

Section 3 Agreement

Contract(s) \$200,000 or above shall comply with all items under this agreement. Contract(s) of less than \$200,000 shall comply with items 1, 2, 3, 6, 8, and 13 of this Agreement.

1. The work to be performed under this contract, subcontract, memorandum of understanding, cooperative agreement or similar legally binding agreement, is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968 (Section 3). The purpose of Section 3 is to ensure, to the greatest extent feasible, that training, employment, contracting, and other economic opportunities generated by Section 3 covered financial assistance shall be directed to low- and very low-income resident of the neighborhood where the financial assistance is spent, particularly to those who are recipients of government assistance for housing, and to businesses that are either owned by low- or very low-income residents of the neighborhood where the financial assistance is spent, or substantially employ these persons.
2. The parties to this contract, subcontract, memorandum of understanding, cooperative agreement, or similar legally binding agreement agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, subcontract, memorandum of understanding, cooperative agreement or similar legally binding agreement the parties certify that they are under no contractual or other impediment that would prevent them from complying with the requirements of 24 CFR Part 135.
3. The Contractor agrees to identify current employees on its payroll when the contract or subcontract was awarded who will be working on the Section 3 covered project or activity and certify that any vacant employment opportunities, including training positions, that are filled: a) After the Contractor is selected; and b) With persons other than those that meet the definition of a Section 3 resident, were not filled to circumvent the Contractor's Section 3 obligations.
4. The Contractor agrees to maintain records documenting Section 3 residents that were hired to work on previous Section 3 covered projects or activities that were retained by the Contractor for subsequent Section 3 covered projects or activities.
5. The Contractor agrees to post signs advertising new employment, training, or subcontracting opportunities that will be available as a result of the Section 3 covered projects and activities in conspicuous places at the work site where potential applicants can review them.
6. The Contractor agrees to hire, to the greatest extent feasible, Section 3 residents as 30 percent of new hires, or provide written justification to the Oklahoma City Housing Authority that is consistent with §135.7(b)(4)¹, describing why the Contractor was unable to meet minimum numerical hiring goals, despite their efforts to comply with the provision of this clause.
7. The Contractor agrees that in order for a Section 3 resident to be counted as a new hire, the resident must work a minimum of 50 percent of the average staff hours worked for the category of work for which they were hired throughout the duration of time that the category of work is performed on the covered project.
8. The Contractor agrees to award, to the greatest extent feasible, 10 percent of the total dollar amount of subsequent subcontracts awarded in connection with the Section 3 covered project or activity to Section 3 businesses, or provide written justification that is consistent with §135.7(b)(4) describing why it was unable to meet that goal, despite their efforts to comply with the provisions of this clause.

¹ If the minimum numerical goals for employment and contracting are not met, providing written justification explaining the extent of efforts taken to meet the minimum numerical goals and the impediments confronted in trying to meet the minimum numerical goals. Such justifications must include, at a minimum, a summary of: impediments encountered; actions taken to address the identified impediments; and an identification of steps that may be successful in overcoming impediments in the future. Justifications provided by recipients will be taken into consideration by HUD when making compliance determinations.

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9. The Contractor agrees to notify Section 3 residents and businesses about the availability of new employment, training, or contracting opportunities created as a result of the receipt of Section 3 covered financial assistance, as stipulated by the awarding agency.
10. The Contractor agrees to verify the eligibility of prospective Section 3 residents and businesses for employment, training, or subcontracting opportunities, in accordance with the Oklahoma City Housing Authority's policies and procedures.
11. The Contractor agrees to provide priority consideration to eligible residents and businesses in accordance with 24 CFR 135.37 and 24 CFR 135.57 (attached), as applicable.
12. The Contractor agrees to notify potential bidders on subcontracts that are associated with Section 3 covered projects and activities about the requirements of Section 3, and include this Section 3 clause in its entirety into every subcontract awarded.
13. The Contractor agrees to impose sanctions upon any subcontractor that has violated the requirements of this clause in accordance with the Oklahoma City Housing Authority's Section 3 policies and procedures.
14. The Contractor agrees to comply with all monitoring, reporting, recordkeeping, and other procedures specified by the awarding agency.
15. If applicable, the Contractor agrees to notify each labor organization or representative of workers with which the recipient, subrecipient, or contractor has a collective bargaining or similar labor agreement or other understanding, if any, about its obligation to comply with the requirements of Section 3 and ensure that new collective bargaining or similar labor agreements provide employment, registered apprenticeship, training, subcontracting, or other economic opportunities to Section 3 residents and businesses, and to post notices in conspicuous places at the work site advising the labor union, organization, or workers' representative of the Contractor's commitments under this part.
16. Failure to comply with this clause shall result in the imposition of sanctions. Appropriate sanctions for noncompliance may include: requiring additional certifications or assurances of compliance; termination or cancelation of the contract, subcontract, memorandum of understanding, cooperative agreement, or similar legally binding arrangement for default; refraining from entering into subsequent contracts, subcontracts, memorandum of understanding, cooperative agreements, or similar legally binding arrangement; repayment of funds, and withholding a portion of contract awards, subcontracts, memoranda of understanding, cooperative agreements, or similar legally binding arrangements.

Principal

Company Name

Name/Owner, President, Authorized

Date

Witness

(SEAL, if applicable)