

QUOTATIONS FOR SMALL PURCHASES (QSP) 2023-03
Commercial Fire Alarm Monitoring Services



525 South Lawrence Street
Montgomery, Alabama 36104

QUOTATIONS FOR SMALL PURCHASE
COMMERCIAL FIRE ALARM MONITORING SERVICES

DATE ISSUED: Wednesday, July 12, 2023

TYPE OF PROJECT: The Montgomery Housing Authority is seeking qualified, licensed vendors to provide commercial fire alarm monitoring services.

CONTACT PERSON: Sheila Brown, Procurement/Contract Administrator
sbrown@mhatoday.org

LAST DAY FOR QUESTIONS: Thursday, July 20, 2023, at 3:00 p.m. (CST)

SUBMISSION DEADLINE: Thursday, July 27, 2023, at 3:00 p.m. (CST)
Sheila Brown, Procurement/Contract Administrator
sbrown@mhatoday.org

Bidder may email sbrown@mhatoday.org prior to submission deadline to schedule a site visit.

The responsibility for submitting a response to this QSP at the MHA on or before the stated time and date will be solely and strictly the responsibility of the respondent. The offeror shall wholly absorb all costs incurred in the preparation and presentation of the quote.

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PROCEDURE: Bidders must submit proposed pricing on company letterhead. Bidder may submit separately cost for additional services that maybe available. The Montgomery Housing Authority (MHA) will accept the proposed pricing by email, fax or by mail delivery only! MHA will NOT accept proposed pricing verbally or by telephone!

- 1.0 **MONTGOMERY HOUSING AUTHORITY (MHA) CONTACT:** All questions pertaining to this QSP documents shall be addressed to Sheila Brown, Procurement/Contract Administrator, telephone: (334) 206-7130, fax: (334) 206-7222; or e-mail: sbrown@mhatoday.org.
- 2.0 **APPLICABILITY:** By submitting a quote to the MHA, the vendor is agreeing to abide by all terms and conditions listed herein, including those terms and conditions within HUD Handbook 7460.8 REV 2, Procurement Handbook for Public Housing Agencies, and HUD Table 5.1, Mandatory Contract Clauses for Small Purchases other than Construction.
- 3.0 **MHA RESERVATION OF RIGHTS:** The MHA reserves the right to:
 - 3.1 Reject any or all quotes, to waive any informalities in the QSP process, or to terminate the QSP process at any time, if deemed by the MHA to be in the best interest of the HA;
 - 3.2 Terminate a contract awarded pursuant to this QSP at any time for its convenience upon delivery of a 10-day written notice to the apparent or successful Bidder;
 - 3.3 Determine the days, hours and locations that the successful Bidder shall provide the items or services called for in this QSP;
 - 3.4 Reject and not consider any quote that does not, in the opinion of the Contract Administrator (CA), meet the requirements of this QSP, including but not necessarily limited to incomplete quotes offering alternate (not including "or equal" items) or non-requested items or services;
 - 3.5 **MHA reserves the right to:**
 - 3.5.1 To make an award to the same vendor (aggregate) for all items; or,
 - 3.5.2 To make an award to multiple Vendors for the same or different items.
- 4.0 **BIDDER'S RESPONSIBILITY:** Each Bidder must carefully review and comply with all instructions provided herein, provided within any named attachments and those provided within the noted Internet system.
- 5.0 **DEADLINE:** Quotes must be received by Thursday, July 27, 2023 @ 3:00 P.M. CST Each vendor shall submit his/her proposed costs, prior to the posted deadline, as provided for herein. Whereas this is an informal solicitation process, the MHA reserves the right to extend the posted deadline at any time prior to the deadline, if, in the opinion of the CA, it is in the best interests of MHA to do so.

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- 6.0 HOLD PRICES/NON-ESCALATION:** By submitting a quote, and whereas the quote sum submitted is a firm-fixed quote, each Bidder thereby agrees to "hold" or not increase the proposed quote prices during the term of the work.
- 7.0 PURCHASE ORDER (PO):** MHA will not procure the applicable goods or services by issuance of a PO (which shall have the same meaning as a "contract"). MHA will issue a Contract that must be executed between the bidder and MHA. By submitting a quote, the successful Bidder thereby agrees to execute the contract and all applicable forms in the manner directed by MHA.
- 8.0 AWARD CRITERIA:** If an award is completed pursuant to this QSP, and unless otherwise instructed in writing by the CA, award shall be made to the responsive and responsible Bidder that submits the lowest cost.
- 9.0 INVALID OR ALTERNATE QUOTES:** Failure to complete and submit all required information, or to add any additional requirements not acceptable to MHA, may invalidate the quote submitted. Furthermore, MHA shall reserve the right to reject, without consideration, alternate quotes, meaning those that do not meet the requirements of this QSP.
- 10.0 QUOTE COSTS:** There shall be no obligation for the MHA to compensate any Bidder or prospective Bidder for any costs that he/she may incur in responding to this QSP.
- 11.0 SHIPPING COSTS:** Each quoted sum submitted shall include completion of the specified services at the MHA site or location, as specified within this QSP or in the contract.
- 12.0 ASSIGNMENT OF PERSONNEL:** MHA shall retain the right to demand and receive a change in personnel assigned by the successful Bidder to provide services to the HA if the HA believes that such change is in the best interest of the HA and the completion of the work or provision of the items.
- 13.0 E-VERIFY:** U.S. Law requires companies to employ only individuals who may legally work in the United States - either U.S. citizens, or foreign citizens who have the necessary authorization. The Contractor must certify compliance with E-verify, in that the Contractor is registered, uses, and will continue to use the E-Verify, Federal Work Authorization Program throughout the contract period. The successful bidder will be required to submit their compliance upon completion of an MHA vendor registration packet.
- 14.0 SECTION 3/RESIDENT PARTICIPATION:** MHA encourages the hiring of residents by the Contractor for any employment opportunities available as a result of its contracts. The Contractor will be asked to make every effort to hire residents and to post job opportunities in the Management Office of the communities where the work is to be performed. The Contractor will be asked to report the hiring of any residents to assist MHA in monitoring resident participation in the performance of work under its contracts, progress toward achieving established goals and in the development of future resident participation programs. MHA's Section 3 Plan is attached hereto as "Exhibit B". Bidders are required to submit all forms attached hereto as "Exhibit B1". If not applicable, please mark 'N/A'.
- 15.0 UNAUTHORIZED SUB-CONTRACTING PROHIBITED:** The successful Bidder shall not assign any right, nor delegate any duty for the work proposed pursuant to this QSP (including, but not limited to, selling or transferring the ensuing PO or contract) without the prior written consent

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of the CA. Any purported assignment of interest or delegation of duty, without the prior written consent of the CA shall be void and may result in the awarded bidder being in breach of the contract with MHA.

16.0 LIABILITY-INDEMNITY-REMEDIES

16.1 In the course of performing the services under this Agreement, Contractor shall assume full liability for any and all claims and demands for injury and property damage caused by its employees, agents, or equipment. To the extent any such claim is made or determined payable against MHA, Contractor further shall indemnify and hold MHA harmless therefore. This shall include any and all claims arising from the implementation of this Agreement and arising from the work and performance of services undertaken by Contractor, its employees, agents, or subcontractors and arising out of any other operation no matter by whom performed for and on behalf of Contractor, whether or not due in whole or in part to conditions, acts, or omissions done, or permitted by Contractor or MHA.

16.2 To the full extent authorized by law, Contractor agrees to indemnify, hold harmless and defend MHA, its commissioners, employees, and agents from and against any and all liabilities, claims, damages, losses, suits, penalties, forfeitures, actions, decrees, judgments, attorneys' fees, court costs, and other costs and expenses incidental thereto (including but not limited to the cost of defense, settlement, judgment, and reasonable attorneys' fees) which MHA, its officers, commissioners, employees, or agents may suffer or which may be sought against, recovered from, or obtainable against MHA, its commissioners, employees, or agents, as a result of, by reason of, arising out of, on account of, or in consequence of any act or failure to act on the part of Contractor, its subcontractors or agents, or anyone directly or indirectly employed by any such subcontractors or agent, in the fulfillment or performance of the terms, conditions, or covenants that are contained in this Agreement, and which said act or failure to act is contrary to or is not authorized by this Agreement or is otherwise negligent, wanton, willful, or contrary to any applicable law, regulation, or recognized standard of practice or performance. The covenants and obligations set forth in the preceding sentence shall exist and remain in full effect notwithstanding the fact that the occurrence which gave rise to such claim, damage, loss, liability, suit, action, judgment, or expense was caused in part by the negligence or other wrongful act of any party indemnified hereunder. Nothing contained herein shall waive any rights, privileges, immunities, or limitations of liability to which MHA is entitled under §11-93-2 of the Code of Alabama (which limits recovery for damages against a governmental entity to \$100,000 for bodily injury or death for one person in a single occurrence; \$300,000 in the aggregate for bodily injury or death for more than two persons in a single occurrence; and \$100,000 for damage or loss of property in a single occurrence) or under any other present or future statute or rule of law which limits any liability of MHA in any manner.

17.0 **LICENSING AND INSURANCE REQUIREMENTS:** Prior to award (but not as a part of the quote submission) the *successful Bidder* will be required to provide:

17.1 An original certificate evidencing the Bidder's current industrial (worker's compensation) insurance carrier and coverage amount;

MONTGOMERY HOUSING AUTHORITY, ALABAMA

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- 17.2 An original certificate evidencing General Liability coverage, naming MHA as an additional insured, together with the appropriate endorsement to said policy reflecting the addition of MHA as an additional insured under said policy (minimum of \$1,000,000 each occurrence, general aggregate minimum limit of \$1,000,000, together with damage to premises and fire damage of \$50,000 and medical expenses any one person of \$5,000), with a deductible of not greater than \$1,000;
- 17.3 An original certificate showing the Bidder's automobile insurance coverage in a combined single limit of \$500,000. For every vehicle utilized during the term of this program, when not owned by the entity, each vehicle must have evidence of automobile insurance coverage with limits of no less than \$50,000/\$100,000 and medical pay of \$5,000.
- 17.4 A copy of the Bidder's business license allowing that entity to provide such services within the jurisdiction of Montgomery, Alabama;
- 17.5 A copy of the Bidder's license issued by the State of Alabama licensing authority allowing the Bidder to provide the services detailed herein (if applicable).

18.0 SCOPE OF SERVICES:

Provide monitoring and alarm dispatching of the existing cellular commercial fire alarm system.

Monitoring costs will be shown as a separate line item on the quote form.

Potential maintenance work is to be performed on an as-needed basis at the various MHA sites and any future properties or interests.

MONITORING REQUIREMENTS

- 1) Provide 24 hour per day 7 day per week monitoring fire alarms transmitted to the central station and provide appropriate dispatch response to the alarm. MHA shall provide protocols for each location on alarm management and control.
- 2) In general, alarm monitoring firm will dispatch fire alarm to the appropriate 9-1-1 dispatch center immediately on receipt of the alarm.
- 3) Maintain call down lists for each location and perform call downs on receipt of the alarm.
- 4) Provide dispatching special instructions as required
- 5) Provide MHA control of code management and contact lists
- 6) The monitoring facility must be UL listed and certified

REPORTS

- 1) Provide open/close reports, number of people to contact, alarm reports, alarm verification and others as determined by MHA
- 2) Maintain history/reports/logs for easy retrieval for a period of at least three (3) months
- 3) Archive history/reports/logs for a period of at least five (5) years

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MHA locations are as listed below:

| SITE NAME | PHYSICAL ADDRESS |
|---|--|
| CENTRAL ADMINISTRATIVE BUILDING | 525 South Lawrence Street, Montgomery, AL |
| PARKS PLACE ADMINISTRATIVE BUILDING | 660 Cleveland Court, Montgomery, AL |
| PARKS PLACE ADMINISTRATIVE BUILDING ELEVATOR | 660 Cleveland Court, Montgomery, AL |
| GIBBS VILLAGE EAST OFFICE | 1701 Terminal Road. Montgomery, AL |
| GIBBS VILLAGE EAST COMMUNITY CENTER | 1703 Terminal Road. Montgomery, AL |
| THE TERRACE | 1301 Adams Avenue. Montgomery, AL |

Contractor must be willing to enter into contract with MHA for a period of three (3) years with two (1) year extensions, at MHA's discretion, for a total of five (5) years.

- 18.1** All Bidders are required to examine carefully the contents of the proposed work and it is mutually agreed that the submission of a Quotes shall be evidence that the Bidder has made such examination and has judged for and satisfied himself/herself as to the conditions to be encountered and as to the character, quality, and quantities of work to be performed and materials to be furnished. Bidders shall also familiarize themselves with and shall comply with the requirements of all Federal, State, and Local Laws and Ordinances which may directly or indirectly affect the job, prosecution of the job, persons engaged in or employed on the job, or the materials or equipment used on the job. No adjustments or compensations will be allowed for losses caused by failure to comply with the above requirements.
- 18.2** The successful low bidder is responsible for acquiring the appropriate business licenses and permits to conduct work within the City of Montgomery.
- 18.3** A Notice to Proceed, which specifies when the work is to begin, will be given to the Contractor in writing. Any preliminary work started, or materials ordered or purchased before receipt of the notice to proceed are at the risk and expense of Contractor.

19.0 CLIENT INFORMATION AND REFERENCES

- 19.1** Vendor shall submit a listing of former or current clients as provided on the Profile of Firm form, including any other Public Housing Authority for whom the vendor has performed similar or like services to those being proposed in the QSP. The listing shall at a minimum include:
- ❖ Client's name
 - ❖ Client's contact name

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- ❖ Client's telephone number
- ❖ A brief description and scope of the service(s) and the dates the services were provided

20.0 DOCUMENTS THAT APPLY TO THIS QSP:

- 20.1 Detailed Quote (submitted by Bidder);
- 20.2 Profile of Firm Form;
- 20.3 Client Reference Form;
- 20.4 Form of Quote Form;
- 20.5 MHA's Section 3 Plan ("**Exhibit B and B1**")
- 20.6 HUD form *Table 5.1, Mandatory Contract Clauses for Small Purchases Other than Construction* ("**Exhibit A**");
- 20.7 The MHA reserves the right to require the successful Bidder/contractor to utilize any form required by HUD to complete the required work and by submitting his/her quote each contractor agrees to do so at no additional charge.
- 20.8 All of the terms and requirements listed within each of the following documents are hereby included by reference as a part of this Quote request. The respondent thereby agrees to abide by all such terms and requirements.

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PROFILE OF FIRM

(This Form must be fully completed and placed in the submittal.)

PRIME _____ SUB-CONTRACTOR _____
(Proposer must also identify his sub-contractors (if any) by providing Profile of Vendor form for each)

(1) Name of

Vendor: _____

(2) Address, City, State, Zip: _____

(3) Telephone: _____ Fax: _____

Email: _____

(4) Proposer Diversity Statement: You must check all of the following that apply to the ownership of this vendor and enter where provided the correct percentage (%) of ownership of each:

| | | | |
|--|--|--|--|
| <input type="checkbox"/> Caucasian American (Male) _____ % | <input type="checkbox"/> Public-Held Corporation _____ % | <input type="checkbox"/> Government Agency _____ % | <input type="checkbox"/> Non-Profit Organization _____ % |
|--|--|--|--|

Resident – (RBE), Minority- (MBE), or Woman-Owned (WBE) Business Enterprise (Qualifies by virtue of 51% or more ownership and active management by one of more of the following:

| | | | | | |
|--|---|--|--|---|--|
| <input type="checkbox"/> Resident- Owned _____ % | <input type="checkbox"/> African American _____ % | <input type="checkbox"/> Native American _____ % | <input type="checkbox"/> Hispanic American _____ % | <input type="checkbox"/> Asian/Pacific American _____ % | <input type="checkbox"/> Asian/Indian American _____ % |
|--|---|--|--|---|--|

| | | | |
|--|--|---|--|
| <input type="checkbox"/> Woman-Owned (MBE) _____ % | <input type="checkbox"/> Woman-Owned (Caucasian) _____ % | <input type="checkbox"/> Disabled Veteran _____ % | <input type="checkbox"/> Other (Specify) _____ % |
|--|--|---|--|

WMBE Certification Number: _____

Certified by: _____

(NOTE: A CERTIFICATION / NUMBER NOT REQUIRED TO PROPOSE – ENTER IF AVAILABLE)

(5) Federal Tax ID No. _____

DUNS No. _____

(6) Business License No. _____ State _____

(7) General Liability Insurance Carrier: _____

Policy No. _____ Expiration Date _____

(8) Worker's Compensation Insurance Carrier: _____

Policy No. _____ Expiration Date _____

(9) Professional Liability Insurance Carrier: _____

Policy No. _____ Expiration Date _____

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- (10) **Debarred Statement:** Has this firm or any principal(s) ever been debarred from provided any services by the Federal Government, any state government, the State of Alabama, or any local government agency within or without the State of Alabama? Yes No
If “Yes” please attach a full detailed explanation, including dates, circumstances and current status.
- (11) **Disclosure Statement:** Does this firm or any principals thereof have any current past personal or professional relationship with any Commissioner or Officer of MHA? Yes No
If “Yes” please attach a full detailed explanation, including dates, circumstances and current status.
- (12) **Non-Collusive Affidavit:** The undersigned party submitting this proposal or bid hereby certifies that such proposal or bid is genuine and not collusive and that said proposer entity has not colluded, conspired, connived or agreed, directly or indirectly, with any proposer or person to put in a sham proposal or bid or to refrain from proposing or bidding, and has not in any manner, directly or indirectly sought by agreement or collusion or communication or conference with any person, to fix the proposal or bid price of affiant or of any other proposer or bidder, to fix overhead, profit or cost elements of said proposal or bid price, or that any other proposer or bidder or to secure any advantage against the Housing Authority or any person interested in the proposed contract; and that all statements in said proposal or bids are true.
- (13) **Verification Statement:** The undersigned proposer hereby states that by completing and submitting this form he/she is verifying that all information provided herein is, to the best of his/her knowledge, true and accurate, and agrees that if MHA discovers that any information entered herein if false, that shall entitle MHA to not consider nor make or to cancel any award with the undersigned party.
- (14) **Code of Alabama §11-93-2. Maximum amount of damages recoverable against governmental entities; settlement or compromise of claims not to exceed maximum amounts.**

The recovery of damages under any judgment against a governmental entity shall be limited to \$100,000.00 for bodily injury or death for one person in any single occurrence. Recovery of damages under any judgment or judgments against a governmental entity shall be limited to \$300,000.00 in the aggregate where more than two persons have claims or judgments on account of bodily injury or death arising out of any single occurrence. Recovery of damages under any judgment against a governmental entity shall be limited to \$100,000.00 for damage or loss of property arising out of any single occurrence. No governmental entity shall settle or compromise any claim for bodily injury, death or property damage in excess of the amounts herein above set forth. (Acts 1977, No. 673, p. 1161, §2.)

 Signature

 Date

 Printed Name

 Title

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Client Reference Form

The past performance of the respondent on prior work of the same or similar nature, in the past (3) years, based on the letters of reference and/or client lists submitted, and based upon the results of any consultation that the MHA chooses to conduct with such. The past performance shall also include quality of work, and compliance with performance schedules.

Respondent shall submit a listing of former or current clients, including any other Public Housing Authority for whom the respondent has performed similar or like services to those being proposed in the QSP. The listing shall at a minimum include:

- Client’s name
- Client’s contact name
- Client’s telephone number
- A brief description and scope of the service(s) and the dates the services were provided

Client Information

| | |
|-----------------------------|-----------------------|
| Organization Name (Client): | Organization Address: |
| Contact Name: | Title: |
| Phone Number: | Email address: |

| Brief Description of Services | Dates Provided |
|-------------------------------|----------------|
| | |
| | |
| | |

Client Information

| | |
|-----------------------------|-----------------------|
| Organization Name (Client): | Organization Address: |
| Contact Name: | Title: |
| Phone Number: | Email address: |

| Brief Description of Services | Dates Provided |
|-------------------------------|----------------|
| | |
| | |
| | |

**QUOTATIONS FOR SMALL PURCHASES (QSP) 2023-03
Commercial Fire Alarm Monitoring Services**



525 South Lawrence Street
Montgomery, Alabama 36104

**QUOTATIONS FOR SMALL PURCHASE
COMMERCIAL FIRE ALARM MONITORING SERVICES**

DATE ISSUED: **Wednesday, July 12, 2023**

TYPE OF PROJECT: The Montgomery Housing Authority is seeking qualified, licensed vendors to provide commercial fire alarm monitoring services.

CONTACT PERSON: Sheila Brown, Procurement/Contract Administrator
sbrown@mhatoday.org

LAST DAY FOR QUESTIONS: **Thursday, July 20, 2023, at 3:00 p.m. (CST)**

SUBMISSION DEADLINE: **Thursday, July 27, 2023, at 3:00 p.m. (CST)**
Sheila Brown, Procurement/Contract Administrator
sbrown@mhatoday.org

FILL IN BELOW AND SIGN. PRICES ARE GUARANTEED FOR A MINIMUM OF 60 DAYS FROM QUOTE DEADLINE DATE.

COMPANY NAME: _____

BY: _____
Signature Written Name Title Date

ADDRESS: _____
Street / POB City State ZIP

PHONE: _____

FAX: _____

EMAIL: _____

QUOTATIONS FOR SMALL PURCHASES COMMERICAL FIRE ALARM MONITORING SERVICES

FORM OF QUOTE

Each Bidder shall submit his/her quote on this form only, which shall be completed and returned to the MHA as detailed herein.

| Item No. | Description | Unit \$ Quoted | Qty | = Subtotal (unit \$ quoted multiplied by Qty) |
|----------|--|---------------------|-----------|---|
| 1 | CENTRAL ADMINISTRATIVE BUILDING | \$ | 12 months | \$ |
| 2 | PARKS PLACE ADMINISTRATIVE BUILDING | \$ | 12 months | \$ |
| 3 | PARKS PLACE ADMINISTRATIVE BUILDING ELEVATOR | \$ | 12 months | \$ |
| 4 | GIBBS VILLAGE EAST OFFICE | \$ | 12 months | \$ |
| 5 | GIBBS VILLAGE EAST COMMUNITY CENTER | \$ | 12 months | \$ |
| 6 | THE TERRACE | \$ | 12 months | \$ |
| | | TOTAL Amount Quoted | | \$ |

*First, place within the above an amount for each noted unit to complete the required work.

**Second add the unit costs to arrive at a Total Amount Quoted.

In the case of any discrepancy between the "Total Amount Quoted" and the recalculated sum of adding each of the individual quote amounts entered (e.g. the Bidder makes a mistake in adding the amount to arrive at a Total Amount Quoted), MHA reserves the right to choose either the new calculated sum or the original Total Amount Quoted submitted, either as may be in the favor of MHA.

The undersigned Bidder hereby quotes the above amounts to complete the required work (print clearly and legibly!). Further, by submitting this quote, the undersigned Bidder agrees to abide by all terms and conditions listed within any document issued by the MHA pertaining to this issue.

COMPLETED BY:

Signature

Date

Printed Name

Company Name

Address (Street; City; State; Zip)

MONTGOMERY HOUSING AUTHORITY, ALABAMA

**MANDATORY CONTRACT CLAUSES FOR SMALL PURCHASES OTHER THAN
CONSTRUCTION**

The following contract clauses are required in contracts pursuant to **24 CFR 85.36(i) and Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act**. HUD is permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy. The PHA and contractor is also subject to other Federal laws including the U.S. Housing Act of 1937, as amended, Federal regulations, and state law and regulations.

Examination and Retention of Contractor's Records. The PHA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until three years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

Right in Data and Patent Rights (Ownership and Proprietary Interest). The PHA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials, and documents discovered or produced by Contractor pursuant to the terms of this Contract, including, but not limited to, reports, memoranda or letters concerning the research and reporting tasks of the Contract.

Energy Efficiency. The Contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

Procurement of Recovered Materials

(a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

(b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded

*MANDATORY CONTRACT CLAUSES FOR SMALL PURCHASES OTHER THAN
CONSTRUCTION*

with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

Termination for Cause and for Convenience (contracts of \$10,000 or more).

(a) The PHA may terminate this contract in whole, or from time to time in part, for the PHA's convenience or the failure of the Contractor to fulfill the contract obligations (cause/default). The PHA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the PHA all information, reports, papers, and other materials accumulated or generated in performing the contract, whether completed or in process.

(b) If the termination is for the convenience of the PHA, the PHA shall be liable only for payment for services rendered before the effective date of the termination.

(c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (cause/default), the PHA may (1) require the Contractor to deliver to it, in the manner and to the extent directed by the PHA, any work described in the Notice of Termination; (2) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the PHA; and (3) withhold any payments to the Contractor, for the purpose of set-off or partial payment, as the case may be, of amounts owned by the PHA by the Contractor. In the event of termination for cause/default, the PHA shall be liable to the Contractor for reasonable costs incurred by the Contractor before the effective date of the termination. Any dispute shall be decided by the Contracting Officer.



SECTION 3 PLAN

[Revised to comply with HUD's Code of Federal Regulations (CFR) Title 24, Part 75]

(Adopted by Board Resolution No. 6642 on April 26, 2022)

1. Overview of Section 3 Requirements

A. WHAT IS SECTION 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) that is regulated by the provisions of 24 CFR 75. Section 3 regulations ensure that employment and other 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, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

B. PURPOSE OF THIS DOCUMENT

This plan outlines how the Housing Authority of the City of Montgomery, Alabama and its subrecipients, contractors and subcontractors will comply with HUD's Section 3 requirements. MHA will, to the greatest extent feasible, ensure that employment and other economic opportunities are directed to low- and very low-income persons (Section 3 workers and Targeted Section 3 workers) and to eligible businesses (Section 3 Businesses) and requires the same of its contractors.

MHA may amend its Section 3 Policies and Procedures document as necessary to ensure continued compliance with HUD's requirements and/or to reflect updated Section 3 guidance and outreach strategies.

This plan shall be construed consistently with the requirements set forth in 24 CFR Part 75 and with the requirements set forth in HUD's Procurement Rules and Regulations and with the requirements of any applicable Alabama State bid laws. In the event that this Policy is deemed to conflict with any of the foregoing sources of legal authority, any such conflicting legal authority shall be deemed to supersede this policy and shall be deemed to be controlling. Likewise, to the extent that 24 CFR Part 75 is amended or interpreted by HUD, the requirements of any such amendment or interpretation shall be deemed to be included herein.

C. APPLICABILITY

For public housing financial assistance, all funding is covered, regardless of the amount of expenditure or size of a contract. This plan applies to development assistance, operating funds, capital funds, and all mixed-finance development.

For housing and community development financial assistance, this plan applies to housing rehabilitation, housing construction, and other public construction projects that exceed \$200,000 or more of housing and community development financial assistance from one or more HUD programs. Applicability is determined at the project level.

For projects funded with Lead and Hazard Control and Healthy Homes Programs, this plan applies to projects that exceed \$100,000.

This plan also applies to projects that include multiple funding sources. Multiple funding source projects include projects that include public housing financial assistance, housing and community development financial assistance for single or multiple recipients, and the Lead Hazard Control and Healthy Homes Program.

Section 3 requirements **do not** apply to: 1) Material Supply Contracts - § 75.3(b), 2) Indian and Tribal Preferences - § 75.3(c), and 3) Other HUD assistance and other Federal assistance not subject to Section 3 §75.3 (d). However, for financial assistance that is not subject to Section 3, recipients are encouraged to consider ways to support the purpose of Section 3. Additionally, Professional service jobs are defined in 24 CFR 75.5 as “non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.” These jobs are excluded from the reporting requirement for Section 3 and Targeted Section 3 workers because it is very difficult for grantees and contractors to recruit and hire eligible persons for these roles due to the higher wages/salaries earned for these types of jobs. See, HUD Notice: CPD-21-09.

2. Section 3 Coordinator

MHA’s Section 3 Coordinator shall serve as the central point of contact for Section 3 compliance for MHA and its subrecipients, contractors and subcontractors supporting the program. Subrecipients, contractors, subcontractors and others are encouraged to reach out to MHA’s Section 3 Coordinator with questions regarding Section 3 compliance.

3. Employment, Training, and Contracting Goals

A. SAFE HARBOR COMPLIANCE

MHA and its contractors and subcontractors will be considered to have complied with the Section 3 requirements and met safe harbor, if they certify that they followed the required prioritization of effort and met or exceeded the Section 3 benchmarks, absent evidence of the contrary.

Prior to the beginning of work, contractors and subcontractors will be required to certify that they will follow the required prioritization of effort for Section 3 workers, Targeted Section 3 workers, and Section 3 business concerns as outlined below in Section C below. After completion of the project, on the Section 3 Cumulative Report, in the Appendices hereto, contractors and subcontractors will be required to certify that they followed the prioritization of effort requirements.

If the contractor and subcontractor does not meet the safe harbor requirements, they must report on the qualitative nature of their Section 3 compliance activities and provide documentation of same. Such qualitative efforts may, for example, include but are not limited to the following:

- (1) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- (2) Provided training or apprenticeship opportunities.
- (3) Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
- (4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- (5) Held one or more job fairs.

- (6) Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
- (7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- (8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.
- (9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
- (10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
- (11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns (note that such should not be used as a means to avoid any applicable federal or state procurement requirements).
- (12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- (13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
- (14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

B. SAFE HARBOR BENCHMARKS

MHA has established employment and training goals that subrecipients, contractors, and subcontractors should meet in order to comply with Section 3 requirements outlined in 24 CFR Part 75.9 - for public housing financial assistance or 24 CFR Part 75.19 - for housing and community development financial assistance. The safe harbor benchmark goals are as follows:

(for public housing financial assistance)

- 1) Twenty-five (25) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's fiscal year are Section 3 workers;

Section 3 Labor Hours/Total Labor Hours = 25%

And

- 2) Five (5) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's fiscal year are Targeted Section 3 workers, as defined at 24 CFR Part 75.11.

Targeted Section 3 Labor Hours/Total Labor Hours = 5%

(for housing and community development financial assistance)

- 1) Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers;

Section 3 Labor Hours/Total Labor Hours = 25%

And

- 2) Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers, as defined at 24 CFR Part 75.21.

Targeted Section 3 Labor Hours/Total Labor Hours = 5%

HUD establishes and updates Section 3 benchmarks for Section 3 workers and/or Targeted Section 3 workers through a document published in the Federal Register, not less frequently than once every 3 years. Given that the Section 3 benchmarks are subject to change every three years or sooner, MHA will review and update the Section 3 Plan annually, as needed.

It is the responsibility of contractors to implement efforts to achieve Section 3 compliance. Any contractor that does not meet the Section 3 benchmarks must demonstrate why meeting the benchmarks were not feasible. All contractors submitting bids or proposals to the MHA are required to certify that they will comply with the requirements of Section 3.

C. CERTIFICATION OF PRIORITIZATION OF EFFORT FOR EMPLOYMENT, TRAINING, AND CONTRACTING

EMPLOYMENT AND TRAINING

Under the MHA's Section 3 Program, contractors and subcontractors should make best efforts to provide employment and training opportunities to Section 3 workers in the priority order listed below:

(for public housing financial assistance)

- 1) To residents of the public housing projects for which the public housing financial assistance is expended;
- 2) To residents of other public housing projects managed by the PHA that is providing the assistance or for residents of Section 8-assisted housing managed by the PHA;
- 3) To participants in YouthBuild programs; and
- 4) To low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended.

(for housing and community development financial assistance)

Provide employment and training opportunities to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located in the priority order listed below:

- 1) Section 3 workers residing within the service area or the neighborhood of the project, and
- 2) Participants in YouthBuild programs.

Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization of effort requirements prior to the beginning work and after work is completed.

CONTRACTING

Under the MHA's Section 3 Program, contractors and subcontractors must make their best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers in the following order or priority:

(for public housing financial assistance)

- 1) Section 3 business concerns that provide economic opportunities for residents of public housing projects for which the assistance is provided;
- 2) Section 3 business concerns that provide economic opportunities for residents of other public housing projects or Section-8 assisted housing managed by the PHA that is providing assistance;
- 3) YouthBuild programs; and
- 4) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the assistance is provided.

(for housing and community development financial assistance)

- 1) Business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which assistance is located in the following order of priority (where feasible):
 - a) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project; and
 - b) YouthBuild programs.

Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization of effort requirements prior to the beginning work and after work is completed.

4. Section 3 Eligibility and Certifications

Individuals and businesses that meet Section 3 criteria may seek Section 3 preference from MHA or its contractors/subcontractors for training, employment, or contracting opportunities generated by public housing financial assistance or housing and community development financial assistance. To qualify as a Section 3 worker, Targeted Section 3 worker or a Section 3 business concern, each must self-certify that they meet the applicable criteria.

Businesses who misrepresent themselves as Section 3 business concerns and report false information to MHA may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities.

A. SECTION 3 WORKER AND TARGETED SECTION 3 WORKER CERTIFICATION

A Section 3 worker seeking certification shall submit self-certification documentation to the recipient contractor or subcontractor, that the person is a Section 3 worker or Targeted Section 3 worker as defined in 24 CFR Part 75. For the purposes of Section 3 worker eligibility, MHA will use individual income rather than family/household income to determine eligibility. The income limits will be determined annually using the guidelines published at <https://www.huduser.org/portal/datasets/il.html>.

Persons seeking the Section 3 worker preference shall demonstrate that it meets one or more of the following criteria currently or when hired within the past five years, as documented:

- 1) A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or
- 2) Employed by a Section 3 business concern; or
- 3) A YouthBuild participant.

The Section 3 Certification Form included in the Appendix can be used to document the status of a Section 3 worker. The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction. Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Persons seeking the Targeted Section 3 worker preference shall demonstrate that it meets one or more of the following criteria:

(for public housing financial assistance)

- 1) Employed by a Section 3 business concern or
- 2) Currently meets or when hired met at least one of the following categories as documented within the past five years:
 - a) A resident of public housing; or
 - b) A resident of other public housing projects or Section 8-assisted housing; or
 - c) A YouthBuild participant.

(for housing and community development assistance)

- 1) Employed by a Section 3 business concern or
- 2) Currently meets or when hired met at least one of the following categories as documented within the past five years:

- a) Living within the service area or the neighborhood of the project, as defined in 24 CFR Part 75.5; or
- b) A YouthBuild participant.

The Targeted Section 3 Certification Form included in the Appendix can be used to document the status of a Targeted Section 3 worker. The status of a Targeted Section 3 worker shall not be negatively affected by a prior arrest or conviction. Nothing in this part shall be construed to require the employment of someone who meets this definition of a Targeted Section 3 worker. Targeted Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

PROJECTS INVOLVING MULTIPLE SOURCES OF FUNDING

In cases where Section 3 covered projects include multiple sources of funds, including public housing financial assistance and housing and community development assistance, MHA must follow the definition of Targeted Section 3 worker and priorities as outlined in subpart B of Part 75. For housing and community development financial assistance, MHA may follow either subpart B or subpart C of Part 75.

In cases where Section 3 covered projects include multiple housing and development funding sources (financial assistance) from single or multiple recipients, MHA will follow subpart C of Part 75. Refer to chart in [Appendix B](#).

B. SECTION 3 BUSINESS CONCERN CERTIFICATION

The MHA, should encourage contractors and subcontractors to make best efforts to award contracts and subcontracts to Section 3 business concerns.

Businesses that believe they meet the Section 3 Business requirements may self-register in the HUD Business registry, here: <http://www.hud.gov/Sec3Biz>. Businesses may seek Section 3 Business Concern preference by demonstrating that it meets one or more of the following criteria:

- 1) At least 51 percent of the business is owned and controlled by low- or very low-income persons; or
- 2) At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing; or
- 3) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers.

Businesses that seek Section 3 preference shall certify, or demonstrate to MHA, contractors or subcontractors, that they meet the definitions provided in the above. Businesses may demonstrate eligibility by submitting the Section 3 Business Concern Certification Form.

Businesses that consider themselves as a Section 3 Business Concern can self-certify by visiting the HUD Section 3 Business Registry Website: <http://www.hud.gov/Sec3Biz>. MHA can accept the completed self-certification form as long as MHA does not have reason to doubt the business' eligibility. The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees. Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of a contract or any applicable procurement requirements.

Section 3 Business Concern Certification Forms must be submitted at the time of bid/proposal. If the MHA previously approved the business concern to be Section 3 certified, then the same certification can be submitted along with a bid or proposal, as long as the form is submitted within the prescribed expiration

date. The Section 3 Business Concern Certification Form will expire after 3 months after completion of a contract with MHA. Establishing a 3-month certification of eligibility period allows the MHA the ability to assess contractor performance to ensure the business is striving to meet the required goals.

Qualifying as a Section 3 businesses does not mean that the business will be selected if it meets the technical requirements of the bid, regardless of bid price.

PROOF OF QUALIFICATIONS

In accordance with the regulation, residents and business concerns seeking Section 3 preference shall certify, or submit evidence to the recipient, contractor, subcontractor or sub-recipient (if requested) verifying that they meet the definitions provided above for Section 3 worker, Targeted Section 3 worker, and Section 3 Business.

In addition to the above certifications, MHA can use its discretion for determining the type of verification that is required by prospective Section 3 workers, Targeted Section 3 workers, and business concerns. Some examples include proof of residency in a public housing authority; proof of federal subsidies for housing, food stamps, or unemployment benefits; and payroll data or other relevant business information.

As provided in 2 CFR 200.318, contract awards shall only be made to responsible contractors possessing the ability to perform under the terms and conditions of the proposed contract.

5. Assisting Contractors with Achieving Section 3 Goals

In an effort to assist contractors with meeting or exceeding the Section 3 goals, MHA will do the following:

- 1) Share Section 3 Plan with contractors and subcontractors and explain policies and procedures
- 2) Require contractors wishing to submit a bid/offer/proposal to attend pre-bid meeting
- 3) Require contractor to sign the Section 3 Plan at pre-construction conference
- 4) Review Section 3 benchmarks and prioritization of effort with contractors and subcontractors to ensure that the goals are understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to meet Section 3 benchmark goals by utilizing existing qualified workforce and by considering qualified eligible Section 3 workers and Targeted Section 3 workers (per the prioritization of effort outlined in Section #3) before any other person, when hiring additional employees is needed to complete proposed work to be performed.
- 5) At the time of bid, require the contractor to present a list, of the number of total labor hours, Section 3 worker labor hours, and Targeted Section 3 worker labor hours expected to be generated from the initial contract and a list of projected number of available positions, to include job descriptions and wage rates.
- 6) Maintain a local Section 3 worker/Targeted Section 3 worker database and provide the contractor with a list of interested and qualified Section 3 workers and Targeted Section 3 workers and contact information.
- 7) Inform contractors about the HUD Section 3 Opportunity Portal <https://hudapps.hud.gov/OpportunityPortal/>

- 8) Require contractors to notify Section 3 Coordinator of their interests regarding employment of Section 3 workers prior to hiring.
- 9) Encourage local business to register on the HUD Business Registry and direct contractors to the HUD Section 3 Business Registry <https://www.hud.gov/section3businessregistry>
- 10) Leverage MHA 's communication outlets (social media, website, etc.) to effectively communicate employment and contracting opportunities that arise.
- 11) Require contractors to submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contact award.

6. Section 3 Outreach

A. OUTREACH EFFORTS FOR EMPLOYMENT AND TRAINING

In order to educate and inform workers and contractors, MHA's Section 3 Coordinator will be prepared to provide training and technical assistance on a regular basis per program guidelines. When training opportunities are available, contractors and subcontractors should, to the greatest extent feasible:

- 1) Notify the Section 3 Coordinator when training opportunities are available
- 2) Provide information/handouts about Section 3 training opportunities to potential Section 3 workers and Targeted Section 3 workers
- 3) Conduct an annual training for Section 3 workers and Section 3 businesses

Contractors and subcontractors should employ several active strategies to notify Section 3 workers and Targeted Section 3 workers of Section 3 job opportunities, including:

- 1) Clearly indicating Section 3 eligibility on all job postings with the following statement: "This job is a Section 3 eligible job opportunity. We encourage applications from individuals that are low income and/or live in Public Housing and/or receive a Section 8 voucher";
- 2) Including the Section 3 Worker and Targeted Section 3 Worker Self-Certification Form in all job postings
- 3) Working with the Section 3 Coordinator to connect Section 3 worker and Targeted Section 3 workers in MHA's Section 3 database with opportunities and/or utilize the Section 3 Opportunity Portal to find qualified candidates
- 4) Establishing a current list of Section 3 eligible applicants
- 5) Contacting local community organizations and provide them with job postings for Section 3 eligible applicants; and
- 6) Coordinating a programmatic ad campaign, which results in widespread job posting across diverse ad networks including:
 - a) Advertising job opportunities via social media, including LinkedIn and Facebook;
 - b) Advertising job opportunities via flyer distributions and mass mailings and posting ad in common areas of housing developments and all public housing management offices

- c) Contacting resident councils, resident management corporations, and neighborhood community organizations to request their assistance in notifying residents of available training and employment opportunities

B. OUTREACH EFFORTS FOR CONTRACTING

When applicable contracting opportunities arise, MHA will employ the following strategies to notify Section 3 Business Concerns of Section 3 contracting opportunities, including but not limited to:

- 1) Adding Section 3 language to all RFPs, procurement documents, bid offerings and contracts.
- 2) Coordinating mandatory pre-bid meetings to inform Section 3 Business Concerns of upcoming contracting opportunities. The Section 3 Coordinator will participate in these meetings to explain and answer questions related to Section 3 policy.
- 3) Advertising contracting opportunities in local community papers and notices that provide general information about the work to be contracted and where to obtain additional information.
- 4) Providing written notice of contracting opportunities to all known Section 3 Business Concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to bid invitations.
- 5) Coordinating with the prime contractor to publicize contracting opportunities for small businesses.
- 6) Coordinating with business assistance agencies and contractor associations to inform them of contracting opportunities and request their assistance in identifying Section 3 business concerns. Could include local community development organizations, business development agencies (Chamber of Commerce), and minority contracting associations.
- 7) Connecting Section 3 business concerns with resources to support business development to assist in obtaining contracting opportunities (e.g., bonding and insurance assistance, etc.). Contractors will also be encouraged to collaborate with the MHA as subcontract opportunities arise in an effort to notify eligible Section 3 business concerns about the contracting opportunities.

7. Section 3 Contracting Policy and Procedure

MHA shall incorporate Section 3 in its existing Procurement Policy and adopt a Section 3 Contracting Policy and Procedure to be included in all procurements generated for use with HUD funding. This policy and procedure contain requirements for making efforts to award contracts to Section 3 Business Concerns.

All contractors/businesses seeking Section 3 preference must, before submitting bids/proposals to the MHA be required to complete certifications, as appropriate. Such certifications shall be adequately supported with appropriate documentation as referenced in the Section 3 Business Concern Certification Form set forth in the Appendices hereto.

BID OR PROPOSAL EVALUATION

Contractors who fail to address Section 3 requirements, when applicable, in Bid or Proposal Evaluations will be deemed nonresponsive as set forth herein. This means that in the proposal or bid documents submitted to MHA, when applicable, the Contractor's Section 3 Clause Compliance Commitment and Section 3 Participation Election Form must be completed including applicable attachments and supporting documentation.

After written notice from MHA specifying any defects in the Section 3 information, contractors will be given

no more than 5 business days to complete the form and provide all required documents. Failure to respond within the 5 days will result in MHA declaring the bidder or respondent as non-responsive.

8. Section 3 Provisions/Contract Language

MHA will include standard Section 3 language in all of its contracts to ensure compliance with regulations in 24 CFR Part 75. MHA will take appropriate actions upon finding that a contractor is in violation of 24 CFR Part 75 and does not knowingly contract with any contractor that has been found in violation of the Section 3 regulations. On a periodic basis the Section 3 Coordinator will audit MHA contractors for compliance with the minimum Section 3 requirements outlined in the Section 3 Plan.

In addition, contractors and subrecipients are required to include language in all Section 3 covered contracts or agreements for subcontractors to meet the requirements of 24 CFR Part 75.9 (for public housing financial assistance) or 24 CFR Part 75.19 (for housing and community development financial assistance).

For businesses, noncompliance with HUD's regulations in 24 CFR part 75 may, at the sole discretion of MHA, result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

9. Reporting and Compliance Requirements

MHA is required to keep records and documentation certifying compliance with Section 3 benchmarks, and with Prioritization of Efforts.

COMPLIANCE REPORTING

MHA must report annually to HUD in a manner consistent with reporting requirements for the applicable HUD program. MHA will be considered to be in compliance with Section 3 Safe Harbor 1) by certifying compliance with Prioritization of Efforts in §75.9, and 2) by meeting the established Benchmark Goals for Section 3 and Target Section 3 workers.

If reporting indicates that MHA has not met the Section 3 Benchmarks, then MHA must report in a method on the qualitative nature of its activities and those its contractors and subcontractors pursued per 24 CFR § 75.15(b) and § 75.25(b).

Please note that it is important to document efforts made to comply with Section 3. Files should illustrate attempts to meet Section 3 benchmarks. The mere existence of a Section 3 Action Plan is not sufficient. Affirmative attempts to reach Section 3 goals must be made.

CONTRACTOR COMPLIANCE

Contractors will be required to comply with the Prioritization of Efforts for each contract.

Priority I. Employment and Training Compliance: Contractors will be considered to be in compliance by meeting the 25% and 5% Benchmark Goals for each project, or by providing proof of efforts to provide employment or training opportunities to Section 3 and Targeted Section 3 workers.

Priority II. Contracting Compliance: Contractors will be considered to be in compliance by providing documentation of contracting with Certified Section 3 Business Concerns.

As part of each bid or proposal submitted, the contractor must document their workforce by position. Such information will be verified at the commencement of the contract.

Contractors will be required to complete the Targeted/ Section 3 Worker Tracking Form (See Appendix) on a monthly basis to clearly identify the Section 3 hires. The contractor must comply with the Section 3 requirements throughout the life of the contract. MHA will periodically audit this information at its discretion. Failure to comply with the monthly documentation may result in the termination of the contract at MHA's discretion.

Contractors employing Targeted Section 3 Workers, Section 3 Workers, and Section 3 Business Concerns must obtain and provide documentation to demonstrate such for meeting Section 3 goals.

REPORTING ON PROJECTS WITH MULTIPLE FUNDING SOURCES

1) For Section 3 projects that include public housing financial assistance and housing and community development financial assistance, MHA shall report on the project as a whole and will identify the multiple associated recipients.

2) For projects assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds of \$200,000 and \$100,000 for Lead Hazard Control and Healthy Homes Programs (LHCHH), the MHA will follow subpart C of Part 75 and will report to the applicable HUD program office, as prescribed by HUD. Note: LHCHH assistance is not included in calculating whether the assistance exceeds the \$200,000 threshold. HUD public housing financial assistance and HUD housing and community development financial assistance is not included in calculating whether the assistance exceeds the LHCHH \$100,000 threshold. Refer to chart in [Appendix B](#).

10. Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, MHA encourages submittal of such complaints to its Section 3 Coordinator as follows:

- 1) Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR Part 75.
- 2) Complaints must be filed in a timely manner after the complainant becomes aware of the alleged violation.
- 3) An investigation will be conducted if complaint is found to be valid. MHA will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
- 4) The MHA will provide written documentation detailing the findings of the investigation. The MHA will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available in a timely manner after receipt of the complaint. If complainants wish to have their concerns considered outside of the MHA a complaint may be filed with:

The HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office. These offices can be found through the HUD website, www.hud.gov/.

Complainants may be eligible to bring complaints under other federal laws. The U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that make it illegal to discriminate

against a job applicant or an employee because of the person's race, color, religion, sex (including pregnancy), national origin, age (40 or older), disability or genetic information (medical history or predisposition to disease). For more information about complainant rights, please contact EEOC at: www.EEOC.gov.

The Department of Labor Office of Federal Contract Compliance Programs (OFCCP) enforces, for the benefit of job seekers and wage earners, the contractual promise of affirmative action and equal employment opportunity required of those who do business with the Federal government. More information about the services they provide can be obtained at: <http://www.dol.gov/ofccp/>.

11. Appendices

APPENDIX A: DEFINITIONS

The terms *HUD*, *Public housing*, and *Public Housing Agency (PHA)* are defined in 24 CFR part 5.

The following definitions also apply to 24 CFR Part 75 HUD's Economic Opportunities for Low-and Very Low-Income Persons:

1937 Act means the United States Housing Act of 1937, 42 U.S.C. 1437 *et seq. activities related to Public Housing*

Contractor means any entity entering into a contract with:

(1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or

(2) A subrecipient for work in connection with a Section 3 project.

Labor hours means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

Low-income person means a person as defined in Section 3(b)(2) of the 1937 Act, at or below 80% AMI. Note that Section 3 worker eligibility uses individual income rather than family/household income.

Material supply contracts means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

Professional services means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

Public housing financial assistance means assistance as defined in 24 CFR Part 75.3(a)(1).

Public housing project is defined in 24 CFR 905.108.

Recipient means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 business concern means:

(1) A business concern meeting at least one of the following criteria, documented within the last six-month period:

(i) It is at least 51 percent owned and controlled by low- or very low-income persons;

(ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or

(iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

(2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.

(3) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

Section 3 Coordinator is person tasked with overseeing all Section 3 responsibilities for the PHA/CD office.

Section 3 project means a project defined in 24 CFR Part 75.3(a)(2).

Section 3 worker means:

(1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:

(i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.

(ii) The worker is employed by a Section 3 business concern.

(iii) The worker is a YouthBuild participant.

(2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.

(3) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Section 8-assisted housing refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

Service area or the neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

Small PHA means a public housing authority that manages or operates fewer than 250 public housing units.

Subcontractor means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

Subrecipient has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

Targeted Section 3 worker has the meanings provided in 24 CFR Part 75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

Very low-income person means the definition for this term set forth in section 3(b)(2) of the 1937 Act (at or below 50% AMI).

YouthBuild programs refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

APPENDIX B: MULTIPLE FUNDING SOURCES - CHART

| TYPE OF FINANCIAL ASSISTANCE | DEFINITIONS *TARGETED SECTION 3 WORKER | THRESHOLDS | PRIORITIZATION | REPORTING |
|--|---|--|---|--|
| Public Housing and Housing and Community Development | <p>PHA – must follow subpart B of Part 75</p> <p>HCD – may follow subpart B or C of Part 75</p> | <p>None</p> <p>*Any amount of PH assistance triggers Section 3</p> | <p>PHA – must follow subpart B of Part 75</p> <p>HCD – may follow subpart B or C of Part 75</p> | <p>PHA – must follow subpart B of Part 75</p> <p>HCD – may follow subpart B or C of Part 75</p> <p>Both - Must report on project as a whole and identify the multiple associated recipients</p> |
| Multiple Sources of Housing and Community Development <i>(single or multiple recipients)</i> | <p>Must follow subpart C of Part 75</p> | <p>Exceeds \$200,000 for Section 3 projects</p> <p>*LHCHHP exceeds \$100,000</p> | <p>Must follow subpart C of Part 75</p> | <p>Must follow subpart C of Part 75</p> <p>Must report on project as a whole and identify the multiple associated recipients</p> <p>Must report to the applicable HUD program office, as prescribed by HUD</p> |

Montgomery Housing Authority Section 3

APPENDIX C: FORMS

- 1) Targeted Section 3 Worker Certification
- 2) Section 3 Worker Certification
- 3) Targeted/ Section 3 Worker Tracking Form
- 4) Section 3 Permanent Workforce Form
- 5) Section 3 Business Concern Self-Certification: <http://www.hud.gov/Sec3Biz>
- 6) Section 3 Bid or Proposal Compliance Forms
 - a. Section 3 Clause Compliance Commitment
 - b. Section 3 Participation Election Form
- 7) Cumulative Report

Montgomery Housing Authority Section 3

Targeted Section 3 Worker Certification Form

A Targeted Section 3 Worker seeking the preference in training and employment provided by this part shall certify or submit evidence to the recipient contractor or subcontractor that the person is a Targeted Section 3 Worker, as defined in Section 24 CFR 75.

Print Name

Please check at least one option:

_____ I am employed by a Section 3 business concern.

OR within the past 5 years:

_____ I am a public housing resident or HCV Section 8 Resident of MHA.

_____ I am a resident of other housing assisted by MHA or in MHA's management portfolio.

_____ I am a YouthBuild participant.

The status of a Targeted Section 3 worker shall not be negatively affected by a prior arrest or conviction. Nothing in this part shall be construed to require the employment of someone who meets this definition of a Targeted Section 3 worker. Targeted Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

I hereby certify that the information provided by me to be true and correct and understand any falsification of any of the information could subject me to disqualification from participation and punishment under the law.

Signature

Date

Montgomery Housing Authority Section 3

Section 3 Worker Certification Form

A Section 3 Worker seeking the preference in training and employment provided by this part shall certify or submit evidence to the recipient contractor or subcontractor that the person is a Section 3 Worker, as defined in Section 24 CFR 75.

Print Name

Please check at least one option:

_____ My annual income for the previous year or projected current year is below the HUD Low Income Individual Median Income (80%). I have attached a copy of the HUD income limits obtained from <https://www.huduser.gov/portal/datasets/il.html> for the year in which I comply.

_____ I am employed by a Section 3 business concern.

_____ I am a YouthBuild participant.

The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction. Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

I hereby certify that the information provided by me to be true and correct and understand any falsification of any of the information could subject me to disqualification from participation and punishment under the law.

Signature

Date

Montgomery Housing Authority Section 3 Policy

TARGETED SECTION 3, SECTION 3 AND NON-SECTION 3 WORKER TRACKING FORM

*This form must be submitted monthly

For Month Ending: _____

| Name of Employee/Worker Job Title INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SSN) | Non Section 3 Worker Yes or No | Targeted Section 3 Workers Yes or No | Section 3 Workers Yes or No | Total Labor Hours Worked |
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Montgomery Housing Authority Section 3

SECTION 3 PERMANENT WORKFORCE FORM

This form is used to determine the Section 3 Workers already employed by the contractor.
This form may be compared to Davis -Bacon Payrolls for cross referencing purposes.

Project Name: _____ Name of Contractor: _____

Address: _____ Date: _____

| Employee Name | Job Title | Certified Section 3 Worker | | Monthly Salary | Salary Below 80% of Median Income | |
|---------------|-----------|----------------------------|----|----------------|-----------------------------------|----|
| | | YES | NO | | YES | NO |
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I certify the above employees are permanent employees of _____. I certify the above employees are on our regular monthly payroll and have their W-2 tax forms for our records. These records will be available to MHA for the above referenced project for verification purposes. I understand that falsifying information is perjury and subject to legal ramifications.

Print Name

Signature

Date

Montgomery Housing Authority Section 3

SECTION 3 CLAUSE COMPLIANCE COMMITMENT

All Section 3 covered contracts shall include the following cause (referred to as the Section 3 Clause, 24 CFR § 75.38):

- 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 75, 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 75 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 75, 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 75. 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 75.
- 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 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 75.
- F. Noncompliance with HUD's regulations in 24 CFR part 75 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 sub contracts 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).

Acknowledged:

For: _____

Company Name

By: _____

Date: _____

Montgomery Housing Authority Section 3

SECTION 3 PARTICIPATION ELECTION FORM

The purpose of Section 3 of the Housing and Urban Development Act of 1968, as in the *Federal Register* at 85 FR 61524 (codified at 24 CFR Part 75), is to ensure that employment and other 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 toward low and very low-income persons, and to businesses that provide economic opportunities to low and very low-income persons. MHA's Section 3 Policy, which is consistent with the federal Section 3 requirements, has procedures to assist grant recipients, contractors and subcontractors in understanding and complying with Section 3 requirements. Undersigned certifies that he/she has received a copy of such policy, reviewed such policy, and is familiar with the requirements set forth therein.

How will your company fulfill its Section 3 Requirement?

- Certified Section 3 Business (Include Certification)
- Priority I – Employment/Training of Section 3 Workers in the priority set forth in MHA's Section 3 Policy, Section 3C
- Priority II – Contracting with Section 3 Businesses in the priority set forth in MHA's Section 3 Policy, Section 3C

By signing below, the contractor hereby agrees to comply with the selected Section 3 requirements indicated above.

Name: _____

Company: _____

Address: _____

Phone No: _____

Email Address: _____

Authorized By: _____

Montgomery Housing Authority Section 3

SECTION 3 CUMULATIVE REPORT

Upon final completion of a project, contractors and subcontractors shall provide the following certifications to MHA:

On behalf of the contractor or subcontractor identified below, undersigned represents, warrants, and certifies that such contractor or subcontractor has followed the prioritization of effort requirements as set forth in the attached Section 3 Clause Compliance Commitment (attach hereto executed Section 3 Clause Compliance Commitment).

By signing the below acknowledgement, Contractor or Subcontractor hereby represents, warrants, and certifies that it has met the safe harbor requirements set forth in Section 3B of MHA’s Section 3 Plan. Otherwise, if the contractor and subcontractor has not met the safe harbor requirements set forth in Section 3B of MHA’s Section 3 Plan, the contractor or subcontractor must explain below why meeting the benchmarks were not feasible. Any such contractor or subcontractor must also describe below on the qualitative nature of its Section 3 compliance activities (see Section 3A of MHA’s Section 3 Plan for examples) and provide documentation of same:

Acknowledged:

For: _____
Contractor or Subcontractor Name

By: _____

Montgomery Housing Authority Section 3

Date: _____

Section 3 Business Concern Certification Form

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 Business Certification requirements. To count as a Section 3 Business your company/firm must meet one of the listed categories below. Each category will require additional documentation to support the election. You must provide that supporting documentation with this form properly completed to be confirmed as a Section 3 business. If this form is submitted without the required supplemental data, your certification will not be processed.

| CATEGORY | DOCUMENTATION REQUIRED | YOUR ELECTION | |
|---|--|--------------------------|---|
| a business at least 51 percent owned by low- or very low-income persons; | Proof of ownership showing all owners and their percentages and a completed Section 3 Individual Self-Certification form for all low- and very low-income owners | <input type="checkbox"/> | ← |
| Over 75 percent of the labor hours performed for the business are performed by low- or very low-income persons; or | Provide the last 90 days full payrolls for the entire company, make a list of the names from the payrolls of the Section 3 workers, and provide a completed Section 3 Individual Self- Certification for all low- and very low-income workers you list | <input type="checkbox"/> | |
| It is a business at least 51 percent owned by current public housing residents or residents who currently live in Section 8-assisted housing. | Proof of ownership showing all owners and their percentages and a Section 3 Individual Self-Certification form for all public housing and/or Section 8 owners | <input type="checkbox"/> | ← |
| | | <input type="checkbox"/> | ← |

I hereby certify to the US Department of Housing and Urban Development (HUD) that all of the information on this form is true and correct. I attest under penalty of perjury that my business meets the elected definition and understand proof of this information may be requested. If found to be inaccurate, I understand that I may be disqualified as a certified Section 3 business.

Full Name: _____

Company Name: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Signature: _____ Date: _____

Exhibit B-Links for MHA Section 3 forms

See links below for each form. You will also find guidance on when each form should be submitted.

1) Targeted Section 3 Worker Certification

https://docs.google.com/forms/d/e/1FAIpQLSdG26pigB1sxRI_36pGnhG9CbtVNjWUnbiXA2CEAIHoH5D5A/viewform?usp=sf_link

- *Targeted Section 3 Worker Certification Form (to be completed at the start of the contract for all workers identified as targeted Section 3 worker, per HUD guidelines. This form should also be completed by any new targeted Section 3 workers hired after the contract start date.)*

2) Section 3 Worker Certification

https://docs.google.com/forms/d/e/1FAIpQLSdCIDAbBgsdJS0G4vAzDf6tfh9_IpizTXPTeT3iOd5Fq8UvAg/viewform?usp=sf_link

- *Regular Section 3 Worker Certification Form (to be completed at the start of the contract for all workers identified as regular Section 3 worker, per HUD guidelines. This form should also be completed by any new regular Section 3 workers hired after the contract start date. Form must only be completed once per contract term or if the worker's status changes.)*

3) Section 3 Worker Tracking Form

https://docs.google.com/forms/d/e/1FAIpQLSfp05sNh2jv-QTgTsyqEkgROcjYP41sTIGu6q9v0tGuiClGPg/viewform?usp=sf_link

- *Targeted Section 3/Section 3/Non-Section 3 Worker Tracking Form (to be completed monthly by contractor and/or vendor and must include all employees working on the MHA contract or services))*

4) Section 3 Permanent Workforce Form

https://docs.google.com/forms/d/e/1FAIpQLSd9btz5CVCeC9NjIRZGsvSCHbWbw6Ex9zGAtVnG6JmvLdrGig/viewform?usp=sf_link

- *Section 3 Permanent Workforce Form (to be completed along with the initial contract paperwork for new contractors and vendors/must be completed by July 31st for current contractors and vendors)*

5) Section 3 Business Concern Certification Form: <http://www.hud.gov/Sec3Biz>

https://docs.google.com/forms/d/e/1FAIpQLSfjoDHfrQy7Y1iIA2z0Rg0VgRnxx6Fj6CHRzMQ19bDHs1qIHQ/viewform?usp=sf_link

- *Section 3 Business Concern Certification Form (to be completed along with the initial contract paperwork for new contractors and vendors/must be completed by July 31st for current contractors and vendors)*

6) Section 3 Bid or Proposal Compliance Forms

a. Section 3 Clause Compliance Commitment

https://docs.google.com/forms/d/e/1FAIpQLSeDLY9a2gakOvclrn1UjsO_e3EOVHblhopjzo5vQchX0N0k8w/viewform?usp=sf_link

- *Section 3 Clause Compliance Commitment Form (to be completed along with the initial contract paperwork for new contractors and vendors/must be completed by July 31st for current contractors and vendors)*

b. Section 3 Participation Election Form

https://docs.google.com/forms/d/e/1FAIpQLSfjkyAl7kbBI_YOLNGTcUn7r4DIEztZWJweIE4JDppWzIDkcQ/viewform?usp=sf_link

- *Section 3 Participation Election Form (to be completed along with the initial contract paperwork for new contractors and vendors/must be completed by July 31st for current contractors and vendors)*

7) Cumulative Report

https://docs.google.com/forms/d/e/1FAIpQLSdADZ9_CeN5g_Pev2RCpoizq1gQ3fhDhRF7xAMFNXaF6JgArg/viewform?usp=sf_link

- *Section 3 Cumulative Report (to be completed by the contractor or vendors within 15 days of completion of the MHA contract or service provided. This should be included with the final invoice.)*

Montgomery Housing Authority Section 3

SECTION 3 CLAUSE COMPLIANCE COMMITMENT

All Section 3 covered contracts shall include the following cause (referred to as the Section 3 Clause, 24 CFR § 75.38):

- 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 75, 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 75 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 75, 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 75. 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 75.
- 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 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 75.
- F. Noncompliance with HUD's regulations in 24 CFR part 75 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 sub contracts 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).

Acknowledged:

For: _____
Company Name

By: _____

Date: _____

Montgomery Housing Authority Section 3

SECTION 3 PARTICIPATION ELECTION FORM

The purpose of Section 3 of the Housing and Urban Development Act of 1968, as in the *Federal Register* at 85 FR 61524 (codified at 24 CFR Part 75), is to ensure that employment and other 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 toward low and very low-income persons, and to businesses that provide economic opportunities to low and very low-income persons. MHA's Section 3 Policy, which is consistent with the federal Section 3 requirements, has procedures to assist grant recipients, contractors and subcontractors in understanding and complying with Section 3 requirements. Undersigned certifies that he/she has received a copy of such policy, reviewed such policy, and is familiar with the requirements set forth therein.

How will your company fulfill its Section 3 Requirement?

- Certified Section 3 Business (Include Certification)
- Priority I – Employment/Training of Section 3 Workers in the priority set forth in MHA's Section 3 Policy, Section 3C
- Priority II – Contracting with Section 3 Businesses in the priority set forth in MHA's Section 3 Policy, Section 3C

By signing below, the contractor hereby agrees to comply with the selected Section 3 requirements indicated above.

Name: _____

Company: _____

Address: _____

Phone No: _____

Email Address: _____

Authorized By: _____

Montgomery Housing Authority Section 3

Date: _____

Section 3 Business Concern Certification Form

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 Business Certification requirements. To count as a Section 3 Business your company/firm must meet one of the listed categories below. Each category will require additional documentation to support the election. You must provide that supporting documentation with this form properly completed to be confirmed as a Section 3 business. If this form is submitted without the required supplemental data, your certification will not be processed.

| CATEGORY | DOCUMENTATION REQUIRED | YOUR ELECTION |
|---|--|---------------|
| a business at least 51 percent owned by low- or very low-income persons; | Proof of ownership showing all owners and their percentages and a completed Section 3 Individual Self-Certification form for all low- and very low-income owners | ← |
| Over 75 percent of the labor hours performed for the business are performed by low- or very low-income persons; or | Provide the last 90 days full payrolls for the entire company, make a list of the names from the payrolls of the Section 3 workers, and provide a completed Section 3 Individual Self- Certification for all low- and very low-income workers you list | |
| It is a business at least 51 percent owned by current public housing residents or residents who currently live in Section 8-assisted housing. | Proof of ownership showing all owners and their percentages and a Section 3 Individual Self-Certification form for all public housing and/or Section 8 owners | ← |
| | | ← |

I hereby certify to the US Department of Housing and Urban Development (HUD) that all of the information on this form is true and correct. I attest under penalty of perjury that my business meets the elected definition and understand proof of this information may be requested. If found to be inaccurate, I understand that I may be disqualified as a certified Section 3 business.

Full Name: _____

Company Name: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Signature: _____ Date: _____