

**PROVISIONS AND PROCEDURES
PERTAINING TO
COMPLIANCE WITH
SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968,
AS AMENDED**

1. Assurance of Compliance

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701U (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidence by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provisions of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice of knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

- F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.
- G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

2. Definitions

A. Section 3 Covered Contract means a contract or subcontract in excess of \$200,000, including professional service contracts, awarded by a contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project. Section 3 covered contracts do not include contracts for the purchase of materials and equipment unless the contract includes the installation of the material equipment.

B. Section 3 Resident means an individual who resides in the project area or the City of Pittsburgh and who is: (1) a low-income persons which is defined as families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area or (2) a very low-income person which is defined as families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area. A person seeking the training and employment preference provided by Section 3 bears the responsibility of providing evidence, if requested, that they are eligible for the preference.

C. Section 3 Business means a business concern that is (1) 51% or more owned by Section 3 residents; or (2) whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or (3) provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in (1) or (2) of this definition of Section 3 business concern. A business concern seeking the preference provided by Section 3 bears the responsibility of production documentation to support the Section 3 business concern status.

3.

Section 3 Area Residents As Trainees and Employees

A. Each contractor and subcontractor with a contract in excess of \$100,000 shall fulfill their obligation to provide training and employment opportunities for Section 3 area residents by:

- (1) Identifying the number of positions in the various job categories needed to perform the work under this Section 3 covered project;
- (2) Determining the number of positions which are currently filled and which positions are not filled by regular, permanent employees;
- (3) Establishing a target within each job category for the number of positions to be filled by Section 3 area residents.
- (4) Estimated Work Force – See Appendix #1.

4.

Utilization of Section 3 Businesses

A. Each contractor and subcontractor with a contract in excess of \$100,000 for work on a Section 3 covered project shall give preference to Section 3 business concerns that meet one of three definitions outlined in Part 2 C. of these Provisions and Procedures by:

- (1) Identifying the approximate number and dollar value of contracts to be awarded to eligible businesses within each category over the duration of this contract.
- (2) Ensuring that Section 3 business concerns are notified of pending contractual opportunities either personally or through locally utilized media.
- (3) Section 3 Business Utilization – See Appendix #2.

SECTION 3 CERTIFICATION

_____ will abide by and include in all subcontracts the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended.

Company Name

Signature

Date

APPENDIX NO. 1

ESTIMATED WORK FORCE BREAKDOWN

Job Category	Total Estimated Positions Needed For Project	No. Positions Occupied by Permanent Employees	Number of Positions Not Occupied	Number of Positions To be filled with Section 3 Residents

* For definition of Section 3 Resident refer to Section 2.B. Of the Provisions and Procedures.

Company

Signature of Person Completing Form

Title

Date

SECTION 3 BUSINESS UTILIZATION

Total Dollar Amount of Contract:	
----------------------------------	--

Address: _____

[illegible]

*** Check if a Section 3 business concern**

Total Dollar Amount Awarded to Section 3 Businesses \$

Section 3 Covered Contract & Section 3 Business Concern
Refer to Sections 2.A. and 2.C. of the Provisions and Procedures