



### **ADDENDUM # 1**

## **BID # FY 2017-2018-016 43<sup>RD</sup> YEAR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PUBLIC WORKS STORMWATER IMPROVEMENTS PROJECT**

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Please ensure you check the City's website for the latest addendum released for this project. Below find the link to the City's website: [www.cohb.org/solicitations](http://www.cohb.org/solicitations).

**Firm must provide this form signed by an authorized officer of your Firm to acknowledge receipt of ADDENDUM # 1 and provide with your firm's response.**

**PLEASE NOTE: EXHIBIT D – HOUSING AND URBAN DEVELOPMENT (HUD) SECTION 3 BUSINESS REGISTRY**

The City of Hallandale is releasing Exhibit D – Housing and Urban Development (HUD) Section 3 Business Registry for this project. See flyer and documents below. This exhibit was not part of the original Bid released for this Project.



**INVITATION TO BID (ITB)  
BID # FY 2017-2018-016**

**43<sup>RD</sup> YEAR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
PUBLIC WORKS STORMWATER IMPROVEMENTS PROJECT**

**EXHIBIT D – HOUSING AND URBAN DEVELOPMENT (HUD)  
SECTION 3 BUSINESS REGISTRY**

potentially misrepresented themselves. In such situations, HUD will request documentation to verify the businesses' eligibility. Businesses that are found to have misrepresented themselves will be removed from the Section 3 Business Registry and penalized (see HUD's Section 3 Business Registry webpage for more information).

To search for Section 3 businesses in your community, register your business, or learn more about HUD's Section 3 Business Registry, please visit: [www.hud.gov/Sec3biz](http://www.hud.gov/Sec3biz)

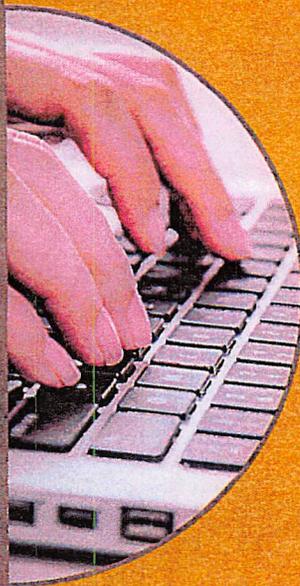
## SECTION 3 AND HUD-FUNDED CONTRACTS

Section 3 requirements provide preference but not a guarantee to Section 3 residents and Section 3 businesses when new jobs, training, or contracting opportunities are created as a result of HUD funds. Section 3 residents and businesses are not entitled to jobs or contracts simply because they meet the eligibility criteria. Section 3 residents and businesses may need to demonstrate that they have the ability to perform successfully under the terms and conditions of proposed contracts and meet the qualifications for jobs or contracts they are seeking.

Section 3 residents or businesses that believe that they have been denied employment, training, or contracting opportunities associated with HUD-funded projects are encouraged to file a complaint with HUD at the appropriate Regional Office of Fair Housing and Equal Opportunity (FHEO). A copy of the Section 3 Complaint Form (HUD-958) and a list of FHEO Regional Offices can be found online at: [www.hud.gov/Section3](http://www.hud.gov/Section3)



U.S. Department of Housing and Urban Development



8804



[www.hud.gov/Section3](http://www.hud.gov/Section3)

HUD Form 972-English

# HUD SECTION 3 BUSINESS REGISTRY

Register Your Business!

## WHAT IS SECTION 3?

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood improvement, and individual self-sufficiency.

HUD investments in local communities represent one of the largest sources of federal funding, and the expenditure of these funds typically results in new contracts and jobs. The Section 3 requirements stipulate that local low-income persons, and businesses that substantially employ those persons, receive priority consideration for a percentage of new training, employment, and contracting opportunities that are created from certain HUD funds.

Please visit [www.hud.gov/section3](http://www.hud.gov/section3) for more information on the requirements of Section 3.

## WHAT IS A SECTION 3 BUSINESS?

*If your business meets one of the following criteria, you may be eligible to receive priority consideration when bidding on certain HUD-funded contracts or subcontracts:*

- 1) 51 percent or more owned by Section 3 residents; or
- 2) At least 30 percent of full-time, permanent staff are Section 3 residents (or were Section 3 residents within the last 3 years), or

- 3) Evidence of a commitment to subcontract 25 percent or more of the total dollar amount of all subcontracts to businesses that meet one of the criteria listed above.

## WHO ARE SECTION 3 RESIDENTS?

*If you meet one of the following criteria, you may be eligible to receive priority consideration when applying for certain HUD-funded jobs and training opportunities:*

- 1) Public housing residents; or
- 2) Low and very low-income persons who live in the metropolitan area or Non-metropolitan County where covered HUD funding is spent.

*To determine income eligibility in your community visit: <http://www.huduser.org/portals/datasets/il.html>*

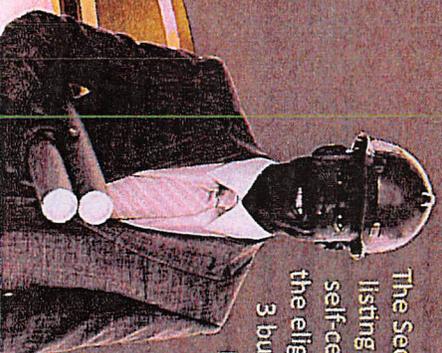
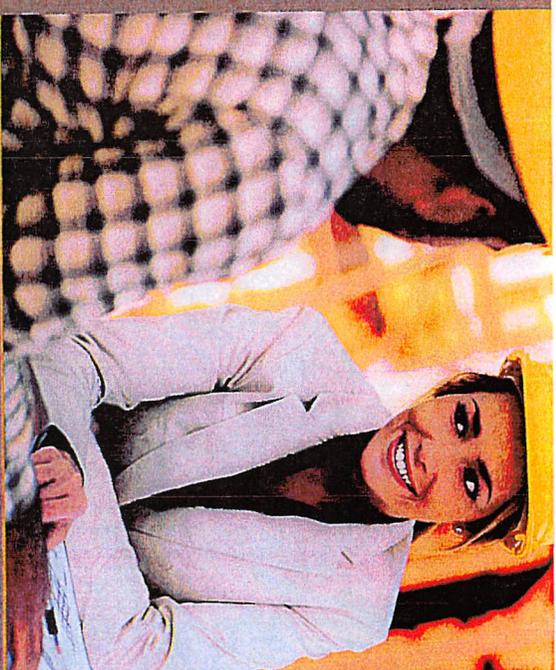
## WHAT IS THE SECTION 3 BUSINESS REGISTRY?

The Section 3 Business Registry is a listing of businesses that have self-certified that they meet one of the eligibility criteria of a Section 3 business, and have submitted publicly available information about their firm (i.e. business name, address, type of services provided, etc.) to be included HUD's online database.

The Section 3 Business Registry will be used by Public Housing Authorities (PHAs), State, County, and local government agencies, property owners, developers, contractors, and others as a resource for finding local Section 3 businesses to be notified about HUD-funded contracting opportunities. Section 3 residents are also encouraged to use the registry to locate Section 3 businesses that may have new HUD-funded jobs as a result of recently awarded HUD-funded contracts.

HUD will maintain the Section 3 Business Registry to assist agencies that receive HUD funds with meeting their Section 3 obligations. However, HUD does not verify information submitted by businesses and does not endorse the services they provide. Therefore, grantees and other users should perform due diligence to confirm eligibility before awarding contracts to firms in the Section 3 Business Registry.

Contact HUD at [sec3biz@hud.gov](mailto:sec3biz@hud.gov) if you believe firms in HUD's Section 3 Business Registry have



**Section 3 Business Registry**

[INSTRUCTIONS](#)   [FAQS](#)   [CONTACT US](#)

OMB Approval No. 2529-0052 (exp. 05/31/2018)

[What is the Section 3 Business Registry](#)  
[Am I a Section 3 Business](#)  
[Register a Business](#)  
[Search for a Business](#)

# Am I a Section 3 Business?

Please complete the information below and click the "Check" button. If you qualify based on at least one basis below then your organization is considered a Section 3 business.

## 1. Is 51% of Your Business Owned By Section 3 Residents?

|  |                      |
|--|----------------------|
| a. Percent Owned by Section 3 Residents: | <input type="text"/> |
| b. Percent Owned by All Others:          | <input type="text"/> |
| Check                                    | <input type="text"/> |

## 2. Does 30% of Your Current Full-Time Staff Meet the Definition of a Section 3 Resident?

|  |                      |
|--|----------------------|
| a. Total Number of Full-Time Employees:  | <input type="text"/> |
| b. Number of Full-Time Employees That Currently Meet the Definition of a Section 3 Resident:                       | <input type="text"/> |
| c. Number of Full-Time Employees That May Have Met the Definition of a Section 3 Resident Within the Last 3 Years: | <input type="text"/> |
| Check  | <input type="text"/> |

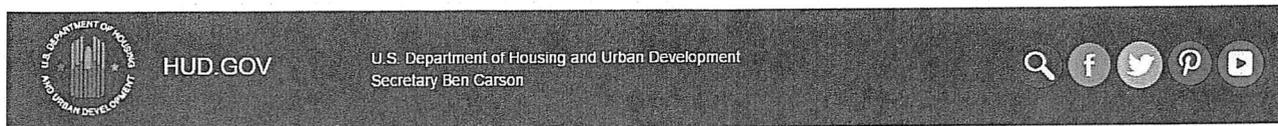
## 3. Does Your Business have Evidence of Firm Commitment(s) to Provide 25% of the Total Dollar Amount of Subcontracts to Section 3 Businesses?

|  |                         |
|--|-------------------------|
| a. Total Dollar Amount of Subcontracts To Be Awarded With HUD Funds: | \$ <input type="text"/> |
|--|-------------------------|

|  |                         |
|--|-------------------------|
| b. Total Dollar Amount of HUD-Funded Subcontracts To Be Awarded To Section 3 Businesses: | \$ <input type="text"/> |
| <b>Check</b>   | \$ <input type="text"/> |

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U.S. Department of Housing and Urban Development  
451 7th Street S.W., Washington, DC 20410  
Telephone: (202) 708-1112 TTY: (202) 708-1455



## Section 3 Brochure

### What is Section 3?

It is a means by which HUD fosters local economic development, neighborhood economic improvement, and individual self-sufficiency. Section 3 is the legal basis for providing jobs for residents and awarding contracts to businesses in areas receiving certain types of HUD financial assistance.

Under Section 3 of the HUD Act of 1968, wherever HUD financial assistance is expended for housing or community development, to the greatest extent feasible, economic opportunities will be given to Section 3 residents and businesses in that area.

### Section 3 Policy

Congress established the Section 3 policy to guarantee that the employment and other economic opportunities created by Federal financial assistance for housing and community development programs should, if possible, be directed toward low- and very-low income persons, particularly those who are recipients of government assistance for housing.

### Who are Section 3 residents?

Section 3 residents are:

- Public housing residents
- Low and very-low income persons who live in the metropolitan area or non-metropolitan county where a HUD-assisted project for housing or community development is located.

### Determining Income Levels

- Low income is defined as 80% or below the median income of that area
- Very low income is defined as 50% or below the median income of that area.
- Median incomes can be found using the American Fact Finder at

### What is a Section 3 business & what types of economic opportunities are available under Section 3?

A business:

- That is at least 51 percent or more owned by Section 3 residents,

- 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 concern were Section 3 residents, or
- That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to a Section 3 business concern.

Types of Opportunities:

- Job training
- Employment
- Contracts

Examples include:

| <b>Administrative/<br/>Management</b> | <b>Services</b>      | <b>Construction</b>   |
|---------------------------------------|----------------------|-----------------------|
| accounting                            | appliance repair     | architecture          |
| payroll                               | florists             | bricklaying           |
| research                              | marketing            | carpentry             |
| bookkeeping                           | carpet installation  | cement/masonry        |
| purchasing                            | janitorial           | demolition            |
| word processing                       | photography          | drywall               |
|                                       | catering             | electrical            |
|                                       | landscaping          | elevator construction |
|                                       | printing             | engineering           |
|                                       | computer/information | fencing               |
|                                       | manufacturing        | heating               |
|                                       | transportation       | iron works            |
|                                       |                      | machine operation     |
|                                       |                      | painting              |
|                                       |                      | plastering            |
|                                       |                      | plumbing              |
|                                       |                      | surveying             |
|                                       |                      | tile setting          |

**Who will award the economic opportunities?**

Recipients of HUD financial assistance and their contractors and subcontractors are required to provide economic opportunities, to the greatest extent possible, consistent with existing Federal, State, and local laws and regulations.

**Who receives priority under Section 3?**

For training and employment:

- Persons in public and assisted housing
- Persons in the area where the HUD financial assistance is expended
- Participants in HUD Youthbuild programs
- Homeless persons

For contracting:

Businesses that meet the definition of a Section 3 business concern

### **How can businesses find Section 3 residents to work for them?**

Businesses can recruit in the neighborhood and public housing developments to inform residents about available training and job opportunities. Distributing flyers, posting signs, placing ads, and contacting resident organizations and local community development and employment agencies to locate potential workers are effective ways of acquiring jobs.

### **Are recipients, contractors and subcontractors required to provide long-term employment opportunities, and not simply seasonal or temporary employment?**

Recipients are required, to the greatest extent feasible, to provide all types of employment opportunities to low and very low-income persons, including seasonal and temporary employment, as well as long-term jobs.

Employment goals are based on "new hires", which are defined as full-time employees for permanent, temporary or seasonal employment opportunities.

Recipients and contractors are encouraged to provide long-term employment. At least 30 percent of the permanent, full-time employees hired should be Section 3 residents. After a Section 3 employee has been employed for 3 years, the employee may no longer be counted as a Section 3 employee to meet the 30 percent requirement. This requires recipients to continue hiring Section 3 residents when employment opportunities are available.

### **How can businesses and low income persons find out more about Section 3?**

Contact the Fair Housing and Equal Opportunity representative at your nearest HUD Field Office or the HUD community Builder.

### **What if it appears an entity is not complying with Section 3?**

There is a complaint process. Section 3 residents, businesses, or a representative for either may file complaints if they believe a violation of Section 3 requirements has occurred where a HUD-funded project is planned or underway. Complaints will be investigated; if appropriate, voluntary resolutions will be sought. A complaint that cannot be resolved voluntarily may result in an administrative hearing.

**Will HUD require compliance?**

Yes. HUD receives annual reports from recipients, monitors the performance of contractors and investigates complaints. HUD examines employment and contract records for evidence of actions taken to train and employ Section 3 residents and to award contracts to Section 3 businesses.

**How can businesses or residents pursue an alleged violation of Section 3?**

You can file a written complaint with the local HUD Field Office or mail it to:

The Assistant Secretary for Fair Housing and Equal Opportunity

Attn: Office of Economic Opportunity

U.S. Department of Housing and Urban Development

451 Seventh Street, S.W.,

Room 5100

Washington, D.C. 20410-2000

A written complaint should contain:

- Name and address of the person filing the complaint
- Name and address of subject of complaint (HUD recipient, contractor or subcontractor)
- Description of acts or omissions in alleged violation of Section 3
- Statement of corrective action sought i.e. training, employment or contracts

**How does Section 3 apply to RAD Conversions?**

The requirements of Section 3 apply to HUD funding that is used for or in connection with new construction, rehabilitation or infrastructure projects or activities. While the RAD program itself does not provide funding for housing construction or rehabilitation, the RAD Notice (PIH 2012-32 Rev 2) applies Section 3 to all initial repairs or new construction identified in the Financing Plan. Accordingly, for the purposes of the regulation all work included in the RAD Conversion Commitment is considered "Section 3 covered projects" and the Project Owner is considered the "Recipient." Project owners must take proactive steps to hire local low-income persons and to award contracts to businesses that are owned by or substantially employ those persons. Additionally, the requirements of Section 3 may apply after conversion when HUD funding is used in connection with construction or rehabilitation activities.

**Who is held responsible?**

Property owners and Public Housing Agencies (PHAs) that administer RAD projects are responsible for ensuring compliance by their developers, general contractors and subcontractors. To that end, the Section 3 clause, found at 24 CFR Part 135.38 must be included, verbatim, in every covered contract. It stipulates that, among other provisions, that contractors shall post notice describing the number and types of positions for hires, training and apprenticeship positions and the anticipated start date of employment.

The responsibility of the Project Owner of units converted through RAD are the same as those of all other recipients of direct HUD financial assistance covered by Section 3. These responsibilities are outlined at 24 CFR Part 135.32.

- Notify residents and business about employment, training and contracting opportunities
- Facilitating employment and training opportunities to Section 3 residents and contracting opportunities to Section 3 businesses
- Ensuring that the Section 3 clause, found at 24 CFR Part 135.38 must be included, verbatim, in every covered contract. The Section 3 clause stipulates that, among other provisions, contractors shall post notice describing the number and types of positions for hires, training and apprenticeship positions and the anticipated start date of employment.
- Assist and cooperate with HUD to obtain compliance among contractors and subcontractors
- Submit annual reports to document Section 3 outcomes regarding jobs training and contracts. Project Owners must submit the complete Form HUD 60002 to HUD at completion of the Initial repairs or construction along with the post-closing cost certification. Prior to the completion of initial repairs or construction on an annual basis, the Project Owner should submit a status report stating that the Section 3 project has not been completed.

### **How will Compliance be achieved?**

Effective networking with organizations that share common objectives may provide a productive alliance towards compliance with Section 3 in the most feasible and cost effective manner. Local PHAs and municipalities may have established lists of interested parties seeking opportunities through Section 3. Workforce Investment Board sanctioned by DOL, community colleges, business development organizations, regional consortia and community development advocates may share insights and connections that reduce barriers.

There are a number of strategies outlined in the appendix to the Section 3 regulations at 24 CFR Part 135. These include:

- Entering first source hiring agreements with organizations representing Section 3 residents
- Consulting resident organizations, YouthBuild administrators, vocational education institutions and job training organizations to recruit qualified workers
- Contacting business assistance agencies, local chambers of commerce and community organization to advertise contracting opportunities and solicit bids from Section 3 businesses
- Actively supporting joint ventures with Section 3 businesses



**PLEASE NOTE RECEIPT OF ADDENDUM # 1 BY SIGNING BELOW AND INCLUDE WITH YOUR FIRM'S SUBMISSION.**

**I ACKNOWLEDGE RECEIPT OF ADDENDUM # 1:**

|           |  |
|-----------|--|
| Company   |  |
| Name      |  |
| Title     |  |
| Signature |  |
| Date      |  |

Sincerely,



Andrea Lues, Director, Procurement Department