

Section 3
Bid and Application
Documents

(Projects over 90 days)

Section 3

Forms, Reports, and Policy

This project is governed under Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701u and 24 CFR Part 1351], which provides preference to low-to very low-income residents of the local community (regardless of race or gender), and the businesses that substantially employ these person, for new employment, training and contracting opportunities.

Required Section 3 Forms and Reports

Section 3 Opportunity Plan

A Section 3 Opportunity Plan must be completed by bidders or applicants seeking funding from the Shelby County Division of Planning and Development and the Department of Housing for a Section 3 covered project. The Section 3 Opportunity Plan must be submitted with the project bid or grant application.

Forms included in the Section 3 Opportunity Plan

1. Outreach Efforts to Section 3 Businesses
2. Section 3 Business Certification Form
3. Commitment to Contracting
4. Estimated Project Workforce Statement
5. Estimated Contractor Workforce Statement

A Section 3 Opportunity Plan is included.

Section 3 Summary Report

Project award recipients are required to complete and submit a Section 3 Summary Report each month throughout the life of the project. Information is cumulative and should run through the last day of the reporting month. Example: A report period of May 2015 will document required information from the start of the project through the last day of the May 2015.

A Section 3 Summary Report is included.

Section 3 Business Certification Form

Preferential contract consideration will be granted to Section 3 businesses. The Section 3 Business Certification Form must be completed by businesses seeking Section 3 status.

The Section 3 Business Certification Form must be completed by businesses listed as Section 3 in the Section 3 Opportunity Plan. The certification form must also be submitted with the Section 3 Summary Report when a contract is issued to a Section 3 business after the start of the project.

A Section 3 Business Certification Form is included.

Section 3 Resident Certification Form

A worker reported as a new hire on the Section 3 Summary Report must complete a Section 3 Resident Certification Form to determine Section 3 status. The Section 3 Resident Certification Form must be

completed one time and submitted with the Section 3 Summary Report during the month in which the new hire first appears on the summary report.

A Section 3 Resident Certification Form is included.

Section 3 Policy Memorandum

The Section 3 policy for Shelby County DPD and the Department of Housing is included at the end of this document.

Section 3 Opportunity Plan

Understanding Section 3

Section 3 is a Local Jobs and Contracting Initiative Utilizing Federal Housing Grant Funds.

What is Section 3?

Section 3 is a HUD requirement designed to ensure that the HUD funds invested in housing and community development activities provide employment opportunities for low income people.

HUD's regulations state that "to the greatest extent feasible," businesses and employers working on select HUD-funded projects must make a good faith effort to train and employ low-to very low-income individuals in the area (called "Section 3 residents") and also to contract with business identified as Section 3.

In summary, the obligations of Section 3 are:

1. Provide training for Section 3 residents, and report on the outreach and training undertaken.
2. To the greatest extent feasible hire and train Section 3 residents, and report on employees and new hires.
3. To the greatest extent feasible contract with Section 3 businesses, and report on contracts and subcontracts.

Contracting Obligations: Applies to CDBG Projects

Applies to projects valued at \$100,000 or more

Section 3 requires that award recipients fulfill the following obligations:

- Show commitment to meet HUD's contracting requirement (the "minimum numerical target for contracting") that Section 3 businesses receive at least 10% of the building trades contracts for the project, and at least 3% of the total amount for all non-building trade contracts.
- "To the greatest extent feasible" contract with Section 3 business concerns identified as
 - 51 percent or more owned by Section 3 residents; or
 - At least 30 percent of its full-time employees include persons that are currently Section 3 residents, or were Section 3 residents within 3 years of the dated of first hire; or
 - Provides evidence, as required, of a commitment to subcontract in excess of 25 percent (25%) of the dollar award of all subcontractors to businesses that meet one of the qualifications above.

Hiring Obligations: Applies to all CDBG Projects

Applies to all Projects

Section 3 requires that award recipients fulfill the following obligations to the greatest extent feasible when new employees are hired:

- Meet HUD’s hiring requirement (the “minimum numerical target for training and employment”) that 30% of new hires be Section 3 individuals.

- “To the greatest extent feasible” provide preference to hire area residents who are:
 - Low- to very low- income residents of the housing development or developments in which the HUD funds shall be expended; or
 - Low- to very low- income residents of other housing developments managed by the local Millington Housing Authority or the Memphis Housing Authority; or
 - Participants in HUD Youthbuild Programs; or
 - All other residents (including Section 8 recipients) of Shelby County who meet the low- to very low-income guidelines for Section 3 preference.

Section 3 Opportunity Plan

(TO BE COMPLETED FOR COMMUNITY DEVELOPMENT PROJECTS)

PURPOSE

The purpose of the Section 3 Opportunity Plan is to ensure that jobs and economic opportunities generated by the U. S. Department of Housing and Urban Development (HUD) financial assistance for housing and community development programs shall be directed to low- and very low- income persons to the greatest extent feasible, particularly those who are recipients of government assistance for housing and business concerns providing such opportunities.

BIDDER OR APPLICANT

RFP # and PROJECT NAME

CONTACT NAME

TELEPHONE

EMAIL (IF APPLICABLE)

Requirements

The submitter of this Section 3 Opportunity Plan hereby agrees to comply with all of the provisions of Section 3 as set forth in 24 CFR 135, which implements Section 3 requirements.

The Section 3 Opportunity Plan must be submitted with the Request For Quotation (RFQ), Request For Proposal (RFP), contact response, or grant application to Shelby County's Division of Planning and Development/Department of Housing or the appropriate Division/Department issuing the applicable request.

If a contract is awarded, a Section 3 Summary Report identifying progress in meeting the goals established in this Plan must be submitted monthly for projects throughout the contract period. The Section 3 Summary Report shall be submitted no later than 10 days after the end of each calendar month of the contract (e.g. January 10th, February 10th, etc.). For any goal not met, the report shall identify other economic opportunities that the contract recipient has or intends to provide.

The failure of the contract recipient to comply with the approved Plan shall be considered an event of default under the contract agreement.

Commitment to Contracting

Applies to projects of \$100,000 or more

Each applicant or bidder for a construction or labor-related contract must complete this Plan and submit all relevant information required herein. The following contracting requirements must be satisfied to the greatest extent feasible:

- At least ten percent (10%) of the total dollar amount of all applicable HUD-funded construction contracts shall be awarded to businesses identified as Section 3.
- At least three percent (3%) of the total dollar amount of all applicable HUD-funded non-construction contracts shall be awarded to businesses identified as Section 3.

The following documents must be completed and submitted with this Plan:

- Outreach Efforts to Section 3 Businesses
- Section 3 Business Certification Form
- Section 3 Commitment to Contracting

Commitment to the Employment and Training

Applies to all projects

Each bidder or applicant for a construction or labor-related contract must complete this Plan and submit all relevant information required herein. Bidders and applicants must satisfy the following hiring requirements to the greatest extent feasible:

Thirty percent (30%) of the aggregate number of **new** positions during a one year period shall be filled with Section 3 residents. Example: A construction contractor hires 10 new workers. Three of the new workers should qualify as local low- to very-low income persons.

The following documents must be completed and submitted with this Plan:

- Estimated Project Workforce Statement
- Estimated Contract Workforce Statement

Compliance

The failure of the bidder or applicant to comply with the Section 3 Opportunity Plan shall be considered an event of default under the contract agreement.

Acknowledged by

PRESIDENT OR AUTHORIZED OFFICER (PLEASE PRINT)

SIGNATURE

DATE

BUSINESS OR ORGANIZATION NAME

Section 3 Opportunity Plan
Outreach Efforts to Section 3 Businesses
Applies to projects of \$100,000 or more

Documentation of efforts to engage Section 3 businesses must be provided with responses to RFQs, RFPs, and grant applications.

Project Name _____

This form is to be completed by bidders or applicants seeking funding under a Shelby County Division of Planning and Development/Department of Housing Section 3 covered program (or any other Shelby County Division/Department when Section 3 applies).

Organization _____

Submitted By _____

The following businesses identified as Section 3 were contacted to determine capacity and availability to work on the above-listed project:

1. Company _____

Contact _____

Telephone /Email _____

Date(s) Contacted _____ Quote Provided (Y/N) _____

Follow-up Action and Company Response _____

2. Company _____
Contact _____
Telephone /Email _____
Date(s) Contacted _____ Quote Provided (Y/N) _____
Follow-up Action and Company Response _____

3. Company _____
Contact _____
Telephone /Email _____
Date(s) Contacted _____ Quote Provided (Y/N) _____
Follow-up Action and Company Response _____

4. Company _____
Contact _____
Telephone /Email _____
Date(s) Contacted _____ Quote Provided (Y/N) _____
Follow-up Action and Company Response _____

(Attach additional sheets if necessary)

Section 3 Business Certification Form

Required if Section 3 businesses are included in the bid or application

Businesses seeking Section 3 status and preference in contract by DPD/Department of Housing must complete and submit a Section 3 Business Certification Form.

Business Name _____

Address _____

City _____ State _____ Zip _____

Federal Employer Identification Number _____ Duns Number _____

Type of Business

Corporation Partnership Sole Proprietorship Joint Venture

Please select one of the following three qualification methods for status as a Section 3 business.

Section 3 resident-owned business (51 % of more owned by Section 3 residents)

The following documents may be required in the future as added confirmation of status

- Complete list of Section 3 resident owners
- Section 3 Resident Certification Forms for each Section 3 resident owner

At least 30 % of permanent, full-time workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business

The following documents may be required in the future as added confirmation of status

- Complete list of all current full-time employees
- Complete list of employees claiming Section 3 status and employees Section 3 Resident Certification forms.
- Other evidence of Section 3 status less than 3 years for date of employment

Subcontracting 25% of the dollar amount awarded to qualified Section 3 businesses

The following documents may be required in the future as added confirmation of status

- Complete list of subcontracted Section 3 businesses and subcontract amount

I certify to the best of my knowledge that the information contained here within is true and accurate.

Signature _____

Date _____

Print Name _____

Title _____

Commitment to Contracting Form

Applies to all projects of \$100,000 or more

Project Name _____

To be completed by bidders or applicants seeking funding under a DPD/Department of Housing Section 3 covered program.

Company/Organization _____

Submitted By _____

Total Proposed Project Amount: \$ _____

Section 3 Business Goal (10% of Total Project Amount) \$ _____

The businesses listed below are identified as Section 3 businesses and included in the official bid response or application for project funding. The information is provided to comply with the Section 3 Opportunity Plan requirements by Shelby County DPD/Department of Housing.

Section 3 Business	Work to be Performed	Contract Amount	Percentage of Total Project
Totals		\$ _____	_____ %

Signature _____

Title _____

Estimated Project Workforce Statement

Applies to all projects

Project Name _____

To be completed by bidders or applicants seeking funding under a DPD/Department of Housing Section 3 covered program.

Company/Organization _____

Submitted By _____

The bidder or applicant hereby submits this statement that identifies _____ employment opportunities for Section 3 residents during the term of the contract. The bidder or applicant affirms that the jobs identified shall be meaningful employment that may or may not be related to the scope of the services of this project. The bidder or applicant has committed to employ _____ Section 3 residents, which represents _____% of employment opportunities identified.

The estimated project workforce listed below is provided to comply with the Section 3 Plan requirements established by DPD/Department of Housing. The attached Estimated Contractor Workforce forms support the information provided.

Job Category	Positions Occupied by Permanent Employees	Number of Positions Not Occupied	Total Estimated Positions Needed for the Project
Totals			

Occupied Positions Include:

_____ Neighborhood Residents

_____ Public Housing Residents

Estimated Contractor Workforce Statement

Applies to all projects

Project Name _____

To be completed by all contractors included in the bid or application.

Company/Organization _____

Submitted By _____

The estimated workforce listed below is provided to comply with the Section 3 Opportunity Plan requirements established by the DPD/Department of Housing.

Job Category	Number of Positions Occupied by Permanent Employees	Number of Positions Not Occupied	Total Estimated Positions Needed for the Project
Totals			

Occupied Positions Include:

_____ Neighborhood Residents

_____ Public Housing Residents

SECTION 3

SUMMARY REPORT

SECTION 3 SUMMARY REPORT

Company Name _____ Report Period (month/year) _____

Contact Name _____ Date Report Submitted _____

Phone Number _____ Project Award Amount _____

Project Name _____ Project Award Date _____

Part I: Employment and Training

A	B	C	D	E	F
Job Category	Number of New Hires	Number of Section 3 New Hires	% of Total Number of Staff Hours of Section 3 New Hires	% of Total Staff Hours for Section 3 Employees & Trainees	Number of Section 3 Trainees
Professionals					
Technicians					
Office/Clerical					
Construction by Trade (list)					
Trade:					
Trade:					
Trade:					
Trade:					
Other (list)					
Totals					

Final Report (check here) _____ Signature _____

Part II: Contracts Awarded

Construction Contracts

- A. Total dollar amount of all construction contracts on this project: \$ _____
- B. Total dollar amount of contracts awarded to Section 3 businesses: \$ _____
- C. Percentage of total dollar amount awarded to Section 3 businesses: _____ %
- D. Total number of Section 3 businesses receiving contracts _____

Non-Construction Contracts

- A. Total dollar amount of all non-construction contracts \$ _____
- B. Total dollar amount of non-construction contracts awarded to Section 3 businesses \$ _____
- C. Percentage of the total dollar amount awarded to Section 3 businesses _____ %
- D. Total number of Section 3 businesses receiving contracts _____

Part III: Summary

Indicate the 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, toward low- to very-low income persons, particularly those who are recipients of government assistance for housing. Check all that apply.

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating with the metropolitan area (or non-metropolitan county) in which the Section 3 covered program or project is located or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 businesses.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild programs administered in the metropolitan area in which Section 3 covered project is located.

Other (please describe) _____

I hereby certify that all information contained above is accurate, complete, and current to the best of my knowledge. I understand that if I do not submit a complete Section 3 Report by the 10th of each month as indicated in the instructions, Shelby County DPD/Department of Housing reserves the right to withhold payment until a completed Section 3 Summary Report is submitted.

Print Name of Preparer

Date

Signature of the Preparer

Section 3 Summary Report Instructions

Project award recipients are required to complete and submit a Section 3 Summary Report each month throughout the life of the project. Information reported is cumulative and should run through the last day of the reporting each month. Example: A report period of May 2015 will document required information from the start of the project through the last day of May 2015.

Reports are due by the 10th day of each month. Example: If the report period is May 2015, the Section 3 Summary Report is due June 10, 2015.

Part I: Employment and Training

Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. architects, engineers, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in Columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as services workers.

Column B: Enter the number of all new hires (throughout the life of the project) for each category of workers identified in Column A. New hire refers to a person who is not on the award recipient's or contractor's payroll for employment at the time of the selection for project award. Each new hire must complete a Section 3 Resident Certification Form to determine Section 3 status. The form must be completed once and submitted with the Section 3 Summary Report during the month that the new hire appears.

Column C: Enter the number of Section 3 new hires (throughout the life of the project) for each category of workers identified in Column A. Section 3 new hires refers to a Section 3 resident who is not on the award recipient's or contractor's payroll for employment at the time of selection for the contract award.

Column D: Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this contract.

Column E: Enter the percentage of the total staff hours worked for Section 3 employees and trainees. Include staff hours for part-time and full-time positions.

Column F: Enter the number of Section 3 residents who were trained in connection with this contract award.

Part II: Contracts Awarded

Construction Contracts

Item A: Enter the total dollar amount of all construction contracts awarded. You may enter "0" if applicable.

Item B: Enter the total dollar amount of construction contract on this project awarded to Section 3 businesses For each Section 3 business reported, a Section 3 Business Form must be submitted. The form only needs to be completed and submitted once. You may enter "0" if applicable.

Item C: Enter the percentage of the total dollar amount of contracts awarded to Section 3 businesses. You may enter "0" if applicable.

Item D: Enter the number of Section 3 businesses receiving construction contracts. You may enter "0" if applicable.

Non-Construction Contracts

Item A: Enter the total dollar amount of all non-construction contracts awarded. You may enter "0" if applicable.

Item B: Enter the total dollar amount of non-construction contracts awarded to Section 3 businesses. You may enter "0" if applicable.

Item C: Enter the percentage of the total dollar amount of non-contracts awarded to Section 3 businesses. You may enter "0" if applicable.

Item D: Enter the number of Section 3 businesses receiving non-construction contracts. You may enter "0" if applicable.

Part III: Summary

Indicate which Section 3 outreach activities the recipient and its contractors performed prior to hiring new or contracting for the project.

Section 3 Business Certification Form

Required if Section 3 businesses are included in the bid or application

Businesses seeking Section 3 status and preference in contract by DPD/Department of Housing must complete and submit a Section 3 Business Certification Form.

Business Name _____

Address _____

City _____ State _____ Zip _____

Federal Employer Identification Number _____ Duns Number _____

Type of Business

Corporation Partnership Sole Proprietorship Joint Venture

Please Select one of the following three qualification methods for status as a Section 3 business.

Section 3 resident-owned business (51 % of more owned by Section 3 residents)

The following documents may be required in the future as added confirmation of status

- Complete list of Section 3 resident owners
- Section 3 Resident Certification Forms for each Section 3 resident owner

At least 30 % of permanent, full-time workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business

The following documents may be required in the future as added confirmation of status

- Complete list of all current full-time employees
- Complete list of employees claiming Section 3 status and employees Section 3 Resident Certification forms.
- Other evidence of Section 3 status less than 3 years for date of employment

Subcontracting 25% of the dollar amount awarded to qualified Section 3 businesses

The following documents may be required in the future as added confirmation of status

- Complete list of subcontracted Section 3 businesses and subcontract amount

I certify to the best of my knowledge that the information contained here within is true and accurate.

Signature _____

Date _____

Print Name _____

Title _____

Section 3 Resident Certification Form

Shelby County Division of Planning and Development

This form is to be completed by residents seeking Section 3 status and the preference in training and employment or by new employees working on Section 3 covered projects.

Eligibility

A resident seeking Section 3 status shall submit evidence to the recipient contractor or subcontractor that the person is a Section 3 resident, as defined in Section 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance or evidence of participation in a public assistance program.) Section 3 residents are:

- All residents of public housing developments of the Memphis Housing Authority or Millington Housing Authority qualify as Section 3 residents.
- All individuals residing in all Memphis Metropolitan Statistical Area who meet the low-to very low-income limits set forth below qualify as Section 3 status. (A photo identification card and proof of current residency is required.)

2019 ANNUAL HOUSEHOLD INCOME				
Select the statement that represents your household size and from that statement check the appropriate annual income level for your household, as verified by Federal Income Tax Returns, W-2s, Paycheck Stubs or other documents.				
	Low - Very Low Income Status		Non-Low Income Status	
My household size is 1 and my annual income was	— -	\$36,900 or Less	—	More than \$36,900
My household size is 2 and my annual income was	— -	\$42,200 or Less	—	More than \$42,200
My household size is 3 and my annual income was	— -	\$47,500 or Less	—	More than \$47,500
My household size is 4 and my annual income was	— -	\$52,700 or Less	—	More than \$52,700
My household size is 5 and my annual income was	— -	\$56,950 or Less	—	More than \$56,950
My household size is 6 and my annual income was	— -	\$61,150 or Less	—	More than \$61,150
My household size is 7 and my annual income was	— -	\$65,350 or Less	—	More than \$65,350
My household size is 8 and my annual income was	— -	\$69,600 or Less	—	More than \$69,600

Certification:

I certify that the information provided is true and correct. I also agree that the information contained in this survey may be shared with other agencies in order to verify the eligibility or ineligibility of this project if necessary. I understand that anyone who fraudulently covers up a material fact or who knowingly gives false information required for eligibility determination is subject to prosecution under applicable criminal law.

Print Name _____

My permanent address is: _____

Signature: _____ Date: _____

Section 3

Policy

SHELBY COUNTY
DEPARTMENT OF HOUSING
SECTION 3, MBE/WBE and Locally Owned Business (LOSB) PROCEDURES

As a recipient of U.S. Department of Housing (HUD) CDBG, HOME and other federal funds governed by Section 3 of the Housing and Urban Development Act of 1968, Shelby County Housing is dedicated to contracting with Section 3 contractors to the greatest extent possible. Subsequently, the Department is also dedicated to the utilization of both MBE/WBE and LOSB concerns.

PUBLIC HEARINGS

As part of Public Hearings associated with the Consolidated Planning Process, Shelby County's Department of Housing will provide those in attendance with information concerning Section 3 eligibility under its entitlement programs. This will be carried out as a part of the public meetings discussing annual plans and Consolidated Annual Performance and Evaluation Report (CAPER).

Additionally, the Department will hold at least 1 contractor enrollment meeting that will explain contracting opportunities under its CDBG related projects. This meeting will be advertised in local newspapers of general circulation and will answer questions related to contracting opportunities for those attending.

ADVERTISING BY THE DEPARTMENT OF HOUSING.

At the beginning of each program year, the Department of Housing will publish an open Public Notice announcing that the Department is hosting a contractors meeting to discuss bid opportunities under its federally funded HUD Programs accepting enrollment of contractors for notification of bidding opportunities on contracts during the upcoming Fiscal Year. These public notices will include specific language encouraging the enrollment of Section 3 contractors as well as other designated contractor entities.

Also, at the beginning of each Fiscal Year, a solicitation will be published as a Public Notice informing Section 3 participants of contracting opportunities associated with CDBG, HOME, and other HUD programs and encouraging interested Section 3 qualified contractors to contact the Department of Housing to insure participation in Department programs.

These Notices may be published as single advertisements and the Notices will include the language indicating that the Department of Housing encourages the participation of WBE, MBE, and Section 3 Contractors in all rehabilitation activities.

Additionally, Shelby County will include similar language in all letters sent to contractors who are participating in open bidding opportunities and those bidding on contracts under the Department's rehabilitation and/or construction projects to indicate that the Department of Housing encourages the participation of WBE, MBE, and Section 3 Contractors in all rehabilitation activities.

SUBRECIPIENTS AND SECTION 3 REQUIREMENTS FOR COVERED CONTRACTS

Shelby County shall insure that all sub-recipients are aware of the Section 3 requirements for all covered contracts that are bid and/or awarded during each fiscal year. This procedure will be carried out through two (2) specific activities associated with projects.

1. Section 3 language will be included within the contract between the sub-recipient/municipal government and Shelby County.
2. Section 3 language will be included within the contract between the sub-recipient/municipal government and the selected contractor.

Section 3 language for Contracts

1. Developer acknowledges and agrees to comply with Section 3 of the Housing and Urban Development Act of 1968, as found at 24 CFR Part 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 organizations 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 parts 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 derogations of compliance with section 7(b).

PRE-CONSTRUCTION CONFERENCES

Section 3 requirements will be addressed at pre-construction conferences to further insure that prospective contractors are aware of Section 3 and what it means to be a Section 3 contractor.

Pre-construction conferences will cover the following:

1. Certification of proposed contractors regarding Section 3 and segregated forms in the bid requirements for the contractor.
2. Explanation of Section 3 and the Section 3 requirements in the pre-construction meeting with the contractor.

SELF CERTIFICATION OF SECTION 3 CONTRACTORS

The Department of Housing will use self-certification documentation to support whether or not a contractor qualifies as a Section 3 business concern.

This self-certification will be used to identify whether a contractor is a Section 3 business concern and will be submitted by contractors asserting Section 3 status on a contract by contract basis. When self-certifying, contractors should maintain records as documentation of any and all efforts made to insure compliance with Section 3.

Recommendations to Contractors on Meeting Section 3 Compliance

The following are recommendations on how contractors can advertise and/or market to Section 3 residents on large scale construction projects and insure compliance under Section 3.

1. Utilize the HUD Section 3 Business Registry located at the following website: <https://portalapps.hud.gov/Sec3BusReg/BRegistry/What>. The website can be used by businesses seeking to register as a Section 3 Business as well as a search tool for contractors and professional firms seeking to insure compliance by seeking out registered Section 3 Businesses working in and around Shelby County.
2. Prime and sub-contractors post any openings related to the contract on the job site.
3. Notify local unions, Memphis Housing Authority, and Work Force Initiatives of job openings and forward posting/job openings. (Shelby County can assist with this if needed.)
4. Survey sub-contractors (especially LOSBs) to determine Section 3 status/qualifications. (Shelby County can assist with this by meeting individually with all subs.)
5. Insert Section 3 language in any contracts with sub-contractors (same wording as prime contractor's amendment).
6. Provide a list of any new positions filled/hired to work on the project to-date and Shelby County can help in determining if these new hires can be considered Section 3 Hires.

LOS/MBE CONTRACTORS

Shelby County's Department of Purchasing and Shelby County's Equal Opportunity Compliance Office are both dedicated to the inclusion of LOSB and MBE Contractors in Shelby County's purchasing policies. As such, the Department of Housing will work closely with both Purchasing and EOC to insure notification of contractors who met this classification.

This will be accomplished by the encouragement of MBEs and LOSBs to participate in Department of Housing programs through bid notifications and invitations to participate in programs as needed. Furthermore, the Department is required to utilize approved vendors who have been certified through the Purchasing Department and EOC as certified vendors. All

purchases and contract awards will be certified by the Purchasing Department prior to entering into a contractor with the service provider.

OVERALL EFFORTS

Shelby County's Department of Housing works to make Section 3 opportunities available by carrying out the following activities. (1) SCDH works with the Shelby County Department Equal Opportunity Compliance (EOC) and the Department of Purchasing to recruit Section 3 contractors and vendors. As part of the overall vendor and EOC compliance process, vendors are provided with Section 3 business certification forms and are asked to contact the Department of Housing for more information on bidding opportunities. Businesses indicating that they are Section 3 are encouraged to bid on covered projects and are referred to the Department of Housing. (2) The Department holds annual contractor meetings to discuss Section 3 opportunities and inform contractors of Section 3 opportunities. (3) Section 3 opportunities are discussed at pre-bid conferences in efforts to recruit Section 3 Contractors. (4) All bid notices issued by the department encourage Section 3 participation. (5) Finally, all contracts include the Section 3 language in order to increase awareness and to encourage contractors to further comply with Section 3 requirements.