerical										
Trade										
Trade										
Trade										
Trade										
Other										
Other										
TOTAL										

***Include individuals on the Section 3 New Hire/Employee/ Trainee Participation Form. Regardless if information was previously reported, all Section 3 individuals who've worked/trained during reporting month must be included.**

- Notes:**
1. New Section 3 Trainees should NOT be included in the New Hire numbers
 2. New Hires become Employees the following reporting month.
 3. A report for each contractor/subcontractor with a contract receiving HUD funds must be submitted by the 10th of each Month with numbers from the previous month. For example, on October 10th the numbers for September will be submitted.
 4. Subcontractors submit to the General Contractor before the 10th and then the General Contractor will submit to Section 3 by the 10th.



Section 3 Program Termination of Work Notice

Contractor Information

Project Name	
Project Address	
Sub/Contractor Name	
Sub/Contractor Address	
Start of Work Date	

Contractor Information

Name of Authorized Officer	
Signature	
Title	

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