



P A L M D A L E

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Section 3 Plan

Contracting – Employment – Economic Opportunity

Economic Development Department
Housing Division

Adopted by City Council: September 5, 2007

Forms updated: July 20, 2016

CITY OF PALMDALE
COUNTY OF LOS ANGELES, CALIFORNIA

RESOLUTION NO. CC 2007-230

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALMDALE TO ADOPT A SECTION 3 PLAN TO COMPLY WITH 24 CFR, PART 135 OF THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 3 REGULATIONS.

THE CITY COUNCIL OF THE CITY OF PALMDALE HEREBY FINDS, DETERMINES, RESOLVES AND ORDERS AS FOLLOWS:

WHEREAS, the United States Congress passed Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) to further the goal of ensuring that federal funds benefit the residents of projects funded wholly or in part by those funds, and

WHEREAS, Part 135 of Section 3 is to establish the standards and procedures to be followed to ensure that the objectives of Section 3 are met; and

WHEREAS, the City of Palmdale staff has developed a revised Section 3 Plan in adherence to 24 CFR, Part 135 that more practically addresses the standards and procedures prescribed in the Act;

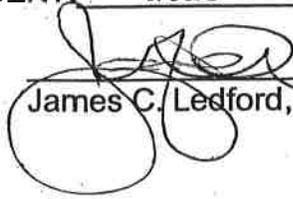
NOW, THEREFORE, BE IT RESOLVED THAT the City Council authorizes the City of Palmdale to adopt and implement the revised Section 3 Plan to ensure compliance with Federal Law.

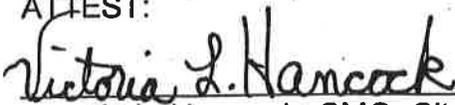
PASSED, APPROVED and ADOPTED this 5th day of September, 2007, by the following vote:

AYES: Mayor Ledford and Councilmembers Lackey, Knight, Hofbauer, and Dispenza

NOES: None

ABSTAIN: None ABSENT: None


James C. Ledford, Jr., Mayor

ATTEST:

Victoria L. Hancock, CMC, City Clerk

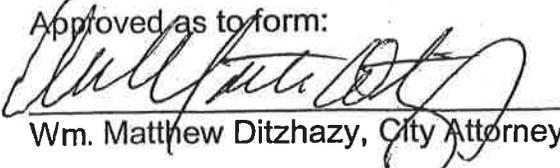
Approved as to form:

Wm. Matthew Ditzhazy, City Attorney

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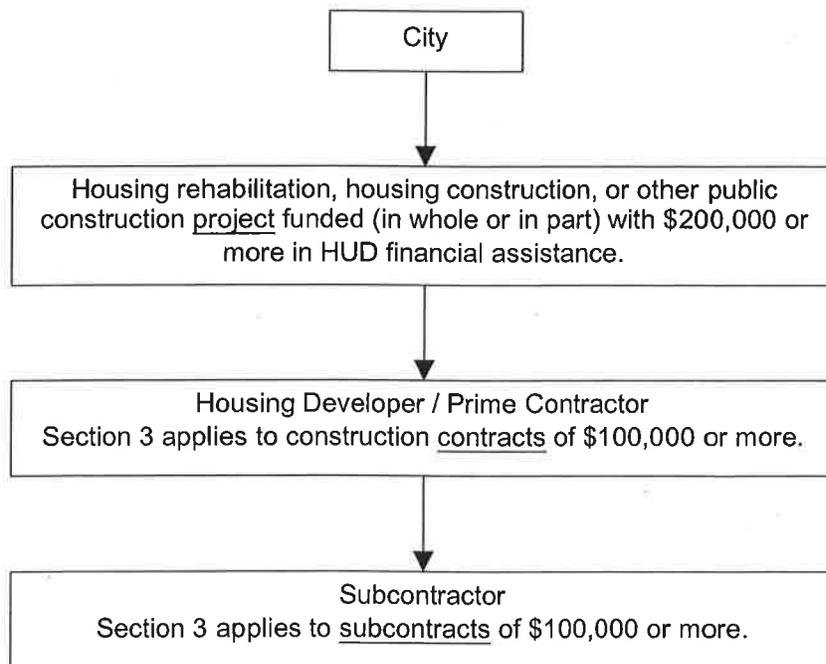
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1. Background

To comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) the City of Palmdale must ensure that employment and other economic and business opportunities generated by the Department of Housing and Urban Development (HUD) financial assistance, to the greatest extent feasible, are directed to public housing residents and other low-income persons, particularly recipients of government housing assistance, and business concerns that provide training and economic opportunities to low- and very-low income persons.

2. Applicability

Section 3 applies to City of Palmdale housing rehabilitation, housing construction, and other public construction projects funded with \$200,000 or more from a HUD source. The most common HUD funding sources used by the City of Palmdale for housing rehabilitation, housing construction, and other public construction projects include the Community Development Block Grant (CDBG), Home Investment Partnerships Act (HOME) funds, and Section 108 Loan Guarantee funds.



3. Implementation

The City of Palmdale seeks, to the greatest extent feasible, to meet the Section 3 regulatory requirements by awarding Section 3 contracts to contractors, vendors, and suppliers, in an effort to create employment and business opportunities for public

housing residents, subsidized housing residents, and low-income persons residing within the City of Palmdale and the Antelope Valley area of Los Angeles County.

The policy shall result in a reasonable level of success in the recruitment, employment, and utilization of Palmdale residents and other eligible persons and business by contractors working on contracts partially or wholly funded with the United States Department of Housing and Urban Development (HUD) monies. The City of Palmdale shall examine and consider a contractor's or vendor's potential for success in providing employment and business opportunities to Palmdale residents prior to acting on any proposed contract award.

a. Section 3 Contracting Policy

The City of Palmdale has incorporated Section 3 into its existing Procurement Policy for housing rehabilitation, housing construction, and other public construction projects assisted with HUD funds of \$200,000 or more. Section 3 covered procurements shall be implemented in accordance with this Section 3 Plan.

All contractors and developers are highly encouraged to seek Section 3 preference when submitting bids/proposals to the City of Palmdale for Section 3 covered contracts. The existing Procurement Policy also contains goal requirements for awarding contracts to Small Disadvantaged Businesses, formerly Minority and Women Business Enterprises (MBE/WBE); however, compliance with these programs is separate from the considerations required by Section 3, which are based entirely on the income of newly hired Section 3 residents at the time of hire.

The City of Palmdale also incorporates the federal Equal Employment Opportunity laws into its HUD-funded projects. Contractors must provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's or marital status, or economic status and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

b. Section 3 Employment & Training Goals

It is the policy of the City of Palmdale to utilize residents and other Section 3 eligible persons and businesses on Section 3 covered projects. The City has established employment and training goals that contractors and subcontractors should meet in order to comply with Section 3 requirements. The numerical goal is thirty percent (30%) of the aggregate number of new hires in any fiscal year.

The Section 3 Contract Clause specifies the requirements for contractors hired for Section 3 covered projects. The Section 3 Clause must be included in all Section 3 covered projects.

It is the responsibility of the City and its contractors to implement and document their good faith efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must submit documentation to the City with its *Section 3 Economic Opportunity Report* to demonstrate why meeting the goals were not feasible.

c. Section 3 Procurement – Contracts of \$100,000 or more

The requirements of Section 3 are passed down from HUD to the City, and from the City to contractors participating on Section 3 covered projects. A contractor is any entity that contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 project. Such entities contracted to perform work may include:

- The State;
- A unit of local government;
- A public housing authority;
- A public body;
- A public or private non-profit agency;
- A private agency mortgagor;
- A sponsor;
- A builder or building contractor;
- A property manager;
- A community development organization; and
- Resident management or a resident council.

Under the federal procurement regulations applicable to the City at 24 CFR 85.36, most Section 3 covered procurements will be formal procurements involving a Notice Inviting Bids that will be advertised twice in media of general circulation. The following statement shall be inserted in the bid advertisement:

This is a HUD Section 3 construction contract. First preference will be given to a bidder who provides a reasonable bid and is a qualified Section 3 Business Concern. Second preference will be given to a bidder who provides a reasonable bid and commits to achieving the Section 3 employment, training and subcontracting opportunity goals by submitting a written commitment (Economic Opportunity Plan).

Within the bid document, the project manager shall insert the "Section 3 Bid Package." This group of documents includes the:

- Section 3 Clause;
- Section 3 Bid Preference Evaluation and Contract Award Criteria;
- Section 3 Business Certification;
- Section 3 Economic Opportunity Plan;

- Mandatory and Sample Outreach Efforts;
- Section 3 Resident Certifications (by County of Residence);
- Section 3 Contractor's Economic Opportunity Report

At least one (1) week prior to the bid opening, the project manager shall conduct a Section 3 Pre-Bid Meeting to explain the Section 3 bid preference and documentation requirements to potential bidders. Using the Section 3 Bid Package forms and the Section 3 Pre-Bid Meeting Checklist found in Appendix B, the project manager shall present relevant Section 3 information to potential bidders and answer their questions about documentation, outreach, the bid preference, and employment goals.

It is worthwhile to mention to contractors who anticipate bidding City projects in the future that the Section 3 Resident Certification should be incorporated into their new-hire packet. Eventually, a given contractor could claim level 1 bid preference by submitting Section 3 Resident Certification forms for 30% of their workforce (certifications collected within the three (3) years prior to the bid opening). For all other contractors, qualification for the bid preference will require additional outreach and documentation (the Section 3 Economic Opportunity Plan).

d. Section 3 Bid Evaluation

It is the Project Manager's responsibility to evaluate the Section 3 responsiveness of all bidders prior to contract award using the Section 3 Bid Evaluation Memorandum. A copy of the Section 3 Bid Evaluation Memorandum must be submitted for review and approval to the Consolidated Plan Coordinator (Economic Development Department – Housing Division) prior to contract award.

- e. Section 3 Residents/Targeted Hiring:** The HUD definition of a Section 3 Resident is a public housing resident, a resident of the metropolitan area, a resident of the non-metropolitan county in which the Section 3 covered assistance is expended, and low-income persons (80% AMI or less, adjusted by family size). Due to the nature of the contracting community in southern California, and the inherent challenges associated with attracting qualified firms to bid on projects throughout the Antelope Valley, the City has determined that it is not feasible at this time to impose targeted hiring goals upon businesses who are qualified Section 3 firms, or those businesses seeking to become Section 3 qualified firms. Geographic hiring preferences may be imposed at the direction of the City Council at a later date. It should be noted that the Contractor's mandatory outreach efforts are primarily focused within the City of Palmdale; therefore, it is anticipated that a significant number of new hires generated in connection with City of Palmdale projects will be residents of the City of Palmdale, the Antelope Valley area, or the metropolitan County of Los Angeles.

f. Annual HUD-60002 Section 3 Summary Report

It is the Consolidated Plan Coordinator's responsibility to submit the annual HUD-60002 report. This report is a summary of all data received from Section 3-covered projects throughout the year. This report is due annually on January 10 to the HUD-Los Angeles Area Field Office. Alternatively, the Consolidated Plan Coordinator can submit this data quarterly (within 15 days following each quarter) online at the following site:

<http://www5.hud.gov:63001/apps/po/e/srs/Public/form.cfm>

g. Section 3 Contract Award Goal

It is the goal of the City of Palmdale to award at least 10% of the total dollar amount of Section 3-covered contracts for housing rehabilitation, housing construction, and other public construction to qualified category 1 businesses (at least 51% owned by Section 3 residents or those businesses employing at least 30% Section 3 residents).

h. Section 3 Business List

Effective July 1, 2007, the Consolidated Plan Coordinator, in consultation with the Public Works Department, shall maintain a list of qualified Section 3 Businesses wishing to contract for federally-assisted housing rehabilitation, housing construction, and other public construction projects.

i. Section 3 Complaint Procedures

Any Section 3 business or resident may, on its own or on behalf of another Section 3 business or resident, file a complaint with the HUD Assistant Secretary for Fair Housing and Equal Opportunity. Complaints must be filed within 180 days from the action or omission which is the basis for the complaint. The Assistant Secretary may extend this period. Complaints must concern the City or Contractor's alleged noncompliance with 24 CFR Part 135 or the City's adopted Section 3 Plan. Complaints must be submitted in writing to:

Assistant Secretary
Fair Housing and Equal Opportunity
U.S. Department of Housing and Urban Development
451 7th Street, Room 5200
Washington, D.C. 20410



PALMDALE
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Appendix A

Section 3 Bid Package – Contractor

Section 3 Bid Package

ITEM

PURPOSE

Section 3 Clause:

This is a Section 3 Covered housing rehabilitation, housing construction or other public construction project. The provisions of 24 CFR 135.38 apply to contracts and subcontracts of \$100,000 or more.

Section 3 Bid Preference:

A bid preference is available to contractors who submit a reasonable bid and commit to achieving the Section 3 employment or subcontracting goals. First preference will be given to bidders who are a Section 3 Business at the time of bid. Second preference will be given to bidders who make a written commitment to meet the Section 3 goals through hiring and subcontracting.

Business Certification:

Used to document the status of a bidder or subcontractor as a Section 3 Business or as a business that is making a written commitment to meet the Section 3 goals through hiring or subcontracting to other Section 3 Businesses.

Economic Opportunity Plan:

Used to document that a bidder is making a written commitment to meet the Section 3 goals through new hires or subcontracting to other Section 3 Businesses. Subcontracted Section 3 Businesses must be documented with the Business Certification as a Section 3 business at the time of bid.

Outreach Efforts:

The successful bidder will be required to post a listing of all job openings (construction and non-construction) at the site of construction, the South Valley WorkSource Center, City Hall, local community based employment agencies, and any trade unions or worker's representative organizations to which the contractor is a signatory. Contractors may utilize the Notice of Section 3 Commitment form for this purpose.

Resident Certifications:

Used to document each individual claimed on a Business Certification form as a Section 3 Resident (owners or employees) and to document new hires.

Economic Opportunity Report:

Section 3 covered contractors are required to submit a Section 3 Economic Opportunity Report on July 1st and with their final Certified Payroll Report to document all Section 3 hiring activity and outreach efforts during the project.

Section 3 Clause

24 CFR Part 135

- a. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by the U.S. Department of Housing and Urban Development (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 will comply with HUD's regulations as set forth in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- c. The contractor agrees to send to each labor organization or representative of workers 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 persons taking applications for each of the positions, and the anticipated date the work shall begin.
- d. The contractor agrees to include this Section 3 Clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 Clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of regulations under 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, where 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 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).

Section 3 Bid Preference Evaluation and Contract Award Criteria

First preference for this contract award will be given to a bidder who provides a reasonable bid and is a qualified Section 3 Business Concern. Second preference will be given to a bidder who provides a reasonable bid and commits to achieving the Section 3 employment, training and subcontracting opportunity goals by submitting a written commitment (Economic Opportunity Plan).

Prior to determining preference based on Section 3 responsiveness, the City will evaluate all bids received to determine which bidders are responsive to all of the other contract requirements (excluding Section 3). Those bids that meet all of the other project requirements besides Section 3 are deemed responsive and responsible bidders who may then be evaluated to determine if a bid preference shall be given based on responsiveness to Section 3.

A Section 3 responsive bidder is a bidder that submits a Section 3 Business Certification form with the bid, and:

1. Qualifies as a Section 3 Business concern because the business:
 - Provides the Section 3 Resident Certification form(s) for each qualified owner or employee to document that the business is:
 - 51% owned by Section 3 Residents, or
 - 30% or more of its permanent full-time employees are Section 3 Residents.

- OR -

2. Makes a written commitment by submitting a Section 3 Economic Opportunity Plan with their bid indicating that the bidder will:
 - Hire at least 30 percent aggregate new-hires that are Section 3 Residents, and
 - Provide the Section 3 Resident Certification form(s) for 30 percent of the new hires it commits to make during the course of the project, or
 - Subcontracts 25 percent or more of the bid amount to Section 3 Business Concern(s), and
 - Ensure that the Business Concern(s) provide Section 3 Resident Certification form(s) for each owner or employee claimed as a Section 3 Resident.

If the contract is awarded based upon the written commitment, the contractor will be responsible to document all outreach efforts made to recruit Section 3 resident new-hires. Additionally, the recipient of a Section 3 contract who commits to the Section 3 goal is required to submit a Section 3 Economic Opportunity Report by July 1st or with their final Certified Payroll Report submission, whichever occurs first.

A Section 3 non-responsive bidder is a bidder that:

1. Fails to provide a Section 3 Business Certification form with appropriate supporting documentation to demonstrate that the bidder is a Section 3 Business; or
2. Fails to document that their intention to meet the Section 3 goals by submitting a Section 3 Business Certification form and an Economic Opportunity Plan with the bid response.

In order for bid to receive preference based on Section 3 responsiveness over other bidder(s) that are non-responsive to Section 3, the bid must be reasonable. If the bid is not reasonable, the preference may not be given and the contract shall be awarded to the lowest responsible bidder.

A reasonable bid is not more than the value of "X" higher than the lowest bid. This is determined as follows:

1. The actual dollar amount of the lowest bid, **PLUS**
2. The **"X" FACTOR**, which is the lesser of:
 - a. The dollar amount of the required percentage listed on the chart below of the lowest bid, or
 - b. The actual dollar amount listed on the chart below.
3. This equals the **MAXIMUM ACCEPTABLE BID**, thus defining the Zone of Consideration.

Zone of Consideration

If the Lowest Bid is		The "X" FACTOR Is the lesser of	
At Least	But Less Than		
\$100,000	N/A	10%	\$9,000
\$100,000	\$200,000	9%	\$16,000
\$200,000	\$300,000	8%	\$21,000
\$300,000	\$400,000	7%	\$24,000
\$400,000	\$500,000	6%	\$25,000
\$500,000	\$1,000,000	5%	\$40,000
\$1,000,000	\$2,000,000	4%	\$60,000
\$2,000,000	\$4,000,000	3%	\$80,000
\$4,000,000	\$7,000,000	2%	\$105,000
\$7,000,000		1.5%	

The City uses the Section 3 Bid Evaluation Memorandum to document its analysis of bids to determine whether or not preference will be given.

In the event that all bidders are non-responsive to Section 3, or that the only Section 3 responsive bidders are outside of the Zone of Consideration, the provisions of the Section 3 Clause remain in effect for the duration of the contract. This means that if any new hiring is undertaken by firms with a Section 3 Covered contract or subcontract, 30 percent of the aggregate new hires shall be Section 3 Residents. Hiring activity on the part of Section 3 Covered contractors shall be documented on the Section 3 Economic Opportunity Report. In the event that no new hires were made, the contractor shall indicate this on the Section 3 Economic Opportunity Report and shall be responsible for the submittal of the report on July 1st or with the final Certified Payroll Report, whichever occurs first.

Section 3 Business Certification Form

Federal Compliance Form – To be submitted with Bid to be Responsive to Section 3

PROJECT NAME

PROJECT NUMBER

BID/CONTRACT AMOUNT

BUSINESS NAME

BUSINESS ADDRESS

TELEPHONE NUMBER

LICENSE NUMBER

EMPLOYER IDENTIFICATION NUMBER

DUNS NUMBER

1. The above named business is a Section 3 Business Concern based on the following qualifications:

51-percent owned by Section 3 Residents

Number of Section 3 Resident Owners: ____ / Number of Owners: ____ = % ____

(Attach Resident Certifications for all Section 3 owners claimed)

At least 30-percent of permanent, full-time employees are Section 3 Residents

Number of Section 3 employees ____ / all full-time employees ____ = ____%

(Attach Resident Certifications for all Section 3 employees claimed)

2. The above named business is not a Section 3 business Concern, but commits to meeting the Section 3 goal on this project by:

Making a Written Commitment – (Submit Section 3 Economic Opportunity Plan)

The Section 3 Economic Opportunity Plan (attached) submitted by our company declares our intention to incorporate Section 3 into our normal hiring practices beginning with all openings effective on or after the date of contract award, with the goal of becoming a Section 3 Business Concern. On this project, our company will:

Hire Section 3 qualified residents at least 30-percent aggregate new hire positions, and/or Subcontract 25-percent or more of the contract amount to Section 3 Businesses.

(Attach the Section 3 Economic Opportunity Plan, Business Certifications for all Section 3 subcontracts claimed, and collect Section 3 Resident Certifications throughout the duration of the project)

The undersigned declares that the above information is complete and correct.

OWNER/PRINCIPAL NAME

SIGNATURE

DATE

Section 3 Economic Opportunity Plan

Must be submitted with Bid if Box 2 is checked on the Section 3 Business Certification

NOTE: THIS SUBMITTAL MUST INCLUDE NUMERICAL GOALS IN ORDER TO BE RESPONSIVE TO SECTION 3. PART I OR PART II MUST REFLECT NUMERICAL HIRING OR CONTRACTING GOALS.

NAME AND ADDRESS OF CONTRACTOR	FEDERAL IDENTIFICATION: (CONTRACT NO.)	DOLLAR AMOUNT OF BID/AWARD:
	CONTACT PERSON	BID OPENING DATE
	PHONE	FAX

Part I: Employment and Training Commitment

Job Classification	Total New hires	Section 3 New hires	% New hires who are Section 3 Residents
Professionals			%
Technicians			%
Office/Clerical			%
Trade:			%
Total:			%

Part II: Contract Award Commitment to Section 3 Businesses (Subcontractors, Suppliers, etc.)

Name of Section 3 business concern	Specify construction or non-construction contract	Contract Amount
		\$
		\$
		\$
		\$
		\$
		\$
		\$
Total:		\$
Percentage of the Prime Contract to be awarded to Section 3 Business Concerns:		%

Required Outreach

The Contractor must post a listing of all job openings (construction and non-construction) at the site of construction, the South Valley WorkSource Center, City Hall, local community based employment agencies, and any trade unions or worker's representative organizations to which the contractor is a signatory. Contractors may utilize the Notice of Section 3 Commitment form for this purpose. Additional outreach efforts are encouraged. Some potential outreach efforts are discussed below. This list is not exhaustive and should not be presumed to exclude other reasonable forms of outreach.

Sample Outreach Efforts for Contractors Seeking to Hire Section 3 Residents

A Section 3 responsive bidder who commits to hire Section 3 Residents by directing employment and training opportunities toward low- and very low-income persons, particularly those who are recipients of government assistance for housing, may use any combination of outreach efforts to meet the Section 3 commitment made when a Section 3 Economic Opportunity Plan has been submitted.

REMEMBER: All employees of a business/firm count toward meeting your Section 3 compliance goals—Section 3 New Hires do not have to be construction workers, they just have to be a part of your permanent, full-time staff.

- At the beginning of the project, and subsequently as positions become available, the Notice of Section 3 Commitment shall be submitted to and/or posted at the following locations:
 - At the site of construction; and
 - At any trade unions or worker's representatives organizations to which the contractor is a signatory.
- Submit a request for dispatch of apprentices to local apprenticeship committees.
- Enter into "first-source" hiring agreements with organizations representing Section 3 residents, such as a local Workforce Investment Board.
- Sponsor a HUD-certified "Step-Up" employment and training program for Section 3 residents.
- Advertise training and employment positions by distributing flyers (Notice of Section 3 Commitment or other flyer that identifies the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every occupied dwelling unit in the housing development(s) adjacent to the project site.
- Post training and employment position flyers in public housing developments, offices of the local government, and other conspicuous places.
- Contact State-approved apprenticeship programs to gain access to potentially low-income residents who are actively seeking job-placement and training.
- Contact agencies administering HUD Youthbuild programs, and requesting their assistance to recruit current HUD Youthbuild program participants who are in need of permanent placement.
- Advertise any positions to be filled through the local media, such as community television networks, newspapers of general circulation, or commonly-used job placement websites such as **www.monster.com**

Section 3 Resident Certification Employee Residing in Los Angeles County

Submit with Bid if Box 1 is checked on Section 3 Business Certification or for New Hires

NAME _____

ADDRESS _____

I hereby certify that I am a Section 3 resident; based on the following qualification(s):

1. I am a Public Housing Resident:

NAME OF PUBLIC HOUSING SITE _____

ADDRESS OF PUBLIC HOUSING SITE _____

2. I am a low-income resident of the metropolitan area and:

2016 INCOME LIMITS

My household Size is:	My household's gross annual income from all sources is:
<input type="checkbox"/> 1	\$48,650 or less
<input type="checkbox"/> 2	\$55,600 or less
<input type="checkbox"/> 3	\$62,550 or less
<input type="checkbox"/> 4	\$69,450 or less
<input type="checkbox"/> 5	\$75,050 or less
<input type="checkbox"/> 6	\$80,600 or less
<input type="checkbox"/> 7	\$86,150 or less
<input type="checkbox"/> 8	\$91,700 or less

According to Title 18, Section 1001 of the U.S. Code, it is a felony for any person to knowingly and willingly make false or fraudulent statements to any department of the United States Government. I, the undersigned, hereby certify that all statements contained herein, are true and correct to the best of my knowledge and belief. I understand the information I provide in this certification is subject to verification, and I agree to provide necessary documentation if requested.

Under the penalty of perjury, I certify that the above information is true and correct.

EMPLOYEE SIGNATURE _____

DATE _____

To be Completed by Employer:

The above-named person was hired previous to this certification on: _____

The above-named person is a new hire as of: _____

The above-named person's job title is: _____

Company Name: _____

Employer Name/Signature: _____

Section 3 Resident Certification Employee Residing in Kern County

Submit with Bid if Box 1 is checked on Section 3 Business Certification or for New Hires

NAME _____

ADDRESS _____

I hereby certify that I am a Section 3 resident; based on the following qualification(s):

1. I am a Public Housing Resident:

NAME OF PUBLIC HOUSING SITE _____

ADDRESS OF PUBLIC HOUSING SITE _____

2. I am a low-income resident of the metropolitan area and:

2016 INCOME LIMITS

My household Size is:	My household's gross annual income from all sources is:
<input type="checkbox"/> 1	\$33,000 or less
<input type="checkbox"/> 2	\$37,700 or less
<input type="checkbox"/> 3	\$42,400 or less
<input type="checkbox"/> 4	\$47,100 or less
<input type="checkbox"/> 5	\$50,900 or less
<input type="checkbox"/> 6	\$54,650 or less
<input type="checkbox"/> 7	\$58,450 or less
<input type="checkbox"/> 8	\$62,200 or less

According to Title 18, Section 1001 of the U.S. Code, it is a felony for any person to knowingly and willingly make false or fraudulent statements to any department of the United States Government. I, the undersigned, hereby certify that all statements contained herein, are true and correct to the best of my knowledge and belief. I understand the information I provide in this certification is subject to verification, and I agree to provide necessary documentation if requested.

Under the penalty of perjury, I certify that the above information is true and correct.

EMPLOYEE SIGNATURE _____

DATE _____

To be Completed by Employer:

The above-named person was hired previous to this certification on: _____

The above-named person is a new hire as of: _____

The above-named person's job title is: _____

Company Name: _____

Employer Name/Signature: _____

Section 3 Resident Certification
Employee Residing in San Bernardino County / Riverside County
Submit with Bid if Box 1 is checked on Section 3 Business Certification or for New Hires

NAME _____

ADDRESS _____

I hereby certify that I am a Section 3 resident; based on the following qualification(s):

1. I am a Public Housing Resident:

NAME OF PUBLIC HOUSING SITE _____

ADDRESS OF PUBLIC HOUSING SITE _____

2. I am a low-income resident of the metropolitan area and:

2016 INCOME LIMITS

My household Size is:	My household's gross annual income from all sources is:
<input type="checkbox"/> 1	\$35,800 or less
<input type="checkbox"/> 2	\$40,900 or less
<input type="checkbox"/> 3	\$46,000 or less
<input type="checkbox"/> 4	\$51,100 or less
<input type="checkbox"/> 5	\$55,200 or less
<input type="checkbox"/> 6	\$59,300 or less
<input type="checkbox"/> 7	\$63,400 or less
<input type="checkbox"/> 8	\$67,500 or less

According to Title 18, Section 1001 of the U.S. Code, it is a felony for any person to knowingly and willingly make false or fraudulent statements to any department of the United States Government. I, the undersigned, hereby certify that all statements contained herein, are true and correct to the best of my knowledge and belief. I understand the information I provide in this certification is subject to verification, and I agree to provide necessary documentation if requested.

Under the penalty of perjury, I certify that the above information is true and correct.

EMPLOYEE SIGNATURE _____

DATE _____

To be Completed by Employer:

The above-named person was hired previous to this certification on: _____

The above-named person is a new hire as of: _____

The above-named person's job title is: _____

Company Name: _____

Employer Name/Signature: _____

Notice of Section 3 Commitment

Submit with Bid, Post at Jobsite, Forward to Labor Unions

TO:

(NAME OF LABOR UNION, WORKERS REPRESENTATIVE, ETC.)

(ADDRESS)

NAME OF BUSINESS/CONTRACTOR

PROJECT NAME

PROJECT NUMBER

The undersigned currently holds a contract with _____ involving federal housing and community development assistance from the U.S. Department of Housing and Urban Development, or has a subcontract with a prime contractor holding such contract.

You are advised that under the provisions of the above contract or subcontract and in accordance with Section 3 of the Housing and Urban Development Act of 1968, the undersigned is obligated to the greatest extent feasible, to give opportunities for employment and training to lower income residence of the project area and to award contracts for work on the project to business concerns which are located in or are owned in substantial part by project area residence.

Regarding current employment opportunities for Section 3, the minimum number and job titles are:

Minimum Number	Job Classification

Regarding job referrals, request that consideration be given to the assignment of persons residing in the service area or neighborhood in which the project is located.

The anticipated date the work will begin is _____.

For additional information, please contact:

_____ at (_____) _____.
CONTACT PERSON'S NAME TITLE PHONE

This notice is furnished to you pursuant to the provisions of the above contract or subcontract and Section 3 of the Housing and Urban Development Act of 1968. Copies of this notice will be posted by the undersigned in conspicuous places available to employees or applicants for employment.

PRINT NAME

SIGNATURE

DATE

TITLE

Section 3 Economic Opportunity Report

If a Section 3 Economic Opportunity Plan was submitted with the Bid, or upon request, Submit with Final Certified Payroll Report or on July 1st, whichever occurs first.

CONTRACTOR NAME AND ADDRESS	PROJECT NUMBER:	DOLLAR AMOUNT OF CONTRACT:
	CONTRACTOR CONTACT PERSON:	PHONE: (INCLUDE AREA CODE)
	DATE REPORT SUBMITTED:	DATE(S) COVERED:
	CONTRACTOR'S LICENSE NUMBER AND CLASS:	FEDERAL EIN:

Part I: Employment/Training of Section 3 Residents (Minimum Goal: 30% of New Hires)

Job Category	Number of New Hires	Number of New Hires that are Section 3 Residents	% of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents	% of Total Staff Hours for Section 3 Employees and Trainees	Number of Section 3 Trainees
Professionals					
Technicians					
Office/Clerical					
Trade:					
TOTALS:			%	%	

Part II: Subcontracts Awarded (Minimum Subcontract Goal is 25% of the Prime Contract Amount)

Number of Subcontracts awarded:	Number of Section 3 Businesses Contracted:	
Name of Qualified Business Concern	Construction or Non-construction Contract	Amount
		\$
		\$
		\$
		\$
Total Dollar Amount of Subcontracts awarded to Section 3 qualified Business Concerns:		\$
Dollar Amount of All Subcontracts:		\$
Percentage of the total dollar amount awarded to qualified Business Concerns:		%

Section 3 Economic Opportunity Report

Part III: Summary of the efforts that were made to generate economic opportunities

- Trained and/or Employed ____ low-income individuals equal to ____ (%) of the aggregate new hires. (Attach Resident Certifications)
- Awarded a Subcontract to ____ qualified Business Concerns equal to ____ (%) of the contract amount. (Attach Business Certifications)
- Attempted to recruit low-income individuals through:
 - Advertised through local media, television, radio, newspaper (Attach copy of advertisement)
 - Signs prominently displayed at the project site
 - Contacts with community organizations
 - Contacted management to notify residents and posted or distributed flyers at public housing authority (Attach list)
- Participated in a HUD program or other program which promotes the training or employment of low-income individuals
- Participated in a HUD program or other program which promotes the award of contracts to Section 3 Qualified Business Concerns
- Contacted agencies administering HUD Youth-Build programs. (Attach list)
- Maintained a file of eligible qualified low-income Residents and qualified Business Concerns for future employment.

OTHER: (Describe and attach supporting documentation)

According to Title 18, Section 1001 of the U.S. Code, it is a felony for any person to knowingly and willingly make false or fraudulent statements to any department of the United States Government. I, the undersigned, hereby certify that all statements contained herein, are true and correct to the best of my knowledge and belief.

Under the penalty of perjury, I certify that the above information is true and correct.

SIGNATURE

DATE

TITLE

PHONE



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Appendix B

Section 3 Pre-Bid Meeting Checklist

CITY OF PALMDALE SECTION 3 PRE-BID MEETING CHECKLIST

Project Name: _____

Project Number: _____

Date: _____ Time of Conference: _____

Place: _____

This short presentation is intended to familiarize you with the federal requirements applicable to this contract because it is funded in whole or in part with Community Development Block Grant funds through the City of Palmdale. Please be sure to ask me any questions you may have about these requirements before you leave today's meeting.

CONTRACTOR ELIGIBILITY

- All contractors' license status will be verified by the City of Palmdale with the Contractors State License Board.
- The City of Palmdale will verify that all contractors have appropriate Workers Compensation Insurance.

FEDERAL PREVAILING WAGE – APPLICABLE NOT APPLICABLE TO THIS PROJECT

- This is a federally assisted construction contract. The Federal Labor Standards Provisions, including prevailing wage requirements of the Davis-Bacon and Related Acts will be enforced. In the event of a conflict between Federal and State wages rates, the higher of the two will prevail.
- The Federal Labor Standards Provisions, "HUD-4010 form," included in the Bid Document as a part of the prime contract, details the federal prevailing wage requirements applicable to this contract.
- The applicable Federal wage decision will lock-in 10-calendar days prior to the physical bid opening date.
- The hourly rate to be paid to each worker, as listed in the wage decision, may be higher than wages paid for private work.
- The hourly Fringe Benefit rate listed in the wage decision must be added to and paid as part of the workers hourly rate, or paid into an approved plan, as documented on the "Fringe Benefit Statement" form.
- The wage decision and notices must be posted at the job site in a place that is accessible to all employees.
- The "Public Works Payroll Report" form (WH-347 form or similar format) must be submitted on a weekly-basis.
- A "Statement of Compliance" form (WH-348 form or similar format) must be attached to each payroll report.
- All work classifications used in the "Weekly Certified Payroll Report" (CPR) must be listed in the wage decision.
- Classifications and rates used, but not listed in the wage decision must be approved in advance by HUD.
- "OTHER" deductions must be "Authorized" by the employee. A copy of this documentation must be attached to the first CPR where an "OTHER" deduction appears for an employee.

EQUAL EMPLOYMENT OPPORTUNITY

- Contractor(s) [\$10,000 or more] must implement the requirements outlined in the "EEO Clause" of your contract.
- Notification will be made by the City of Palmdale to the DOL Office of Federal Contract Compliance Programs of all contracts and subcontracts of \$10,000 or more.

SECTION 3 EMPLOYMENT, CONTRACTING, AND TRAINING OPPORTUNITY PROGRAM

- A bid preference is available for contractors that are responsive to Section 3 as outlined in the Bid Document in the section containing the Section 3 documents. "Section 3 Responsive" contractors have (or plan to) make a good-faith effort to employ low-income residents.
- To receive the Section 3 bid preference, submitted bids must submit the Section 3 Business Certification and the following support documentation (depending on the level of preference for which your business qualifies):
 - * First preference will be given to a bidder who provides a reasonable bid and is a qualified Section 3 Business Concern (item #1 on the Business Certification).
 - * Second preference will be given to a bidder who provides a reasonable bid and commits to achieving the Section 3 goals by submitting a written commitment in the form of the Section 3 Economic Opportunity Plan (to become a Section 3 Business).
- The contract award will be made according to the City of Palmdale's Section 3 Plan, as outlined on the Section 3 Bid Preference Evaluation and Contract Award Criteria sheet included in the bid document.
- Upon completion of the contract, the successful bidder will be required to provide the Section 3 Economic Opportunity Report, a document listing all efforts made to create contracting, employment and training opportunities for low-income residents in connection with this project. This form is also included in the bid document; however, it is to be submitted with your final Certified Payroll Report on this project.

The City of Palmdale will actively monitor this project for compliance with the aforementioned requirements.

Project Manager

Date



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Appendix C

Section 3 Bid Evaluation Memorandum

SECTION 3 BID EVALUATION MEMORANDUM

Awarding Agency: City of Palmdale

Project Manager: _____

Project Name: _____

Project Number: _____

Bid Opening Date: _____

REASONABLENESS OF BID (See guidelines on the back of this form for the *Zone of Consideration*)

“X” FACTOR	The Lowest Bid	\$
	PLUS	\$
	the Lesser of _____ % of Low Bid (\$ _____) - or \$ _____	
	EQUAL	\$
Maximum Acceptable Section 3 Reasonable Bid		
NAME OF BIDDER	Section 3 Responsive	Bid Amount (List Low Bid First)
(Documents Provided to demonstrate responsiveness to Section 3 Contracting, Employment and Training Goals)	Yes No	
<input type="checkbox"/> Qualified Section 3 Business Concern, <input type="checkbox"/> 51% Owned by Section 3 person(s), or <input type="checkbox"/> Section 3 Economic Opportunity Plan <input type="checkbox"/> Section 3 Business Certification form(s) _____% <input type="checkbox"/> Subcontracts <input type="checkbox"/> Section 3 Resident Certification form(s) _____% <input type="checkbox"/> Employees, or <input type="checkbox"/> New Hires		\$
<input type="checkbox"/> Qualified Section 3 Business Concern, <input type="checkbox"/> 51% Owned by Section 3 person(s), or <input type="checkbox"/> Section 3 Economic Opportunity Plan <input type="checkbox"/> Section 3 Business Certification form(s) _____% <input type="checkbox"/> Subcontracts <input type="checkbox"/> Section 3 Resident Certification form(s) _____% <input type="checkbox"/> Employees, or <input type="checkbox"/> New Hires		\$
<input type="checkbox"/> Qualified Section 3 Business Concern, <input type="checkbox"/> 51% Owned by Section 3 person(s), or <input type="checkbox"/> Section 3 Economic Opportunity Plan <input type="checkbox"/> Section 3 Business Certification form(s) _____% <input type="checkbox"/> Subcontracts <input type="checkbox"/> Section 3 Resident Certification form(s) _____% <input type="checkbox"/> Employees, or <input type="checkbox"/> New Hires		\$
<input type="checkbox"/> Qualified Section 3 Business Concern, <input type="checkbox"/> 51% Owned by Section 3 person(s), or <input type="checkbox"/> Section 3 Economic Opportunity Plan <input type="checkbox"/> Section 3 Business Certification form(s) _____% <input type="checkbox"/> Subcontracts <input type="checkbox"/> Section 3 Resident Certification form(s) _____% <input type="checkbox"/> Employees, or <input type="checkbox"/> New Hires		\$

First preference will be given to a bidder who provides a reasonable bid and is a qualified Section 3 Business Concern. Second preference will be given to a bidder who provides a reasonable bid and commits to achieving the Section 3 employment, training and subcontracting opportunity goals by submitting a written commitment (*Economic Opportunity Plan*).

RECOMMENDATION FOR SECTION 3 CONTRACT AWARD

The contractor listed below is a Section 3 Responsive Bidder within the “Zone of Consideration”

(Print Name of Contracting Officer)

Check the box below if applicable

(Signature of Contracting Officer)

No bidders were able to meet Section 3 responsive and reasonable bidding requirements. Therefore, the construction contract will be awarded to the lowest bidder who has provided a reasonable bid in accordance with the awarding agency's policy and procedures.

(Date)

A **Section 3 Responsive bidder** is a bidder that submits a *Section 3 Business Certification* form with the bid, and

1. Qualifies as a Section 3 Business concern because the business
 - Is 51% owned by low-income residents, or
 - 30% or more of its permanent full-time employees are low-income residents, and
 - Provides the *Section 3 Resident Certification form(s)* for each qualified employee.

- OR -

2. Makes a written commitment by submitting a Section 3 Economic Opportunity Plan with their bid indicating that the bidder will:
 - Hire at least 30% aggregate new-hires that are qualified low-income residents, and
 - Provide the *Section 3 Resident Certification form(s)* for each Section 3 new-hire, or
 - Subcontract 25% or more of the bid amount to qualified Section 3 Business Concern(s), and
 - Ensure that the Business Concern(s) provide *Section 3 Resident Certification form(s)* for each qualified employee.

NOTE: If the contract is awarded based upon the written commitment, the contractor will be responsible to document all efforts made to recruit Section 3 resident new-hires. Additionally, the recipient of a Section 3 contract who commits to the Section 3 goal is required to submit a *Section 3 Summary Report* by July 1 and/or with their final Certified Payroll Report submission.

First preference will be given to a bidder who provides a reasonable bid and is a qualified Section 3 Business Concern. Second preference will be given to a bidder who provides a reasonable bid and commits to achieving the Section 3 employment, training and subcontracting opportunity goals by submitting a written commitment (*Economic Opportunity Plan*).

A **Section 3 Non-responsive bidder** is a bidder that:

- ▶ Fails to provide a *Section 3 Business Certification* form documenting Section 3 qualifications with a bid response, or
- ▶ Fails to provide a *Section 3 Business Certification* form and an *Economic Opportunity Plan* with a bid response.

However, if the lowest bid of a qualified Section 3 Responsive Bidder is not reasonable (not within the *Zone of Consideration*), as defined below, the construction contract shall be awarded to the lowest bid from any responsive and responsible bidder.

A **REASONABLE bid** is a bid that is not more than the value of "X" higher than the **LOWEST BID**.

4. The actual dollar amount of bid received from any responsible bidder, **PLUS**
5. The **"X" FACTOR**, which is the lesser of:
 - a. The dollar amount of the required percentage listed on the chart below of the Bid submitted, or
 - b. The actual dollar amount listed on the chart below.
6. Equal the **MAXIMUM ACCEPTABLE BID**.

Zone of Consideration

If the Lowest Bid is		The "X" FACTOR	
At Least	But Less Than	is the Lesser than	
\$100,000	N/A	10%	\$9,000
\$100,000	\$200,000	9%	\$16,000
\$200,000	\$300,000	8%	\$21,000
\$300,000	\$400,000	7%	\$24,000
\$400,000	\$500,000	6%	\$25,000
\$500,000	\$1,000,000	5%	\$40,000
\$1,000,000	\$2,000,000	4%	\$60,000
\$2,000,000	\$4,000,000	3%	\$80,000
\$4,000,000	\$7,000,000	2%	\$105,000
\$7,000,000		1.5%	



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Appendix D

Project Manager's Section 3 File Checklist

PROJECT MANAGER'S SECTION 3 FILE CHECKLIST

Project Name: _____

Project Number: _____

ITEM	YES	NO	COMMENTS:
1. The Section 3 Bid Package was incorporated into the bid document.			
2. A Section 3 Pre-Bid Meeting was conducted on _____ to inform prospective bidders of the Section 3 requirements.			
3. A Section 3 Bid Evaluation Memorandum was completed on _____ and submitted to the Consolidated Plan Coordinator on _____.			
4. The contractor submitted a Section 3 Business Certification.			
5. The contractor submitted all relevant supporting documentation as required on the Section 3 Business Certification.			
6. A construction contract for housing rehabilitation, housing construction, or other public construction was awarded on _____.			
7. The Prime Contractor and all subcontractors over \$100,000 posted their Notices of Section 3 Commitment at City Hall, WorkSource, and the Jobsite. Date postings verified: _____.			
8. The Prime Contractor and all subcontractors over \$100,000 submitted the Contractor's Section 3 Economic Opportunity Report with their final Certified Payroll Report (prior to the issuance of the Notice of Completion or City Council Acceptance).			
9. A copy of the Contractor's Section 3 Economic Opportunity Report was forwarded to the Consolidated Plan Coordinator within 10 days.			
10. Were any Section 3 complaints received from residents or businesses?			

PROJECT COMPLETION / CERTIFICATION:

The City of Palmdale has actively monitored this project for compliance with the applicable Section 3 requirements.

Project Manager

Date

A copy of this completed checklist must be submitted to the Consolidated Plan Coordinator within 10 days of project completion.