

Special Conditions

Section 3 Requirements, 24 CFR Part 135

Section 3 of the HUD Act of 1968, as amended in 1994 applies to direct financial assistance awarded, provided, or otherwise made available under any program administered by HUD, in the form of loans, grants, cooperative agreements, subsidies, contributions, or other types of financial assistance provided in aid of housing, urban planning, development, redevelopment, or renewal, public or community facilities, and new community development. *Refer to Clause 40 of the General Conditions of the Contract for Construction, Public and Indian Housing Programs, form HUD-5370 dated November 1992.*

Section 3 Area, for the purposes of job training and employment, for this project is the City of Augusta and Richmond County, Georgia.

Section 3 Area Resident for this project, means any individual who resides within the City of Augusta and Richmond County, Georgia, and whose family income does not exceed 80% of the median income of the metropolitan statistical area in which the project is located and as updated by the US Department of Housing and Urban Development.

Section 3 business for this project means any business that is owned 51% or more by Section 3 Residents: A business whose current full time employees, either temporary, seasonal or permanent, consist of at least 30% Section 3 Residents or whose current permanent, full time employees were Section 3 Residents when they were first hired and the period from the date they were first hired to the date of certification does not exceed three (3) years, or a business that provides sufficient evidence to assure a commitment to subcontract more than 25% of the total dollar amount of all subcontracts to Section 3 Business.

Points of Contact:

The University of Georgia
Small Business Development Center
1450 Greene Street, Suite 3500
Augusta, Georgia 30901
Phone (706) 721-4545
FAX (706) 721-4554

Georgia Department of Labor
Career Service Center
601 Greene Street
Augusta, Georgia 30901
Phone (706) 721-3131
FAX (706) 721-7680

Richmond/Burke Job Training Authority, Inc.
209 Seventh Street
Augusta, Georgia 30901
Phone (706) 721-1858

In order to properly document that each of our contractors is attempting to obtain the required number of applicants, the successful bidder will be requested to forward a copy of their letter of introduction to each organization contacted. A sample copy of a form letter may be obtained if requested from the Planning and Development Department of the Augusta Housing Authority.

To the greatest extent possible where there is a training program, Section 3 area residents receiving preference for training. The contractor and subcontractor are obligated under part 1235 Subpart B of the regulations to the maximum number of persons in training categories and to fill all vacant training positions which remain unfilled after a good faith effort has been made to fill them with eligible/qualified Section 3 area residents.

In general the contractor and subcontractors must:

- a. Identify the number of positions, by skill level, required to plan and implement the work done under the Section 3-covered project;
- b. Determine how many of these positions are currently filled and which are not filled by regular, permanent employees; and
- c. Establish a target within each occupational category for the number of positions to be filled by Section 3 area residents.

Examples of actions demonstrating a good faith effort include:

- a. Targeted recruitment of Section 3 area residents for training and employment positions by taking such steps as:
 - Advertising in local media,
 - Prominently placing a notice of commitments under Section 3 at the project site or other places where applications for training and employment are taken,
 - Contacting local job training centers, employment service agencies and community organizations,
 - Developing on-the-job training opportunities or participating in job training programs,
 - Contacting assisted housing resident councils.
- b. Keeping a list of Section 3 area residents who apply on their own or by referral for available positions;
- c. Sending to labor organizations or representatives of workers with whom the contractor and subcontractors have a collective bargaining agreement or other understanding, a notice about contractual commitments under Section 3; and
- d. Selection of Section 3 area residents for training and employment positions.

Contractors and subcontractors must fulfill their obligations to utilize Section 3 business concerns by developing and implementing a Business Utilization Plan. A Business Utilization Plan should be submitted by each contractor or subcontractor submitting a bid for a covered project. The Business Utilization Plan will be a part of the evaluation process of each bid to determine whether the proposed Business Utilization Plan will accomplish the stated goals. The Business Utilization Plan includes:

- a. An approximate number and dollar value of contracts to be awarded over the duration of the Section 3 covered project (this estimate should be broken down by type of business or profession);

- b. Based on an analysis of the estimated contract needs, a target number and value of contracts to be awarded to Section 3 business concerns (these targets should consider the availability of Section 3 business concerns within the categories identified in the initial estimate of contract needs); and
- c. A program or strategy for achieving the targets established for awards to Section 3 business concerns, such as dividing total work requirements into small sub-tasks; joint ventures between a large business and a Section 3 business concern.

Section 3 regulations require contractors to keep records and submit reports which will allow HUD and the housing authority to ascertain compliance with Section 3 regulations. In addition to submission of the Business Utilization Plan will accomplish the stated goals. The Business Utilization Plan with the contractor's bid, the following documents must also be submitted with the contractor's bid:

- a. A Section 3 Business Application and
- b. Section 3 Business Certification.
- c. Section 3 Business Re-Certification (if Applicable)

In addition to the weekly payrolls required to be submitted by the contractor and each subcontractor in accordance with Clause 47 of the General Conditions of the Contract for Construction, Public and Indian Housing, form HUD-5370 dated November, 1992, the contractor and each subcontractor shall submit a listing of Section 3 area residents employed on this project with each weekly payroll.

The contractor will also return a completed copy of the Section 3 Reporting form provided by the Augusta Housing Authority to the Authority with the completion documents and/or at the end of each budget fiscal year. The Authority will notify the contractor of the dates for submission of this document.

Failure or refusal to comply and give satisfactory assurances of future compliance with the requirements of the Section 3 Clause shall be proper basis for applying sanctions. Any or all of the following sanctions may be taken, as appropriate: cancellation, termination, or suspension in whole or in part of the contract; a determination of ineligibility or debarment from any further contracts with respect to which the failure or refusal occurred until satisfactory evidence has been received, and referral to the Department of Justice for appropriate legal action.