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**THE HOUSING AUTHORITY OF THE CITY OF NEW BRITAIN
16 ARMISTICE STREET, NEW BRITAIN, CT 06053**

SECTION 3

POLICY AND PROCEDURES

INTRODUCTION

Section 3 of The Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) requires The Housing Authority of the City of New Britain (“NBHA”) to ensure that employment and other economic and business opportunities generated by the Department of Housing and Urban Development (“HUD”) financial assistance, to the greatest extent feasible, are directed to public housing residents and other low-income persons, particularly residents of government housing assistance, and business concerns that provide economic opportunities to low- and very-low income persons.

It is the policy of NBHA to require its contractors to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran’s or marital status, or economic status and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

NBHA implements this policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of NBHA and other qualified low- and very low-income persons residing in the City of New Britain, CT. All Section 3 activities shall be administered by the “Section 3 Coordinator”, who shall be the Executive Director or other individual he or she has authorized in writing.

The policy shall result in a reasonable level of success in the recruitment, employment, and utilization of NBHA residents and other eligible persons and business by contractors working on contracts partially or wholly funded with the HUD monies. The NBHA shall examine and consider a contractor's or vendor's potential for success by providing employment and business opportunities to residents prior to acting on any proposed contract award.

The NBHA will incorporate Section 3 in its existing Procurement Policy and a Section 3 Contracting Policy and Procedure, containing goal requirements for awarding contracts to Section 3 Business Concerns, will be included in all procurements generated for use with HUD funding.

Prior to submitting bid proposals to the NBHA, all contractors/businesses seeking Section 3 preference must complete certifications, as appropriate, as acknowledgement of the Section 3 contracting and employment provisions

required by this Policy. Such certifications shall be adequately supported with appropriate documentation as referenced in herein.

This Policy also contains goal requirements for awarding contracts to Small Disadvantaged Businesses (formerly Minority and Women Business Enterprises (M/WBE)).

SECTION 3 EMPLOYMENT & TRAINING GOALS

It is the policy of the NBHA to utilize residents and other Section 3 eligible persons and businesses in contracts partially or wholly funded with monies from HUD. NBHA has established employment and training goals that contractors and subcontractors should meet in order to comply with Section 3 requirements. (24 CFR 135.30). The numerical goal is:

- Thirty percent (30%) of the aggregate number of new hires in any fiscal year.

It is the responsibility of contractors, vendors and suppliers to implement progressive efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goals was not feasible. All contractors submitting bids or proposals to the NBHA are required to certify that they comply with the requirements of Section 3.

The *Section 3 Contract Clause* attached hereto as Exhibit A specifies the requirements for contractors hired for Section 3 covered projects. The *Section 3 Contract Clause* must be included in all Section 3 covered projects.

Section 3 Program Participant Certification Procedure

The NBHA will certify Section 3 program participants who reside in the City of New Britain, CT and who are seeking preference in training and employment by completing and attaching adequate proof of Section 3 eligibility, as required (see Exhibit B - Section 3 Participant Eligibility for Preference form).

- All persons living in New Britain, CT who meet the Section 3 eligibility guidelines can, by appointment, visit with the Section 3 Coordinator to complete a job readiness assessment.
- Once this assessment is complete, the Section 3 Coordinator will determine if the individual meets the eligibility requirements and is job ready.
- If the individual is deemed eligible for Section 3 participation and deemed not ready for employment, a referral will be made to other agencies that are better equipped to address the individual's needs, i.e., substance abuse providers, etc.
- The Section 3 job readiness component is a part of the NBHA commitment to provide economic opportunities and training to residents/eligible participants to become gainfully employed.

Resident Hiring Requirements

NBHA has adopted the following scale for resident hiring that is to be used on all construction contracts, service contracts and professional service contracts that contain a labor component. It is expected that an appropriate number of residents with particular qualifications or a willingness to begin unskilled labor will be able to participate in NBHA contracted labor efforts. A prime contractor may satisfy resident hiring requirements through its subcontractors.

TOTAL LABOR DOLLARS USE TOTAL CONTRACT AMOUNT FOR SERVICE CONTRACTS	RESIDENT AS A % OF TOTAL LABOR DOLLARS
Labor dollars \$25,000 but less than \$100,000	10% of the labor dollars
\$100,000, but less than \$200,000	9% of the labor dollars
At least \$200,000, but less than \$300,000	8% of the labor dollars
At least \$300,000, but less than \$400,000	7% of the labor dollars
At least \$400,000, but less than \$500,000	6% of the labor dollars
At least \$500,000, but less than \$1 million	5% of the labor dollars
At least \$1 million, but less than \$2 million	4% of the labor dollars
At least \$2 million, but less than \$4 million	3% of the labor dollars
At least \$4 million, but less than \$7 million	2% of the labor dollars
\$7 million or more	1-1/2% of the labor dollars

With this sliding formula, it is expected that an appropriate number of NBHA public housing residents and neighborhood residents with particular qualifications or willingness to begin unskilled labor will be able to participate in contracted labor efforts. A prime contractor, through its subcontractor(s), may satisfy resident hiring requirement set forth above.

1. Subcontract or joint venture with a resident owned business. The business must be 51% or more owned by NBHA public housing residents, or subcontract/joint venture with a business that employs full-time, 30% or more low and very-income individuals within the City of New Britain, CT, or
2. Direct hiring of NBHA public housing residents and/or low and very low-Income neighborhood residents based on the Resident Hiring Scale, or
3. Contractor incurs the cost of providing skilled training for residents in an amount commensurate with the sliding scale set forth in the Resident Hiring Scale, or

4. Contractor makes a contribution to NBHA Education Fund to provide assistance to residents to obtain training. The level of contribution would be commensurate with the sliding scale set forth in the Resident Hiring Scale.

Assisting Contractors to Achieve Section 3 Goal Hiring and Contracting Goals

The NBHA will assist contractors with little or no experience in achieving Section 3 hiring and contracting goals by requiring the contractor to present a list, to the Section 3 Coordinator, of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract.

- Section 3 Coordinator will provide the contractor with a list of interested and qualified Section 3 residents for construction projects.
- Section 3 Coordinator will provide contractor with a list of Section 3 business concerns interested and qualified for construction projects.
- Section 3 Coordinator will inform contractor of known issues that might affect Section 3 residents from performing job related duties.
- Section 3 Coordinator will review the new hire clause with contractors and subcontractors to ensure that the requirement is understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to employ Section 3 program participants before any other person, when hiring additional employees needed to complete proposed work to be performed with HUD funds.

Preference for Contracting with Section 3 Business Concerns

The NBHA, in compliance with Section 3 regulations, will require contractors and subcontractors (including professional service contractors) to direct their efforts towards contracts to Section 3 business concerns in the following order of priority:

- **Category 1:** Business concerns that are 51 % or more owned by residents of the housing development for which the work is performed, or whose full-time, permanent workforce includes 30% of these persons as employees.
- **Category 2:** Business concerns that are 51% or more owned by residents of the NBHA's public housing development(s) other than the housing development where the work is to be performed; or whose full-time permanent workforce includes 30% of these persons as employees.
- **Category 3:** HUD Youthbuild programs being carried out in the City of New Britain, CT in which Section 3 covered assistance is expended.

- **Category 4:** Business concerns that are 51 % or more owned by a Section 3 resident(s), or whose permanent, full-time workforce includes no less than 30% Section 3 residents (category 4 business); or that subcontract in excess of 25% of the total amount of subcontracts to Section 3 business concerns.

Contractors and subcontractors are expected to extend to the greatest extent feasible, efforts to achieve the numerical goals established by the NBHA.

Evidence of Section 3 Certification

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with the NBHA shall complete the Certification For Business Concerns Seeking Section 3 Preference In Contracting and Demonstration of Capability form, which can be obtained from the Section 3 Coordinator. The business seeking Section 3 preference must be able to provide adequate documentation as evidence of eligibility for preference under the Section 3 Program.

Certifications for Section 3 preference for business concerns must be submitted to the Section 3 Coordinator of the NBHA prior to the submission of bids for approval. If the Section 3 Coordinator previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid.

Resident Owned Business Contracting

NBHA will consider utilizing the alternative procurement process (24 CFR Part 963) when contracting with businesses owned in substantial part by NBHA residents (resident-owned business) for public housing services, supplies or construction.

To be eligible for the alternative procurement process, a business must submit evidence to NBHA that shows how each of the following requirements have been met:

- Submit certified copies of any city, state, or county municipal licenses that support the type of business activity for which it performs.
- Disclose to the Section 3 Coordinator, all owners of the business, as well as, each owners percentage of ownership and names of those individuals who possess the authority to make decisions on a day-to-day basis.
- Submit evidence that the business is able to perform successfully under the terms and conditions of the proposed contract.
- Provide a certified listing of all contracts awarded and received under the alternative procurement process within a two-year period. If a resident-owned business has received under this alternative contracting procedure one or more contracts (within the two-year period) with total combined dollars of \$1,000,000, then it is no longer eligible for additional contracts under the alternative process until the 2-year period is past.

This alternative procurement policy is based upon the procurement procedure and policy set forth in HUD's regulations at 24 CFR, Part 85.36, but applies only to solicitations of resident-owned businesses. NBHA will utilize the alternative contracting procedure for resident-owned businesses only in cases where it is considered to be in the best business, economic and service interests of the authority.

Efforts to Award Contract Opportunities to Section 3 Business Concerns

The NBHA will use the following methods to notify and contract with Section 3 business concerns when contracting opportunities exist.

- Advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information.
- Provide written notice of contracting opportunities to all known Section 3 business concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to the bid invitation.
- Coordinate pre-bid meetings at which the Section 3 business concerns would be informed of upcoming contracting opportunities in advance.
- Conduct workshops on NBHA contracting procedures to include bonding, insurance, and other pertinent requirements, in a timely manner in an effort to allow Section 3 business concerns the opportunity to take advantage of any upcoming contracting opportunities.
- Contact the City of New Britain, CT Business Development Department, business assistance agencies, Minority and Women's Business Enterprise (IWWBE) contractor associations and community organizations to inform them of contracting opportunities and to request their assistance in identifying Section 3 businesses.
- Establish relationships with the Small Business Administration (SBA), Minority and Women's Business Enterprise M/WBE association, Community Development Corporations, and other sources as necessary to assist NBHA with educating and mentoring residents with a desire to start their own businesses.
- Seek out referral sources in order to ensure job readiness for public housing residents through on-the-job-training (OJT) and mentoring to obtain necessary skills that will transfer into the external labor market.
- Develop resources or seek out training to assist residents interested in starting their own businesses to learn to prepare contracts, prepare taxes, obtain licenses, bonding, and insurance.

Section 3 Residents Recruitment, Training, and Employment Goals

NBHA will develop resources to provide training and employment opportunities to Section 3 program participants by implementing the following:

- Training opportunities will be advertised by distributing flyers via mass mailings and posting in common areas of the NBHA developments.
- The resident councils and neighborhood community organizations will be contacted to request their assistance in notifying residents of the available training and employment opportunities.

- Employment opportunities will be advertised by posting job vacancies in common areas of all of the NBHA developments as well as contacting resident councils and neighborhood community organizations.
- A database will be developed of certified Section 3 residents of public housing and other Section 3 residents.
- A database will be developed to maintain a skill assessment of all Section 3 residents of public housing and other Section 3 residents.
- A database will be developed of eligible qualified Section 3 Business concerns to contact with respect to the availability of contract opportunities.
- Relationships will be developed with local area employers in an effort to solicit job vacancies to determine skills needed in their workforce, thereby providing training to residents developing skills that will transfer into the external labor market.
- A provision for a specific number of public housing or Section 3 program participants to be trained or employed by the contractor will be incorporated into the contract.

Employment of Section 3 Program Participants

- The Section 3 Coordinator will conduct a pre-interview with all residents prior to being hired by a contractor.
- The pre-interview will assess job readiness (i.e., childcare, transportation, work maturity, job retention skills). Only residents meeting the minimum qualifications of the contractor or subcontractor will be referred to the job site. Residents not deemed job ready would be referred elsewhere. It is imperative that the resident's basic needs are met prior to employment.
- If a resident is referred to a contractor and does not perform satisfactorily due to poor work habits (i.e., tardiness, absenteeism, alcohol/drugs, abusive language, fighting, etc.) s/he will be allowed two additional opportunities to be referred to other contractors. If after that time the resident still does not perform satisfactorily, it will be mandatory that s/he attend and complete a job readiness class, alcohol/drug treatment center, or any other program that he or she may be required to attend. After successful completion the resident will be given the opportunity to be reinstated on the list of residents available for work.
- Residents experiencing problems with contractors should first communicate the problem to the employer. If the problem cannot be solved between the employee and employer, the Section 3 Coordinator will meet with the parties involved to assist in trying to resolve the problem. Residents and employers (contractors or subcontractors) should document problems whenever they occur and record any and all efforts to correct them. The written documentation of the problem should be submitted to the Section 3 Coordinator.
- In order to qualify for employment with contractors, NBHA residents must have their name(s) on a NBHA lease, be current on rent, be at least eighteen years of age, and not be involved in any legal action with NBHA (current documented eviction, criminal and drug activity or trespassing).

- Residents not interested in construction employment opportunities will be assessed for other skills (clerical, administrative, etc.) and will have the opportunity to receive help with interviewing techniques, mock interviews, resume preparation, application assistance, employment leads, and how to dress for success when conducting a job search.
- Residents interested in pursuing General Equivalency Diploma (GED) and continued training education will be referred to those resources by the Section 3 Coordinator who will maintain bi monthly contact with residents to monitor progress.

Contractor's Requirements in Employing Section 3 participants:

Under the NBHA 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 NBHA housing development(s) for which the contract shall be expended.
 - b) **Category 2 - Section 3 Resident**
Residents of other housing developments managed by the NBHA.
 - 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**
Residents of Section 8 of the NBHA as well as all other residents residing in the City of New Britain, CT 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. (See Exhibit C)

Contractors must notify the Section 3 Coordinator of their interests regarding employment of Section 3 participants prior to hiring. The Section 3 Coordinator will ensure that the participant is Section 3 eligible, by assessing the Section 3 database to ensure job readiness. Additionally, the legal department will be contacted to ensure that the individuals are not involved in any legal proceedings against/with the NBHA.

Submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contact award.

Document the performance of Section 3 participants (positive and negative), regarding punctuality, attendance, etc., and provide this information to the NBHA Section 3 Coordinator.

Immediately notify the Section 3 Coordinator of any problems experienced due to the employment of Section 3 participants.

Immediately notify the Section 3 Coordinator if a participant quits, walks off, or is terminated for any reason. The contractor must provide written documentation of all such incidents to support such decisions to the Section 3 Coordinator to determine if an investigation is warranted.

Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, NBHA encourages submittal of such complaints to its Section 3 Coordinator as follows:

- Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR135.
- Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- An investigation will be conducted if complaint is found to be valid. The Section 3 Coordinator will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
- The Section 3 Coordinator will provide written documentation detailing the findings of the investigation of the NBHA. The Executive Director will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later than thirty (30) days after the filing of complaint.

If complainants wish to have their concerns considered outside of the NBHA a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunity United
States Department of Housing and Urban Development 451 Seventh
Street, SW Washington, DC 20410

The complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

Schedule A

THE HOUSING AUTHORITY OF THE CITY OF NEW BRITAIN SECTION 3 CLAUSE

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 Clause):

- 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. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance of 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 this contract, the parties to this contract 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 workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' 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 training positions, the qualifications for each, the name and location of the person(s) taking applications for each of the position 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, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a 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 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 contracts.

Schedule B

THE HOUSING AUTHORITY OF THE CITY OF NEW BRITAIN

RESIDENT EMPLOYMENT OPPORTUNITY DATA ELIGIBILITY FOR PREFERENCE

Eligibility for Preference

A Section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in Section 135.5. *(An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)*

CERTIFICATION FOR RESIDENT SEEKING SECTION 3 PREFERENCE IN TRAINING AND EMPLOYMENT

I, _____, am a legal resident of the City of New Britain and meet the income eligibility guidelines for a low or very low-income person as published by The Housing Authority of the City of New Britain.

My permanent address is: _____

I have attached the following documentation as evidence of my status:

____ Copy of lease	____ Copy of receipt of public assistance
____ Copy of evidence of my participation in a public assistance program.	____ Other evidence: _____ _____

signature

date

print name

Schedule C

THE HOUSING AUTHORITY OF THE CITY OF NEW BRITAIN

SECTION 3 INCOME LIMITS

All residents of public housing developments of The Housing Authority of the City of New Britain qualify as Section 3 residents. Additionally, individuals residing in the City of New Britain who meet the income limits set forth below can also qualify for Section 3 status.

A picture identification card and proof of current residency is required.

ELIGIBILITY GUIDELINE

NUMBER IN HOUSEHOLD	VERY LOW INCOME	LOW INCOME
1 individual	_____	_____
2 individuals	_____	_____
3 individuals	_____	_____
4 individuals	_____	_____
5 individuals	_____	_____
6 individuals	_____	_____
7 individuals	_____	_____
8 individuals	_____	_____