# COMPLIANCE FORMS

## MWSBE AND SECTION 3

2100 Travis Street | 9th floor
Houston, TX 77002 | 832.394.6160

**www.houstontx.gov/housing**

@HoustonHCDD

CITY OF HOUSTON
HOUSING AND
COMMUNITY
DEVELOPMENT

# CONTACT INFORMATION

| City of Houston - HCDD 2100<br>Travis Street, 9th Floor<br>Houston, TX 77002 | | |
|---|---|---|
| **CONTRACT COMPLIANCE SECTION**<br>**MWSBE/Section 3/Community Involvement** | | |
| Division Manager | Chrystal Boyce | (832) 394-6130<br>Chrystal.Boyce@houstontx.gov |
| Administrative Coordinator | Lakesha Tates | (832) 394-6345<br>Lakesha.Tates@houstontx.gov |
| MWSBE Coordinator | Taylisha Clark | (834) 394-6326<br>Taylisha.Clark@houstontx.gov |
| MWSBE<br>Contract Administrator | Eva Alcala | (832) 394-6118<br>Eva.Alcala@houstontx.gov |
| MWSBE<br>Contract Administrator | Aldwin Foster-Rettig | (832) 394-6202<br>Aldwin.Foster-Rettig@houstontx.gov |
| Section 3<br>Lead Contract Administrator | Tiffany Wyatt | (832) 394-6379<br>Tiffany.Wyatt@houstontx.gov |
| Section 3<br>Contract Administrator | Desmond Calloway | (832) 393-9110<br>Desmond.Calloway@houstontx.gov |
| Section 3 Coordinator | Patricia Holcombe | (832) 394-6321<br>Patricia.Holcombe@houstontx.gov |
| Community Involvement<br>Coordinator | Karen Franklin | (832) 394-6160<br>Karen.Franklin@houstontx.gov |

# COMPLIANCE FORMS

Instructions: All compliance forms must be completed and/or signed by a duly authorized member of the firm. The Prime Contractor, Subcontractor, and Suppliers must upload the following forms in **LCPTracker** by the deadlines provided below. Read each form to verify if it's applicable to your firm and follow the instructions written on each form.

The following form(s) are to be submitted ***before construction*** commences.

| **Compliance Section(s):** MWSBE/Section 3 | **Form/Documents** | **Due** |
|---|---|---|
| All sections | Executed contract agreement, purchase order, and/or invoice | Within 5 business days of executed contract agreement |
| All sections | Compliance Cover Sheet | Within 5 business days of executed contract agreement |
| All sections | Request for Contractor/Subcontractor Clearance Form/SAM Verification | **Before** execution of contract agreement |
| All sections | Start of Work Notice | Upon commencement of work |
| All sections | Termination of Work Notice | Upon completion of work |
| MWSBE/ Section 3 | Section 3/MWSBE Utilization Plan | Within 5 business days of executed contract agreement, monthly, and/or when changes occur |
| Section 3 | Contractor's Section 3 Compliance Certification | Within 5 business days of executed contract agreement |
| Section 3 | First Source Hiring Agreement | Within 5 business days of executed contract agreement |
| Section 3 | Permanent Employee List | Within 5 business days of executed contract agreement |
| Section 3 | Workforce Analysis Form | Within 5 business days of executed contract agreement |
| Section 3 | Internal Capacity Affidavit | Within 5 business days of executed contract agreement or when internal capacity is reached |
| Section 3 | Monthly Verification of Internal Capacity Status | Between 1st and 5th day of the month capturing previous month activity |
| Section 3 | Section 3 Monthly Activity Report | Between 1st and 5th day of the month capturing previous month activity |
| Section 3 | Section 3 New Hire Form | Between 1st and 5th day of the month capturing previous month activity |
| Section 3 | Confirmation of Subcontractor Amount | Within 5 business days of executed contract agreement |
| Section 3 | E-BID Announcement | Submit at least 14 business days from need to contract |
| Section 3 | Employment Opportunity Announcement (EOA) | Submit at least 14 business days prior need to hire |
| Section 3 | Bid Tabulation | Submit no later than 5 business days after final selection is made |
| Section 3 | Template - Section 3 Signage (GC) | Signage must be posted on site prior to start of work |

# Compliance Cover Sheet

Return with Compliance Documents **(Complete all fields)**

| | | |
|---|---|---|
| Project Name: | | |
| Name of Prime Contractor/Sub/Supplier: | | I/We have a written contract or purchase order with: |
| Services to be provided: | | NAICS code [Hint: To look up a code, please visit **http://www.census.gov/eos/www/naics/** ] |
| Company Address: | | Pre-existing LCP Tracker User ID: |
| EIN or SS Number: | DUNS Number: (N/A if not applicable) | Contract Amount: $ |
| Compliance Contact Person/Title: | | Email: |
| Phone Number: | | Fax Number: |
| *Owner's Ethnicity/Racial Background: | | Gender: |
| ☐ MBE ☐ WBE ☐ SBE ☐ Section 3 | | |

**Instructions:**

**This form must be completed by all Prime contractors, Subcontractors, and Suppliers upon execution of a contract agreement, purchase order and/or invoice.**

***For contracts applicable to Section 3, Suppliers that do not perform labor should NOT complete this form.***

**The Prime Contractor is responsible for collecting this form from Subcontractors and Suppliers to complete setup and access to LCP Tracker.**

***HUD's ethnicity categories are: White American, Black American, Native American, Hispanic American, Asian/Pacific American and Hasidic Jewish.***

***REQUIRED BY ALL SECTIONS**

# Request for Prime Contractor/Subcontractor Clearance

***No contract can be executed with a Prime Contractor, Subcontractor or Supplier until their eligibility has been verified by HCDD.***

| | |
|---|---|
| **Date** | |
| **Project Name** | |
| **Project Address** | |
| **Prime Contractor/Sub/Supplier** | |
| **EIN or SS Number** | |
| **Address/Zip Code** | |
| **Phone Number** | |
| **Check the applicable entity** | ☐Sole Proprietorship ☐Corporation<br>☐Partnership ☐Other |

**List Principal(s) below:**

_____

_____

_____

_____

**Instructions:**

**To ensure eligibility, a search must be conducted of the (1) Company Name, (2) Principal Owner(s) and (3) the Employer Identification Number (EIN) through www.sam.gov/SAM .**

**The Prime Contractor verifies the eligibility of all Subcontractors and Suppliers. Search results and the Request for Clearance form MUST be uploaded in LCP Tracker for each Subcontractor and Supplier.**

***REQUIRED BY ALL SECTIONS**

# Start of Work Notice

## Prime Contractor Information

| | |
|---|---|
| **Project Name** | |
| **Project Address** | |
| | |
| **Prime Contractor/Sub Name** | |
| **Prime Contractor/Sub Address** | |
| | |
| **Start of Work Date** | |

## Prime Contractor Authorization

| | |
|---|---|
| **Name of Authorized Officer** | |
| **Signature** | |
| **Title** | |

**Instructions:**

**This form must be completed by the Prime Contractor/Subcontractor and serves as notice of commencement of work to HCDD.**

***REQUIRED BY ALL SECTIONS**

# Termination of Work Notice

## Prime Contractor Information

| | |
|---|---|
| **Project Name** | |
| **Project Address** | |
| | |
| **Prime Contractor/Sub Name** | |
| **Prime Contractor/Sub Address** | |
| | |
| **Termination of Work Date** | |

## Prime Contractor Authorization

| | |
|---|---|
| **Name of Authorized Officer** | |
| **Signature** | |
| **Title** | |

**Instructions:**

**This form must be completed by the Prime Contractor/Subcontractor and serves as notice to HCDD that work has been completed.**

***REQUIRED BY ALL SECTIONS**

CITY OF HOUSTON HOUSING AND COMMUNITY DEVELOPMENT

# Section 3 Utilization Plan

A Prime Contractor **must** submit an **initial** Utilization Plan when selected and then **once every month and/or when there are changes to utilization and/or contract amounts**. All Subcontractors, and Owner/Developer are also required to submit a Utilization Plan **once every month and/or when there are changes to utilization and/or contract amounts**. Section 3 requires an Owner/Developer(s), Prime Contractor & Subcontractor to award 10% of the construction budget to Section 3 Business Concerns when "NEW" contracting opportunities arise. This requirement by Section 3 **excludes** Suppliers. The 10% hard cost goal is calculated based on the total contract amount financed with HUD funds for construction related activities. The 3% soft cost goal is applicable when "New" opportunities arise for non-construction related activities. The 3% is calculated based on the soft cost budget, not the total contract amount. This form **MUST** be completed by **ALL** Subcontractors working on projects at all tier levels.

**Reminder: THIS FORM MUST BE DATED BETWEEN THE 1ST AND 5TH OF EACH MONTH.**

| 1A. DD/MM/YYYY: | 1B. Project Name: | 1C. Contract Number: | 1D. Contractor Amount: | 1E. Contact Person: | 1F. Prime/Subcontractor Name: | 1G. Compliance Contact Name: | 1H. Compliance Contact Telephone Number: |
|---|---|---|---|---|---|---|---|
| | | | | | | | |

| 2A. Required 10% Hard Cost Goal | 2B. Achieved 10% Hard Cost Goal | 2C. 10% Hard Cost Goal Met | 2D. Soft Cost Budget (N/A if not applicable) | 2E. Required 3% Soft Cost Goal | 2F. Achieved 3% Soft Cost Goal | 2G. 3% Soft Cost Goal Met |
|---|---|---|---|---|---|---|
| | | | | | | |

| **NAICS Code (6digits)** | **Subcontractor** | **Section 3 Certified** (Select drop down Yes or No) | **Gender** (Select drop down Male or Female) | ***Ethnicity** (Refer options below) | **Description of Service** | **EIN or ISS** | **Contract Amount** | **% of Contract** | **Hard Cost, Soft Cost or Supplier** (select the correct choice) | **Address & Phone Number** |
|---|---|---|---|---|---|---|---|---|---|---|
| | | No | Female | White American | | | | | | |
| | | No | Female | Hasidic Jewish | | | | | | |
| | | No | Female | Hasidic Jewish | | | | | | |
| | | No | Female | Hasidic Jewish | | | | | | |
| | | No | Female | Hasidic Jewish | | | | | | |
| | | No | Female | Hasidic Jewish | | | | | | |
| | | No | Female | Hasidic Jewish | | | | | | |
| | | No | Female | Hasidic Jewish | | | | | | |
| | | No | Female | Hasidic Jewish | | | | | | |
| | | No | Female | Hasidic Jewish | | | | | | |
| | | No | Female | Hasidic Jewish | | | | | | |
| | | No | Female | Hasidic Jewish | | | | | | |

***HUD's ethnicity categories are: White American, Black American, Native American, Hispanic American, Asian/Pacific American and Hasidic Jewish***

CITY OF HOUSTON HOUSING AND COMMUNITY DEVELOPMENT

# MWSBE Utilization Plan

A Prime Contractor **must** submit an **initial** Utilization Plan when selected and then **once every month and/or when there are changes to utilization and/or contract amounts**. All Subcontractors, Suppliers and Owner/Developers are also required to submit a Utilization Plan **once every month and/or when there are changes to utilization and/or contract amounts**. This form **MUST** be completed by **ALL** Subcontractors and Suppliers working on MWSBE projects at all tier levels.

**Reminder: THIS FORM MUST BE DATED BETWEEN THE 1ST AND 5TH OF EACH MONTH.**

| 1A. DD/MM/YYYY: | 1B. Project Name | 1C. Contract Number | 1D. Contractor Amount: | 1E. Prime/Sub Contractor Name: | 1F. Compliance Contact Name: | 1G. Compliance Contact Telephone Number: |
|---|---|---|---|---|---|---|
| | | | | | | |

| **NAICS Code (6digits)** | **Subcontractor/Supplier** | **MWSBE** (select drop down Yes or No) | **Section 3 Certified** (circle the correct choice) | ***Ethnicity** (Refer options below) | **Description of Service** | **EIN or SS#** | **Contract Amount** | **% of Contract** | **Hard Cost, Soft Cost or Supplier** (select the correct choice) | **Address & Phone Number & Email** |
|---|---|---|---|---|---|---|---|---|---|---|
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |
| | | No | No | Hasidic Jewish | | | | | | |

***HUD's ethnicity categories are: White American, Black American, Native American, Hispanic American, Asian/Pacific American and Hasidic Jewish.***

***Note: Actual dollar amounts are assumed if the date is in the past, otherwise numbers reflect projected dollar amounts***

# 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 this_____day of ,20 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

***SECTION 3 ONLY**

# 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**

**SECTION 3 ONLY**

# Section 3 Prime 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 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

**Only submit form if Prime/Subcontractor does not have a need for lower-tier subs or new hires for the duration of the project.**

# Monthly Verification of Internal Capacity Status

This form is to be completed and submitted by the 5th of each month by every Subcontractor claiming Internal Capacity, for the duration of their contract. Always report for the previous month; (E.g., Form due on July 5th, will be reporting 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 |
|---|---|---|---|

***SECTION 3 ONLY**

# Section 3 Monthly Activity Report (PART I)

| | |
|---|---|
| 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** | | | | | | | | | | |

**NOTES:**

1. This form **MUST** be submitted by **ALL** contractors (with a contract in excess of $100,000) no later than the **5th** of each month.
2. Reporting **MUST** always reflect previous months activity.
3. New Hires are reported under Column "B" for the first month following their date of hire. Thereafter, New Hires are reported under Column "C".
4. All New Hires **MUST** be listed on the Section 3 and Non-Section 3 New Hire Form.
5. This form is **NOT** required by Prime and Subcontractors claiming, "Internal Capacity".

# Section 3 and Non-Section 3 New Hire Form (PART II)

**Form Instructions**

| 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** |
| | | | | | | | | | |
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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

# Section 3 Confirmation of Subcontract Amount

Project Name: _____

Subcontractor Name: _____

Executed Contract With: _____

Original Contract Amount:

Start of Work Date: _____

Contract Amount at Start of Work: _____

**Please complete one (1) of the following that applies:**

## A.
## Contract Amount Has Remained 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 |
|---|---|---|---|

## B.
## Contract Amount Has Increased to Equal to or Greater Than $100,000

If the contract amount is now in excess 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 |
|---|---|---|---|

# Section 3 EBID Announcement

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

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

**Project Name:**_____

**Address, City, State, Zip:** _____

**From:** _____

**Summary of Work**: _____

_____

*This project is (**name of project**)_____. As a General Contractor/Subcontractor, we are 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: (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: _____

Phone number: _____

Address: _____

Email: _____

Trade/Specialty: _____

***HCDD contractors are 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." If your company is interested in certifying as a Section 3 Business Concern complete the application process here: https://hcddsection3.gob2g.com/***

***This form must be completed and submitted to HCDD Section 3 and MWSBE Compliance Coordinators for all contracting opportunities.***

# Section 3 Employment Opportunity Announcement (EOA) for procuring Labor for Section 3 Residents

***DATE:*** _____ **APPLICATION DEADLINE:** _____

***TO :*** *Section 3 Residents*

***PROJECT:*** _____

***FROM:*** _____

***POSITION NEEDED/DESCRIPTION:*** _____

***CONTACT INFORMATION:*** _____

_____

## 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: _____ Email: _____

Job: _____

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 Section 3 Resident the guidelines and application are available here: https://www.houstontx.gov/housing/compliance.html#sec3***

***The 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:**

**COST CODE:**

**Projected Budget**

| SUBCONTRACTORS | BID AMOUNT | | COST BREAKDOWN |
|---|---|---|---|
| | | | per unit<br>per square foot |
| | | | per unit<br>per square foot |
| | | | per unit<br>per square foot |
| | | | per unit<br>per square foot |

| | | | |
|---|---|---|---|
| **Labor** | $ - | **PM:** | |
| **Material** | $ - | | |
| **TOTAL:** | $ - | **SPM:** | |
| **CONTRACT:** | | **VP:** | |
| **P.O.:** | | | |

## Signage Template

Housing and Community Development Department

In partnership with the U.S. Department of Housing and Urban Development, and _____

**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:**

_____

# SUPPLEMENTAL COMPLIANCE FORMS, TEMPLATES AND REFERENCE MATERIAL

In addition to the forms listed on the previous pages, Prime Contractor, Subcontractor and Suppliers are **required**, where applicable, to submit supplemental compliance forms during and upon completion of the construction. The supplemental forms, templates and reference material are available for download in LCP Tracker. For your convenience, a **sample** of available forms and documents in LCP Tracker are attached:

| Compliance Section: MWSBE/ Section 3 | Form | Deadline |
|---|---|---|
| All sections | Work on Hold Notice | Refer to instructions |
| All sections | System for Award Management Instructions | N/A |
| All sections | Statement of Information for SAM Results | N/A |
| MWSBE | MWBE Utilization Schedule | Submitted **with** "Initial" Utilization Plan, and/or when Prime fails to meet MWBE participation goals. |
| MWSBE | Mediation Arbitration Language | Included in certified firms executed contract agreement and/or purchase order(s) |
| Section 3 | Monthly Employee Report | Submit only for Multi-Family DR/17 projects. Deadline between 1st and 5th day of the month capturing previous month activity. |

# Work on Hold Notice

## Prime Contractor Information

| | |
|---|---|
| **Project Name** | |
| **Project Address** | |
| | |
| **Prime/Sub Contractor Name** | |
| **Prime/Sub Contractor Address** | |
| | |
| **Exact or estimated date range that work is scheduled to be on hold** | |

## Prime 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. This form must be uploaded into LCP Tracker.**

***REQUIRED BY ALL SECTIONS**

# System for Award Management's

## Instructions how to process a Request for Contractor Clearance

Go to ww.sam.gov

**Enter one of the *search terms*:**

-Entity name
-Tax payer ID
-Name of each principals

Click on *Search Records*

**Did you receive**

***No record found for current search?***

**No.**

-Exclusions: Yes
-If results are found, click on "+" sign to expand.
-Print the page and attach it to the Request for Clearance.

Example below

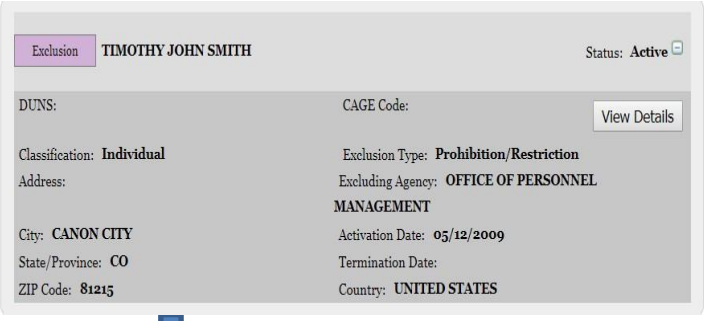
**Yes.**

Print results page and attach it to the Request for Contractor/Subcontract or Clearance.

REPEAT FOR EACH SEARCH TERM.

**Stop.**

You are finished.




**Stop**

**Notify your assigned HCDD staff member for clearance. Upload the form and results and send an email for expedited clearance.**

CITY OF HOUSTON
HOUSING AND COMMUNITY DEVELOPMENT

## MWSBE Utilization Schedule

| | |
|---|---|
| **Status as of:** | (enter date) |
| **Project Name:** | (enter project name) |
| **Project Number** | (enter project number) |
| **Company Name** | (enter construction Company name) |

| Month | Total | Sub 1 (Enter Name) | Sub 2 (Enter Name) | Sub 3 (Enter Name) |
|---|---|---|---|---|
| (enter NTP date) | $0 | $0 | $0 | $0 |
| (enter NTP date + 1 month) | $0 | $0 | $0 | $0 |
| (enter NTP date + 2 months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| (continue adding months) | $0 | $0 | $0 | $0 |
| | **$** | **$0** | **$0** | **$0** | **$0** |
| | **%** | **0.00%** | **0.00%** | **0.00%** | **0.00%** |

| | |
|---|---|
| **Contract Amount:** | **$1,000,000** |
| **Goal %** | **24.00%** |
| **Goal $** | **$240,000** |

***Note: Actual dollar amounts are assumed if the date is in the past, otherwise numbers reflect projected dollar amounts.

# CITY OF HOUSTON CERTIFIED MWSBE SUBCONTRACTING AGREEMENT TERMS

Contractor shall ensure that all subcontracting agreements with M/WSBE Subcontractors and suppliers are clearly labeled "**THIS CONTRACT IS SUBJECT TO MEDIATION**" contain the following terms:

1. _____(M/WSBE Subcontractor/Supplier) shall not delegate or subcontract more than 50% of the work under this subcontracting agreement to any other Subcontractor or supplier without the express written consent of the City of Houston's Office of Business Opportunity.

2. _____(M/WSBE Subcontractor/Supplier) shall permit representatives of the City of Houston, at all reasonable times, to perform 1) audits of the books and records of the Subcontractor, and 2) inspections of all places where work is to be undertaken in connection with this subcontracting agreement. Subcontractor shall keep such books and records available for such purpose for at least four (4) years after the end of its performance under this subcontract. Nothing in this provision shall affect the time for bringing a cause of action or the applicable statute of limitations.

3. Within five (5) business days of execution of this subcontracting agreement, Contractor (prime contractor) and Subcontractor shall designate in writing to the Office of Business Opportunity an agent for receiving any notice required or permitted to be given pursuant to Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of such agent.

These provisions apply to goal-oriented and regulated contracts as defined in City Code of Ordinances, Chapter 15, Article 5.

*"To be used on Multi-Family DR/17 Projects Only"*

# Monthly Employee Report

**Reporting Month:** **Name of Contractor:** **Report Submitted by:**

**Total Number of Employees:** 1 **% of Section 3 Residents:** 100% **% of Apprentice Workers:** 0%

| Last Name: | First Name: | Section 3 Resident Yes or No: | Apprentice Worker Yes or No: | Date of Hire: |
|---|---|---|---|---|
| Doe | Jane | Yes | No | 1/1/2020 |
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Applicable only for Multi-family Disaster Relief FY17 Projects

Rev 01.2020

| Last Name: | First Name: | Section 3 Resident Yes or No: | Apprentice Worker Yes or No: | Date of Hire: |
|---|---|---|---|---|
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