CITY OF HOUSTON
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

BUILDING A BETTER HOUSTON

COMPLIANCE PACKET FOR SECTION 3, DAVIS-BACON AND RELATED ACTS, AND MWSBE

CITY OF HOUSTON
HOUSING AND COMMUNITY DEVELOPMENT

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SECTION 3

A 1968 Housing and Urban Development Act

Section 3 Plan / Contractor Orientation Guide

"To ensure that employment and economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible and consistent with existing federal, state and local laws and regulations, be directed to low- and very low income persons."

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Helpful link(s):	www.houstontx.gov/housing/compliance.html	

Last Revised: December 23, 2014

Section 3 Policy Guidelines

Background

Section 3 of the Housing and Urban Development (HUD) Act of 1968, (12U.S.C 1701u) (Section3) and regulations at 24 CFR 135 were mandated in efforts to achieve a national objective. Implementing this act and regulations ensures employment and other economic opportunities generated by certain HUD financial assistance shall to the greatest extent feasible be directed to low and very low income persons, particularly those who are recipients of government assistance for housing and business concerns, which provide economic opportunities. This implementation is consistent with existing Federal, State, and local laws and regulations.

General Policy Statement

The City of Houston's Housing and Community Development Department Section 3 of Compliance and Monitoring Division adopts the above Economic Opportunities Policy for section 3 covered contracts. Section 3 of Compliance and Monitoring Division has implemented a policy that will provide better economic opportunities for low and very low income persons residing in the Houston area, and businesses that provide these opportunities for low and very low income persons. Opportunities will be provided in the form of training, contracting and employment.

The rule that triggers implementation of Section 3 requirements is "**new"** employment. Federally funded projects in excess of $200,000, and contracts in excess of $100,000 are required to follow the policy and procedures of Section 3 once the need for "new" employment is established. The Section 3 requirements only apply to construction contractors who install materials and or equipment (see the definition of "Section 3 Covered Contracts"). Therefore, contractors who only furnish materials or supplies through Section 3 covered assistance are exempt.

The Policy does not require the employment of Section 3 residents or contractors who do not meet the qualifications for the position(s) to be filled, or who cannot fulfill the contract requirements.

Policy Definitions

Section 3 of Compliance and Monitoring Division incorporates into this policy the definitions contained in § 135.5 of 24 CFR Part 135.

Section 3 – means the section 3 provision of the Housing and Urban Development Act of 1968.

Section 3 Recipient - means any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferees of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

Section 3 Residents - A section 3 resident is (1) a public housing resident; or 2) a low- and very low-income person residing in the metropolitan area or Non-metropolitan County in which the Section 3 covered assistance is expended.

Section 3 Business Concerns - Section 3 Business Concerns are businesses that can provide evidence that they meet one of the following: a) 51% or more owned by Section 3 residents; or b) at least 30% of its full time permanent employees include persons that are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or c) provides evidence, as required, of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications as stated above.

Section 3 Covered Assistance - Public and Indian housing development, operating or capital funds; or other housing assistance and community development assistance expended for housing rehabilitation, housing construction or other public construction projects, such as: CDBG, HOME, 202/811, Lead-Based Paint Abatement, etc.

Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:

1. Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);
2. Housing construction; or
3. Other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 Covered Contract - means a contract or subcontract (including a professional service contract) awarded by a recipient or 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 awarded under HUD procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). "Section 3 Covered Contracts" also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 Covered Contract. For example, a contract for the purchase and installation of a furnace would be a Section 3 Covered Contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by Section 3.

Section 3 Covered Project – means the construction or rehabilitation of housing (including reduction of lead-based paint hazards), or other public construction such as street repair, sewage line repair or installation, updates to building facades, etc.

Section 3 Covered Community Planning and Development Funding - Community Development Block Grants (CDBG), Home Investment Partnership Assistance (HOME), Emergency Shelter Grants (ESG), Neighborhood Stabilization Programs (NSP), and certain grants awarded under HUD Notices of Funding Availability (NOFAs). The requirements for Section 3 only apply to the portion(s) of covered funding that were used for project/activities involving housing construction, rehabilitation, demolition, or other public construction.

Compliance

HUD and Texas General Land Office (GLO) hold Section 3 of Compliance and Monitoring Division accountable for the monitoring and enforcement of Section 3 compliance requirements. Therefore, the Section 3 requirements remain as a part of the agreements with each recipient/contractor.

Responsibilities: (Recipient)

1. A Recipient that receives community development or housing assistance covered federal funding, bears the responsibility to comply with Section 3 in its own operations.
   Responsibilities include:

   a. Notifying Section 3 residents about employment & training opportunities and businesses about contracts generated by Section 3 covered assistance;

   b. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;

   c. Notifying potential contractors of the Section 3 objectives and ways in which each contractor can assist the sub-recipient to meet its numerical goal; and

   d. Documenting the action that the sub-recipient takes to comply with the Section 3 requirements, the results of the actions, and impediments, if any.

2. Recipients bear the responsibility to "ensure compliance" of contractors and subcontractors. This means that a sub-recipient must:

   a. Incorporate the Section 3 Clause into contract documents;

   b. Meets and discusses the section 3 requirements, and responsibilities with potential developer/contractor prior to commencement of work, providing additional technical assistance when needed;

   c. Conduct compliance reviews consisting of detailed analysis and evaluation of the contractors compliance with section 3 requirements;

   d. Notify contractor of non-compliance and cooperate with HUD in directing instruction to obtaining compliance of regulation 24 CFR Part 135;

   e. Refrain from entering into contracts with contractors that are in violation of the regulations in 24 CFR Part 135;

   f. Respond to complaints made to the recipient by Section 3 residents or business concerns that the sub-recipient, a contractor or subcontractor, is not in compliance with 24 CFR Part 135.

The performance of each recipient(s) is evaluated during and at the completion of construction work. High performance is expected for future funding consideration.

Training/Outreach Efforts Advisory Meeting

In order to educate and inform new residents and contractors, Section 3 of Compliance and Monitoring Division provides training/ technical assistance on a regular basis per program guidelines. That will include:

1. Conduct training throughout the community and provide information/ handout about Section 3 requirements.

2. Attend training sessions and provide assistance for the group of residents referred by the local workforce centers, community colleges, Public Housing Authority, and Community groups, and those who attend job fairs, when available.
3. Offer training and employment opportunities to low-income to very low-income residents by certifying them as a Section 3 Resident.
4. Offer contracting opportunities to small businesses by certifying as a Section 3 Business Concern. Businesses must qualify under one of the following three categories:
    - A majority 51% or more ownership of business shall be held by low to very- low income residents of the City of Houston.
    - At least 30% of employees of the business are low to very-low income residents, residing in the City of Houston.
    - More than 25% of all contract work shall be performed by businesses that meet either of the requirements set forth in 1 and 2 above.

Order of Providing Preference

To demonstrate compliance with the "greatest extent feasible" requirement of Section 3, contractors must provide training, employment and contracting opportunities generated from the expenditures of section 3 covered assistance in order of priority, pursuant to § 135.34, 24 CFR Part 135:

First Priority - Section 3 residents residing in the service area or neighborhood in which the section 3 covered project is located.

Second Priority- Participants in HUD Youth build programs in which the section 3 covered assistance work is to be performed.

Third Priority - Where the section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 *et seq.*), homeless persons residing in the service area or neighborhood in which the section 3 covered project is located shall be given the highest priority.

Fourth Priority - Other persons from the metropolitan area who meet the definition of Section 3 resident contained in § 135.5 of 24 CFR Part 135.

Numerical Goals

All contractors who undertake Section 3 covered projects and activities are expected to meet or exceed the Section 3 numerical goal requirements.

Employment: The minimum goal for employment of low and very low income persons residing in the metropolitan area is:

Thirty percent (30%) of all new hires. For example, if 10 new hires are needed, then 3 of the new employees should be Section 3 residents.

Contracting: The minimum goals for contracting are:

Ten percent (10%) of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public or

Indian housing or building trades work arising in connection with housing rehabilitation, housing construction and other public construction, shall be awarded to Section 3 businesses;

Three percent (3%) of the total dollar amount of all non-construction Section 3 covered contracts shall be awarded to Section 3 businesses.

Section 3 Requirements

The applicability of the Section 3 participation is based upon three numerical goals (*see* Numerical Goals) and it will become enforceable when:

- A project receives a minimum amount of $200,000 of federal grant(s)
- A contract in excess of $100,000,
- "NEW" employment or contract opportunities become available /necessary.

What triggers Section 3:

- If federal grants are only utilized for **acquisition** of a property, Section 3 requirements **will not be triggered/enforced.**
- If federal grants are utilized for acquisition and additional costs associated with the design, planning, specifications, surveying, plating, and etc. (non-construction or soft cost), **the 3% Section 3 numerical goal will be applicable to the estimated cost of non-construction expenses/soft cost.**
- If federal grants are allocated for both **acquisition and construction** of a facility, Section 3 requirements will be applicable and enforced to the construction as well as non-construction (soft cost).
- If federal grants and private funds are both utilized for the construction of a facility, the Section 3 requirements will be applicable to the entire amount of construction value.

General Contractor (GC)/Owner Outreach Requirements

To ensure compliance with the Section3 requirements, Section 3 of Compliance and Monitoring Division has established the following process to maximize Section 3 participation:

1. If the GC has been selected by recipient/owner without the procurement process or when the recipient/owner acts as a GC.

- The GC is required to submit the entire scope of work for the completion of the project to Section 3 of Compliance and Monitoring Division.
- Upon submission of the scope of work to Section 3 of Compliance and Monitoring Division, the General Contractor will be required to advertise the contracting opportunity in the local newspaper, Workforce Solutions Center and WorkInTexas.com.
- Section 3 of Compliance and Monitoring Division prepares the Ebid and submits the same to all certified Section 3 Businesses listed on Section 3 database.
- Bids from the Section 3 Businesses are due in two weeks, unless it is determined otherwise by the Section 3 of Compliance and Monitoring Division.
- Section 3 Businesses submit bid proposals to GCs on or prior to the established deadline.

- The GC submits a bid tabulation and utilization plan that also includes the selected Section 3 Businesses to satisfy the contracting numerical goals.

2. If the GC is selected through advertisement/procurement process.

- Scope of work will be prepared and submitted to Section 3 of Compliance and Monitoring Division by owner/developer.
- Owner/developer will be required to advertise the contracting opportunity in the local newspaper, Workforce Solutions Center and WorkInTexas.com.
- Section 3 of Compliance and Monitoring Division prepares the Ebid and sends out the contracting opportunity to all Section 3 Businesses and invites them to attend the pre-bid meeting.
- The Section 3 of Compliance and Monitoring Division will establish a deadline submission of the Section 3 bid proposals. Copies of bids must be provided to all GCs who attend the pre-bid meeting.
- GCs reviews and evaluates the Section3 bid proposals and submits bid to owner/developer accordingly.
- Within ten (10) days of the issuance of Notice of Intent to Award (NOIA), the GC prepares and submits a bid tabulation and utilization plan that includes Section 3 Business participation to Section 3 of Compliance and Monitoring Division.

Subcontractor Outreach Requirements

A subcontractor with contract(s) of $100,000 or more must follow the Ebid Procurement Process if "new" employment or contracting opportunities are needed to complete the scope of work.

- Scope of work will be prepared and submitted by the subcontractor to the GC; the GC will then submit the scope of work to Section 3 of Compliance and Monitoring Division.
- Section 3 of Compliance and Monitoring Division prepares the Ebid and sends out the employment/contracting opportunity to all **Certified Section 3 Residents and Businesses**, including Workforce Solution Center and WorkInTexas.com.
- Subcontractor submits a bid tabulation and utilization plan that also includes the selected Section 3 Businesses to satisfy the contracting numerical goals to the GC. GC will review the proposal and will then submit to Section 3 of Compliance and Monitoring Division.
- Certified Section 3 Residents submit applications and certified Section 3 Businesses submit bid proposals to subcontractor on or prior to the established deadline.
- Applications from certified Section 3 Residents and bid proposals from the certified Section 3 Businesses are due in two weeks, unless it is determined otherwise by the Section 3 of Compliance and Monitoring Division.
- To ensure compliance with the employment of certified Section 3 Residents, the subcontractor is required to submit a Section 3 monthly activity report to the GC. GC will review the monthly report and will then submit to Section 3 of Compliance and Monitoring Division.

Documentation Requirements

All subcontractors with a contract of $100,000 or more are required to submit a completed Section 3 Compliance Packet to the General Contractor, who in turn will submit the entire package to Section 3 of

Compliance and Monitoring Division for review and approval. Review comments will be made available to both the developer and contractor within 10 days of the receipt of the documents. In completing the Compliance Packet the contractor and subcontractor will have provided the following information:

1. Identification of the project area
2. Certification of compliance to the Section 3 policy and regulations (24 CFR part 135).
3. Agreement to following preference rules and complete competitive bidding and to meet the numerical goals by providing training, employment, and contracting opportunities to Section 3 individuals and businesses.
4. Specific information about the current workforce.
5. Firm commitment to include as part of all bids, the Bid Tabulation and Section 3 Utilization Plan (once approved by the City),
6. Provide the Permanent Employee List and Request for Contractor Clearance for each contractor and subcontractor.
7. Firm commitment to conduct aggressive outreach and notification to potential Section 3 residents and businesses of hiring opportunities using site signage, flyers, etc.

Section 3 of Compliance and Monitoring Division requests specific workforce plan analysis for hiring & training Section 3 eligible residents and for engaging Section 3 certified business concerns.

Section 3 of Compliance and Monitoring Division also requests a firm commitment to provide identified area employment agencies of job availabilities from the established job pool of section 3 residents.

Signage

Section 3 signage should be posted at the construction sites. Signage must be at least 4 feet by 4 feet and it must be large enough to be visible from the street. The sign must (a) identify the name of the project, (b) states the facility is a HUD Section 3 Project, and (c) includes contact information (name, telephone number, fax, & e-mail, if any).

Record Maintenance and Documentation

All Section 3 projects are required to maintain comprehensive documentation of their Section 3 outreach efforts and implementation activities and must be able to have all documents available for review by City and/or HUD officials.

Preference for Section 3 Business Concerns

Preference shall be awarded to Section 3 Business Concerns according to the following system:

1. Where the Section 3 Covered Contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified Section 3 Business Concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified Section 3 Business Concern is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation. If it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source.

2. Where the Section 3 Covered Contract is to be awarded based on factors other than price, a request for quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25 percent of the total number of available rating points to be set aside for the provision of preference for Section 3 Business Concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

Competitive Bids

Procurement by Sealed Bids (Invitations for Bids)

Preference in the award of Section 3 Covered Contracts that are awarded under a sealed bid process may be provided as follows:

Bids shall be solicited from all businesses (Section 3 Business Concerns, and non-Section 3 Business Concerns). An award shall be made to the qualified Section 3 Business Concern with the highest priority ranking and with the lowest responsive bid:

1. Bids shall be solicited from all businesses (i.e. Section 3 Business Concerns and non-Section 3 Business Concerns). An award shall be made to the qualified Section 3 Business Concern with the highest priority ranking (as defined in 24 CFR Part 135) and with the lowest responsive bid if that bid:
    a. is within the maximum total contract price established in HCDD's budget for the specific project for which bids are being taken; and

    b. is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible bidder. "X" is determined as follows:

        X = lesser of:

        When the lowest responsive bid is less than $100,000 . . . . 10% of that bid or $9,000

        When the lowest responsive bid is:

        At least $100,000, but less than $200,000…….. 9% of that bid or $16,000

        At least $200,000, but less than $300,000……...8% of that bid or $21,000

        At least $300,000, but less than $400,000……...7% of that bid or $24,000

        At least $400,000, but less than $500,000……...6% of that bid or $25,000

        At least $500,000, but less than $1 million……..5% of that bid or $40,000

        At least $1 million, but less than $2 million…….4% of that bid or $60,000

        At least $2 million, but less than $4 million…….3% of that bid or $80,000

        At least $4 million, but less than $7 million…....2% of that bid or $105,000

        $7 million or more, 5% of the lowest responsive bid, with no dollar limit.

2. If no responsive bid by a Section 3 Business Concern meets the requirements of paragraph 1 of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

3. In both paragraph 1 and 2 above, a bidder, to be considered as responsible, must demonstrate compliance with the "greatest extent feasible" requirement of Section 3.

Safe Harbor and Compliance Determinations

In the absent of evidence to the contrary (i.e., evidence that efforts to the "greatest extent feasible" were not expended), if a recipient or contractor meets the minimum numerical goals shown above, the recipient or contractor is considered to have complied with Section 3 preference requirements.

In evaluating compliance, if the recipient has not met the numerical requirements, the recipient will be expected to demonstrate why it was not feasible to meet the goals. Ultimately, HUD will evaluate Section 3 of Compliance and Monitoring Division based on its ability to describe the efforts taken to meet the training, hiring, and contracting requirements and the impediments incurred despite actions taken.

At a minimum, if recipients of Section 3 Assistance are unable to meet their Section 3 training, hiring, and contracting goals, they should ***sponsor or participate*** in upward mobility programs, hire eligible residents in trainee positions with regard to training and employment, or form Section 3 joint ventures with various local employment agencies.

Data Collection and Reporting

Monthly and annual reports are collected, processed and distributed by the Section 3 Coordinator. Data collection and reports can be emailed to the designated Section 3 Coordinator, or mailed/hand-delivered to City of Houston HCDD, Section 3, 601 Sawyer, 4th Floor, Houston, TX 77007.

Monthly Reporting

1. Section 3 of Compliance and Monitoring Division requires the submittal of monthly activity reports due on the 10th day of each month during the construction cycle.
2. If a project is funded by GLO, it is policy of the Section 3 of Compliance and Monitoring Division to secure a copy of the GLO Section 3 monthly activity reports from the General Contractor and Subcontractors by the 5th of each month. The reports are due to the State on the 10th of each month. Section 3 of Compliance and Monitoring Division will then send the reports to **dr_status_reporting@glo.texas.gov**.

Annual Reporting

1. Once a project is completed projects should submit a final Section 3 cumulative report for the program year.
2. At project completion, Section 3 of Compliance and Monitoring Division will conduct a final review of the project's overall performance and compliance.
3. Section 3 of Compliance and Monitoring Division will submit annually to HUD (Form HUD-4010). Section 3 data is also captured on the Section 3 Summary Report of the Consolidated Annual Performance and Evaluation Report (CAPER) form 60002.

Grievance Procedure for Section 3 Non-Compliance

Written complaint **must** contain:

1. Valid name, address and contact information of the person filing the complaint;
2. Valid name, address, and contact information of the contractor/subcontractor the concern is levied against;
3. Dates and description of acts or omissions in alleged violation of Section 3; and
4. Statement of corrective action(s) sought, i.e. training, employment or contracts.

When a complaint is filed, the Section 3 of Compliance and Monitoring Division will be responsible to investigate the issue internally or may refer the concern to the HUD Field Office, if necessary.

Enforcement of the Section 3 Requirements

Projects overall compliance is tracked in Section 3's compliance database. The Section 3 Coordinator and staff, as assigned, provides regular assessments of project's status and compliance, allowing opportunity for correction pending moments of non-compliance. However, continuous violations and failure to comply with the Section 3 requirements (24 CFR **§ 135.38 Section 3 clauses** Part F) will result in:

1. Sanction and Debarment; or
2. Suspension; or
3. Limited denial of participation

When initial review of potential new HUD funded projects commence, record and reports of continuous violators will be submitted as recommendation of NO future HUD funding.

Availability of Information on Department's Website

A list of Section 3 Residents and Business Concerns, and information about the Section 3 program is included on the Section 3 website: www.houstontx.gov/housing/complianceandmonitoring.html

The web page includes:

1. An easy-to-use explanation of Section 3
2. All required forms/documents
3. The grievance procedure, with appropriate links to HUD's Frequently Asked Questions (FAQs)

Section 3 Outreach Potential Umbrella Agencies

The Section 3 of Compliance and Monitoring Division will send announcements for Section 3 applicable projects two calendar weeks prior to any closing date to the following listing community-based business organizations. Section 3 staff will continue to update this listing.

African American Chamber of Commerce of Greater Houston
(Formerly the Acres Home Citizens Chamber of Commerce)
6112 Wheatley Phone: (713) 692-7003
Houston, TX 77091 Fax: (713) 691-7131

Alliance of Minority Contractors of Houston
PO Box 920859 Phone: (713) 802-4154 Email: info@amc-houston.org
Houston, TX 77292-0859 Web: www.amc-houston.org

Asian Chamber of Commerce
6833 W Sam Houston Pkwy Phone: (713) 782-7222 Email: lindatoyota@asianchamber-hou.org
Ste 206 Fax: (713) 782-8676 Web: http://www.asianchamber-hou.org/
Houston, TX 77072

Association of Business Contractors - Houston
3910 Kirby Drive, Suite 131 Phone: (713) 523-6222 Email: a.burk@abchouston.org
Houston, TX 77098 Fax: (713) 874-0747 Web: http://www.abchouston.org/

City of Houston, Office of Business Opportunity
611 Walker Street, 7th Flr Phone: (832) 393-0935 Email: will.norwood@houstontx.gov

Houston, TX 77002 Fax: (832) 393-0646 Web: http://www.houstontx.gov/obo

Hispanic Chamber of Commerce

1801 Main St, Ste 1075 Phone: (713) 644-7070 Email: jmancilla@houstonhispanicchamber.com
Houston, TX 77002 Fax: (713) 644-7377 Web: http://www.houstonhispanicchamber.com/

Houston Citizens Chamber of Commerce

Email: info@hccoc.org Web: http://www.hccoc.org

National Association of Minority Contractors (NAMC Greater Houston)

3825 Dacoma Street Phone: (713) 843-3791 Email: info@namctexas.com
Houston, TX 77092 Fax: (713) 843-3701 Web: http://namctexas.com

Tri-County Black Chamber of Commerce

P.O. Box 88376 Phone: (832) 875-3977 Email: Info@tcbcc.net
Houston, TX 77288 Fax: (713) 839-7329 Web: http://tricountyblackchamber.org/

National Association of Women in Construction, Houston Branch (#0003)

327 South Adams Street Phone: (800) 552-3506 or (817) 877-5551
Fort Worth, TX 76104-1002 Email: membership@nawic.org

Section 3 Regulations

For a complete copy of Section 3 regulation CFR 135.1 24, please visit the following webpages:

HUD Exchange

https://www.hudexchange.info/resources/documents/24-Cfr-Part-135-Section-3-Regulations.pdf

Electronic Code Of Federal Regulations

http://www.ecfr.gov/cgi-bin/retrieveECFR?SID=20d035cbeb51d757ce791b31bac627a5&n=24y1.2.1.2.10&r=PART&ty=HTML

2015 HUD Income Limits for Houston and Surrounding Areas

Verify that owner/employee's income does not exceed the 80% of Median Low Income limit by household size.

Persons in Household	30% of Median Extremely Low-Income		50% of Median Very Low-Income		80% of Median Low Income	
	Annual Income	Monthly Income	Annual Income	Monthly Income	Annual Income	Monthly Income
1	$14,600	$1,216	$24,300	$2,025	$38,850	$3,238
2	16,650	1,388	27,750	2,313	44,400	3,700
3	20,090	1,674	31,200	2,600	49,950	4,163
4	24,250	2,021	34,650	2,888	55,450	4,621
5	28,410	2,368	37,450	3,121	59,900	4,992
6	32,570	2,714	40,200	3,350	64,350	5,363
7	36,730	3,061	43,000	3,583	68,800	5,733
8	40,890	3,408	45,750	3,813	73,200	6,100

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LABOR STANDARDS

(DAVIS-BACON AND RELATED ACTS)

OVERVIEW

"The Davis Bacon and Related Acts (DBRA) require all contractors and subcontractors performing work on federal or District of Columbia construction contracts or federally assisted contracts in excess of $2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor for inclusion in covered contracts.

In addition to the Davis Bacon Act itself, Congress added Davis-Bacon prevailing wage provisions to approximately 60 laws—"related Acts"—under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance. (Examples of the related Acts are the Federal-Aid Highway Acts, the Housing and Community Development Act of 1974, and the Federal Water Pollution Control Act.) Generally, the application of prevailing wage requirements to projects receiving federal assistance under any particular "related" Act depends on the provisions of that law." (http://www.dol.gov/compliance/laws/comp-dbra.htm)

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	Project Manager:	Laura Serrano (832)-394-624 laura.serrano@houstontx.gov
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Helpful link(s):	http://www.houstontx.gov/housing/compliance.html	

Federal Labor Standards Provisions (HUD-4010)

Federal Labor Standards Provisions

U.S. Department of Housing and Urban Development
Office of Labor Relations

Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section l(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

Previous editions are obsolete

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form **HUD-4010** (06/2009)
ref. Handbook 1344.1

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section l(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section l(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at *http://www.dol.gov/esa/whd/forms/wh347instr.htm* or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5 (a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant ',to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1 01 0, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration..... makes, utters or publishes any statement knowing the same to be false..... shall be fined not more than $5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds $100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in sub paragraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds $100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

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MWSBE

Minority, Women Business Enterprises (MWBE)
&
Small Business Enterprises (SBE)

OVERVIEW

"To ensure that Minority, Women, Small & Disadvantage Business Enterprises are solicited on all applicable projects when local, state and federal triggers are met ".

In adherence with Federal Regulations by 24 CFR Part 85.36, Contactors are to take all necessary steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

Contact Information:	Section Manager:	Michael Dotson (832) 394-6241 michael.dotson@houstontx.gov
	MWSBE Coordinator(s):	Karen Franklin (832) 394-6160 karenl.franklin@houstontx.gov Greta Molo (834) 394-6208 greta.molo@houstontx.gov
	Section email:	HCDContractCompliance@houstontx.gov

Helpful link(s):	http://www.houstontx.gov/obo/

MINORITY WOMEN BUSINESS ENTERPRISE (MWBE) &

SMALL BUSINESS ENTERPRISES (SBE)

Program Requirements

A. **The following documents must be signed and submitted to the Housing and Community Development Department (HCDD) within ten (10) working days upon notification of finalist or successful proposer status along with documentation of Good Faith Efforts, if any.**

(1) Execute the City of Houston Certified MWSBE Compliance Cover Sheet (complete all fields)
(p. 23)

(2) Minority Women Business Enterprise & Small Business Enterprises ("MWBE & SBE") Participation Plan (p. 71) - List of all proposed Subcontractors and Suppliers

(3) Executed Subcontract(s), or Letter(s) of Intent for each MWBE & SBE Subcontractor or Supplier, including:

Name of MWBE & SBE Subcontractor/Supplier;
Description of the Scope of Work to be performed;
Dollar value or each proposed MWBE & SBE subcontract; or
Documentation of Good Faith Efforts to meet the MWBE & SBE Goal

B. MWBE & SBE Reporting

(a) MWBE & SBE Monthly Utilization Report must be updated throughout the construction period for new subcontractors & suppliers.

(b) Prime Contractor must verify receipt of payment from the City of Houston monthly; and subcontractors must verify receipt of their payments through the online Contract Monitoring System, known as **B2GNow** System. The B2GNow system can be accessed through: https://houston.mwdbe.com/.

C. Guidelines

1) ***Purpose***
To facilitate implementation of Chapter 15 Article V of the City of Houston Code of Ordinances relating to MWBE & SBE Contract Participation.

2) ***Policy***
It is the policy of the City to encourage the full participation of MWBE & SBEs in all phases of its procurement activities and to afford them a full and fair opportunity to compete for City / Federal contracts at all levels.

3) ***Policy Elements***

(a) The Contractor agrees to ensure that MWBE & SBEs, as defined in Chapter 15 Article V of the City of Houston Code of Ordinances, have a full and fair opportunity to participate in the performance of City contracts. In this regard, the Contractor shall take all reasonable Good Faith Efforts as defined herein, to meet the MWBE & SBE Goal for this contract.

(b) The Contractor and any Subcontractor/Supplier shall not discriminate on the basis of race, color, religion, national origin or sex in the performance of City contracts.

(c) Contractor's performance in meeting the MWBE & SBE Participation Goal will be monitored by the HCDD Compliance and Monitoring Division of HCDD.

4) ***Percentage Goal***

The percentage goals for MWBE & SBE participation under this contract are specified in the loan agreement/construction contract.

5) ***Proposer Responsibilities***

(a) ***Prior to Award:*** Proposer must submit a plan ("The Plan") setting out how the goal is to be met or within a period designated by HCDD.

(i) MWBE & SBE Participation Plan (p. 71) - List of proposed Subcontractors/Suppliers. **All MWBE & SBEs listed on this form must be certified by the Office of Business Opportunity Department prior to the Request for Proposal due date with the following exception**: The Office of Business Opportunity Department will consider priority certification of non-certified firms in those cases where the successful proposer proposes the utilization of a firm for a specific capability not found among at least three (3) certified firms.

(ii) Executed Subcontract(s), or Letter(s) of Intent for each MBE & SBE Subcontractor or Supplier, including:
Name of MWBE & SBE Subcontractor/Supplier;
Description of the Scope of Work to be performed;
Dollar value or each proposed MWBE & SBE subcontract; or

(iii) Documentation of Good Faith Efforts to meet the MBE & SBE Goal, if the goal is not met. See MWBE/SBE Good Faith Efforts (Form 00471) for minimum standards for Good Faith Efforts. Visit Good Faith Efforts Document 00471 http://www.houstontx.gov/obo/contractcompliance. Such documentation shall be presented to HCDD for review by the Office of Business Opportunity Department.

Note 1: Failure to respond within the designated period could result in a finalist being considered non-responsive and the next proposer being considered for award.

Note 2: The Proposer shall be bound by the Plan submitted unless a waiver is received from the Director of HCDD ("Director").

Note 3: The Director is authorized to suspend any Contractor who has failed to make Good Faith Efforts to meet an established MWBE & SBE Goal; and to suspend any MWBE & SBE who has failed to make Good Faith Efforts to meet all requirements necessary for participation as an MWBE & SBE.

(iv) Prior to award, the successful proposer shall execute written contracts with all of its MWBE & SBE Subcontractors and shall assure that all such contracts contain the terms set out in this document. Contracts (including purchase orders or

similar instruments) with MWBE & SBE suppliers may be issued after the Notice to Proceed but should also incorporate the terms as listed on (p. 71).

(v) Prior to award, Contractor shall designate an MWBE & SBE liaison officer who will administer the Contractor's MWBE & SBE programs and who shall be responsible for maintenance of records of Good Faith Efforts to subcontract with MWBE & SBE Subcontractors/Suppliers.

(a) After Award

(i) Contractor shall report the monthly MWBE & SBE Utilization through the online Contract Monitoring System, B2GNow.

(ii) Comply with MWBE & SBE Participation Plan (p. 71), unless it has received approval from HCDD to deviate therefrom. Approval will not be reasonably withheld.

(iii) Upon approval by HCDD, make Good Faith Efforts to replace a certified MWBE & SBE Subcontractor/Supplier that is displaced, for any reason, with another certified MWBE & SBE.

(iv) Submit all disputes with MWBE & SBE Subcontractors and Suppliers that are unable to be resolved by the HCDD to binding mediation as set out in the City's Office of Business Opportunity Department and Contract Compliance Division.

(v) Make timely payments to all persons and entities supplying labor, materials, or equipment for the performance of the contract; and agree to protect, defend and indemnify the City from any claims or liability arising out of Contractor's failure to make such payments. (Disputes relating to payment of MWBE & SBE Subcontractors shall be submitted to mediation in the same manner as any other disputes under the MWBE & SBE subcontract.).

6) ***Eligibility of MWBE & SBE Firms***

(a) To ensure that the MWBE & SBE program benefits only those firms that are owned and controlled by a minority person(s), the Office of Business Opportunity will certify the eligibility of MWBE & SBE Subcontractors/Suppliers. Contact the Office of Business Opportunity Department at (832) 393-0600 for information regarding certification.

(b) The Office of Business Opportunity publishes and maintains a MWBE & SBE Directory. This Directory is available from the Office of Business Opportunity Department as well as the City of Houston web page.

NOTE: ALL MWBE & SBE FIRMS, EVEN IF CERTIFIED BY ANOTHER AGENCY, MUST BE CERTIFIED BY THE OFFICE OF BUSINESS OPPORTUNITY IN ORDER TO QUALIFY FOR ATTAINMENT OF THE MWBE & SBE GOAL.

7) ***Determination of MWBE & SBE Participation***

MWBE & SBE participation shall be counted toward meeting the MWBE & SBE Goal in accordance with the following:

(a) Once a firm is certified as an MWBE & SBE, the total dollar value of the subcontract awarded to the MWBE & SBE is counted toward the MWBE

& SBE Participation Goal. There is a **4% SBE cap for contract-specific goal.**

(b) When a Contractor or Subcontractor organizes a joint venture with one (1) or more MWBE & SBEs to satisfy its MWBE & SBE Goal, HCDD shall determine the percent of participation resulting from such joint venture to be counted toward the MWBE & SBE Goal.

(c) Contractor may count toward its MWBE & SBE Goal those MWBE & SBE Subcontractors/Suppliers performing a Commercially Acceptable Function.

COMMERCIALLY ACCEPTABLE FUNCTION means a discrete task or group of tasks, the responsibility for performance of which shall be discharged by the MWBE & SBE by using its own forces or by actively supervising on-site the execution of the tasks by another entity for whose work the MWBE & SBE is responsible. Without limiting the generality of the foregoing, an MWBE & SBE will not be considered to be performing a Commercially Acceptable Function if it subcontracts, to non-MWBE & SBE firms or to other MWBE & SBE firms, more than fifty (50%) percent of a contract being counted toward the applicable participation goal, unless such subcontracting in excess of fifty (50%) percent has been expressly permitted by the Director of Office of Business Opportunity Department in a written waiver of this requirement. A waiver shall be granted upon demonstration that the industry standard for the type of work involved is to subcontract over fifty (50%) percent of the work.

8) ***Compliance of the Contractor***

To ensure compliance with MWBE & SBE requirements, the HCDD will monitor Contractor's efforts regarding MWBE & SBE Subcontractors/Suppliers during the performance of this Contract. This may be accomplished through job site visits, reviewing of records and reports, and interviews of randomly selected personnel.

9) ***Records and Reports***

(a) Each month the Prime Contractor is responsible for inputting payments in the B2GNow system each month. Additionally, each MWBE and SBE must confirm the Prime Contractor's payment in the system each month. If there is a dispute regarding payment, the Prime Contractor and MWBE & SBE must reach a resolution.

(b) Contractor shall maintain the following records for review upon request by the HCDD:

(i) Copies of Subcontractor agreements and purchase orders as executed;

(ii) Documentation of payments and other transactions with MWBE & SBE Subcontractors/Suppliers; and

(iii) Appropriate explanations of any changes or replacements of MWBE & SBE Subcontractors/Suppliers. **NOTE: ALL REPLACEMENT MWBE & SBE FIRMS MUST BE APPROVED BY HCDD, AND A DEVIATION FORM MUST BE SUBMITTED,**

(c) If the MWBE & SBE Goal is not being met, the monthly report shall include a narrative description of the progress being made in MWBE & SBE participation. Reports are required when no activity has occurred in

a reporting period.

(d) All such records must be retained for a period of three (3) years following completion of the work and shall be available at reasonable times and places for inspection by authorized representatives of the City.

D. **Sanctions**

(1) ***General***

Pursuant to Section 15-86 of the Code of Ordinances, the Director is authorized to suspend for a period of up to, but not to exceed, five (5) years, any Contractor who has failed to make Good Faith Efforts or who has failed to comply with its submitted Plan pursuant to Section 15-85 unless a waiver has been granted from engaging in any Contract with the City. The Director is also authorized to suspend any MWBE & SBE who has failed to make Good Faith Efforts from engaging in any Contract affected by Article V of Chapter 15 of the Code of Ordinances, for a period of up to, but not to exceed, five (5) years.

(2) ***Guidelines for Imposition of Sanctions***

(a) ***General***

(i) No suspension shall be imposed by the Director except upon evidence of specific conduct on the part of an MWBE & SBE or a Contractor that is inconsistent with or in direct contravention of specific applicable requirements for Good Faith Efforts; and

(ii) Imposition and enforcement of suspensions shall be consistent with applicable state law.

(b) ***Severity of Sanctions***

In determining the length of any suspension, the Director shall consider the following:

whether the failure to comply with applicable requirements involved intentional conduct or, alternatively, may be reasonably concluded to have resulted from a misunderstanding on the part of the Contractor or MWBE & SBE of the duties imposed on them by Article V of Chapter 15 of the Code of Ordinances and these procedures;

the number of specific incidences of failure by the Contractor or MWBE & SBE to comply;

whether the Contractor or MWBE & SBE has been previously suspended;

whether the Contractor or MWBE & SBE has failed or refused to provide the Director with any information requested by the Director or required to be submitted to the Director pursuant to law or these procedures;

whether the Contractor or MWBE & SBE has materially misrepresented any applicable facts in any filing or communication to the Director; and

whether any subsequent restructuring of the subject business or other action has been undertaken to cure the deficiencies in meeting applicable requirements.

(3) ***Delegation***

A decision to implement a suspension may be taken after notice and an opportunity for a hearing by the Director or by another impartial person designated by the Director for that purpose. The Director or other person conducting the hearing shall not have participated in the actions or investigations giving rise to the suspension hearing.

(4) ***Notice***

(a) Prior to the imposition of any suspension, the Director shall deliver written notice to the Contractor or MWBE & SBE setting forth the grounds for the proposed suspension and setting the date, time and place to appear before

the Hearing Officer for a hearing on the matter.

(b) Any notice required or permitted to be given hereunder to any Contractor or MWBE & SBE may be given either by personal delivery or by certified United States mail, postage prepaid, return receipt requested, addressed to their most recent address as specified in the records of the Office of Business Opportunity Department and Contract Compliance Division or in the Contract if no address is on file with the Office of Business Opportunity Department and Contract Compliance Division.

(5) ***Hearing Procedures***

Proceedings before the Director or other hearing officer shall be conducted informally, provided that each party may be represented by counsel and may present evidence and cross-examine witnesses. The burden shall be upon the City by a preponderance of evidence. The decision shall be reduced to writing and notice provided to the Contractor or MWBE & SBE.

CITY OF HOUSTON
HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

MWBE & SBE Good Faith Efforts

"Good Faith Efforts" means those efforts required to be made and demonstrated by an apparently successful bidder or proposer prior to award of a contract (whether a Goal Oriented Contract or a Regulated Contract) and at the conclusion of performance of the Contract in the event it has been unsuccessful in meeting the contract MWBE & SBE Goal.

A. Prior to Award - Good Faith Efforts for non-MWBE & SBEs in construction, procurement and professional services shall mean at a minimum the following:

(1) ***Delivery of written notice to the following:***

(a) All local certified MWBE & SBEs in the directory for the month prior to the month of the bid or proposal submission date and identified as performing work or services or providing commodities for all potential subcontracting or supply categories in the Contract; and

(b) All minority focused associations identified in the directory for the month prior to the month of the bid or proposal submission date; and

(c) All news media focused toward minority person identified in the directory for the month prior to the month of the bid or proposal submission date; and

(d) All MWBE & SBEs which requested information on the Contract.

(2) ***The written notice(s) will contain:***

(a) Adequate information about plans, specifications and relevant terms and conditions of the Contract and about the work to be subcontract or the goods to be obtained from Subcontractors and Suppliers;

(b) A contact person within the apparent low bidder's or proposer's office to answer questions;

(c) Information as to the apparent low bidder's or proposer's bonding requirements, the procedure for obtaining any needed bond and the name and telephone number of one or more acceptable surety companies to contact;

(d) The last date for receipt by the bidder or proposer of MWBE & SBE bids or price quotations.

(3) Attendance at any special pre-bid meeting called to inform MWBE & SBEs of subcontracting or supply opportunities, if set forth in the bidding or proposal documents.

(4) Division of the Contract, as recommended by the department head of the initiating City Department and in accordance with normal industry practices, into small, economically feasible segments that could be performed by MWBE & SBE.

(5) Provide an explanation for rejection to any MWBE & SBE whose bid or price quotation is rejected, unless another MWBE & SBE is accepted for the same work, as follows:

(a) Where price competitiveness is not the reason for rejection, a written rejection notice including the reason for rejection will be sent to the rejected MWBE & SBE;

(b) Where price competitiveness is the reason for rejection, a meeting must be held, if requested, with the price-rejected MWBE & SBE to discuss the

rejection.

(6) Provide an explanation for rejection of any MWBE & SBE to the Housing and Community Development Department (HCDD), unless another MWBE & SBE firm is accepted for the same work. Include the name of the non-MWBE & SBE firm proposed to be awarded the subcontract or supply agreement and if price competitiveness is the reason for rejection, the MWBE & SBE's price quotation and the successful non-MWBE & SBE's price quotation.

B. After Award - Good Faith Efforts for MWBE & SBE firms in construction, procurement and professional services shall mean at a minimum the following:

(1) Designate an MWBE & SBE liaison officer who will administer the Contractor's MWBE & SBE programs and who shall be responsible for maintenance of records of Good Faith Efforts.

(2) MWBE & SBE Reporting

(a) Furnishing prompt MWBE & SBE Utilization Reports in a timely and accurate manner through the online Contract Monitoring System (B2GNow System).

(b) Respond to efforts to resolve disputes between prime and subcontractors, and genuinely attempt to resolve these issues.

(c) Clear online Contract Monitoring System (B2GNow System) discrepancies monthly.

(3) Deviation Requests – The contractor shall comply with the submitted MWBE & SBE plan, unless it has received approval from the Office of Business Opportunity Director. Approval will not be unreasonably withheld. Upon approval, contractor will make a Good Faith Effort to replace a removed MWBE & SBE with another certified firm.

(4) Furnishing prompt written responses to any written inquiry from the Director or any employee of the HCDD regarding the MWBE & SBE's performance or information pertaining to the MWBE & SBE's certification;

(5) Ensuring that at all times during the performance of any contract or subcontract subject to the requirements of Chapter 1 of the Code of Ordinances the MWBE & SBE firm is engaging in a commercially acceptable function as that term is defined herein; and

(6) Ensuring that no application, response to a request for information, or other factual material submitted to the Director or any employee of the HCDD contains any material misrepresentation; and

(7) Furnishing prompt responses to requests from the department administering the Contract, the City Attorney and the City Controller for information, books and records needed to verify compliance

(8) Attend all meetings and mediation as requested by the Director or his/her designee.

COMPLIANCE FORMS

Standard Compliance Forms

Instructions

The following form(s) are to be completed ***before construction*** commences.		
Pg. #	**Form**	**Deadline**
34	Compliance Packet Coversheet	Prior of commences of construction work
35	Request for Contractor/Subcontractor Clearance	Prior of commences of construction work
37	Start of Work Notice	Upon commencement of construction work
Utilize the following forms ***during construction***.		
Pg. #	**Form**	**Deadline**
38	Work on Hold Notice	Refer to the form for instructions
Submit the form below ***after construction*** is finalized.		
Pg. #	**Form**	**Deadline**
39	Termination of Work Notice	7-days after pay period ends

Contractor Compliance Cover Sheet

Return with Compliance Documents

Please complete all fields

Project Name	
Name of Contractor/Subcontractor	
Services to be provided:	
Company Address:	
Tax ID Number	Contract Amount
Contact Person/Title	
Email:	
Phone Number	Fax Number:
Owner's Ethnicity/Racial Background:	
MWSBE/ Section 3 Certification MWBE SBE Section 3 Business Concern	

Instructions: This form must be completed by the Prime Contractor and Subcontractors prior to start of construction. The Prime Contractor should collect this form, along with other applicable forms, from all Subcontractors and submit document(s) via *e-mail* to HCDContractCompliance@houstontx.gov.

Published 10/2015

Request for Contractor/Subcontractor Clearance

No contract can be executed with a Prime Contractor or a Subcontractor until their eligibility has been verified.

Date	
Project Name	
Project Address	
Contractor/Subcontractor	
Federal ID Number	
Address/Zip Code	
Phone Number	
Check the applicable entity	□ **Sole Proprietorship** □ **Corporation** □ **Partnership** □ **Other:** _____

List Principals below:

Approved by HCDD: _____ Date: _____
Print:

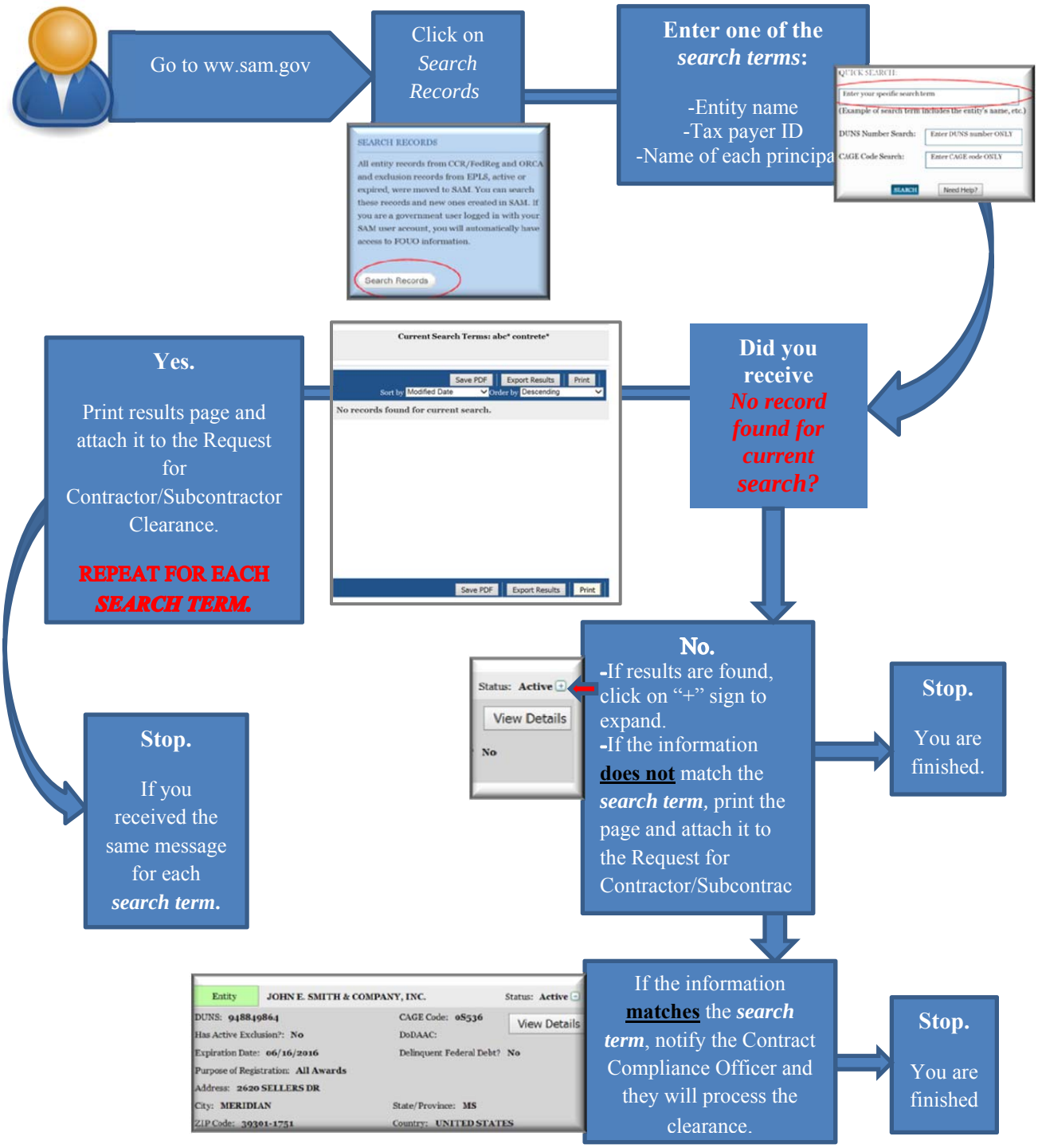
Prime only: When verify subcontractor eligibility, make sure to attached the following items and check each box.
□ results from SAM.gov
□ results from HUD at https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp

Instructions: The Prime Contractor must submit this form with the bid proposal and obtain approval from HCDD.

The Prime Contractor must verify Subcontractor's eligibility prior to award by following the instructions on page 37 and submit the form via e-mail to HCDContractCompliance@houstontx.gov.

All Subcontractors should submit the form to the Prime Contractor for processing.

Instructions to verify debarment of a contractor/subcontractor in the *System for Award Management* website.



Start of Work Notice

Contractor Information

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

Contractor Authorization

Name of Authorized Officer	
Signature	
Title	

Instructions: This form must be completed by the Prime Contractor and Subcontractor(s) who will generate certified payroll reports and must report the date construction has commenced. All Subcontractors should submit the form to the Prime Contractor; in turn, the Prime Contractor will submit the form via e-mail to HCDContractCompliance@houstontx.gov.

Work on Hold Notice

Contractor Information

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

Contractor Authorization

Name of Authorized Officer	
Signature	
Title	

Instructions: This form must be completed by the Prime Contractor and Subcontractor(s) who generate certified payroll reports and will not be working at the project site for more than 4 consecutive weeks. When work resumes, continue to number payrolls in sequential order from the last certified payroll report number. All Subcontractors should submit the form to the Prime Contractor and the Prime Contractor will submit the form via e-mail to HCDContractCompliance@houstontx.gov.

Termination of Work Notice

Contractor Information

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

Contractor Authorization

Name of Authorized Officer	
Signature	
Title	

Instructions: This form must be completed by the Prime Contractor and Subcontractor(s) that generated certified payroll reports, during construction, and must report the last date construction work was performed. Submit the form upon completion of work. All Subcontractors should submit the form to the Prime Contractor and the Prime Contractor will submit the form via e-mail to HCDContractCompliance@houstontx.gov.

Section 3 Compliance Forms

Section 3 Compliance Form Instructions

Contractor and Subcontractor (sub/contractor) shall fill out, sign and return to the City of Houston, Housing & Community Development Department, the following applicable forms at the times identified. All forms must be signed by a duly authorized member of the firm. If you have other pertinent information in addition to that requested on the forms, please include it as an attachment. Listed below are the forms which the sub/contractor must submit, if and when applicable:

The following form(s) are to be completed ***before construction*** commences		
Pg. #	**Section 3 Compliance Forms**	**Deadline**
41	Contractor Section 3 Compliance Certification	Within 10 days after NOIA. Within 10 days after Notice of Intent to Award (NOIA) or executed Subcontract Agreement (SA).
43	First Source Hiring Agreement	Within 10 days after NOIA. Within 10 days after Notice of Intent to Award (NOIA) or executed Subcontract Agreement (SA).
45	Permanent Employee List	Within 10 days after NOIA. Within 10 days after Notice of Intent to Award (NOIA) or executed Subcontract Agreement (SA).
46	Workforce Analysis Form	Within 10 days after NOIA. Within 10 days after Notice of Intent to Award (NOIA) or executed Subcontract Agreement (SA).
Utilize the following forms ***during*** construction.		
Pg. #	**Section 3 Procurement Compliance Documents**	**Deadline**
47	Section 3 Internal Capacity Form **Only submit form if sub/contractor does not have a need for lower-tier subs or new hires for the duration of the project.*	Prior to Start of Work date.
48	Section 3 E-bid Announcement	At least 3 weeks prior to start of work or when contracting opportunities become available.
49	Section 3 Employment Opportunity Announcement (EOA)	At least 3 weeks prior to start of work or when new employment opportunity become available.
50	Bid Tabulation **Example only. Contractor may submit own version of form.*	When Prospective sub/contractors have been selected, after procurement, prior to start of work.
51	Section 3 Utilization Plan ** Contractor may submit own version of form.*	When prospective contractors have been selected after procurement, prior to start of work.
Pg. #	**Section 3 Start of Work Compliance Documents**	**Deadline**
52	Section 3 Signage Template	Prior to Start of Work date.
53	Confirmation of Subcontractor's Contract Amount	Prior to start of work of each subcontractor under $100,000 (with the exception of sole-suppliers).
Pg. #	**Section 3 Monthly Reporting Documents**	**Deadline**
54	Monthly Verification of Internal Capacity Status	Due on the 10th of each month after Start of

		Work date.
55	Section 3 Monthly Activity Report	Due on the 10th of each month after Start of Work date.
56	Section 3 New Hire/ Employee/ Trainee Participation Form	Due on the 10th of each month after Start of Work date.
Submit the form below ***after construction*** is finalized.		
Pg. #	**Termination of Work Compliance Documents**	**Deadline**
51	Final Section 3 Utilization Plan ** Contractor may submit own version of form.*	Due two weeks prior to the Termination of Work date.
Pg. #	**GLO Section 3 Compliance Forms**	**Deadline**
57	GLO New Hires Section 3 Monthly Compliance Report	Due by the 5th of each month after Start of Work date.

Contractor's Section 3 Compliance Certification

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

1. I am the _____ of _____.
   (owner, partner, officer, representative, agent) (Company Name)

2. My company adheres to Section 3 of the Housing and Urban Development (HUD) Act of 1968, as amended, 12 U.S.C. 1701u which requires, to the greatest extent feasible, that a "good faith effort" given to identifying small businesses located within the boundaries of the Section 3 service area, making them aware of contracting opportunities, encouraging their participation and actually awarding contracts to Section 3 business concerns through the assistance of the City of Houston and their referral system.

3. An attempt will be made to undertake outreach activities intended to encourage participation by Section 3 residents in training and employment opportunities, to include but not be limited to utilizing the referral established by the City of Houston, the Texas Employment Commission, and Houston Works.

4. My company also acknowledges and affirms the required steps stipulated in the Code of Federal regulations 24 CFR Part **§135.38 for** any **"New"** services, i.e. employment/labor, services/materials, or subcontracting. Any violation of this requirement will present a negative impact on the performance rating of the recipient, developer, and contractor/subcontractor.

§ 135.38 Section 3 clause

All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor 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 new applicants can see. The notice shall describe the section 3 preference, set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the required qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an

applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected 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).

Affiant's Signature:_____ Address: _____

Affiant's Title:_____ Telephone:_____

Affiant's Company Name:_____

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

_____
Notary Public Signature

My Commission Expires: _____

Notary Stamp

First Source Hiring Agreement

This agreement, is entered into this _____ day of _____, 201___, by and between the City of Houston and, hereinafter referred to as the "City", and hereinafter referred to the "Contractor", in connection with work to be performed in relation to the City's HUD-assisted project entitled, hereinafter referred to as the "project".

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

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

Whereas, HUD has set forth numerical employment, and contracting goals to be achieved by all Community Development recipients of Section 3 covered assistance and by other recipients of such assistance in which HUD's share exceeds $200,000 per project and by those Contractors whose share of such projects exceeds $100,000; and

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

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

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

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

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

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

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

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

The City of Houston
Department of Housing & Community Development

by_____
Section 3 Coordinator

Contractors Name:

by_____
its Owner/President/Vice President

Permanent Employee List

Project Name:_____ Total Amount of Contract:_____

Name of Contractor:_____ Address:_____

Name of Contact Person:_____ Date:_____

Employee Names	Job Title	Certified Section 3 Resident		Monthly Salary or Hourly Rate
		Yes	No	

I certify the above named individuals are permanent employees of this firm. I understand that falsifying information is perjury and subject to legal ramifications.

_____ _____ _____

Print Name / Title **Signature** **Date**

Published 10/2015

Section 3 Contractor/Subcontractor

Workforce Analysis Form

ESTIMATED PROJECT WORK FORCE BREAKDOWN

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

EMPLOYMENT CERTIFICATION (make additional copies of this form if necessary)

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

Company: _____ Title: _____

By: _____ Date: _____

Section 3 Internal Capacity Form

Affidavit:

The undersigned makes this affidavit with full knowledge of the content described in the Section 3 Program regulations at 24 CFR Part 135. Each recipient of Section 3 covered financial assistance, and its contractors or subcontractors are required to comply with the requirements of Section 3 for ***new*** employment, training, or contracting opportunities that are created during the expenditure of covered funding. This requirement applies to matters which include:

1. All construction projects for which the amount of City (HUD-sourced) assistance to the project or program exceeds $200,000.
2. All Contractor/Subcontractor situations where the individual contract or subcontract exceeds $100,000 from the City with HUD-sourced funds.

This affidavit is to document the contractor has sufficient internal capacity to execute the entire scope of work awarded without the need to subcontract and to acknowledge by the undersigned if subcontracts are required, they may be subject to additional requirements under the Section 3 program.
Under penalty of perjury I hereby state:

I, _____ am the _____ of _____,
(Print Name) (Owner, partner, officer, representative, agent) (Company Name)

which has executed a contract with _____ to perform _____
(Other Contract Party) (Description of Work)

_____ on the project known as _____
(Description of Work - Continued) (Name of Project)

and represent that the contract covered by this affidavit has met the conditions , including those described above and hereby authorize and request any person, firm or corporation to furnish any information requested by the Housing and Community Development Department in verification of the recitals comprising this _____ day of _____, 20_____.

_____
Company Name Representative Signature Title

STATE OF TEXAS §
§
COUNTY OF _____ §

_____being duly sworn, deposes and says that he/she is the _____
(Print Name) (Owner, partner, officer, representative, agent)

of _____ and that the answers to the foregoing questions and all statements therein contained are true
(Company Name)
and correct.

Notary Stamp

Subscribed and sworn to before me this _____ day of _____, 20_____.

_____ My Commission Expires: _____
Notary Public Signature

Section 3 Ebid Announcement

Date: _____ **BID DUE BY:** _____

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

Project: Project Name
Address
City, State Zip Code

From: _____

Summary of Work:

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

This project is (name of project) _____. As a General Contractor/Subcontractor, we are in need of hiring Section 3 companies/residents that can perform the following scope of work: (description and minimum qualifications)_____

_____

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

Contact Information:

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

Please email this form to _____. Should you have any questions contact: (Name and Phone Number) _____.

Bidder Information:

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

Contract Name: _____

Company: _____

Address: _____

Phone Number: _____ Fax: _____

Email: _____

Trade/Specialty: _____

If you or your company are not certified with the City of Houston as a Section 3 Business/Resident and would like to become

certified, the guidelines and application(s) are available at the following City of Houston website: http://www.houstontx.gov/housing/complianceandmonitoring.html Submit the original application to Section 3 of Compliance and Monitoring Division for processing.
The contractor is committed to "ensure employment and economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible and consistent with existing federal, state and local laws and regulations, be directed to low- and very low income persons."

Section 3 Employment Opportunity Announcement (EOA)

for procuring Labor for Section 3 Residents

DATE: *[Insert Date]* **APPLICATION DEADLINE:** ***[Insert Date/Time Due]***

TO : *Section 3 Residents*

PROJECT: *[Insert Project Name & Address]*

FROM: ***[Insert Contractor/Subcontract Name]***

POSITION NEEDED/DESCRIPTION: *[Insert position description and any required criteria]*

CONTACT INFORMATION: *[Insert contact information: Contact Name, Phone Number, Email]*

Section 3 Residents: Include this cover sheet with your application

☐Yes, I am interested in this position ☐No, I am not interested in this position

Contact Name: _____

Address: _____

Phone Number: _____ Email: _____

Job Skills: _____

Federal Labor Standard Provisions including the Davis Bacon and Related Act may be applicable to the construction of this project.

If you know someone interested to become a certified Resident or Business Concern, the guidelines and application are available online at: http://www.houstontx.gov/housing/complianceandmonitoring.html

Housing and Community Development Department (HCDD) Section 3 Program is committed to ensure that employment and economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible and consistent with existing federal, state and local laws and regulations, be directed to low-and very low income persons.

Sample Bid Tabulation

Date: _____

Project: ___

COST CODE:

UNITS: 0

SF: 0

Projected Budget _____

SUBCONTRACTORS	BID AMOUNT		COST BREAKDOWN
	$0.00		per unit per square foot
	$0.00		per unit per square foot
	$0.00		per unit per square foot
	$0.00		per unit per square foot

Recommendation:			**Labor**	$ -	**PM:**
Contact Name:			**Material**	$ -	
Company Address:			**TOTAL:**	$ -	**SPM:**
Phone Number:			**CONTRACT:**	( )	**VP:**
E-Mail:			**P.O.:**	( )	

Section 3 Utilization Plan

A Utilization Plan is required by all contractors, including the Owner/Developer, with a contract amount equal or greater than $100,000 and is NOT solely a supplier. Submit an initial Utilization Plan at the receipt of the NOIA and then once every three months or when there is a change to utilization or contract amounts, whichever comes first.

Owner/Developer, Prime Contractor & Subcontractors – The 10% hard cost goal is only applicable when there is a need to contract out to hard cost subcontractors or lower-tier subcontractors, excluding suppliers. The 10% goal is calculated based on the total contract amount. The 3% soft cost goal is only applicable when there is a need for professional services/soft cost. The 3% is calculated based on the soft cost budget, not the total contract amount.

1A. Date Submitted	1B. Project Name	1C. Owner/Developer or Sub/Contractor Name	1D. Contact Person	1E. Phone Number

2A. Total Contract Amount	2B. Required 10% Hard Cost Goal	2C. Achieved 10% Hard Cost Goal	2D. 10% Hard Cost Goal Met?

3A. Soft Cost Budget (N/A if not applicable)	3B. Required 3% Soft Cost Goal	3C. Achieved 3% Soft Cost Goal	3D. 3% Soft Cost Goal Met?

Name of Subcontractor	Section 3 Certified? YES |	NO	Trade/Service or Supply	Contract Amount	Address & Phone Number
Construction Costs/Hard Cost					
Professional Services/Soft Cost					
Suppliers					

Signage Template

Housing and Community Development Department

In partnership with the U.S. Department of Housing and Urban Development, and [Project Name]

_____

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

Please inquire within:
Contractor name and contact number/Email:

- _____
- _____

Confirmation of Subcontractor's Contract Amount

Project Name: _____

Subcontractor Name: _____

Signed Into Contract With: _____

Original Contract Amount: _____

Start of Work Date: _____

Initial Contract Amount: _____

Contract Amount Less Than $100,000

If the contract amount is below $100,000 prior to the start of work date, the Subcontractor is not required to comply with Section 3 due established minimum threshold. Sign below and submit form.

I, hereby, confirm that the above Subcontractor's contract amount has stayed below the $100,000 threshold by the start of work date stated above.

_____

Print Name | Title/Company | Signature | Date

Contract Amount Equal to or Greater Than $100,000

If the contract amount is in access of $100,000, the Subcontractor is required to comply with the Section 3 federal regulations and the HCDD's Section 3 policy and procedures set forth in the Section 3 Contractor Orientation Guide.

I, hereby, acknowledge that the above Subcontractor's met the minimum threshold and I understand that the Subcontractor is now required to comply with the Section 3 requirements set forth in the Section 3 Contractor Orientation Guide.

_____

Print Name | Title/Company | Signature | Date

Monthly Verification of Internal Capacity Status

This form is to be completed and submitted by the 10th of each month by every Subcontractor claiming Internal Capacity, for the duration of their contract. Always report for the previous month; for example, when the form is due on July 10th, you will be reporting the activity of June.

Reporting Month:	**Project Name**
Subcontractor	**Contracted With**

By signing below, I hereby verify that my company has remained in the qualifying Internal Capacity parameters stated below:

- No Lower-Tier Subcontracts have been awarded, and/or
- No New Hires (employees placed on payroll) have been hired to work specifically on the project stated above.

By signing below, I also verify that I understand that in the event my company has the need for lower-tier subcontracts and/or new hires, I will immediately alert the General Contractor and will follow the below Section 3 Procurement Processes. I also understand that my company can no longer claim Internal Capacity and will be required to comply with all Section 3 requirements that are now applicable.

Section 3 Procurement Process for Lower-Tier Subcontractors

1. Subcontractor will submit **Ebid Announcement** that lists scope of work, contact information and a bid due date (minimum is two weeks). Subcontractors should submit Ebid directly to General Contractor.
    a. Ebid will be forwarded to HCDD, and will then be sent to all Section 3 Businesses.
2. Subcontractor will review all bids received and will award contract based on the Section 3 procurement guidelines, depending if bids are construction or non-construction:
    a. 10% of construction contract must be awarded to Section 3 Business.
    b. 3% of soft cost (non-construction) budget must be awarded to Section 3 Business.
3. Subcontractor will submit a **Bid Tabulation** after all bids have been received. The bid tabulation should indicate which awarded contracts were to a Section 3 Business.
4. Subcontractor will submit a **Utilization Plan** that lists all Lower-Tier Subcontractors, Professional Services and Suppliers being utilized. The template is provided on page 46 of the Section 3 Contractor Orientation Guide.

Section 3 Procurement Process for New Hires

1. Subcontractor will submit an Employment Opportunity Announcement (EOA) that lists position details, applicant qualifications, contact information and application deadline. EOA will be submitted directly to the General Contractor.
    a. EOA will be forwarded to HCDD and will then be sent to all certified Section 3 Residents.
2. Subcontractor will hold interviews and determine how the 30% New Hire Goal will be met.
    a. For example, if 10 new hires are needed, at least 3 must be either:
        i. Currently certified as a Section 3 Resident
        ii. Qualifies as a Section 3 Resident (required to complete Section 3 Resident Application)
3. Subcontractor will notify the General Contractor of hiring results and will submit the following:
    a. Statement indicating how the 30% New Hire Goal was met, list of new hire names and Section 3 Resident status.
    b. Section 3 Resident Applications for new hires that must be certified in order to meet the 30% New Hire Goal.
4. Subcontractor will start submitting monthly reporting and any other additional documents needed for the duration of their contract.

Print Name	Title/Company	Signature	Date

Published 10/2015

Section 3 Monthly Activity Report

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

Employment and Training

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

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

NOTES:

1. New Section 3 Trainees should NOT be included in the New Hire numbers.
2. New Hires become Employees the following reporting month.
3. A report for each contractor/subcontractor with a contract equal to or greater than $100,000 must be submitted by the 10th of each month with numbers from the previous month. For example, on October 10th the numbers for September will be submitted.
4. Subcontractors submit to General Contractor before the 10th and then the General Contractor will submit to Section 3 by the 10th.

Section 3 New Hire/ Employee/ Trainee Participation Form

To be used in conjunction with the Section 3 Monthly Activity Report

Contractor Name:	Reporting Month/Year:

A. First Name	B. Last Name	C. Racial/ Ethnic Code	D. Hire Date	E. Hourly Rate	F. Section 3 Status	G. Trade Work	H. Hours Worked	I. Hours Trained	J. Payroll Classification

Form Instructions

A **First name** of Section 3 Resident
B **Last name** of Section 3 Resident
C **Racial/ethnic code**: **1** – White American, **2** – Black American, **3** – Native American, **4** – Hispanic American, **5** – Asian Pacific American, **6** – Hasidic Jew
D **Hire date** of Section 3 Resident
E **Hourly rate** of Section 3 Resident
F Indicate **Section 3 status** by entering either: **New Hire**, **Employee** or **Trainee**
G **Trade work** performed by Section Resident
H **Hours worked** during reporting month by **Section 3 New Hire** or **Section 3 Employee**
I **Hours trained** during reporting month by **Section 3 Trainee**
J Indicate **payroll classification**: **Full Time, Part Time, FT - Temporary, PT- Temporary, FT-Seasonal, PT-Seasonal, Internship**

Texas General Land Office (GLO) Section 3 Forms

If the construction of a given project is funded in whole or in part with Hurricane Ike (CDBG-DR) funds, the following Texas GLO's Section 3 compliance forms are required to be submitted by the Prime Contractor and Subcontractor.

The following form(s) do not contain printed page numbers, but are assigned this reserved page number when referenced as a hard copy. Even though the Texas GLO has several Section 3 compliance forms available, only the form(s) listed below are required to be submitted by the Prime Contractor and Subcontractor on City of Houston's HCDD-monitored projects at this time.

If you are viewing this Section 3 Contractor Orientation Guide online, the following form(s) will not be included due to the inability to combine regular PDFs with PDF XML forms.

To view the GLO Section 3 Forms online, please use one of the following access points:

1. City of Houston Section 3 Website, under Texas GLO Section 3 Forms
2. Texas GLO Section 3 Website, under Section 3 Forms
3. Request forms directly from the Section 3 Coordinator

Page #	Texas GLO Section 3 Compliance Form
57	Exhibit I - New Hires Section 3 Monthly Compliance Report

For more information about the Texas GLO and their Section 3, visit their website at www.glo.texas.gov.

Labor Standards (Davis-Bacon and Related Acts) Forms

DBRA Form Instructions

All compliance forms must be signed by a duly authorized member of the firm. The Prime Contractor and Subcontractors shall submit the following forms by the deadline provided below. Read each form to verify if it's applicable to your firm and follow the instructions written on each form. The Prime Contractor will collect and forward all applicable forms to the Compliance Officer.

The following form(s) are to be completed ***before construction*** commences.		
Forms	**Page #**	**Deadline**
Certificate of Appointing Officer	59	Prior to commencement of construction work
Utilize the following forms ***during construction***.		
Forms	**Page #**	**Deadline**
Employee Information Sheet	60	Upon request
Payroll Deduction Authorization	61	Refer to the form for instructions
Employee Verification of Multiple Job Classifications	62	Refer to the form for instructions
Request of Additional Classification & Rate	63	Refer to the form for instructions
Certified Payroll Reports	64	7-10 days after week ending date

Certificate of Appointing Officer

or Employee to Supervise Payment of Employees

Project Name: _____

Subcontractor Name: _____

(**I/We**) hereby certify that (**I am/we are**) (**the prime contractor/a subcontractor**) who will perform _____(*insert scope of work)* in connection with construction of the above-mentioned Project, and that (**I/(we**) have appointed

_____ and whose signature appears as _____and/or
(Identifying Signature of Appointee)
_____ and whose signature appears as _____
(Identifying Signature of Appointee)

to supervise the payment of (my/our) employees beginning_____ (*insert month and year*); that he/she is/are in a position to have full knowledge of the facts set forth in the payroll documents and in the statement of compliance required by the so-called Kick-Back Statue which he/she is to execute with (**my/our**) full authority and approval until a new certificate appointing another person for the purposes herein above stated.

ATTEST
Print Name: _____
Signature: _____
Title: _____

Instructions: This certificate must be executed by an authorized officer of a corporation, by a member of a partnership, or the sole owner and shall be executed prior to the start of construction and submitted promptly. Should the appointee be changed, a new certificate must accompany the first payroll for which the new appointee executes a statement of compliance required by the Kick-Back Statute. This form must be completed by the Prime Contractor and Subcontractor(s) to appoint an individual to sign original certified payroll reports. All Subcontractors should submit the form to the Prime Contractor; in turn, the Prime Contractor will submit the form via e-mail to HCDContractCompliance@houstontx.gov c/o the compliance officer.

Employee Information

Date: _____

Project Name: _____

Contractor/Subcontractor Name: _____

NAME	ADDRESS	9 DIGIT SOCIAL SECURITY NUMBER	PHONE NUMBER

_____ _____

Print Name Signature

Instructions: This form must be completed by the Prime Contractor and Subcontractor(s) who generate certified payroll reports and **only** submit this form upon request. All Subcontractors should submit the form to the Prime Contractor and the Prime Contractor will submit the form via e-mail to HCDContractCompliance@houstontx.gov c/o the compliance officer.

Payroll Deduction Authorization

Project Name: _____

Employee Name _____

Contractor/Subcontractor Name: _____

Effective Date of Deduction(s)
(i.e. pay period) _____

I authorize my employer to deduct from my paycheck a total amount of $_____**or** a fixed percentage of _____% from my total gross earned the entire week.

Payment of	Deduction Amount	One Time Only	Weekly	Bi-Weekly	Monthly	Other
Loans						
Retirement **(401K)**						
Uniforms						
Insurance Premiums						
Union Dues						
Other: _____ ***(insert type of deduction)***						

Employee's Signature:_____

Instructions: This form must be completed by the Prime Contractor or Subcontractor(s) when a deduction, other than taxes, has been deducted from an employee's paycheck and/or reported on a certified payroll report. If there's a fixed percentage/amount being deducted from every paycheck, only submit one form. Submit a new form for every new deduction or when a change has been made to the deduction amount or frequency on a previously submitted form. All Subcontractors should submit the form to the Prime Contractor and the Prime Contractor will submit the form via e-mail to HCDContractCompliance@houstontx.gov c/o the compliance officer.

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Employee Verification of Multiple Job Classifications

Date: _____

Project Name: _____

Employee Name: _____

Contractor/Subcontractor Name: _____

The undersigned hereby certifies that he/she has engaged in the following work classifications, found in the chart below, during:

payroll #_____week beginning:_____/_____/_____ and ending:_____/_____/_____
(Date) (Date)

1. WORK CLASSIFICATION	Instructions: Insert days/dates for the given workweek in row below and hours worked in lower rows. 2. 7-day work week							3. TOTAL HOURS	4. RATE OF PAY	5. GROSS PAY
TOTALS										

Employee's Signature:_____

Instructions: This form is not a time sheet. This form must be completed by the Prime Contractor and Subcontractor(s) when an employee is reported working two (2) or more job classifications on a single certified payroll report. The form must accompany the applicable certified payroll report. All Subcontractors should submit the form to the Prime Contractor and the Prime Contractor will submit the form via e-mail to HCDContractCompliance@houstontx.gov c/o the compliance officer.

Published 10/2015

Request of Additional Classification & Rate

Date: _____

Project Name: _____

Contractor/Subcontractor Name: _____

Start of Work date: _____

Proposed Trade Job Classification: _____

Proposed Hourly Rate (Specific amount): _____

The undersign hereby certifies that he/she proposes the above classification and hourly rate needed for work not included within the scope of classifications listed in U.S. Department of Labor wage determination.

_____
(Signature)

_____
(Print Name)

_____
(Title)

Attached the following:

☐ Explanation of the job function and how it relates to the scope of work

☐ Picture of equipment and/or tools of the trade

*NOTICE: The request will not be processed until all supporting documents are received.

Instructions: Davis-Bacon Act and Related Acts (DBRA) General Wage Decision (WDs) do/does not contain every craft needed for all DBRA work performed on every contract. When this occurs DBA provisions contain a conformance procedure for the purpose of establishing a DBRA-enforceable wage and benefit rate for missing job classifications. Contractors are responsible for determining the appropriate crafts necessary to perform the contract work. If a classification considered necessary for performance of the work is missing from the GWD or to have DOL conform an existing job classification for a specific scope of work, the contractor must initiate a request for approval for a proposed wage and benefit rate. Please allow up to 60-90 days for the request to be processed by the U.S. Department of Labor (DOL). In the meantime, certified payroll reports should be submitted with the proposed job classification and rate. The certified payroll reports are subject to DOL's approval, conditional approval or denial. All Subcontractors should submit the form to the Prime Contractor and the Prime Contractor will submit the form via e-mail to HCDContractCompliance@houstontx.gov c/o the compliance officer.

Certified Payroll Report & Weekly Statement of Compliance (WH 347 & 348)

Certified payrolls are required to be submitted on a weekly basis via LCPTracker.

U.S. Department of Labor
Wage and Hour Division

PAYROLL
(For Contractor's Optional Use; See Instructions at www.dol.gov/whd/forms/wh347instr.htm)

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

U.S. Wage and Hour Division
Rev. Dec. 2008

OMB No.: 1235-0008
Expires: 01/31/2015

NAME OF CONTRACTOR ☐ OR SUBCONTRACTOR ☐ | ADDRESS

PAYROLL NO. | FOR WEEK ENDING | PROJECT AND LOCATION | PROJECT OR CONTRACT NO.

(1) NAME AND INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER) OF WORKER	(2) NO. OF WITHHOLDING EXEMPTIONS	(3) WORK CLASSIFICATION	OT. OR ST.	(4) DAY AND DATE / HOURS WORKED EACH DAY							(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS: FICA	WITH-HOLDING TAX			OTHER	TOTAL DEDUCTIONS	(9) NET WAGES PAID FOR WEEK
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			S																	
			O																	
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While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) contractors and subcontractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

Public Burden Statement

We estimate that is will take an average of 55 minutes to complete this collection, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, U.S. Department of Labor, Room S3502, 200 Constitution Avenue, N.W. Washington, D.C. 20210

(over)

Date _____

I, _____ , _____
(Name of signatory party) (Title)

Do hereby state:

(1) That I pay or supervise the payment of the persons employed by:

_____ on the _____
(Contractor or subcontractor) (Building or work)

_____; that during the payroll period commencing on the _____

day of _____ 20 ___ , And ending the _____ Day of ____ , 20 ___ all persons employed on said project have been paid the full weekly wages earned, that no rebates have or will be made either directly or indirectly to or on behalf of said

_____ from the full
(Contractor or subcontractor)

weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other that permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act. As amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 357; 40 U.S.C. 276c), and described below:

_____

_____

_____

_____

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less that the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeships and Training, United States Department of Labor.

(4) That: _____

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

_____ In addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in Section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

_____ Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less that the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in Section 4(c) below

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

Remarks

Name and Title	Signature

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENT MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.

STATEMENT OF COMPLIANCE – FORM WH-348

Employee Rights Posters

EMPLOYEE RIGHTS
UNDER THE DAVIS-BACON ACT

FOR LABORERS AND MECHANICS EMPLOYED ON FEDERAL OR FEDERALLY ASSISTED CONSTRUCTION PROJECTS

THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

PREVAILING WAGES You must be paid not less than the wage rate listed in the Davis-Bacon Wage Decision posted with this Notice for the work you perform.

OVERTIME You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 in a work week. There are few exceptions.

ENFORCEMENT Contract payments can be withheld to ensure workers receive wages and overtime pay due, and liquidated damages may apply if overtime pay requirements are not met. Davis-Bacon contract clauses allow contract termination and debarment of contractors from future federal contracts for up to three years. A contractor who falsifies certified payroll records or induces wage kickbacks may be subject to civil or criminal prosecution, fines and/or imprisonment.

APPRENTICES Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

PROPER PAY If you do not receive proper pay, or require further information on the applicable wages, contact the Contracting Officer listed below:

HCDD WILL PROVIDE THE POSTER TEMPLATE. PRINT IT ON 11X17 PAPER. NOTICE MUST BE POSTED IN A PROMINENT AND ACCESSIBLE PLACE WHERE IT MAY BE EASILY SEEN BY EMPLOYEES.

or contact the U.S. Department of Labor's Wage and Hour Division.

For additional information:

1-866-4-USWAGE

(1-866-487-9243) TTY: 1-877-889-5627

WWW.WAGEHOUR.DOL.GOV

WHD U.S. Wage and Hour Division

U.S. Department of Labor | Employment Standards Administration | Wage and Hour Division

WH 1321(Revised April 2009)

DERECHOS DEL EMPLEADO
BAJO LA LEY DAVIS-BACON

PARA OBREROS Y MECÁNICOS EMPLEADOS EN PROYECTOS DE CONSTRUCCIÓN FEDERAL O CON ASISTENCIA FEDERAL

LA SECCIÓN DE HORAS Y SUELDOS DEL DEPARTAMENTO DE TRABAJO DE EEUU

SALARIOS PREVALECIENTES No se le puede pagar menos de la tasa de pago indicada en la Decisión de Salarios Davis-Bacon fijada con este Aviso para el trabajo que Ud. desempeña.

SOBRETIEMPO Se le ha de pagar no menos de tiempo y medio de su tasa básica de pago por todas las horas trabajadas en exceso de 40 en una semana laboral. Existen pocas excepciones.

CUMPLIMIENTO Se pueden retener pagos por contratos para asegurarse que los obreros reciban los salarios y el pago de sobretiempo debidos, y se podría aplicar daños y perjuicios si no se cumple con las exigencias del pago de sobretiempo. Las cláusulas contractuales de Davis-Bacon permiten la terminación y exclusión de contratistas para efectuar futuros contratos federales hasta tres años. El contratista que falsifique los registros certificados de las nóminas de pago o induzca devoluciones de salarios puede ser sujeto a procesamiento civil o criminal, multas y/o encarcelamiento.

APRENDICES Las tasas de aprendices sólo se aplican a aprendices correctamente inscritos bajo programas federales o estatales aprobados.

PAGO APROPIADO Si Ud. no recibe el pago apropiado, o precisa de información adicional sobre los salarios aplicables, póngase en contacto con el Contratista Oficial que aparece abajo:

HCDD WILL PROVIDE THE POSTER TEMPLATE. PRINT IT ON 11X17 PAPER. NOTICE MUST BE POSTED IN A PROMINENT AND ACCESSIBLE PLACE WHERE IT MAY BE EASILY SEEN BY EMPLOYEES.

o póngase en contacto con la Sección de Horas y Sueldos del Departamento de Trabajo de EEUU.

Para obtener información adicional:

1-866-4-USWAGE

(1-866-487-9243) TTY: 1-877-889-5627

WWW.WAGEHOUR.DOL.GOV

WHD U.S. Wage and Hour Division

U.S. Department of Labor | Employment Standards Administration | Wage and Hour Division

WH 1321 SPA (Revised April 2009)

MWDBE & SBE FORMS

MWDBE & SBE Instructions

The following form(s) are to be completed ***before construction*** commences.		
Pg. #	**Form**	**Deadline**
34	Compliance Cover Sheet	Within 10 days after Notice of Intent to Award (NOIA)
71	MWSBE Utilization Plan	Within 10 days after Notice of Intent to Award (NOIA)
72	Bidder's MWSBE Goal Deviation Request	Within 10 days after Notice of Intent to Award (NOIA)
Utilize the following forms ***during construction***.		
Pg. #	**Form**	**Deadline**
73	Deviation Request	Prior to deviation from the MWSBE Utilization Plan
Submit the form below ***after construction*** is finalized.		
Pg. #	**Form**	**Deadline**
72 25	Final Utilization Plan Good Faith Efforts Document 00471 http://www.houstontx.gov/obo/contractcompliance	Due two weeks prior to the Termination of Work date. Due two weeks prior to the Termination of Work date.

CITY OF HOUSTON HOUSING & COMMUNITY DEVELOPMENT DEPARTMENT

MWBE & SBE Participation Plan

PROJECT NAME: _____ /PROJECT # _____ REPORT DATE: _____
PRIME CONTRACTOR: _____ CONTRACT AMOUNT: _____
ADDRESS: _____ MWBE & SBE GOAL: _____%
CONTACT PERSON: _____ CONTACT PHONE#: _____

Initial List of Subcontractors _____ Monthly ____ Final/Closeout List of all Subcontractors ____

NAICS (6 Digit)	Description of Work	% of Total Bid (2decimal places)	Vendor Name/Address/Contact Name/Email	Date of AA Certification	Date of Contract	Subcontractor Amount	% of Total Contract
			MBE				
			SBE				
			WBE				

Use additional pages if needed
Provide a copy of each firm's certificate and Executed Notice of Intent to Award letter

Submit to: Housing & Community Development Department
Compliance Division/Contract Compliance Section
601 Sawyer Street, 4th Floor
Houston, Texas 77007 (Fax) (832) 395-9670

Bidder's MWSBE Goal Deviation Request

Bidder or Proposer Name:

Project Name & Bid/Contract #: _____

Department Approved MWSBE Goals

MBE	**WBE**	**SBE**	**Total**
%	%	%	%

Bidder's Proposed MWSBE Goals

MBE	**WBE**	**SBE**	**Total**
%	%	%	%

Justification: Please provide the reason the Bidder is unable to meet the Contract Goal.

_____

_____

_____

Good Faith Efforts: Please list any efforts not listed in the Bidder's Good Faith Effort Report (Form CP 14).

_____

_____

_____

Date: Bidder:

Title: Email:

Phone Number:

Deviation Request

Date:	
Name of Contractor:	
Project Name, # or Description:	

Name of MWDBE/SBE Requesting to Add	Name of MWDBE/SBE Requesting to Drop
_____	_____
_____	_____

If dropping a MWDBE/SBE firm, list the name of the eligible MWDBE/SBE replacement firm: _____

_____

_____

Reasons for deviating from final plan: _____

_____

_____

☐ If dropping a MWDBE/SBE firm, attach copy of the Notice Intent to Award for eligible MWDBE/SBE replacement firm.

☐ Attach copies of all correspondence relative to the reason for deviation (i.e. letter from subcontractor to prime, change order, default notices other acceptable evidence).

HCDD Internal Use		
Reason given by MWDBE for deviation:		
Comments/Findings:		
Administrative Specialist/Compliance Officer:		Date:
Approved by:		Date: