### EXHIBIT 1

# SECTION 3 CLAUSE

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

1. 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), contributes to the establishment of stronger, more sustainable communities by ensuring that employment and other economic opportunities generated by Federal financial assistance for housing and community development programs are, to the greatest extent feasible, directed toward low- and very low-income persons, particularly those who receive Federal financial assistance for housing and those residing in communities where the financial assistance is expended.
2. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 75, 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 24 CFR Part 75 regulations.
3. The contractor agrees to send to each labor organization or representative or 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 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.
4. The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 75, 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 75. 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 75.
5. 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 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 75.
6. Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.

# EXHIBIT 2

# ACKNOWLEDGE AND UNDERSTAND CONTRACTOR’S SECTION 3 REQUIREMENTS

* + The Prime Contractor must submit a Section 3 Plan to the recipient outlining Section 3 hiring and employment opportunities.
	+ The Prime Contractor must notify all subcontractors of their responsibilities under Section 3.
	+ The Prime Contractor must provide an existing workforce breakdown of all current employees and identify those Section 3 workers that were hired within the last five years.
	+ The Prime Contractor must provide an estimated breakdown of potential hires for the awarded project and timeline of anticipated hiring.
	+ The Prime Contractor must refrain from contracting with subcontractors as to whom they have received notice or have knowledge that the subcontractors have been found in violation of the regulations in 24 CFR Part 75.
	+ Maintain records that document a good faith effort to utilize Section 3 workers and Targeted Section 3 workers as trainees and employees. (Required of both contractor and subcontractor.) and any other qualitative efforts to comply with Section 3.

Recordkeeping requirements for recipients are found at 24 CFR 75.31. The contractor is required to maintain documentation to demonstrate compliance with the regulations and is responsible for requiring their subcontractors to maintain or provide any documentation that will assist recipients in demonstrating compliance, including documentation that shows hours worked by Section 3 workers and Targeted Section 3 workers.

SIGNATURE: DATE:

**EXHIBIT 3**

## CONTRACTOR SECTION 3 PLAN

      (Contractor) agrees to implement affirmative steps to comply with the Section 3 requirements set forth at 24 CFR Part 75 directed at increasing the utilization of lower income residents and businesses within the City or County of      .

1. To implement Section 3 requirements by seeking the assistance of local officials in determining the exact boundaries of the applicable project area.
2. To attempt to recruit from within the City/County the necessary number of low- and very low-income residents through local advertising media, signs placed at the proposed site for the project, community organizations, and public or private institutions operating within or serving the project area.
3. To maintain a list of all low- and very low-income residents who have applied either on their own or on referral from any source, and to employ such persons, if otherwise eligible and if a vacancy exits.
4. To insert the Section 3 clause in all bid documents, and to require all bidders to submit a Section 3 affirmative action plan including utilization goals and the specific steps planned to accomplish these goals.
5. To formally contact unions, subcontractors, and trade associations to secure their cooperation for this program.
6. To maintain records, including copies of correspondence, memoranda, etc., which document that all the above affirmative action steps have been taken.
7. To appoint or recruit an executive official of the company or agency as Equal Opportunity Officer to coordinate the implementation of this Section 3 plan.
8. To list all the workforce for this project by job title.
9. To list all projected workforce needs for this project by job classification and time frame for potential hire.

As officers and representatives of (Bidder)      .

We, the undersigned, have read and fully agree to the above and become a party to the full implementation of this program.

SIGNATURE: DATE:

TITLE:

**EXHIBIT 4**

**CERTIFICATION OF BIDDER REGARDING SECTION 3 AND SEGREGATED FACILITIES**

Name of Proposed Contractor:

Project Name & Number:

The undersigned hereby certifies that:

1. Section 3 provisions are included in the Contract.
2. A written Section 3 plan was prepared and submitted as part of the bid proceedings
3. No segregated facilities will be maintained.

Signer Name:

Title:

SIGNATURE: DATE:

**EXHIBIT 5**

## SECTION 3

**NOTICE TO CITIZENS IN THE CITY/COUNTY OF**

**OPPORTUNITY FOR WORK**

The City/County of       has received a $      Community Development Block Grant from the Kansas Department of Commerce to       (type of project) in the City/County of      .

This grant will provide the City/County of       the opportunity to search for eligible local citizens interested in participating in the project. Section 3 of the Housing and Urban Development Act of 1968, as amended through 1994, provides that to the greatest extent feasible, preference for economic opportunities will be given to citizens in       City/County who are determined to be low- and very low- income persons. A low- and very low-income person can be calculated by documenting a household of one (1) is less than 80 percent of the county median income.

Opportunities such as job training and employment that arise through this Community Development Block Grant project will be directed toward City/County low-income residents. A Section 3 business concern can be eligible for a Section 3 contract as awarded in connection with CDBG projects if they meet at least one of the following criteria, documented within the last six-month period:

* + It is at least 51 percent owned and controlled by low- or very low-income persons;
	+ Over 75 percent of the labor hours performed by the business are performed by low or very low-income persons; or
	+ It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

Section 3 requirements apply to the City/County as a recipient, if the project activity is more than $200,000 in funding from housing and community development financial assistance programs.

If you wish to determine if you qualify or have an interest in serving as a subcontractor for this project, please contact      ,      ,      .

If you are interested in job training or other employment resources, please contact:

**KANSAS**WORKS services at 1-877-509-6757

[www.kansasworks.com](http://www.kansasworks.com)

**EXHIBIT 6**

**QUALITATIVE EFFORTS COMPLIANCE FORM**

Additional reporting if Section 3 benchmarks are not met. If the recipient's reporting indicates that the recipient has not met the Section 3 benchmarks described in 24 CFR Part 75.23, the recipient must report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. Such qualitative efforts may, for example, include but are not limited to the following:

[ ]  Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.

[ ]  Provided training or apprenticeship opportunities.

[ ]  Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).

[ ]  Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.

[ ]  Held one or more job fairs.

[ ]  Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare).

[ ]  Aide in applying for/or attend community college, a four-year educational institution, or vocational/technical training.

[ ]  Assisted Section 3 workers to obtain financial literacy training and/or coaching.

[ ]  Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.

[ ]  Provided technical assistance to help Section 3 business concerns understand and bid on contracts.

[ ]  Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.

[ ]  Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.

[ ]  Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.

[ ]  Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

Other:

**EXHIBIT 7**

**CONTRACTOR EXISTING WORKFORCE FORM**

**This form is used to determine the Section 3 Workers already employed by the contractor**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Employee Name** | **Job Title** | **Employee Residential Address** | **Annual Salary** | **Salary below 80% median income for county of residence?** | **Does employee live within one mile of work site?** | **Identify the status of worker** |
| **YES** | **NO** | **YES** | **NO** |
|       |       |       |       |  |  |  |  |       |
|       |       |       |       |  |  |  |  |       |
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|       |       |       |       |  |  |  |  |       |

I certify the above employees are employees of      . I certify the above employees are on our regular monthly payroll and have their W-2 tax from for our records. These records will be available to review for the above-mentioned project for verification purposes. I understand that falsifying information is perjury and subject to legal ramifications.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|       |  |  |  |  |
| Print Name |  | Signature |  | Date |

**EXHIBIT 8**

**FINAL SECTION 3 UTILIZATION REPORT**

(To be completed by contractors and subs for all projects at or exceeding $200,000)

**A. SECTION 3 EMPLOYEE LABOR INFORMATION**

|  |  |  |  |
| --- | --- | --- | --- |
| Name of CDBG Grantee: |       | CDBG Project Number: |       |
| Wage Decision Number: |       |

|  |
| --- |
| Total Number of Labor Hours on Project |
| Total Labor Hours: |       |
| All Section 3 Worker Labor Hours: |       |
| Targeted Section 3 Work Hours only: |       |

|  |  |
| --- | --- |
| Labor Hour Percentage Results | Percentage |
| Section 3 Worker Percentage:       |       % |
| Targeted Section 3 Worker Percentage:       |       % |
| \*Section 3 Worker Benchmark = 25%\*Targeted Section Worker Benchmark= 5% |

**B. CERTIFICATION**

|  |  |
| --- | --- |
| **Name of Contractor/Sub Contractor** |       |
| **Address:** |       |
| **Telephone Number:** |       |

**On behalf of the Company, I hereby certify that the above information is true and accurate and is reported fully as required by the Section 3 Affirmative Action Plan as part of the contract for this CDBG assisted construction project. It is further understood that final payment from the State of Kansas CDBG Program for this project cannot be made until this Report is submitted to the CDBG Grantee or authorized designee.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|       |  |  |  |  |
| Print Name |  | Signature |  | Date |

**FORM B**

**SECTION 3 BUSINESS CONCERN CERTIFICATION FORM**

To Self-Certify as a Section 3 Business Concern your company/firm, per 24 CFR 75, must meet one of the listed categories below. You must provide supporting documentation with this form to be properly and completely certified as a Section 3 Business Concern.

|  |  |  |
| --- | --- | --- |
| **Section 3 Business Category** | **Additional Required Data** | **Your Election** |
| It is at least 51% owned by low- or very low-income persons; or | Proof of ownership showing all owners and their percentages and a completed Section 3 Self-Certification form for all low- and very low-income owners. |       |
| Over 75% of the labor hours performed for the business over previous 3-month period are performed by Section 3 workers; or | Provide the last 90 days full payrolls for the entire company, make a list of the names from the payrolls of the Section 3 workers, and provide a completed Section 3 Individual Self- Certification for all low- and very low-income workers you list. |       |
| It is a business at least 51% owned and controlled by current residents of public housing or Section 8- assisted housing. | Proof of ownership showing all owners and their percentages and a Section 3 Worker Self Certification form for all public housing and/or Section 8 owners. |       |

I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief. I understand that businesses who misrepresent themselves as Section 3 Business Concerns and report false information may have their contracts terminated as default and be barred from ongoing and future considerations and contracting opportunities. I hereby certify, under penalty of law, that the provided information is correct to best of my knowledge.

Signature: Date Signed:

Print Name: Title:

Company Name:

Address:

Phone #: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**FORM B1**

**SECTION 3 BUSINESS CONCERN OWNER CERTIFICATION**

**INCOME ELIGIBILITY GUIDELINES**

A business owner seeking Section 3 Business Certification shall certify and submit this form in conjunction with the Section 3 Business Self-Certification form.

Owner Name:

Percent Ownership of Business:

**Place a check mark beside any of the following that apply below:**

[ ]  My income is below the income limit for an individual (household of 1) based on a calculation of what the wage rate would translate to if annualized on a full-time basis.

[ ]  I am currently a resident of public housing or live in Section 8-assisted housing.

See <https://www.huduser.gov/portal/datasets/il.html> for most recent income limits.

Section 3 Worker Definition:

* A low or very low-income resident (the worker’s income for the previous or annualized calendar year is below the income limit established by HUD); or
* Employed by a Section 3 Business Concern; or
* A YouthBuild participant. (uncommon)

Targeted Section 3 Worker Definition:

* Employed by a Section 3 Business Concern or
* Currently meets or met when hired at least one of the following categories as documented since November 30, 2020:
	+ A resident of public housing; or
	+ A resident of other public housing projects or Section 8-assisted housing; or
	+ A YouthBuild participant. (uncommon)

I hereby certify that the information provided by me to be true and correct and understand any falsification of any of the information could subject me to disqualification from participation.

Owner Signature Date