

**SECTION 3 CLAUSE AND CERTIFICATION FOR COMPLIANCE FOR TRAINING, EMPLOYMENT  
AND CONTRACTING OPPORTUNITIES FOR BUSINESS AND LOW INCOME PERSONS**  
(contracts over \$100,000)

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. of 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 the contract, the parties 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 of worker with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or worker's 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 (if subcontract is over \$100,000), and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon 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 contacts.

G. The following forms: Contractor's Certification of Compliance with Section 3, Workforce Needs Table (Attachment I) and Utilization of Section 3 Business Concerns (Attachment II) must be completed and submitted to the Bureau of Development and Inspections **PRIOR** to executing the contract in order to determine compliance with Section 3 requirements. The Bureau will determine the acceptability of the submission.

\_\_\_\_\_  
COMPANY

By: \_\_\_\_\_  
\_\_\_\_\_  
AUTHORIZED SIGNATURE

Title: \_\_\_\_\_

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

ATTACHMENT I

WORKFORCE NEEDS TABLE

**TOTAL # OF LOW INCOME CITY RESIDENTS TO BE HIRED \***

<b>TOTAL # OF SKILLED WORKERS ON PAYROLL CATEGORY +</b>	<b>TOTAL # OF TRAINES ON PAYROLL</b>	<b>TOTAL # OF SKILLED WORKERS ON PAYROLL TO BE HIRED</b>	<b>TOTAL # OF TRAINES TO BE HIRED</b>	<b>SKILLED WORKERS TRAINES</b>
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**TOTALS:**

- \* The numerical goal for hires is 20% of the aggregate number of new hires.
- + These classifications should relate to the classifications found in the wage rate determination.

**EMPLOYMENT AND TRAINEE CERTIFICATION**

- The Company hereby certifies that the above table represents the approximate number of employee and trainee positions required in the execution of this contract and which are not presently filled by regular and permanent employees and also represents the number of low income City residents that the company proposes to make good faith efforts to employ.
- The Company certifies that it will make a good faith effort to employ the number of lower income employees and trainees stated above utilizing: [1] such community based organizations and service agencies as the Spanish Speaking Council of Reading and Berks County, Berks Employment and Training Office, Berks Community Action Program, Reading Housing Authority Tenant Councils, and any others that may assist in meeting the goals; and [2] on-site company employment posters.
- The Company certifies that the trainees to be utilized on the project in no event is less than the number of trainees determined by the Secretary of Labor for each construction occupation.

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COMPANY

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

BY: \_\_\_\_\_  
(Authorized Signature)

## ATTACHMENT II

## **UTILIZATION OF SECTION 3 PROJECT BUSINESSES**

The Company shall require the services of companies engaged in the business of:

**PROPOSED SUPPLIERS  
AND SUBCONTRACTORS**      **ESTIMATED  
\$ AMOUNT**      **SECTION 3  
(YES OR NO)\***

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\* The numerical goal for committing to award to Section 3 business concerns is at least 10% of the total dollar amount of all Section 3 covered contracts for building trades work arising in connection with housing rehabilitation, housing construction, and other public construction; and, at least 3% of the total dollar amount of all other Section 3 covered contracts.

NOTE: A Section 3 business concern is defined as business: [1] that is 51% or more owned by Section 3 residents; or [2] whose permanent, full-time employees include persons, at least 30% 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 [3] that provide evidence of a commitment to subcontract in excess of 25% of the dollar award of a subcontract to be awarded to business concerns that meet the qualifications set forth in number 10 and 20 of this definition. The Company certifies that it will make a good faith effort to utilize business concerns located in the City of Reading to the greatest extent feasible for Contract No. \_\_\_\_\_ in contracting for work to be performed in connection with the completion of the contract.

## COMPANY

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

BY:

(Authorized Signature)

## GENERAL PROVISIONS