



SECTION 3 PLAN

FOR

Lehigh County, Pennsylvania

FAIR HOUSING EQUAL OPPORTUNITY  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



March 2011

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### **General Policy Statement**

It is the policy of the County of Lehigh to require its contractors to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's or marital status, or economic status and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

The Lehigh County Department of Community and Economic Development will implement this policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of the County.

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

### **Section 3 Purpose**

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

The following terms are used to describe those persons for whom employment and contracting opportunities are to be generated.

Section 3 Residents are defined as:

1. Residents of Public and Indian Housing or
2. Individuals that reside in Lehigh County in which the Section 3 covered assistance is expended and whose income do not exceed the HUD income limits set forth for low or very low-income households for Lehigh County.

Section 3 Business Concerns are defined as one of the following:

1. Businesses that are 51 percent or more owned by Section 3 Residents or
2. Businesses whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 Residents, or within three years of the date of first employment with the firm were Section 3 Residents or
3. Businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above.

### **Section - 3 Contracting Policy and Procedure**

The Lehigh County Department of Community and Economic Development will incorporate Section 3 requirements in its existing procurement policy and adopt a Section 3 contracting policy and procedure to be included in all procurements of covered activities paid for with HUD funding. This policy and procedure contains goal requirements for awarding contracts to Section 3 Business Concerns.

All contractors/businesses seeking Section 3 Certification must apply for the Section 3 Certification and demonstrate the capacity to undertake the work. Such certifications shall be adequately supported with appropriate documentation as referenced in Exhibit 2.

The existing procurement policy also contains goal requirements for awarding contracts to Small Disadvantaged Businesses, formerly Minority and Women Business Enterprises (M/WBE).

### **Section 3 Action Plan**

Lehigh County has developed this Section 3 Action Plan to identify the applicability of provisions of 24 CFR Part 135 objectives, and actions that will be implemented to ensure compliance with the requirements of Section 3. The Section 3 Action Plan will cover Lehigh County's Community Development Program and any other HUD funded grants that may be received including but not limited to HOME Investment Partnership Program, and Economic Development Initiative. The Section 3 Action Plan is limited to housing construction, housing rehabilitation, and public improvement construction projects (i.e. street improvements, storm drainage, library ADA modifications).

Contractors or subcontractors that receive contracts in excess of \$100,000 for Section 3 covered projects/activities are required to comply with the Section 3 regulations in the same manner as Lehigh County. In addition, Section 3 applies to those projects in which multiple contracts in the aggregate amount of covered funding exceeds \$200,000 and is invested into activities such as housing construction, demolition, rehabilitation, or other public construction (i.e., roads, sewers, community centers).

An example demonstrating the aggregation principal of applicability of Section 3 is the combined investment of more than \$200,000 into multiple single-family housing rehabilitation projects during a program year.

If the County receives Section 3 covered funding and invests these funds into covered projects/activities, but no individual contract exceeds \$100,000, responsibility for complying with Section 3 only applies to the County.

Accordingly, the recipient must attempt to reach the Section 3 minimum numerical goals found at 24 CFR Part 135.30 by complying with the following: **1) Awarding 10 percent of the total dollar amount of all covered construction contracts to Section 3 businesses; and 2) Offering 30 percent of new employment opportunities to Section 3 businesses.**

The Section 3 Action Plan includes several components:

- Action steps that Lehigh County will take to outreach to Section 3 Residents and Section 3 Business Concerns.
- Certification of Section 3 Residents and Business Concerns.
- Items that must be included in the bid documents for covered projects.
- Implementation of Section 3 hiring requirements by contractors.
- Implementation Section 3 contracting requirements by contractors.
- Section 3 complaint procedure.
- Reporting requirements for Section 3.

## **1. Outreach to Section 3 Residents and Section 3 Business Concerns**

### **A. Efforts to Outreach to Section 3 Residents**

Lehigh County will use the following methods to inform residents of Section 3 hiring opportunities:

- Advertise that Section 3 eligible residents should contact PA CareerLink<sup>®</sup> Lehigh Valley for job search assistance by first attending an “Introduction to Services” session. These sessions are held on: Mondays and Tuesdays, 9 a.m. and 1 p.m.; Wednesdays 5:30 p.m.; Thursdays 1 p.m. and Fridays at 9 a.m. Spanish language sessions are held Fridays at 10:30 a.m. Please report 15 minutes before the start of the session – first-come, first served up to 19 participants per session. More information can be found on the website: <http://www.CareerLinkLehighValley.org> go to Workshop Calendar link.
- Section 3 job openings will be identified on the PA CareerLink<sup>®</sup> Lehigh Valley website when available.
- Work with the Lehigh County Housing Authority and PA CareerLink<sup>®</sup> Lehigh Valley to seek out referral sources in order to ensure job readiness for public housing residents, on-the-job training, and mentoring to obtain necessary skills that will transfer into the external labor market.
- Provide outreach material to the following organizations:
  1. Lehigh County Housing Authority
  2. Community Action Committee of the Lehigh Valley (ACLV)
  3. Lehigh County Conference of Churches
  4. Lehigh County Center for Independent Living
  5. The Literacy Center
  6. Community Action Development Corporation Allentown (CADCA)
  7. Community Action Development Corporation Bethlehem (CADCB)

### **B. Efforts to Outreach and Award Contract Opportunities to Section 3 Business Concerns**

Lehigh County will use the following methods to notify and contract with Section 3 Business Concerns when contracting opportunities exist:

- Advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information.
- Provide written notice of contracting opportunities to all known Section 3 Business Concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to the bid invitation.
- Work with ACLV and other business start-up programs to conduct workshops on contracting procedures to include bonding, insurance, and other pertinent requirements, in a timely

manner in an effort to allow Section 3 Business Concerns the opportunity to take advantage of any upcoming contracting opportunities.

- Contact business assistance agencies, Minority and Women’s Business Enterprise (M/WBE) contractor associations and community organizations to inform them of contracting opportunities and to request their assistance in identifying Section 3 businesses.
- Establish relationships with the Small Business Administration (SBA), the Chamber of Commerce, Counselors to America’s Small Business (SCORE), and other sources as necessary to assist with educating and mentoring residents with a desire to start their own businesses.
- Develop resources or seek out training to assist residents interested in starting their own businesses to learn to prepare contracts, prepare taxes, and obtain licenses, bonding, and insurance.

## **2. Certification of Section 3 Residents and Business Concerns**

### **Section 3 Resident Certification Procedure**

Contractors should post their job openings on [www.PACareerLink.state.pa.us](http://www.PACareerLink.state.pa.us) website to meet their hiring needs. They may also search the database of job seekers to fill these positions. It will be the contractor’s responsibility to determine the eligibility of residents for Section 3. Documentation will be submitted to the Lehigh County Department of Community and Economic Development (Exhibit 1).

The staff of the Lehigh County Department of Community and Economic Development will provide contractors with assistance in fulfilling this requirement.

Contractors must document efforts to employ workers referred by PA CareerLink<sup>®</sup> Lehigh Valley during the performance of the contract. The contact information for PA CareerLink<sup>®</sup> Lehigh Valley is:

PA CareerLink<sup>®</sup> Lehigh Valley  
(610) 437-5627 x 218  
1601 Union Boulevard  
Allentown, PA 18002-0490  
[www.pacareerlink.state.pa.us](http://www.pacareerlink.state.pa.us)

Residents of Lehigh County who are seeking employment are encouraged to register with PA CareerLink<sup>®</sup> at [www.PACareerLink.state.pa.us](http://www.PACareerLink.state.pa.us) and to use the on-line link for Section 3 job openings at <http://www.CareerLinkLehighValley.org>

### **Section 3 Business Certification**

Any business seeking Section 3 certification shall complete the “Certification for Business Concerns and Demonstration of Capability” form (Exhibit 2). The business seeking Section 3 certification must be able to provide adequate documentation as evidence of eligibility for certification under the Section 3 Program.

Certifications for Section 3 Business Concerns must be submitted to CACLV.

### **3. Items to include in the bid documents**

All Section 3 covered contracts shall include the Section 3 clause, which can be found in Exhibit 3. When a Section 3 covered activity is bid, all the forms required for compliance, as found in Exhibit 3 shall be included in the bid document. If a bidder/proposer fails to submit the required information with the bid or proposal, such bid/proposal will be declared as “non-responsive”.

For contracts and subcontracts awarded under the competitive proposals awarded under the Request for Proposals (RFP) method, Lehigh County shall identify and disclose in the RFP all evaluation factors (and their relative importance) to be used to rate proposals.

The evaluation factors shall address the preference for Section 3 Business Concerns and the acceptability of the strategy for meeting the greatest extent feasible requirement for utilizing Section 3 Residents and Business Concerns. Proposers shall disclose their strategy for meeting this requirement.

The preference factor shall provide for a range of 15 to 25 percent of the total number of available points be set aside for the evaluation of these two components.

An RFP shall be considered to be responsive when the proposer submits a Section 3 strategy as required by the RFP that complies with Section 3 training and employment preference, or contracting preference, or both, if applicable. The contract award shall be made to the responsible firm (either Section 3 or Non-Section 3 Business Concerns) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.

### **4. Implementation of Section 3 Hiring Requirements By Contractors**

It is the policy of Lehigh County to utilize residents and other Section 3 eligible persons and businesses in contracts partially or wholly funded with monies from the U.S. Department of Housing and Urban Development (HUD). Lehigh County has established employment and training goals that contractors and subcontractors should meet in order to comply with Section 3 requirements. (Reference 24 CFR 135.30) The numerical goal is:

- Thirty percent (30%) of the aggregate number of new hires in any fiscal year.

It is the responsibility of contractors, vendors and suppliers to implement progressive efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goals were not feasible. All contractors submitting bids or proposals to Lehigh County or its subrecipients are required to certify that they comply with the requirements of Section 3. A prime contractor may satisfy the resident hiring requirements through its subcontractors.

It is not intended for contractors and subcontractors to terminate existing employees. They must however, make every effort feasible to employ Section 3 program participants before any other person when hiring additional employees needed to complete proposed work to be performed with HUD funds.

A prime contractor, through its subcontractor(s), may satisfy the resident hiring requirement set forth above by engaging in one or more of the following actions:



1. Subcontract or joint venture with a resident owned business. The business must be 51% or more owned by public housing residents, or subcontract/joint venture with a business that employs full-time, 30% or more low and very-income individuals within Lehigh County; or
2. Direct hiring of public housing residents and/or low and very low-income neighborhood residents; or
3. Contractor incurs the cost of providing skilled training for residents.

### **Assisting Contractors to Achieve Section 3 Goal Hiring and Contracting Goals**

Lehigh County will assist contractors with little or no experience in achieving Section 3 hiring goals by:

- Requiring the contractor to present a list, to the Section 3 Coordinator, of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract.
- Section 3 Coordinator will work with the contractor to post the employment opportunities on the PA CareerLink<sup>®</sup> website as previously described and to search the database of job seekers.
- Section 3 Coordinator will review the new hire clause with contractors and subcontractors to ensure that the requirement is understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to employ Section 3 program participants before any other person when hiring additional employees needed to complete proposed work to be performed with HUD funds.

Contractors and subcontractors are expected to extend, to the greatest extent feasible, reasonable efforts to achieve the numerical goals established by Lehigh County.

### **Contractor's Requirements in Employing Section 3 Participants**

- Contractors must notify the Section 3 Coordinator of their interests regarding employment of Section 3 participants prior to hiring. The contractor may use the Work Force Needs Table, which will be provided in the bid documents and can be found in Exhibit 3.
- The contractor must certify the eligibility of new hires as Section 3 Residents.
- The contractor must submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contract award.
- The contractor must document the performance of Section 3 participants (positive and negative), regarding punctuality, attendance, etc., and provide this information to the Section 3 Coordinator.
- The contractor shall immediately notify the Section 3 Coordinator of any problems experienced due to the employment of Section 3 participants.
- The contractor shall immediately notify the Section 3 Coordinator if a participant quits, walks off, or is terminated for any reason. The contractor must provide written documentation of all such incidents to support such decisions to the Section 3 Coordinator to determine if an investigation is warranted.

## **5. Implementation Section 3 Contracting Requirements By Contractors**

It is the policy of Lehigh County to award contracts to Section 3 Business Concerns partially or wholly funded with monies from the Department of Housing and Urban Development (HUD). Lehigh County has established a goal for the utilization of Section 3 Business Concerns. (Reference 24 CFR 135.30) The numerical goal is:

- Awarding 10 percent of the total dollar amount of all covered construction contracts to Section 3 businesses.

It is the responsibility of contractors, vendors and suppliers to implement progressive efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goals were not feasible. All contractors submitting bids or proposals to Lehigh County or its subrecipients are required to certify that they comply with the requirements of Section 3.

### **Assisting Contractors to Achieve Section 3 Goal Contracting Goals**

Lehigh County Section 3 Coordinator will assist contractors with little or no experience in achieving Section 3 contracting goals by:

- Providing contractors with a list of Section 3 business Concerns interested and qualified for construction projects, if available.

### **Contractor's Requirements in Employing Section 3 Businesses**

Each applicant, recipient, contractor, and subcontractor preparing to undertake work pursuant to a Section 3 covered contract shall develop and implement an affirmative action plan, which shall:

- (a) Set forth the approximated number and dollar value of all contracts proposed to be awarded to all businesses within each category (type or profession) over the duration of the Section 3 covered project.
- (b) Analyze the information set forth in paragraph (a) and the availability of eligible business Concerns within the project area doing business in professions or occupations identified as needed in paragraph (a) and set forth a goal or target number and estimated dollar amount of contracts to be awarded to the eligible businesses and entrepreneurs within each category over the duration of the Section 3 covered project.
- (c) Outline the anticipated program to be used to achieve the goals for each business and/or professional category identified. This program should include but not be limited to the following actions:
  - (1) Insertion in the bid documents, if any, of the affirmative action plan of the applicant, recipient, contractor, or subcontractor letting the contract; and
  - (2) Identification within the bid documents, if any, of the applicable Section 3 project area; and
  - (3) Ensuring that the appropriate business concerns are notified of pending contractual opportunities either personally or through locally utilized media.

A sample plan is included and attached as Exhibit 4.

## **6. Internal Section 3 Complaint Procedure**

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

- Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR 135, Economic Opportunities for Low and Very-Low Income Persons.
- Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- An investigation will be conducted if complaint is found to be valid. The Section 3 Coordinator will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
- The Section 3 Coordinator will prepare written documentation detailing the findings of the investigation of the complaint.
- The Lehigh County Grants and Housing Manager will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later than thirty (30) days after the filing of complaint.

If complainants wish to have their Concerns considered outside of the Lehigh County Department of Community and Economic Development, a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunity  
United States Department of Housing and Urban Development  
451 Seventh Street, SW  
Washington, DC 20410

The complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

## **7. Section 3 Record Keeping and Reporting**

### **Record Keeping**

Lehigh County will maintain files that demonstrate compliance with Section 3 requirements. Files shall include:

- Copies of advertisements and other material used to outreach to Section 3 Residents and Business Concerns.
- Efforts to award contracts to Section 3 Business Concerns.
- Procurement procedures that provide stated goals for utilization of Section 3 Business Concerns.

- Competitive proposals that give preference points in factors for award for Section 3 Business Concerns.
- Listings of certified Section 3 Residents.
- Listings of certified Section 3 Business Concerns.
- Grievances filed by Section 3 Residents or Section 3 Business Concerns.
- Listings of Section 3 residents trained and/or employed.

### **Annual Reporting**

Lehigh County will report to HUD annual accomplishments regarding employment and other economic opportunities provided to low and very -low income persons under Section 3. Form HUD-60002, "Section 3 Summary Report", is currently being utilized for reporting accomplishments. This form may be changed and updated from time to time as required by HUD and 24 CFR 135. This report is filed with the Comprehensive Annual Reporting and Evaluation Report (CAPER) at the end of each program year. The form can be found in Exhibit 5.

### **Job Reporting**

General contractors and sub-contractors are required to submit to Lehigh County a new hires Section 3 compliance form at the conclusion of each project. Final payments will not be made until such reporting is completed. Contractors are required to complete the "Contractor's Progress Report For Section 3 Compliance Business Utilization and the Lehigh County Progress Report for Section 3 Compliance Manpower Utilization." These forms can be found in Exhibit 4.

## Definitions

**Applicant** — Any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency 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.

**Assistant** — The Assistant Secretary for Fair Housing and Equal Opportunity.

**Business Concerns** — A business entity formed in accordance with State law, and which is licensed under state, County or municipal law to engage in the type of business activity for which it was formed.

**Contractor** — Any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance or for work in connection with a Section 3 covered project.

**Employment Opportunities Generated by Section 3 Covered Assistance** — All employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in 24 CFR Section 135.3(a)(1) which defines public housing programs that are covered by Section 3). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in 24 CFR Section 135.3(a)(2), which defines Section 3 applicability to housing and public works programs), including management and administrative jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

**Housing Authority** (HA) — Lehigh County Housing Authority (LCHA).

**Housing Development** — Low-income housing owned, developed, or operated by public housing agencies in accordance with HUD's public housing program regulations codified in 24 CFR Chapter IX.

**HUD Youthbuild Programs** — Programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low and very low-income families.

**Low-income person** — Families (including single persons) whose incomes do not exceed 80% of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80% of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families. The Census Long Form intake process will be used.

**Metropolitan Area** — A Metropolitan Statistical Area (MSA), as established by the Office of Management and Budget.

**New Hires** — Full-time employees for permanent, temporary or seasonal employment opportunities.

**Recipient** — 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, 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 transferee 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** — Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u). The implementing regulations can be found at 24 CFR Part 135.

**Section 3 Business Concerns** — May be defined as one of the following:

- 1) 51 percent or more owned by Section 3 resident; or
- 2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business Concerns were Section 3 residents; or
- 3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontractors to be awarded to business Concerns that meet the qualifications set forth in paragraphs 1 or 2 above.

**Section 3 Covered Assistance**

- 1) Public housing development assistance provided pursuant to Section 5 of the 1937 Act; or
- 2) Public housing operating assistance provided pursuant to Section 9 of the 1937 Act; or
- 3) Public housing modernization assistance provided pursuant to Section 14 of the 1937 Act; or
- 4) Assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

**Section 3 Clause** — The contract provisions set forth in 24 CFR Section 135.38. The text of this provision is provided in Exhibit 3.

**Section 3 Covered Contracts** — 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's procurement program, which are governed by the Federal Acquisition Regulation (FAR). 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.

**Section 3 Covered Project** — The construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

**Section 3 Resident** — A public housing resident or an individual who resides in the metropolitan area or nonmetropolitan County in which the Section 3 covered assistance is expended and who is considered to be a low- to very low-income person.

**Subcontractor** — Any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

**Very low-income person** — Families (including single persons) whose income does not exceed 50% of the median family income for the area, as determined by the Secretary of HUD with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50% of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

**EXHIBIT 1**

**THE LEHIGH COUNTY  
RESIDENT EMPLOYMENT OPPORTUNITY DATA**

**ELIGIBILITY FOR CERTIFICATION**

**Eligibility for Certification**

A Section 3 eligible resident as defined by HUD, shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

**Certification for Section 3 Resident**

I, \_\_\_\_\_, am a legal resident of Lehigh County and meet the income eligibility guidelines for a low or very low-income person – see page 2.

My permanent address is: \_\_\_\_\_  
\_\_\_\_\_

I have attached the following documentation as evidence of my status:

- |  |   |
|--|---|
| <input type="checkbox"/> Copy of lease from LCHA   | <input type="checkbox"/> Copy of receipt of public assistance |
| <input type="checkbox"/> Copy of evidence or participation in a public assistance program. | <input type="checkbox"/> Other evidence of income<br>_____    |

\_\_\_\_\_  
Signature

\_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date



**SECTION 3 INCOME LIMITS**

All low income residents of Lehigh County qualify as Section 3 residents provided they meet the income limits set forth below. Qualifying individuals have household Income at or below 80% of the area median income adjusted for family size.

A picture identification card and proof of current residency is required. Proof of household income such as a tax return and pay stub or benefits statement must be provided.

Lehigh County uses the "Census Long Form" method of income eligibility.

**Eligibility Guideline**

<b>Number in Household</b>	<b>Low Income (under 80% of median)</b>
1 individual	39,200
2 individuals	44,800
3 individuals	50,400
4 individuals	56,000
5 individuals	60,500
6 individuals	65,000
7 individuals	69,450
8 individuals	73,950

Current as of May, 2010

HUD publishes revised income levels annually. The above figures may change from year to year.

**EXHIBIT 2**

**SECTION 3 CERTIFICATION FOR BUSINESS CONCERNS  
AND DEMONSTRATION OF CAPABILITY**

Name of Business \_\_\_\_\_ Phone: \_\_\_\_\_

Address of Business \_\_\_\_\_ FAX: \_\_\_\_\_

Contact Person \_\_\_\_\_ E-mail: \_\_\_\_\_

FEIN Number \_\_\_\_\_ DUNS number \_\_\_\_\_

Type of Business:       Corporation                       Partnership  
                                  Sole Proprietorship               Joint Venture

Attached is the following documentation as evidence of status (Select one category A, B, or C):

**A. For a business claiming status as a Section 3 resident-owned enterprise:**

- |  |   |
|--|---|
| <input type="checkbox"/> Copy of public housing lease LCHA | <input type="checkbox"/> Copy of receipt of public assistance   |
| <input type="checkbox"/> Copy of evidence of participation | <input type="checkbox"/> Income documentation with income under<br>in Section 8 rent assistance program<br>80% of median, adjusted for family size. |

**B. For a business claiming Section 3 status by subcontracting 25 percent of the dollar  
awarded to qualified Section 3 business:**

- List of subcontracted Section 3 business(es) and subcontract amount

**C. For a business claiming Section 3 status, claiming at least 30 percent of their workforce are  
currently Section 3 residents or were Section 3 eligible residents within 3 years of date of  
first employment with the business:**

- |   |  |
|---|--|
| <input type="checkbox"/> List of all current full-time employees                                      | <input type="checkbox"/> List of employees claiming Section 3 status                                     |
| <input type="checkbox"/> Public Housing Residential lease less than<br>3 years from day of employment | <input type="checkbox"/> Other evidence of Section 3 status less than<br>3 years from date of employment |

**Section 3 Businesses must be a small business as defined by the Small Business Administration  
and a currently operating business. Please submit:**

- Your firm's tax returns (gross receipts) and all related schedules for the past three years
- Year-end balance sheets and income statements for the past three years (or life of firm, if less than three years); a new business must provide a current balance sheet
- Copies of business licenses, as appropriate
- List of owned equipment
- List of all contracts for the past two years
- PANEW hire forms

\_\_\_\_\_  
Applicant Name (Please print)                      Signature (Applicant)                      (Corporate Seal)

Attested by: \_\_\_\_\_

**EXHIBIT 3: Items to Include in the Bid and Contract Documents**

**A. Bid Documents:**

1. Section 3 Special Conditions
2. Section 3 Solicitation Form
3. Work Force Needs Table
4. Section 3 Opportunities Plan
5. Contractor's Section 3 Action Plan For Business Utilization

**B Contract Document**

1. Section 3 Clause

## **SECTION 3 SPECIAL CONDITIONS**

Lehigh County has initiated efforts to enhance resident hiring in specific procurement areas. These initiatives are designed to set the requirements for resident hiring and developing and/or strengthening administrative procedures for facilitating contractors' hiring of Section 3 residents.

### **1. Procurement Documents**

Each bidder/proposer must include a Section 3 Opportunities Plan which indicates its commitment to meet resident hiring requirements.

If a bidder/proposer fails to submit a Section 3 Opportunities Plan and the related data along with the bid/proposal, such bid/proposal will be declared as "non-responsive".

For Invitations for Bids ("IFB") where awards are made to the lowest, responsive and responsible bidder, the bidder's commitment to satisfy resident hiring requirements will be a factor used in determining whether the bidder is "responsive".

For RFQ's, RFP's and IFB's, contractors shall be required to detail the cost of the bid or proposal by separately categorizing contract cost by labor (person hours and dollar amounts).

### **2. Resident Hiring Requirements**

Lehigh County has established employment and training goals that contractors and subcontractors should meet in order to comply with Section 3 requirements. (Reference 24 CFR 135.30 — Numerical goal for meeting the greatest extent feasible requirement). The numerical goal is thirty percent (30%) of the aggregate number of new hires in any fiscal year.

### **3. Enforcement**

To enforce the decision-making process pertaining to determining applicable percentages for resident hiring, enforcement strategies are set forth below.

During the post award or pre-bid conference, the objective shall be to impart critical Section 3 information to the contractor prior to commencement of the work/project. The following contract requirements shall be discussed in detail:

Davis-Bacon\*  
Minority and Women Owned Businesses Participation  
Resident Hiring

\*Non-construction contracts do not require Davis-Bacon wage rates.

Each representative will define specific functional requirements and require the contractor to certify its understanding of the terms and conditions of the contract as they pertain to Davis-Bacon, resident hiring and Minority and Women Owned Business participation.

### **4. Monitoring and Enforcement Responsibility**

The function of monitoring and enforcing resident hiring will be carried out by the Section 3 Coordinator.

8020 DCD-286

Commonwealth of Pennsylvania DCFD  
Department of Community and Economic Development  
Center for Community Development

### SECTION 3 CONTRACT SOLICITATION AND COMMITMENT STATEMENT

(1) Name of Bidder	(2) IFB Number
Address	Bid Opening Date
Telephone Number	Contact Person

(3) NOTE: List those certified minority/women owned businesses from which you solicited quotes or which contacted you and gave you quotes in regard to this invitation for bid. Bidder's contract with Subcontractors and suppliers should be at least five days prior to the bid opening date.

(3) COMPANY NAME & TELEPHONE NUMBER	*(4) EIN OR SSN	(5) SECTION 3 (X)	(6) TYPE OF CONSTRUCTION, EQUIPMENT, SERVICES AND/OR SUPPLIES TO BE PROVIDED TO THE PROJECT	(7) TOTAL DOLLAR AMOUNT OF QUOTE RECEIVED	*(8) TOTAL COMMITMENT DOLLAR AMOUNT

(9) NOTE Minimum Levels (MPL) Section 3 - 10%  
A presumption of responsibility may be made if the dollar commitment of Section 3's reflect the minimum participation level.

(11) Prepared By	Telephone Number/Email Address
------------------	--------------------------------

Use additional sheets if necessary.

TO BE SUBMITTED WITH CONTRACT DOCUMENTS IF AWARDED

**WORK FORCE NEEDS TABLE  
(EMPLOYEES)**

OCCUPATION/CATEGORY	APPROXIMATE NUMBER OF SKILLED EMPLOYEES REQUIRED	TOTAL NUMBER OF SKILLED EMPLOYEES PRESENTLY ON PAYROLL	TOTAL NUMBER OF SKILLED EMPLOYEES TO BE HIRED	TOTAL NUMBER OF LOWER INCOME RESIDENTS TO BE HIRED

The following are the occupational category classifications that should be inserted in the Table:

1. Professional
2. Technicians
3. Office/Clerical
4. Tradesman: (a) Carpenter, (b) Electrician, (c) Laborer, (d) Other

Employment Certification

- A. The Contractor certifies that the above table represents the approximate number of employee positions that are needed and which are not presently filled by regular and permanent employees, and which new employees will be required in the execution of the \_\_\_\_\_ contract and also represents the number of lower income County residents that the Contractor proposes to make good faith effort to employ.
- B. The Contractor certifies that it will make a good faith effort to employ the number of lower income employees stated above by contacting such community based organizations and service agencies in addition to advertising through the County’s newspapers and erecting signs on the project site contractor’s employment posters.
- C. The Contractor, prior to subcontracting any portion of the work covered by this contract, will require a Work Force Needs Table to be prepared and certification similar to paragraph A, B, and C to be executed.

**WORK FORCE NEEDS TABLE  
(TRAINEES)**

OCCUPATION/CATEGORY	APPROXIMATE NUMBER OF TRAINEES REQUIRED	TOTAL NUMBER OF TRAINEES PRESENTLY ON PAYROLL	TOTAL NUMBER OF TRAINEES TO BE HIRED	TOTAL NUMBER OF LOWER INCOME TRAINEES TO BE HIRED

The following are the occupational category classifications that should be inserted in the Table:

1. Professional
2. Technicians
3. Office/Clerical
4. Tradesman: (a) Carpenter, (b) Electrician, (c) Laborer, (d) Other

Trainee Certification

- A. The Contractor certifies that the above table represents that approximate number of trainee positions required in the execution of the \_\_\_\_\_ contract and also represents the number of lower income County residents that the Contractor proposes to utilize in filling trainee positions.
- B. The Contractor certifies that it will make a good faith effort to fulfill the number of lower income trainees' state above by utilizing such community based organizations.
- C. The Contractor certifies that trainees to be utilized on this project in no event are less than the number of trainees determined by the Secretary of Labor for each building construction occupation.





## SECTION 3 OPPORTUNITIES PLAN

### Business Opportunities and Employment Training of Public Housing Residents for Low and Very -Low Income Residents of Lehigh County

Please review the information below, and provide your responses on separate paper. (A Section 3 Economic Opportunity Plan Instruction Sheet is attached to further assist you in developing your responses to the information requested below.)

1. Identify individual(s) responsible for planning, implementing and tracking the projects' Section 3 training and employment goals. Describe their prior experience in this area.
2. Describe efforts (contractor and subcontractor) to be taken to recruit, solicit, encourage, facilitate, and hire public housing and other low-income persons. Identify any private or public resources that will be used.
3. Describe contractor's activities to be taken for recruiting, soliciting, encouraging, facilitating and selecting Section 3 subcontractors, where applicable.
4. Describe plans to structure project activities in ways that create opportunities for Section 3 firms' participation, where applicable.

**YOUR RESPONSES TO QUESTIONS 1-4, WILL CONSTITUTE YOUR PLAN; PLEASE ATTACH YOUR PLAN DOCUMENT AND ALSO INCLUDE THE FOLLOWING INFORMATION ON YOUR PLAN:**

**(1) COMPANY NAME**

**(2) YOUR NAME AND PHONE NUMBER**

**(3) BID NUMBER AND NAME.**

See sample attached

## **SAMPLE PLAN**

### **PLEASE RE-TYPE YOUR OWN FIRM'S PLAN ON YOUR FIRM STATIONERY**

FIRM NAME, ADDRESS, TELEPHONE AND FAX NUMBER

#### **Question #1**

*Identify individuals responsible for planning, implementing, and tracking the project's Section 3 training and employment goals. Describe their prior experience in this area.*

The individual responsible for planning, implementing and tracking the project's Section 3 training and employment goals is \_\_\_\_\_ (identify appropriate title of this individual), of name of firm \_\_\_\_\_ (hereafter referred to as "Contractor"). He (or she) will obtain all pertinent information to become thoroughly familiar and ensure contract compliance with the HUD Section 3 Regulation. Name of individual: \_\_\_\_\_ has worked on construction (or service, whichever is applicable) projects, and is qualified to administer contractor's Section 3 Economic Opportunity Plan (Plan.)

#### **Question #2**

*Describe efforts (contractor and subcontractor) to be taken to recruit, solicit, encourage, facilitate and hire public housing and other low-income persons. Identify any private or public resources that will be used.*

The employment goal is thirty percent (30%) of the aggregate number of new hires. Contractor will take the following steps to recruit, solicit, encourage, facilitate and hire public housing and other low-income persons, in the event any vacancies occur throughout the duration of the project:

1. Post job openings or contact PA CareerLink® Lehigh Valley for assistance to meet the job needs for this project.
2. Outreach to public housing resident associations and others to alert them to the employment opportunities.
3. Develop a list of "pre-qualified" Section 3 public housing and other low-income residents who could fill job vacancies that may later become available.
4. Send notices about Section 3 training and employment obligations and opportunities required for this project to labor organizations.
5. Establish a training program to provide public residents and other low income residents with the opportunity to learn basic skills and job requirements.
6. Advertise in major and community newspapers and on job sites for workers who meet the definition of a Section 3 resident.

Contractor will establish files to record and retain written documentation of all training and employment outreach efforts and resources from agency representatives and job applicants.

**Question #3**

*(ONLY APPLICABLE TO FIRMS THAT SUBCONTRACT)*

*Describe the contractor's activities to be taken for recruiting, soliciting, encouraging, facilitating and selecting Section 3 subcontractors, where applicable.*

Contractor will take all feasible measures to recruit, solicit, encourage, facilitate, and select qualified Section 3 business subcontracting firms to perform at least 10% of the project award amount (contract sum) for each project for which Contractor is the successful bidder.

Contractor will request the organizations, listed below, to provide lists of firms, organized by trade category, which can perform required project work (in addition to these organizations, Contractor may also contact other organizations that provide such listings):

1. Contractor's Resource Center
2. Small Business Administration
3. Minority Business Development Center

Contractor understands that, in addition to awarding work to qualified Section 3 businesses, it is our responsibility to:

1. Use the contractor's or firms solicitation letter to advertise to the "greatest extent feasible" to all firms on lists provided to us by Lehigh County and other organizations about the type of work needed to complete each project;
2. Advise firms of Contractor's obligation to seek and award work to qualified Section 3 businesses, where feasible,
3. Clarify the definition of a Section 3 resident and business,
4. Explain how to qualify as a Section 3 business in order to be eligible to receive a preference from Contractor when subcontractor work is to be awarded, and
5. Provide Section 3 certified firms that are qualified to perform work with an opportunity to submit price quotations for the project work, and where financially feasible, hire such firms as subcontractors.

❖ Documentation of Outreach to find Eligible Section 3 Subcontracting Firms

1. Contractor will establish files to record and retain written documentation of all outreach efforts and responses received from organizations and subcontractors who are contacted.
2. Contractor will provide a report on each outreach effort and at the conclusion of the project on Section 3 individuals and firms employed.

**Question #4:**

*Describe plans to structure project activities in ways that create opportunities for Section 3 firms' participation, where applicable.*

Contractor will make every effort to structure project activities to increase opportunities for Section 3 businesses. This will be accomplished by sub-dividing the work into smaller amounts, or by using multiple firms to complete similar types of work.

Submitted by: \_\_\_\_\_ Submission Date: \_\_\_\_\_

\_\_\_\_\_  
President Name

**CONTRACTOR'S SECTION 3  
ACTION PLAN FOR BUSINESS UTILIZATION**

- A. The Contractor shall utilize, to the maximum extent feasible, eligible Section 3 Business Concerns located in the County of Lehigh, Pennsylvania, in contracting for work to be performed in connection with the completion of the contract. Eligible Section 3 businesses are those which qualify as 'small' under the Small Business Administration size standards and which are socially and economically disadvantaged.
- B. The Contractor has established a goal of 30% (Minimum Goal) of the total contract amount which he expects to award to eligible Section 3 business Concerns. Table I, Business Utilization Table, sets forth the classification of subcontracts, the estimate of each subcontractor dollar amount, whether a Section 3 business is intended to be utilized and the dollar amount of proposed subcontracts to Section 3 businesses.
- C. To achieve the goal specified in paragraph "B", the Contractor shall:
  - 1. Make full use of minority business listings made available by the Lehigh County.
  - 2. Take steps to insure that subcontracts which are typically let on a negotiated rather than a bid basis are also let on a bid basis, whenever feasible.
  - 3. Where competitive bids are solicited, include as part of the bid documents the Contractor's goals for Section 3 as it related to the work for which bids are being solicited, require each bidder to submit their Utilization Goals and Affirmative Action Plan for achieving Section 3 Business Utilization.
  - 4. Insert the Section 3 contract language required by 24 CFR 135.38 in all subcontracts; and require to be executed by the subcontractor a certification of compliance with Section 3, similar to the Contractor's Certification of Compliance, Form S3-4, and an Affirmative Action Plan for Business Utilization, Form S3-4.
- D. The Contractor will report the results of the affirmative efforts and undertakings per paragraph A, B, and C above, including the efforts of its subcontractors at the conclusion of the project.

\_\_\_\_\_  
Signature / Contractor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved / County of Lehigh

\_\_\_\_\_  
Date

**BUSINESS UTILIZATION TABLE**

PROPOSED SUBCONTRACTS	SUBCONTRACT DOLLAR AMOUNT ESTIMATE	USE OF SECTION 3 BUSINESSES		PROPOSED SUBCONTRACTS TO SECTION 3 BUSINESSES DOLLAR AMOUNT
		YES	NO	
<b>TOTALS:</b>				

The following are the examples of services, which may be required by subcontractors and these classifications, should be inserted in the table if applicable:

- |                                 |  |
|---------------------------------|--|
| 1. Selling bricks               | 8. Window-installation                         |
| 2. Selling lumber               | 9. Air conditioning sales and/or installations |
| 3. Selling cement, sand, gravel | 10. Floor tile sales and/or installations      |
| 4. Making steel cast            | 11. Door sales and/or installations            |
| 5. Selling electric supplies    | 12. Landscaping                                |
| 6. Selling kitchen appliances   | 13. Carpeting                                  |
| 7. Selling bathroom fixtures    | 14. Stationery and/or advertising              |
|                                 | 15. Other (Specify):                           |
- 

This list should also include professional services, and all of the construction trades, i.e., plumbing, electrical, drywall, carpenters, etc., which are intended to be subcontracted.

**WORK FORCE NEEDS TABLE  
(EMPLOYEES)**

OCCUPATION/CATEGORY	APPROX. NUMBER OF SKILLED EMPLOYEES REQUIRED	TOTAL NUMBER OF SKILLED EMPLOYEES PRESENTLY ON PAYROLL	TOTAL NUMBER OF SKILLED EMPLOYEES TO BE HIRED	TOTAL NUMBER OF LOWER INCOME RESIDENTS TO BE HIRED

The following are the occupational category classifications that should be inserted in the Table:

1. Professional
2. Technicians
3. Office/Clerical
4. Tradesman: (a) Carpenter, (b) Electrician, (c) Laborer, (d) Other

**Employment Certification**

- A. The Contractor certifies that the above table represents the approximate number of employee positions that are needed and which are not presently filled by regular and permanent employees, and which new employees will be required in the execution of the \_\_\_\_\_ contract and also represents the number of lower income County residents that the Contractor proposes to make good faith effort to employ.
- B. The Contractor certifies that it will make a good faith effort to employ the number of lower income employees stated above by contacting such community based organizations and service agencies in addition to advertising through the County's newspapers and erecting signs on the project site contractor's employment posters.
- C. The Contractor, prior to subcontracting any portion of the work covered by this contract, will require a Manpower Utilization Table to be prepared and certification similar to paragraph A, B, and C to be executed.

**WORK FORCE NEEDS TABLE  
(EMPLOYEES)**

OCCUPATION/CATEGORY	APPROX. NUMBER OF TRAINEES REQUIRED	TOTAL NUMBER OF TRAINEES PRESENTLY ON PAYROLL	TOTAL NUMBER OF TRAINEES TO BE HIRED	TOTAL NUMBER OF LOWER INCOME TRAINEES TO BE HIRED

The following are the occupational category classifications that should be inserted in the Table:

1. Professional
2. Technicians
3. Office/Clerical
4. Tradesman: (a) Carpenter, (b) Electrician, (c) Laborer, (d) Other

**Trainee Certification**

- A. The Contractor certifies that the above table represents that approximate number of trainee positions required in the execution of the \_\_\_\_\_ contract and also represents the number of lower income County residents that the Contractor proposes to utilize in filling trainee positions.
- B. The Contractor certifies that it will make a good faith effort to fulfill the number of lower income trainees state above by utilizing such community based organizations.
- C. The Contractor certifies that trainees to be utilized on this project in no event are less than the number of trainees determined by the Secretary of Labor for each building construction occupation.
- D. The Contractor, prior to subcontracting any portion of the work covered by this contract will require a Manpower Utilization Table to be prepared and certifications similar to paragraph A, B and C to be executed.



Reporting

The Contractor will report to the County on a regular basis (monthly or quarterly) the results of employee and trainee employment of lower income residents of the County. The Contractor reports will include not only his efforts, but the efforts of subcontractor, if any.

\_\_\_\_\_, the Contractor will, to the greatest extent feasible, abide by the requirements of Section 3 of the Housing and Urban Development Act of 1968, 12, U.S.C. 1701u, in carrying out its contract.

\_\_\_\_\_

Project Name

\_\_\_\_\_

Contractor

\_\_\_\_\_

Date

\_\_\_\_\_

Signature

\_\_\_\_\_

Title

## **B. Contract Documents**

### **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 or workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable 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 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

**EXHIBIT 4 - Job Monitoring Forms**

1. Contractor's Progress Report for Section 3 Compliance Business Utilization
2. Lehigh County Progress Report for Section 3 Compliance Manpower Utilization

**LEHIGH COUNTY  
CONTRACTOR'S PROGRESS REPORT  
FOR SECTION 3 COMPLIANCE BUSINESS UTILIZATION**

**BUSINESS UTILIZATION**

Date: \_\_\_\_\_

Contracting Agency: \_\_\_\_\_

Contract No.: \_\_\_\_\_

Date Executed: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

Section 3 Goals established by Action Plan: \_\_\_\_\_

Project Ending Percent: \_\_\_\_\_ \$ \_\_\_\_\_

Name and Phone No. of Person Preparing Report:

Name: \_\_\_\_\_ Phone No.: \_\_\_\_\_

#	Name and Address of Subcontractors	Type of Subcontractor	Owners 50% Live in County		Date of Award	Subcontracts Awarded (Dollar Amounts)		Section 3 Subcontracts Awarded (Dollar Amount)	
			Yes	No		Report Period	Cumulative	Report Period	Cumulative
1.									
2.									
3.									
4.									
	Cumulative Totals:								

Use appropriate letters for classification of subcontracts.

C – Construction, SP – Supplies, SV – Service

**LEHIGH COUNTY  
PROGRESS REPORT  
FOR SECTION 3 COMPLIANCE MANPOWER UTILIZATION**

- A. Project / Activity: \_\_\_\_\_
- B. Name of Third Party Contractor/Subcontractor: \_\_\_\_\_
- C. Amount of Contract/Subcontract: \_\_\_\_\_
- D. Amount of Section 3 Covered Assistance: \_\_\_\_\_
- E. Total of aggregate new hires related to this contract/projects: \_\_\_\_\_  
(If new hires result from this contract, please answer F, G & H.)
- F. New hires resulted from this contract, please indicate using the Racial Ethnic Codes below:

Job Category	No.	Race	Hispanic or Latino
1. Professional	_____	_____	_____
2. Technicians	_____	_____	_____
3. Office/Clerical	_____	_____	_____
4. Tradesman			
Carpenter	_____	_____	_____
Electrician	_____	_____	_____
Laborer	_____	_____	_____
Other	_____	_____	_____
<b>TOTAL:</b>	_____	_____	_____

Racial Ethnic Codes

- |   |   |
|---|---|
| 1. White                                  | 6. American Indian/Alaska Native & White                  |
| 2. Black/African American                 | 7. Asian & White  |
| 3. Asian                                  | 8. Black/African American & White                         |
| 4. American Indian/Alaska Native          | 9. American Indian/Alaska Native & Black/African American |
| 5. Native Hawaiian/Other Pacific Islander | 10. Other Multi-racial                                    |

G. Number of hires who:

Reside in public housing \_\_\_\_\_

Reside in the metropolitan area \_\_\_\_\_

Lower income \_\_\_\_\_

TOTAL Section 3 hires: \_\_\_\_\_

H. Percent of aggregate new hires classified as Section 3 (low income):

Family Size	Income
-------------	--------

1 person	_____
----------	-------

2 person	_____
----------	-------

3 person	_____
----------	-------

4 person	_____
----------	-------

5 person	_____
----------	-------

---

Signature of Contractor / Subcontractor \_\_\_\_\_ Date \_\_\_\_\_



**Part II: Contracts Awarded**

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

**Part III: Summary**

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other, describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.



## **EXHIBIT6 - Checklists**

1. Construction Workflow Checklist
2. Section 3 Compliance Checklist
3. Notice to Lehigh County Residents

# Construction Workflow Checklist

Project Name \_\_\_\_\_

- Environmental Review completed
- Municipal Agreement signed
- Design – Bid Documents prepared
  1. Set Construction Schedule
  2. Incorporate Labor Standards/MBE /Section 3 provisions
  3. Get wage rates
- MBE/WBE, Section 3 and Contractor outreach  
[www.dgsweb.state.pa.us/mbewbe/VendorSearch.aspx](http://www.dgsweb.state.pa.us/mbewbe/VendorSearch.aspx)
- Advertise – form of ad includes Bonding information and Davis Bacon statement, MBE-WBE and Section 3, as applicable
- Monitor changes to wage rates, issue addendum if new rates issues 10 days prior to bid opening
- Bid Opening – Prepare Bid Tabulation (check bids for MBE/WBE and Sec 3 Contract Solicitation Forms, as applicable)
- Verify contractor is not de-barred: [www.epls.gov](http://www.epls.gov)
- Verify insurance, bonding, and experience
- Engineer prepares memo examining cost for reasonableness
- Bid Award
- Pre-construction conference - Review Davis Bacon wages, MBE/WBE, Section 3 requirements
- Obtain copies of:
  - \_\_\_contracts
  - \_\_\_building permits
  - \_\_\_bonds
  - \_\_\_insurance
  - \_\_\_Section 3 manpower and business utilization tables
  - \_\_\_Sec 3 Economic Opportunities plan
  - \_\_\_list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contract award
- Notice to proceed
- Construction start date \_\_\_\_\_ (must be within 180 days of bid opening or get new wage rates.)
- Monitor payrolls reports, conduct on-site wage interviews
- Process payment requests – sign off of project “owner” and have signature from construction administrator/architect or engineer and municipality. Payroll submission must be up to date
- Final payment and close out – compile MBE/WBE and Sec. 3 reports (as applicable)
- Monitor continued use of public facility (as applicable)

## Section 3 Compliance Checklist

Project Name \_\_\_\_\_

- Develop Section 3 Plan

### OUTREACH:

- Advertise that Section 3 eligible residents should contact PA CareerLink® Lehigh Valley for job search assistance. Job seekers can find a Section 3 link on [www.CareerLinkLehighValley.org](http://www.CareerLinkLehighValley.org)
- Work with the Lehigh County Housing Authority and PA CareerLink® Lehigh Valley to seek out referral sources in order to ensure job readiness for public housing residents through on-the-job training and mentoring to obtain necessary skills that will transfer into the external labor market.
- Provide outreach material to the following organizations:
1. Lehigh County Housing Authority
  2. Community Action Committee of the Lehigh Valley
  3. Lehigh County Conference of Churches
  4. Lehigh County Center for Independent Living
  5. The Literacy Center
- Advertise for Section 3 Business Concerns via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information. Contact business assistance agencies, Minority and Women's Business Enterprise (M/WBE) contractor associations and community organizations to inform them of contracting opportunities and to request their assistance in identifying Section 3 businesses.
- Work with CACLV and other business start-up programs to conduct workshops on contracting procedures to include bonding, insurance, and other pertinent requirements, in a timely manner in an effort to allow Section 3 business Concerns the opportunity to take advantage of any upcoming contracting opportunities. Establish relationships with the Small Business Administration (SBA), the Chamber of Commerce, SCORE, and other sources as necessary to assist with educating and mentoring residents with a desire to start their own businesses.
- Work with the Lehigh County Department of Human Resources office to document County-hiring practices and the employment of Section 3 Residents.

### SECTION 3 ADMINISTRATION

- Identify Section 3 covered activities in each program year.
- Prepare and monitor cooperation agreement with CACLV to provide business outreach, training and certification of Section 3 Business Concerns.
- Prepare Section 3 report to HUD for CAPER.
- Receive and respond to Section 3 complaints.

PROJECT SPECIFIC:

- Provide written notice of contracting opportunities to all known Section 3 Business Concerns.
- Advertise specific contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information.
- Provide assistance to municipal engineers in the inclusion of Section 3 documents and outreach procedures in covered activities and monitor project bid process to ensure compliance.
- Provide assistance to contractors during the pre-construction conference in understanding the Section 3 requirements.
- Review contractor submission of Section 3 Resident certifications.
- At project completion, monitor hiring of Section 3 Residents and Utilization of Section 3 Businesses

ATTENTION LEHIGH COUNTY  
RESIDENTS AND BUSINESSES

Lehigh County, in compliance with revised regulations under Section 3 of the Housing and Urban Development Act of 1968, as amended (24CFR Part 135), is developing a list of qualified Section 3 Business Concerns from which to make referrals for purchase of services, materials, contracting and subcontracting. Certification forms are available at the Community Action Committee of the Lehigh Valley (CACLV), 1337 East Fifth Street Bethlehem, PA 18015 and can be reached via phone at 610-691-5620.

Please contact the CACLV if you think your business meets the criteria for a Section 3 Business Concerns and you wish to be placed on the list.

A “Section 3 Business” means a business Concerns:

1. That is 51% or more owned by Section 3 Residents (a resident of Lehigh County that meets low income guidelines as established by HUD); or
2. Whose permanent, full-time employees include persons, at least 30% of whom are currently Section 3 Residents, or who were Section 3 residents within 3 years of the date first employed with the business Concerns.

Residents that qualify as Section 3 will be considered for employment when such opportunities arise. A “Section 3 resident” means:

- (a) public housing resident
- (b) individual who resides in Lehigh County, and who is a low or very low income person as defined by HUD.

Information on job openings is available through [www.CareerLinkLehighValley.org](http://www.CareerLinkLehighValley.org)

Further information is available on-line at: [www.lehighcounty.org](http://www.lehighcounty.org). Information will be provided to non-English speaking persons and/or persons with disabilities in alternative format or languages upon request.

For more information, contact the Lehigh County Department of Community and Economic Development, 610-871-1964 TDD Users: PA Telecommunications Relay Center 7-1-1.

**EXHIBIT 7**

**Section 3 Contact Information**

County of Lehigh  
CDBG Program Coordinator  
Paulette Gilfoil  
Government Center  
17 South Seventh St.  
Room 519  
Allentown, PA 18101-2401

Phone: 610-782-3566  
Fax: 610-820-8257  
Email: [paulettegilfoil@lehighcounty.org](mailto:paulettegilfoil@lehighcounty.org)

Community Action Committee of Lehigh Valley  
Compliance Officer  
Dwight Harris  
1337 East Fifth Street  
Bethlehem, PA 18015

Phone: 610-691-1713  
Fax: 484-821-2207  
Email: [dharris@caclv.org](mailto:dharris@caclv.org)

PA CareerLink® Lehigh Valley  
1601 Union Boulevard  
Allentown, PA 18002-0490

Phone: 610- 437-5627 x 218  
Fax: 610-841-1009  
Email: [lvbusiness@careerlinklv.org](mailto:lvbusiness@careerlinklv.org)