

# CITY OF MIAMI

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## HOUSING AND URBAN DEVELOPMENT (HUD) ACT SECTION 3 REQUIREMENTS

### **I. ASSURANCE STATEMENT**

Each applicant, recipient, contractor, and subcontractor on a Section 3 covered project, shall sign the Section 3 Assurance of Compliance Form. The lowest bidder will be required to complete this form as a condition precedent to award and/or contract execution.

### **II. AFFIRMATIVE ACTION PLAN FOR UTILIZATION OF PROJECT AREA 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:
  - o Insertion in the bid documents, if any, of the affirmative action plan of the applicant, recipient, contractor, or subcontractor letting the contract; and
  - o Identification within the bid documents, if any, of the applicable Section 3 project area.
  - o Ensuring that the appropriate business concerns are notified of pending contractual opportunities either personally or through locally utilized media.

### **III. BIDDING AND NEGOTIATION REQUIREMENTS**

Every applicant and recipient shall require prospective contractors for work in connection with Section 3 covered projects to provide, prior to the signing of the contract, a preliminary statement of work force needs (skilled, semi-skilled, unskilled labor and trainees by category) where known; where not known, such information shall be supplied prior to the signed of any contract between contractors and their subcontractors. Consideration should be given to those contractors who will have training and employment opportunities for project area residents.

When a bidding procedure is used to let the contract, the invitation or solicitation for bids shall advise prospective contractors of the requirements of these regulations.

Applicant, recipient and contractors should insert plan for utilization of project area business in the bid documents. The recipient must have indicated therein that Section 3 applies to the project and what is expected of them. All contractors who bid a job just show in their bid what they will do to implement Section 3. They must in this bid commit themselves to a goal and show what they intend to do to reach that goal. When the bids are opened, they must be evaluated in terms of the bidder's responsiveness to Section 3. A bid which lacks a commitment to Section 3 or which lacks a goal or plan to reach a goal may be judged nonresponsive.

Applicants, recipients and contractors will ensure that the attached Section 3 Clauses and Assurance of Compliance are made a part of all contracts.

In implementing its affirmative action plan, each applicant, recipient, contractor, or subcontractor shall make a good faith effort to achieve its 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.

#### **IV. UTILIZATION OF LOWER INCOME RESIDENTS AS TRAINEES AND EMPLOYEES**

Each applicant, recipient, contractor or subcontractor undertaking work in connection with a Section 3 covered project shall make a good faith effort to fill all vacant training and occupational category positions with lower income project area residents (Section 3 residents).

#### **V. CONTRACTOR'S REQUIREMENTS IN EMPLOYING SECTION 3 PARTICIPANTS:**

Under the City of Miami Section 3 Program, contractors and subcontractors are required to:

- Provide employment opportunities to Section 3 residents/participants in the priority order listed below:
  - a. **Category 1 – Section 3 Resident**  
Residents of the housing development or developments for which the contract shall be expended.
  - b. **Category 2 – Section 3 Resident**  
Section 8 residents as well as all other City of Miami residents residing in the vicinity of the project who meet the income guidelines for Section 3 preference (refer to Section 3 Income Limits).
  - c. **Category 3 – Section 3 Resident**  
Participants in HUD Youthbuild program being carried out in the project boundary area.

**d. Category 4 – Section 3 Resident**

Section 8 residents as well as all other residents residing in the City of Miami who meet the income guidelines for Section 3 preference (refer to Section 3 Income Limits).

- After the award of contracts, the contractor must, prior to beginning work, inform Section 3 participants of the development at which the work will be performed, by providing the following:
  - names of the Section 3 business concerns to be utilized,
  - estimates of the number of employees to be utilized for contract,
  - projected number of available positions, to include job descriptions and wage rates (construction wages consistent with Davis Bacon),
  - efforts that will be utilized to seek Section 3 participants.
  - Contractors must notify the Section 3 Coordinator of their interests regarding employment of Section 3 participants prior to hiring.
  - Document the performance of Section 3 participants (positive and negative), regarding punctuality, attendance, etc., and provide this information to the City of Miami Section 3 Coordinator.

**ASSURANCE OF COMPLIANCE (Section 3, HUD ACT of 1968)**

**TRAINING, EMPLOYMENT, AND CONTRACTING OPPORTUNITIES FOR BUSINESS AND LOWER INCOME PERSONS**

A. The project assisted under this (contract) (agreement) is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S. C. 170U. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.

B. Notwithstanding any other provision of this (contract) (agreement), the (applicant) (recipient) shall carry out the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary set forth in 24 CFR Part 135 (published in 38 Federal Register 29220, October 23, 1973), and all applicable rules and orders of the Secretary issued thereunder prior to the execution of this (contract) (agreement). The requirements of said regulations include but are not limited to development and implementation of an affirmative action plan for utilizing business concerns located within or owned in substantial part by persons residing in the area of the project; the making of a good faith effort, as defined by the regulation, to provide training, employment and business opportunities required by Section 3; and incorporation of the "Section 3 Clause" specified by Section 135.20 (b) of the regulations in all contracts for work in connection with the project. The (applicant) (recipient) certifies and agrees that it is under no contractual or other disability which would prevent it from complying with these requirements.

C. Compliance with the provision of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Secretary issued thereunder prior to approval by the Government of the application for this (contract) (agreement), shall be a condition of the Federal financial assistance provided to the project, binding upon the (applicant) (recipient), its successors and assigns. Failure to fulfill these requirements shall subject the (applicant) (recipient), its contractors and subcontractors, its successors, and assigns to the sanctions specified by the (contract) (agreement), and to such sanctions as are specified by 24 CFR Section 135

**APPLICANT:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**DATE:** \_\_\_\_\_