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# **LOCAL JOBS FOR LOCAL PEOPLE**

## Section 3: Policies, Procedures, and Plan v.16

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## Document Revision History – Serves as meeting history/verification for HUD

<b>Revision No.</b>	<b>Date</b>	<b>Revisions</b>	<b>Participants</b>
Initial Meeting	12.2.2010	Discussions around WI Unified Certification Process; how to identify businesses	Lori Bastean, Norman Davis, Audrey Short, Wes Sparkman
Meeting	1.13.2011	Discussion on having a Section 3 directory of businesses, whether to codify into respective ordinances	Lori Bastean, Norman Davis, Audrey Short
Original	2.3.2011	Background, goals, definitions	Lori Bastean, Norman Davis, Wes Sparkman
2	3.11.2011	Added sections on Section 3 Contracting, Section 3 Plan for 2011.	Lori Bastean, Audrey Short, Wes Sparkman
3	3.23.2011	Added procedures for certification as a Section 3 business concern.	Lori Bastean, Norman Davis, Austin Johnson, Audrey Short
4	4.19.2011	Changed the Neighborhood Stimulus Program to Neighborhood Stabilization Program; under Notification of Section 3 residents added in contacting: MAP, STAR, and neighborhood centers; started on procedures for certifying Section 3 residents plus changed the location of this section in the manual; added evaluation of sealed bids from Section 135 regs.	Lori Bastean, Norman Davis, Augie Olvera, Carolyn Parham, Audrey Short, Wes Sparkman
5	5.12.2011	Added the section on New Hires. Reformatted the Section 3 Contracting Section with Subheaders that follow the work flow. Updated the Section 3 Resident Certification procedures to include proof of residency at time of hire. Updated the Authorization for Release of Information forms.	Lori Bastean, Norman Davis, Carolyn Parham, Wes Sparkman, Julie Spears
6	6.10.2011	Revised the Section 3 Resident Eligibility for Preference form to serve as a pre-certification form by adding indication for basis for eligibility, employment sought, licenses/ certifications, relevant skills and training, address verification required. Added WWBIC and MDC to list of businesses to notify of contracting opportunities. Under notification of Section 3 residents added in notifying persons on the City/County directory of pre-certified residents. Revised the sections on New Hires and Section 3 Resident	Lori Bastean, Teresa Cothrine, Carolyn Parham, Kelly Simonds, Wes Sparkman, Julie Spears

Revision No.	Date	Revisions	Participants
		Certification.	
7	6.13.2011	Added Madison Urban Ministry to the list of businesses to notify of contracting opportunities. Completed the section on procurement procedures to give preference to Section 3 business concerns. Under notification of Section 3 residents, added in contacting EAWS to notify them of employment and training opportunities. Started the section on monitoring.	Lori Bastean, Teresa Cothrine, Norman Davis, Carolyn Parham, Wes Sparkman, Julie Spears
8	7.1.2011	Under Section 3 contracting, added in section on developing a Section 3 Plan and holding a pre-construction conference. Added language to the Section 3 reporting section. Under Section 3 resident certification added needing to complete the release of information form to release information to potential employers.	Lori Bastean, Teresa Cothrine, Norman Davis, Pam Rood, Kelley Simonds, Wes Sparkman, Julie Spears
9	7.11.2011	Insert the current City logo on documents.	Lori Bastean, Teresa Cothrine, Norman Davis, Pam Rood, Kelley Simonds, Wes Sparkman, Julie Spears
10	7.22.2011	Updated the notification of Section 3 business concerns to include additional media when advertising opportunities; under New Hires – eliminated the first bullet point that was redundant; under the Section 3 Business Certification – kept just Norman Davis as the contact and updated the procedures to reflect the City Dept. of Civil Rights as the contact, ensure the use of the term recipient consistently throughout the document. Drafted a Section 3 Project Implementation Plan.	Lori Bastean, Teresa Cothrine, Norman Davis, Wes Sparkman, Julie Spears
11	7.29.2011	Revised the Section 3 Project Implementation Plan to collect the information for each prime and sub contractor on a separate form.	Lori Bastean, Teresa Cothrine, Norman Davis, Kelley Simonds, Wes Sparkman, Julie Spears
12	8.1.2011	For Section 3 residents, added the option to provide proof of benefits via “Check My Benefits” on <a href="http://www.access.wi.gov">http://www.access.wi.gov</a> ; clarified contact for application submittal for residents; identified Barb Berlin as the EAWS contact; updated Applicant form; added Targeted	Lori Bastean, Barb Berlin, Teresa Cothrine, Mike Miller, Pam Rood, Tony Sis

Revision No.	Date	Revisions	Participants
		Business Certification Form.	
13	8.12.2011	Eliminated the pre-construction conference on the subrecipient portion of the Project Implementation Plan; under monitoring added in the penalties outlined in the City of Valdosta, Georgia document	Lori Bastean, Teresa Cothrine, Norman Davis, Carolyn Parham, Pam Rood, Kelley Simonds, Wes Sparkman, Julie Spears
14	8.22.2011	Added in benefit to contractors; under monitoring – rephrased the on-site monitoring and added in that local officials may conduct reviews; under Section 3 reporting, added that the prime is responsible for any other records needed to document compliance; updated the Action Plan; added the CDA logo.	Lori Bastean, Teresa Cothrine, Norman Davis, Carolyn Parham, Pam Rood, Kelley Simonds, Julie Spears
15	8.31.2011 9.1.2011	Under Applicability, added the Capital Fund program; listed the web sites for the City and County for the forms; added the Latino Chamber of Commerce and African American Black Business Association to the Section 3 business concerns to be notified; under Pre-Construction Conference, added the review of federal, state, and local requirements; under New Hires added in a section for At the Time of Reimbursement Request; under Section 3 Reporting, made a note referencing applicability to Davis-Bacon; put in 21 days to submit an appeal; removed the procedures for renewal of certification as a Section 3 business concern; referenced Appendix C for location of Applicant materials; changed to processing of applications to the City of Madison rather than DCR/OEO; indicated the number of days the City of Madison has to review applications; on the ROI for Potential Employers added in the housing authority and struck the web site reference; added language instructing persons to use forms only if receiving benefits/PHA; on Section 3 Plan, under Evaluation of Bids/Proposals referred to applicable section of Guidebook.	Lori Bastean, Teresa Cothrine, Norman Davis, Austin Johnson, Carolyn Parham, Pam Rood, Wes Sparkman, Julie Spears
16	9.22.2011	Numbered the items on the Appendix B: Business Application;	Lori Bastean, Teresa Cothrine, Norman Davis,

Revision No.	Date	Revisions	Participants
		revised the language under the Procurement by Small Purchases Procedures to that suggested by the City CDBG; under New Hires added in "as designated by the funding body" to clarify who determines if the Recipient or Prime Contractor was the responsible party; updated the web site for obtaining the business certification materials; updated the 2011 Action Plan; updated the Project Implementation Plan and Prime Contractor Certification to include notifying the Latino Chamber of Commerce and the African American Black Business Association of employment, training, or contracting opportunities.	Austin Johnson, Wes Sparkman, Julie Spears

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# POLICIES, PROCEDURES, AND PLAN FOR SECTION 3 COMPLIANCE

Draft 16: 9.22.2011

## WHAT IS SECTION 3?

On the most basic level, Section 3 is a local jobs initiative. Every year the U.S. Department of Housing and Urban Development (HUD) invests billions of federal dollars into distressed communities for projects designed to build and rehabilitate housing, improve roads, develop community centers, and otherwise assist families to achieve the American Dream.

The Section 3 regulation recognizes that HUD funding typically results in projects/activities that generate new employment, training, and contracting opportunities. These economic opportunities not only provide “bricks and mortar,” but can also positively impact the lives of local residents who live in the neighborhoods being redeveloped.

Section 3 of the Housing and Urban Development Act of 1968, {12U.S.C.1701u}(section3)} and implementing regulations at 24 C.F.R.135}, state that the purpose of Section 3, “ is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low-and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low-and very low-income persons.” The City of Madison and County of Dane Wisconsin fully embrace this definition of Section 3 and have set forth policies and procedures to "ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible be directed to low and very low income persons, and to business concerns which provide economic opportunities to low and very low income persons.”

## IMPORTANCE TO THE CITY OF MADISON AND COUNTY OF DANE

The City of Madison and the County of Dane, as formula grantees for federal community development funds, are required by HUD to develop and implement a Section 3 program which provides hiring and economic opportunities for low and very-low income persons, particularly those who are recipients of government assistance for housing and business concerns which provide economic opportunities to low-and very low income persons to achieve these objectives. The City of Madison and the County of Dane embrace the spirit and intent of their obligations under Section 3, and have set forth the following policies which are applicable to developers, contractors, subcontractors and others engaged in projects funded through the each municipality with funds (*meeting the respective established thresholds of \$200,000 and \$100,000 as defined in the following section*) sourced from the U. S. Department of Housing and Urban Development. These policies are discussed throughout the remainder of this guidebook.

## IMPORTANCE TO CONTRACTORS

Section 3 Businesses and those Contractors that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to Section 3 Business Concerns will benefit from:

- Getting preference when bidding on millions of dollars annually in HUD funded community development and housing contracts;
- Outreach efforts to inform them of business opportunities;
- Greater exposure through listings on the City of Madison and Dane County directories.

## APPLICABILITY

Section 3 applies to training, employment, contracting, and other economic opportunities arising in connection with HUD funded construction projects involving:

- Housing Construction
- Housing Reconstruction or Conversion
- Housing Rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement)
- Demolition
- Other public construction, i.e., roads, sewers, community centers, senior centers, etc.

Section 3 is triggered when the normal completion of construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities.

The requirements of Section 3 apply to recipients of HUD Community Planning and Development funding exceeding \$200,000. Recipients include not only the City of Madison and Dane County, but the non-profit and for-profit organizations, municipalities, and quasi governmental organizations who receive contracts from the City of Madison and Dane County under the following programs:

- Community Development Block Grant (CDBG)
- Home Investment Partnership Program (HOME)
- Capital Fund Program (CFP)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Economic Development Initiative (EDI)
- Brownfield Economic Development Initiative (BEDI)
- Emergency Shelter Grants (ESG)
- Homeless Assistance
- University Partnership Grants
- Neighborhood Stabilization Program (NSP)
- Certain grants awarded under HUD Notices of Funding Availability (NOFAs)

NOTE: The requirements of Section 3 apply to the portion(s) of covered funding that were used for projects/activities involving housing construction, rehabilitation, demolition, or other public construction.

Contractors or subcontractors who receive contracts in excess of \$100,000 for Section 3 covered projects/activities are required to comply with the Section 3 regulations.

Section 3 applies to the entire covered project or activity regardless of whether the activity was fully or partially funded with covered assistance.

## GOALS

HUD considers recipients of covered funding to be in compliance with Section 3 if they meet the numerical goals set forth at 24 CFR Part 135.30. Specifically:

- a. 30 percent of the aggregate number of new hires shall be Section 3 residents;
- b. 10 percent of the total dollar amount of all covered construction contracts shall be awarded to Section 3 business concerns; and
- c. 3 percent of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 business concerns.

## DEFINITIONS

### Applicant

Means any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency, Indian housing authority, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization (CHDO), resident manager corporation, resident council, or cooperative association.

### Business Concern

Means a business entity formed in accordance with State law, and which is licensed under State, County, or municipal law to engage in the type of business activity for which it was formed.

### Contractor

Means any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

### Employment Opportunities Generated by Section 3

Means all employment opportunities arising in connection with Section 3 covered projects, including management and administrative jobs connected with the Section 3 covered project. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

### HUD Youthbuild Programs

Means programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction and rehabilitation of housing for homeless individuals and members of low and very-low income families.

### New Hires

Means full-time employees for permanent, temporary, or seasonal employment opportunities. These are employees who are added to the payroll full-time to complete the contract. This includes **professional services**, such as architectural, engineering, legal, management and support positions, as well as, **building trades**, such as carpentry, masonry, plumbing, electrical, and demolition.

### Recipient

Means any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian tribe, or other public body, public or nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization (CHDO), resident manager corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include the ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

### Section 3 Business Concern

Means a business concern as defined in 24 CFR Part 135, §135.5

1. That is 51 percent or more owned by Section 3 residents; or
2. 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
3. That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs 1. or 2. of this definition of "Section 3 Business Concern."

### Section 3 Resident

Section 3 resident means:

1. A public housing resident; or
2. An individual who resides in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended, and who is:
  - a. A low-income person. Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 percent of the median income for the area.
  - b. A very-low-income person. Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 50 percent of the median family income for the area.

### Subcontractor

Means any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

## **SECTION 3 CONTRACTING**

Each Recipient (and their covered contractors, subcontractors, or subrecipients) are required to comply with the requirements of Section 3 for new employment, training, or contracting opportunities resulting from the expenditure of covered funding. This responsibility includes:

1. Incorporating the Section 3 Clause into all covered solicitations and contracts (see 24 CFR Part 135.38).
2. Implementing procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance.
3. Notifying potential contractors working on Section 3 covered projects of their responsibilities.

4. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns.
5. Assisting and actively cooperating with the Department in making contractors and subcontractors comply.
6. Refraining from entering into contracts with contractors that are in violation of Section 3 regulations.
7. Documenting actions taken to comply with Section 3; and
8. Submitting Section 3 Summary Reports to the City/County.

### **Section 3 Plan**

A Section 3 Plan, included in Appendix D, is to be developed for each covered project in conjunction with the funding agency, i.e., City, County, Housing Authority. The extent of the Plan will depend on the nature of the project. The Plan will be considered dynamic, meaning that as the stages of a project unfold, the Section 3 Plan will be augmented as needed and relevant to the project.

### **Section 3 Clause**

The Section 3 Clause may be found in Appendix A. This must be included in all bid solicitations and contracts over \$100,000.

### **Notification of Section 3 Business Concerns**

Efforts to notify Section 3 Business Concerns of employment, training, or contracting opportunities are to include one or more of the following actions:

- a. Notifying and sending bid packets to Section 3 Certified Business Concerns in Dane County listed on the National Association of Construction Contractors Cooperation web site at: <http://www.nacccusa.org>.
- b. Notifying and sending bid packets to Section 3 Certified Business Concerns in Dane County listed on the City of Madison web site at: <http://www.cityofmadison.com/finance/purchasing/vendor.cfm> and the Dane County web site at: [http://www.danepurchasing.com/contract\\_compliance.aspx](http://www.danepurchasing.com/contract_compliance.aspx).
- c. Advertising the contracting opportunities through the local media, such as newspapers of general circulation, targeted newspapers, such as: *Asian Wisconszine, Capitol City Hues, LA-Comunidad News, Madison Times Weekly Newspaper, UMOJA*, and other local newspapers, such as: *Cambridge News, DeForest Times, McFarland Thistle Middleton Times-Tribune, Mount Horeb Mail, Oregon Observer, Stoughton Courier Hub, Sun Prairie Star, The Herald Independent, The Verona Press*.
- d. Notifying and sending bid packets to the following organizations requesting that they pass the information along to interested businesses:

African American Black Business Association  
P.O. Box 1544  
Madison, WI 53701-1544

Latino Chamber of Commerce of Dane County

2300 S Park ST  
Madison, WI 53703

Madison Development Corporation  
550 W Washington AVE  
Madison, WI 53703

Wisconsin Women's Business Initiative Corporation  
2300 S Park ST, STE 103  
Madison, WI 53713

### Evaluation of Bids/Proposals

To be counted as a Section 3 Business Concern, a business must be certified at the time the bid is due.

#### Procurement by Sealed Bids (Invitations for Bids)

Preference in the award of Section 3 covered contracts that are awarded under a sealed bid (IFB) process may be as follows:

Bids shall be solicited from all businesses (Section 3 business concerns and non-Section 3 business concerns). An award shall be made to the qualified Section 3 business concern with the highest priority ranking and with the lowest responsible bid if that bid:

- a. Is within the maximum total contract price established in the contracting party's budget for the specific project for which bids are being taken, and
- b. Is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible bidder. "X" is determined as follows:

	X = lesser of:
When the lowest responsive bid is less than \$100,000	10% of that bid or \$9,000.
When the lowest responsive bid is:	
At least \$100,000 but less than \$200,000	9% of that bid or \$16,000
At least \$200,000 but less than \$300,000	8% of that bid or \$21,000
At least \$300,000 but less than \$400,000	7% of that bid or \$24,000
At least \$400,000 but less than \$500,000	6% of that bid or \$25,000
At least \$500,000 but less than \$1 million	5% of that bid or \$40,000
At least \$1 million but less than \$2 million	4% of that bid or \$60,000
At least \$2 million but less than \$4 million	3% of that bid or \$80,000
At least \$4 million but less than \$7 million	2% of that bid or \$105,000
\$7 million or more	1 1/2 % of the lowest responsive bid with no dollar limit

#### Procurement by Requests for Proposals (RFP)

Contracts and subcontracts awarded under the competitive proposals method of procurement (24 CFR 85.36(d)(3)), a Request for Proposal (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals. In addition:

1. One of the evaluation factors is to address both the preference for Section 3 business concerns and the acceptability of the strategy for meeting the greatest extent feasible requirement (Section 3 strategy), as disclosed in proposals submitted by all business concerns (Section 3 and non-Section 3 business concerns). This factor shall provide for a range of 15 to 25 percent of the total number of available points to be set aside for the evaluation of these two components.

The component of this evaluation factor must establish a preference for these business concerns in the order of priority ranking as described in 24 CFR 136.36:

*Housing and Community Development programs* (CDBG/HOME/ESG/NSP), priority consideration shall be given where feasible to:

- a. Section 3 business concerns that provide economic opportunities for Section 3 residents in the service area or neighborhood in which the Section 3 covered project is located (category 1 businesses); and
- b. Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);
- c. Other Section 3 business concerns.

*Public and Indian Housing Programs*, efforts should be directed to award contracts to Section 3 business concerns in the following order of priority:

- a. Business concerns that are 51 percent or more owned by residents of the housing development or developments for which the section 3 covered assistance is expended, or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 1 businesses);
  - b. Business concerns that are 51 percent or more owned by residents of other housing developments or developments managed by the Housing Authority that is expending the Section 3 covered assistance, or whose full-time, permanent workforce includes 30 percent of these persons as employees (category 2 businesses); or
  - c. HUD Youthbuild programs being carried out in the metropolitan area (or nonmetropolitan county) in which the Section 3 covered assistance is expended (category 3 businesses)
  - d. Business concerns that are 51 percent or more owned by section 3 residents, or whose permanent, full-time workforce includes no less than 30 percent section 3 residents (category 4 businesses), or that subcontract in excess of 25 percent of the total amount of subcontracts to business concerns identified in paragraphs a and b above.
2. The business is to certify or submit evidence, if requested, that it is a Section 3 business concern as defined in §135.5.
  3. The business is to submit evidence, if requested, sufficient to demonstrate to the satisfaction of the party awarding the contract that the business concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract.
  4. With respect to the acceptability of the Section 3 strategy, the RFP shall require the disclosure of the contractor's Section 3 strategy to comply with the Section 3 training and

employment preference, or contracting preference, or both, if applicable. A determination of the contractor's responsibility is to include the submission of an acceptable Section 3 strategy. The contract award shall be made to the responsible firm (either Section 3 or non-Section 3 business concern) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.

#### Procurement by Small Purchases Procedures

For Section 3 covered contracts under the Small Purchase Procedures in accordance with the procurement policies of the funding body (City, County, Housing Authority), the methods set forth in this section, or under the sections of Procurement by Sealed Bid or Procurement by Requests for Proposals may be utilized.

Quotations may be solicited by telephone, letter, or other informal procedure provided that the manner of solicitation provides for participation by a reasonable number of competitive sources. At the time of solicitation, the parties must be informed of:

- The Section 3 covered contract to be awarded with sufficient specificity;
- The time within which quotations must be submitted; and
- The information that must be submitted with each quotation.

There must be an attempt to obtain quotations from a minimum of three qualified sources in order to promote competition. Fewer than three quotations are acceptable when the contracting party has attempted, but has been unable, to obtain a sufficient number of competitive quotations. In all cases, the contracting party must document the circumstances when it has been unable to obtain at least three quotations.

Where the Section 3 covered contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified Section 3 business concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified Section 3 business concern is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

Where the Section 3 covered contract is to be awarded based on factors other than price, a request for quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25 percent of the total number of available rating points to be set aside for the provision of preference to Section 3 business concerns. The purchase order should be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

#### **Pre-Construction Conference**

Prior to issuing a notice to proceed, a Pre-Construction Conference with the funding body (City, County, Housing Authority), the subrecipient (if applicable), the prime contractor and subcontractors (as requested by the prime contractor) is to be held that covers the Section 3 requirements and further develops the Section 3 Plan. This Pre-Construction Conference is typically held in conjunction with the review of the federal, local and state requirements and the federal labor standards requirements including Davis-Bacon (prevailing wage) requirements.



## Notification of Section 3 Residents

Efforts to notify Section 3 residents of employment opportunities are to include (and document) one or more of the following actions:

- a. Notifying persons on the City of Madison/Dane County directory of pre-certified Section 3 residents of the employment and training opportunities (identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process).
- b. Advertising the employment and training opportunities (identify the positions to be filled, the qualifications required, the employer contact information, and where to obtain additional information about the application process) with:

Associate Division Manager (Barb Berlin)  
Economic Assistance and Work Services Division (EAWS)  
Dane County Department of Human Services  
1819 Aberg AVE  
Madison, WI 53704  
(608) 242-7464  
[berlin@countyofdane.com](mailto:berlin@countyofdane.com) (preferred method of contact)

EAWS will work with their training partners to certify potential applicants. Those applicants who are Section 3 eligible will be provided information so that they may contact the employer directly.

- c. Advertising the employment and training opportunities (identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) with:

Centro Hispano of Dane County  
810 W Badger RD  
Madison, WI 53713

City of Madison  
Community Development Authority  
Housing Operations Unit  
215 Martin Luther King, JR BLVD  
Madison, WI 53703

Dane County Housing Authority  
2001 W Broadway, STE 1  
Monona, WI 53713-3707

Dane County Job Center  
1819 Aberg AVE  
Madison, WI 53703

DeForest Housing Authority  
509 N Main ST  
DeForest, WI 53532

Madison Apprenticeship Program (MAP)  
4533A Verona RD  
Madison, WI 53711

(608) 241-0915 or (608) 274-9419

Madison Urban Ministry  
2300 S Park ST  
Madison, WI 53713  
(608) 256-0906

Operation Fresh Start, Inc.  
1925 Winnebago ST  
Madison, WI 53704

Porchlight, Inc.  
306 N Brooks ST  
Madison, WI 53715  
(608) 257-2534

Salvation Army of Dane County  
3030 Darbo DR  
Madison, WI 53714

Skilled Trades Apprenticeship Readiness Training (START)  
810 W Badger RD  
Madison, WI 53713  
(608) 628-3118

Society of St. Vincent de Paul  
P.O. Box 259686  
2033 Fish Hatchery RD  
Madison, WI 53725

Urban League of Greater Madison  
2222 S Park ST, STE 200  
Madison, WI 53713

YWCA Madison (Construct-U Program, TrANS)  
Employment and Training Annex  
338 W Lakeside ST  
Madison, WI 53715

Neighborhood Centers

A listing of City of Madison Neighborhood Centers may be found on the City web site at: <http://www.cityofmadison.com/neighborhoods/community.htm> .

- d. Advertising the employment and training opportunities (identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) with: local post offices; city, village, and town halls; public libraries in the municipality where the work will be undertaken.
- e. Advertising the jobs to be filled through the local media, such as television networks, radio advertising, newspapers of general circulation, targeted newspapers, such as: *Asian Wisconszine*, *Capitol City Hues*, *LA-Comunidad News*, *Madison Times Weekly Newspaper*, *UMOJA*, and other local newspapers, such as: *Cambridge News*, *DeForest Times*, *McFarland Thistle Middleton Times-Tribune*, *Mount Horeb Mail*, *Oregon Observer*, *Stoughton Courier Hub*, *Sun Prairie Star*, *The Herald Independent*, *The Verona Press*.

- f. Sponsoring (scheduling, advertising, financing, or providing in-kind services) a job informational meeting to be conducted at one of the organizations listed in a. above or in the neighborhood or service area of the Section 3 project.

## **New Hires**

New hires are full-time employees for permanent, temporary, or seasonal employment opportunities. These are employees who are added to the payroll full-time to complete the contract. This includes **professional services**, such as architectural, engineering, legal, management and support positions, as well as, **building trades**, such as carpentry, masonry, plumbing, electrical, and demolition. 30% of the aggregate number of new hires are to be Section 3 Residents.

It is the responsibility of the Recipient and/or Prime Contractor, as designated by the funding body, to ensure that it and all subcontractors comply with the following:

### Prior to Notice to Proceed

- a. Provide a certified copy of the most recent Payroll to the Department (CDA, City, County, Dane County Housing Authority) funding the project that indicates the number of persons by position on the Payroll prior to the commencement of work under the contract/subcontract.

### At Time of Hire

- a. Document efforts to notify Section 3 residents of employment and training opportunities.
- b. Persons that will be hired and used to meet the 30% goal of the aggregate number of new hires being Section 3 residents must be pre-certified as Section 3 residents by the City of Madison/Dane County prior to the time of hire.

### At Time of Reimbursement Request

- a. Provide a certified copy of the most recent Payroll to the Department (CDA, City, County, Dane County Housing Authority) funding the project that indicates the number of persons by position on the Payroll.
- b. Provide any other required Section 3 reports.

## **Monitoring/Penalty for Non-Compliance**

The respective City, County, or Housing Authority that has funded the project will verify the certified labor payrolls against the directories of persons who are pre-certified by the City or County. There will be on-site monitoring visits. The Recipient and Prime Contractor are to assist and actively cooperate with the respective funding body in making contractors and subcontractors comply.

Since the source of these funds is HUD, local and federal officials maintain the right and responsibility to conduct Section 3 compliance reviews. When non-compliance is found, the recipient or contractor will be notified of the deficiency and recommendations for corrective actions. A finding of noncompliance by the funding body (City, County, or Housing Authority) or HUD may result in sanctions based on the program under which the Section 3 covered assistance was funded.

Continued failure or refusal by the contractor or subcontractor to comply with Section 3 regulations shall result in sanctions, debarment, suspension, and denial of participation in all housing and community development programs. Specifically, the penalty for non-compliance will be:

1. First instance of non-compliance – warning.
2. Second instance of non-compliance – monetary penalty- withhold percent or all of contract award amount as determined by Section 3 compliance team/HUD until back in compliance.
3. Third instance of non-compliance – possible debarment or suspension of work for a period determined by Section 3 compliance team/HUD until back in compliance.
4. Egregious action of non-compliance – contractor/subcontractor debarred from submitting bids on future Section 3 covered projects.

### **Section 3 Reporting**

The Prime Contractor is responsible for submitting the weekly certified labor payroll records for projects subject to prevailing wage determinations (Davis-Bacon) and any other records needed to document compliance with Section 3 requirements.

## **SECTION 3 BUSINESS CERTIFICATION**

### Section 3 Business Concerns Certified by Another Entity

The City of Madison and Dane County recognize Section 3 Business Concerns that are already certified by a third-party organization that has standards as, or more restrictive, than that of the City of Madison and Dane County.

A Section 3 Business Concern certified by the City of Madison with a current certificate is recognized as a Section 3 Business Concern by Dane County (and vice-versa).

Businesses applying for certification as a Section 3 Business Concern that are already certified by another organization, such as the National Association of Construction Contractors Cooperation should submit a copy of their certificate to the contact listed below:

Norman Davis, Division Manager  
Department of Civil Rights  
City-County Building, Room 523  
210 Martin Luther King, JR BLVD  
Madison, WI 53703

### Procedures for New Certification as a Section 3 Business Concern

Businesses applying for certification as a Section 3 Business Concern may obtain an application from the City of Madison web site at <http://www.cityofmadison.com/dcr/aaTBDDir.cfm> or the Dane County web site at: [http://www.danepurchasing.com/contract\\_compliance.aspx](http://www.danepurchasing.com/contract_compliance.aspx). The steps in the process include:

- a. Business submits a completed application with the required supporting documentation to the City of Madison, Department of Civil Rights.

- b. The City of Madison/Dane County will review the application for completion. Applicant will be notified if materials are missing.
- c. The City of Madison/Dane County will schedule an on-site interview with the business owner(s).
- d. The City of Madison/Dane County will have 90 days for review of materials and decision of eligibility determination.
- e. If a business is deemed ineligible, an intent to deny certification will be sent to the Applicant. If the Applicant wishes to appeal the decision, the appeal must be submitted in writing within 21 days.
- f. If a business is deemed eligible, the City of Madison/Dane County will issue a certificate recognizing the business as a Section 3 Business Concern.
- g. Once a business concern is certified as Section 3, they will be added to the directory of Section 3 certified businesses on the City of Madison/Dane County web sites.

All Section 3 certified business concerns **must annually** submit an affidavit that they still meet the requirements for being a Section 3 business concern and submit a federal tax return for the prior year.

### **SECTION 3 RESIDENT CERTIFICATION**

Section 3 Residents certified by the City of Madison with a current certificate are recognized as Section 3 Residents by Dane County (and vice-versa).

#### Applicants

Persons seeking preference as a Section 3 Resident in training and employment opportunities are to be pre-certified by the City of Madison/Dane County prior to the date of hire. They shall:

- a. Complete a Section 3 Resident Eligibility for Preference Form (found in Appendix C);

**AND**

- b. Provide proof of Dane County residency by providing **one** of the following:
  - Photo ID with a current address; or
  - Piece of mail received with name and current address shown (stamped, cancelled envelope not over 30 days old); or
  - Copy of a utility bill not older than 30 days with name and current address shown.

**AND**

- c. Attach **one** of the following acceptable forms to document eligibility:
  - Residents of public housing are to complete the Authorization of Release of Information – PHA.

- Persons who receive Section 8 assistance are to complete the Authorization of Release of Information – PHA.
- Persons who do not live in public housing or receive Section 8 assistance but who participate in a Youthbuild program, such as Operation Fresh Start, should complete the Authorization for Release of Information – Youthbuild.
- Persons who do not live in public housing or receive Section 8 assistance or participate in a Youthbuild program, but who receive public assistance should attach **one** of the following:
  - Print copy of current eligibility documentation from “Check My Benefits” available at <http://www.access.wi.gov> ; or
  - Copy of Notice of Decision for receiving Medical Assistance, FoodShare, W-2, or Childcare Benefits from the State of Wisconsin; or
  - Copy of Notice of Childcare Authorization for benefits from the State of Wisconsin; or
  - Copy of FoodShare card along with a recent grocery store receipt showing the purchase of food using the FoodShare card; or
  - Completed Authorization for Release of Information – Public Assistance.
- Copy of most recent Federal Income Tax return.

**AND**

- d. Complete the Authorization for Release of Information to Potential Employers.
- e. Send completed applications along with the supporting materials to:

City of Madison  
 Dept. of Planning & Community Development & Economic Development  
 Community Development Division  
 Madison Municipal Building, Room 225  
 215 Martin Luther King, JR BLVD  
 Madison, WI 53703

Processing of Applications

The City of Madison Dept. of Planning & Community Development & Economic Development (or their designees) will:

- a. Review the application and supporting materials for completeness. Applicants will be notified if materials are missing.
- b. Send the Authorizations for Release of Information to the appropriate agencies:

City of Madison - CDA  
Kelley Simond, Capital Fund Manager  
Community Development Authority  
Housing Operations Division  
Municipal Building, Room 120  
215 Martin Luther King, JR BLVD  
Madison, WI 53703

Dane County Housing Authority (DCHA)  
Carolyn Parham, Executive Director  
Dane County Housing Authority  
2001 W Broadway ST, STE 1  
Monona, WI 53713

Dane County Department of Human Services  
Administrative Support Staff<sup>1</sup>  
DCDHS - EAWS  
1819 Aberg AVE  
Madison, WI 53704  
Fax: (608) 242-7410

Youthbuild Program  
Operation Fresh Start, Inc.  
1925 Winnebago ST  
Madison, WI 53704

- c. Receive verification from each agency as appropriate.
- d. The City of Madison will have 14 days to review materials and to make a decision of eligibility determination.
- e. If an applicant is deemed ineligible, a notice of intent to deny certification will be sent to the applicant. If the Applicant wishes to appeal the decision, the appeal must be submitted in writing within 21 days.
- f. If the applicant is certified a Section 3 Resident, the City of Madison/Dane County will issue a notice to the Applicant certifying him/her as a Section 3 resident.
- g. Once an applicant is certified as a Section 3 Resident, his/her name and contact information will be added to the directory of pre-certified City of Madison/Dane County Section 3 residents. This directory will be shared with Subrecipients and Prime Contractors on covered HUD funded construction projects.

## **SECTION 3 ACTION PLAN - 2011**

The Action Plan for 2011 includes:

- a. Develop policies, procedures, and forms for certifying Section 3 Business Concerns.
- b. Develop policies, procedures, and forms for certifying Section 3 Residents.
- c. Place Section 3 information and materials on respective City and County web sites.
- d. Provide opportunities for existing MBE/WBE/DBE businesses to become Section 3 certified
  - Send mailing/e-mail to existing certified MBE/WBE/DBE businesses
  - Develop form for submission of additional required information for Section 3 certification – highlight sections of existing Application that need to be completed
- e. Develop Section 3 Business Concern Registry.

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<sup>1</sup> Administrative Support Staff will verify eligibility for public assistance programs and print out and attach the most recent notice of decision which shows the income level. Note: W-2 benefits would place a family at the extremely low-income level.

- f. Work with Public Housing Authorities (PHAs) to develop policies, procedures, and forms for certifying Section 3 residents.
  - Dane County Housing Authority will post a notice in their office regarding the opportunity to become certified as a Section 3 resident and provide application forms.
- g. Outline rollout plan with respective branches of City/County government.
- h. Review the policies and procedures with the respective Boards/Commissions and take needed action on adoption.
  - 9.22.2011 – County CDBG Commission meets
  - 9.27.2011 – DCHA meets
  - 10.4.2011 – City CDA meets
  - 10.6.2011 – City CDBG meets
  - 10.18.2011 – City Affirmative Action Committee meets
  - County Equal Opportunity Commission meets
- i. Meet with representatives of key groups, such as National Association of the Remodeling Industry (NARI), Madison Area Builders Associations, National Association of Minority Contractors, Building Trades of South Central Wisconsin, START, etc. Provide copy that may be used in the respective newsletters.
- j. Establish a grace period for existing contracts to fully implement Section 3 requirements.



**APPENDIX A: SECTION 3 CLAUSE**  
**SECTION 3 CLAUSE**

Reference 24 CFR 135.38

(Applicable to all contracts exceeding \$100,000)

Include the following language in all bid documents, contracts, and subcontracts.

All Section 3 covered contracts (contracts to direct recipients in excess of \$200,000, for Section 3 covered projects, and subcontracts excess of \$100,000) 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 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 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 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, 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 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 contracts.
- G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and

employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section7(b).



# Targeted Business Certification Program



## APPENDIX B: BUSINESS APPLICATION

1. Check all that apply:

- Minority Business Enterprise
- Small Business Enterprise
- Women Business Enterprise
- Section 3 (Dane County & City of Madison)

Return to:

City of Madison  
 Affirmative Action Division  
 210 Martin Luther King, Jr. Blvd., Rm. 523  
 Madison, WI 53703

Need Assistance? Call us at (608) 266-4910..

2. All questions must be answered and the data given must be clear and comprehensive. If necessary, questions may be answered on separate attached sheet(s). All information must be witnessed by a notary public.

<b>Company</b>		
<b>Address</b>		
<b>City, State, Zip Code</b>		
<b>Contact Name/Title</b>		
<b>Telephone</b>		
<b>FAX</b>		<b>E-MAIL</b>
<b>FEIN #</b>		
<b>Dunn's #</b>		

3. Legal Structure (check one)

- Sole Proprietorship       Partnership       Limited Liability Corp.       A Joint Venture
- A Corporation (If a corporation, please enclose a **copy** of corporation papers and corporate seal)
- Other: please specify \_\_\_\_\_

4. Date Business Originally Established \_\_\_\_\_

5. Number of Years Under Current Ownership \_\_\_\_\_

6. Type of Business (check all that apply):

- Architecture       Consultant       Construction Contractor       Engineering
- Fabricator       Finance       Manufacturing       Retail/Vendor
- Service       Transportation       Wholesale/Distributor       Legal
- Broker       Other (specify) \_\_\_\_\_

7. How many years have you engaged in the contracting business under your present firm or trade name?

\_\_\_\_\_ years

8. Briefly describe the firm's primary products and/or services

9. Ownership of Firm - Identify all owners; attach separate sheet if necessary.

Name	Address	Latino or Hispanic (Y / N)	Race*	Gender*	Ownership		Voting %
					%	Date	

10. Demographic Options

<b>Gender:</b> <ul style="list-style-type: none"> <li>• Female</li> <li>• Male</li> </ul>	<b>Race: (Indicate all that apply)</b> <ul style="list-style-type: none"> <li>• African-American, Black</li> <li>• Asian</li> </ul> <ul style="list-style-type: none"> <li>• Native American</li> <li>• Pacific Islander</li> <li>• White, Caucasian</li> </ul>
--	--

11. If your firm is incorporated please indicate names of all officers.

Board of Directors	Title	Race/Ethnicity*	Gender*
	President		
	Vice President		
	Secretary		
	Treasurer		

12. Contributions From Owners or Stockholders

Owner	Amount	Source (cash, real estate, etc.)

13. Control of Firm - Identify by name and title those individuals (owners and non-owners) who have the authority or responsibility for day-to-day management and policy decision-making:

Activity	Name/Title
<i>Signing Checks, Contracts, Bonds &amp; Insurance</i>	
<i>Final Decisions</i>	
<i>Management Decisions</i>	
<i>Estimating</i>	
<i>Marketing/Sales</i>	
<i>Hiring/firing of Personnel</i>	
<i>Purchase of Major Items &amp; Supplies</i>	
<i>Supervision of Field Personnel</i>	
<i>Bid Negotiations/Scheduling</i>	

\*Please Note: Race/ethnicity and gender information is required for those firms applying MBE and/or WBE certification. It is not required for those firms applying for SBE or Section 3 status only.

14. Current number of employees: \_\_\_\_\_ Full-time      \_\_\_\_\_ Part-time

15. For businesses seeking Section 3 certification based on employees, list all employees of the business.

Name	Address	Employment Status

16. Give the name and address of any other contracting firms under which the owners or partners have operated. Include dates.

Name	Address	Date

17. Current contracts: (Give name, address, phone number, amount of each contract, and appropriate anticipated date of starting and completion.)

Name	Address	Phone	Amount	Start	Complete

18. Have you ever failed to complete any work awarded you?       Yes       No  
If so, when, where and why?

19. Have you ever defaulted on a contract?       Yes       No  
If so, when, where and why?

20. List projects recently completed by your company, stating the approximate contract amount for each, the month and year completed. Include the name, address and phone number of the contact person for each contract.

Name	Address	Phone	Amount	Date Completed

21. Has the company ever caused a lien for material work default payment to be placed against the owner?

Yes     No

If so, when, where, why and resolution.

22. Bonding Agent: \_\_\_\_\_

23. Bonding Company: \_\_\_\_\_

24. Bonding Limit: \_\_\_\_\_

25. Has this firm or any of its owners, Board of Directors, Officers or Management Personnel been denied certification or been decertified by any agency in any state?

Yes - Indicate the state, the name of the agency and the date.                       No

State	Agency	Date

26. Provide a copy of the denial or decertification letter(s).

27. List other certifications:

Name of Agency

## 28. References

Name	Address	Phone	Contact Person or Account Number
<b>Banks</b>			
<b>Trade</b>			
<b>Subcontractors</b>			

29. Restrictions - Are there any restrictions which restrict ownership or control of any owners? Includes, but is not limited to outstanding stock option or other ownership options or any agreements between owners or between owners and third parties.  Yes  No
30. Other Ownership Interest - Is any owner or management official of the applicant firm a current or former employee of another firm that has or has had an ownership interest in or a present business relationship with the applicant firm? Present business relationships include, but are not limited to, shared space, equipment, insurance, financing, or employees as well as both firms having some of the same owners.  Yes  No

*If you checked YES to either of these questions provide detailed description as a separate attachment.*

31. Business Loan Source(s) - Identify all sources and amounts of money loaned to the firm.

Source	Amount	Purpose	Security

32. \*Gross Sales/Receipts (previous three years)

20\_\_\_\_ \$ \_\_\_\_\_

(Current Year-to-Date)

20\_\_\_\_ \$ \_\_\_\_\_

20\_\_\_\_ \$ \_\_\_\_\_

\*Note: Only applies to applications for SBE certification.

33. Please submit the following supporting documentation along with your application.

*Please note that we cannot review your application without this documentation.*

*All businesses must submit copies of the following:*

1. Resume for each owner or stockholder
2. Federal tax returns for past 3 years
3. Documentation of race/ethnicity and gender  
*(Applicable only if applying for DBE, MBE and/or WBE certification)*
4. Certificate of insurance
5. Documentation of start-up capital
6. Loan agreements
7. Bank signature card
8. Contracts
9. Title to vehicles
10. List of major capital assets *(owned and/or leased)*
11. Proof of ownership of equipment
12. Valid City of Madison license *(if performing work in areas of: electrical, heating, or commercial sign erecting)*
13. Valid State of Wisconsin Department of Commerce license *(if performing plumbing work).*
14. Copy of latest bond
15. Most recent annual report

16. Corporate tax returns for three years
17. Corporate banking resolution
18. Eligibility for Preference form(s) *(if applying for Section 3 certification based on employees)*

*Corporations must submit the following additional documentation:*

1. Articles of Incorporation
2. Bylaws
3. Stock certificates
4. Minutes from Board of Director meetings
5. Copies of Shareholder Agreements

*Partnerships and joint ventures must submit the following documentation:*

1. Partnership agreement or joint venture documentation
2. Partnership/joint venture tax returns for past three year

**AFFIDAVIT**

The undersigned swears that the foregoing statements are true and correct and include all material information necessary to identify and explain the operations of the firm named in this application for certification as well as the ownership thereof. Further, the undersigned agrees to provide directly to the City of Madison Contract Compliance Officer current, complete, and accurate information regarding actual work performed on any City of Madison projects, the payment thereof and any proposed changes, if any, of the foregoing arrangements, and to permit the audit and examination of books, records, and files of the named firm. The undersigned understands that any material misrepresentation will be grounds for terminating any contract which may be awarded and for initiating action under federal or state laws concerning false statements.

If, after filing this document, there is any significant change in this information submitted, the undersigned will inform the City of Madison Contract Compliance Monitor directly of the change, within ten (10) days of when the change occurred.

Signature \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

State of \_\_\_\_\_

County of \_\_\_\_\_

Signed before me on \_\_\_\_\_

by \_\_\_\_\_

NOTARY SEAL/STAMP

\_\_\_\_\_ Notary Public

My commission expires \_\_\_\_\_





**APPENDIX C: RESIDENT APPLICATION**  
**Section 3 Resident – 2011**  
**Eligibility for Preference**  
 (For use beginning June 2, 2011)



**BACKGROUND:** Section 3 applies to training, employment, contracting, and other economic opportunities arising in connection with HUD funded construction projects involving: housing construction, housing reconstruction or conversion, housing rehabilitation, demolition, and other public construction, i.e., roads, sewers, community centers, etc. Please complete this application and provide the requested documentation to be certified as a Section 3 Resident. This may enable you to receive preference in hiring and training opportunities for HUD-funded construction projects. This information will be kept confidential.

**CONTACT INFORMATION:**

Last Name (Print): \_\_\_\_\_

First Name (Print): \_\_\_\_\_

Permanent Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

E-mail: \_\_\_\_\_

Contact Number: \_\_\_\_\_

Best time to Contact:  A.M.  P.M.

Family Size: \_\_\_\_\_

**BASIS FOR SECTION 3 ELIGIBILITY (CHECK ONE):**

Persons may qualify as a Section 3 Resident on the basis of living in public housing, receiving Section 8 assistance, participating in a Youthbuild program, receiving public assistance, or on the basis of family income being at or below 80% of the Dane County median income.

Please check the basis under which you are seeking to qualify as a Section 3 Resident **AND** attach the requested documentation to this application (Check one):

- I am a resident of public housing operated by the City of Madison CDA or Dane County Housing Authority. (Complete the Authorization for Release of Information – PHA).
- I receive Section 8 assistance. (Complete the Authorization for Release of Information – PHA).
- I participate in a Youthbuild program in Dane County, such as Operation Fresh Start. (Complete the Authorization for Release of Information – Youthbuild)
- I receive Public Assistance Benefits (Medical Assistance, FoodShare, W-2, Childcare) (Complete the Authorization for Release of Information – Public Assistance)
- My family income is at or below 80% of the Dane County area median income for my family size. (Complete the income certification on the back of this form **AND** attach a copy of your most recent Federal Income Tax Return to this application.)

**INCOME CERTIFICATION:**

In the chart below, find your family size, then circle the income level for your family's annual income at the time you applied for preference in training or employment. Total family income includes income from all sources (wages, unemployment, social security, public assistance, interest and dividends, worker's comp, etc.) for all members of your family who are at least 18 years of age.

Family Size	Extremely Low Income Limits (30%)	Very Low Income Limits (50%)	Low Income Limits (80%)
1 Person	\$17,200 or less	\$17,201 - 28,650	\$28,651 - 44,950
2 Person	19,650 or less	\$19,651 - 32,750	\$32,751 - 51,400
3 Person	22,100 or less	\$22,101 - 36,850	\$36,851 - 57,800
4 Person	24,550 or less	\$24,551 - 40,900	\$40,901 - 64,200
5 Person	26,550 or less	\$26,551 - 44,200	\$44,201 - 69,350
6 Person	28,500 or less	\$28,501 - 47,450	\$47,451 - 74,500
7 Person	30,450 or less	\$30,451 - 50,750	\$50,751 - 79,650
8 Person	32,450 or less	\$32,451 - 54,000	\$54,001 - 84,750

My family income at this time is higher than the amounts listed above for my family size. (Check the box only if it applies)

**EMPLOYMENT:**

List below the type of jobs for which you would like to be considered:

	Job Category	Type
<input type="checkbox"/>	Professional	
<input type="checkbox"/>	Technician	
<input type="checkbox"/>	Office/Clerical	
<input type="checkbox"/>	Construction Trade (s)	
<input type="checkbox"/>	Other, please specify:	

**LICENSES/CERTIFICATIONS:**

Please list below any Wisconsin licenses or certifications you may hold that may be relevant for an employer, i.e., Accountant, Building Contractor, HVAC Contractor, Master Plumber, etc.

Credential Name	Credential Number	Credential Expiration Date

**RELEVANT SKILLS AND TRAINING:**

Please describe any related skills or training in the space below:

**DEMOGRAPHIC INFORMATION** (Optional. This information is used for statistical purposes only.)

Gender

- Female  
 Male

Race (Check all that apply)

- African-American, Black  
 Asian  
 Native American  
 Pacific Islander  
 White, Caucasian

Hispanic or Latino

- Yes  
 No

**ADDRESS VERIFICATION:**

Please attach a copy of one of the following documents to your application:

- Drivers License or State identification card; or
- Copy of a utility bill not older than 30 days with name and current address shown; or
- Piece of mail received with name and current address shown (stamped envelope not over 30 days old).

I attest that the information provided is true and correct to the best of my knowledge. If this application leads to employment, I understand that false or misleading information in my application or interview may result in my termination. I understand that the information listed on this form may be subject to verification by the City of Madison, Dane County, and/or by the U.S. Department of Housing and Urban Development (HUD), the Office of the Inspector General, or their authorized representatives.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Return this form to:

City of Madison  
Dept. of Planning & Community Development & Economic Development  
Community Development Division  
Madison Municipal Building, Room 225  
215 Martin Luther King, JR BLVD  
Madison, WI 53703

# AUTHORIZATION FOR RELEASE OF INFORMATION TO POTENTIAL EMPLOYERS

ALL PERSONS SEEKING SECTION 3 PREFERENCE NEED TO COMPLETE THIS FORM

Regarding the records of:

Last Name (Print): \_\_\_\_\_

First Name (Print): \_\_\_\_\_

Permanent Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

I hereby authorize and request the following organizations:

City of Madison  
Community Development Division  
Madison Municipal Building, Room 225  
215 Martin Luther King, JR BLVD  
Madison, WI 53703

Dane County  
Department of Human Services  
CDBG Program  
1202 Northport DR  
Madison, WI 53704

City of Madison  
Community Development Authority  
Housing Operations Division  
Municipal Building, Room 120  
215 Martin Luther King, JR BLVD  
Madison, WI 53703

Dane County Housing Authority  
2001 W Broadway ST, STE 1  
Monona, WI 53713

TO: (Check all that apply):

- Disclose my name and contact information to contractors and subcontractors receiving federal funding through the City of Madison, Dane County, or Dane County Housing Authority and who will be hiring new employees
- Include my name on the City of Madison and Dane County Directory of Section 3 Certified Residents

The information to be disclosed is: name, contact information, and trade information. This information will be used to receive preference for certain training and employment opportunities.

I understand that I may revoke this authorization, in writing, at any time except where information has already been released as a result of this authorization. The authorization will automatically expire one year from the date of signature unless indicated and initialed below.

\_\_\_\_\_ Authorization expires as of \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**AUTHORIZATION FOR RELEASE OF INFORMATION - PHA**  
COMPLETE ONLY IF A RESIDENT OF PUBLIC HOUSING OR RECEIVING SECTION 8

Regarding the records of:

Last Name (Print): \_\_\_\_\_

First Name (Print): \_\_\_\_\_

Permanent Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

I hereby authorize and request the following organization: (Check one):

City of Madison  
Community Development Authority  
Housing Operations Division  
Municipal Building, Room 120  
215 Martin Luther King, JR BLVD  
Madison, WI 53703

Dane County Housing Authority  
2001 W Broadway ST, STE 1  
Monona, WI 53713

TO: Disclose to:

City of Madison  
Community Development Division  
Madison Municipal Building, Room 225  
215 Martin Luther King, JR BLVD  
Madison, WI 53703

The information to be disclosed is: whether I am a tenant with the above cited Public Housing Authority or a Section 8 Voucher Program. This information is needed to determine my eligibility as a Section 3 Resident and to receive preference for certain training and employment opportunities.

I understand that I may revoke this authorization, in writing, at any time except where information has already been released as a result of this authorization. The authorization will automatically expire one year from the date of signature unless indicated and initialed below.

\_\_\_\_\_ Authorization expires as of \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

-----**PHA USE ONLY**-----  
 PHA Resident                       Section 8 Resident                       Not a PHA or Section 8 Resident

\_\_\_\_\_  
PHA Signature

\_\_\_\_\_  
Date

**AUTHORIZATION FOR RELEASE OF INFORMATION  
PUBLIC ASSISTANCE**

COMPLETE ONLY IF RECEIVING PUBLIC ASSISTANCE BENEFITS

Regarding the records of:

Last Name (Print): \_\_\_\_\_

First Name (Print): \_\_\_\_\_

Permanent Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

I hereby authorize and request the following organization:

Dane County Department of Human Services  
Economic Assistance and Work Services Division  
1819 Aberg AVE  
Madison, WI 53704

TO: Disclose to:

City of Madison  
Community Development Division  
Madison Municipal Building, Room 225  
215 Martin Luther King, JR BLVD  
Madison, WI 53703

The information to be disclosed is: My current eligibility for public assistance benefits (Medical Assistance, FoodShare, W-2, Childcare) from the State of Wisconsin. This information is needed to determine my eligibility as a Section 3 Resident and to receive preference for certain training and employment opportunities.

I understand that I may revoke this authorization, in writing, at any time except where information has already been released as a result of this authorization. The authorization will automatically expire one year from the date of signature unless indicated and initialed below.

\_\_\_\_\_ Authorization expires as of \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

-----DCDHS USE ONLY-----

Currently receives public assistance benefits

Does not currently receive public assistance benefits

\_\_\_\_\_  
DCDHS Signature

\_\_\_\_\_  
Date



**APPENDIX D: SECTION 3 PROJECT PLAN**  
**Section 3 Project**  
**Implementation Plan**



Ver: 9.22.2011

**RECIPIENT:** \_\_\_\_\_

**PROJECT:** \_\_\_\_\_

Revision No.	Date	Revisions	Participants
Initial		Initial Plan	

**PURPOSE**

This plan will serve as the Section 3 Plan for the above project in compliance with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended.

The purpose of Section 3 of the Housing and Urban Development Act of 1968, {12U.S.C.1701u}(section3)} and implementing regulations at 24 C.F.R.135}, “ is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low-and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low-and very low-income persons.”

**GOALS**

HUD considers recipients of covered funding to be in compliance with Section 3 if they meet the numerical goals set forth at 24 CFR Part 135.30. Specifically:

- d. 30 percent of the aggregate number of new hires shall be Section 3 residents;
- e. 10 percent of the total dollar amount of all covered construction contracts shall be awarded to Section 3 business concerns; and
- f. 3 percent of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 business concerns.

**SECTION 3 CONTRACTING**

- This project will not involve any new contracting or subcontracting opportunities. (Go to Section 3 Employment and Training Opportunities).
- This project will involve new contracting or subcontracting opportunities.

Section 3 Clause

The Section 3 Clause will be included in all bid solicitations and contracts over \$100,000.

Notification of Section 3 Business Concerns

The following efforts will be made to notify Section 3 Business Concerns of contracting opportunities: (Check all that apply)

Bid packets will be sent to Section 3 Certified Business Concerns in Dane County listed on the City of Madison and the Dane County web site.

The contracting opportunities will be advertised in the following local media:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Bid packets will be sent to African-American Black Business Association, Latino Chamber of Commerce, Madison Development Corporation, and Wisconsin Women's Business Initiative Corporation.

Other, specify:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Evaluation of Bids/Proposals (Please refer to the Evaluation of Bids/Proposals section of the *Section 3: Policies, Procedures, and Plan*, pages 14-16.)

Item/Service to be Procured	Method (Sealed bid, RFP, Small Purchase)	How Preference will be Given for Section 3 Businesses





Section 3 Clause

The Section 3 Clause will be included in all bid solicitations and contracts over \$100,000.

Notification of Section 3 Business Concerns

The following efforts will be made to notify Section 3 Business Concerns of sub-contracting opportunities: (Check all that apply)

Bid packets will be sent to Section 3 Certified Business Concerns in Dane County listed on the City of Madison and the Dane County web site.

The contracting opportunities will be advertised in the following local media:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Bid packets will be sent to African-American Black Business Association, Latino Chamber of Commerce, Madison Development Corporation, and Wisconsin Women's Business Initiative Corporation.

Other, specify:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Evaluation of Bids/Proposals (Please refer to the Evaluation of Bids/Proposals section of the *Section 3: Policies, Procedures, and Plan*, pages 14-16.)

Item/Service to be Procured	Method (Sealed bid, RFP, Small Purchase)	How Preference will be Given for Section 3 Businesses

Pre-Construction Conference

Date:	
Time:	
Location:	



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- The employment and training opportunities will be advertised in the following local media:

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- The employment and training opportunities will be sent for posting at the following places:

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- One or more job informational meetings will be held at the following location/date/time:

Date: \_\_\_\_\_  
Time: \_\_\_\_\_  
Location: \_\_\_\_\_

- Other, specify:

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By my signature below, I am hereby acknowledging to the City of Madison and Dane County, Wisconsin that I have been duly provided with information regarding the Section 3 Program which explains the obligations and requirements of any project involving construction, demolition, conversion, or reconstruction that is funded in part or in whole by HUD funds. I certify that I am empowered to enter into this Statement of Section 3 Commitment on behalf of this company. I am certifying that the information contained in this Section 3 Project Implementation Plan is accurate and correct. I understand that the funding body (City of Madison or Dane County) may impose penalties and sanctions for the submission of any false and/or inaccurate statements within this document.

**PRIME CONTRACTOR SIGNATURE**

Signature \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name \_\_\_\_\_  
Title \_\_\_\_\_  
Company Name \_\_\_\_\_

## Section 3 Plan Statement of Commitment SUB-CONTRACTOR CERTIFICATION

**PROJECT:** \_\_\_\_\_  
**PROJECT LOCATION:** \_\_\_\_\_  
**PRIME CONTRACTOR:** \_\_\_\_\_  
**SUB-CONTRACTOR:** \_\_\_\_\_

Project Sub-Contract

Date of Sub-Contract: \_\_\_\_\_  
 Sub-Contract Amount: \_\_\_\_\_

Business Information

Address \_\_\_\_\_  
 City, State, Zip Code \_\_\_\_\_  
 FEIN # \_\_\_\_\_  
 DUNS # \_\_\_\_\_  
 Contact Name/Title \_\_\_\_\_  
 Telephone \_\_\_\_\_ **Fax** \_\_\_\_\_  
 E-mail \_\_\_\_\_

Business Owner Demographics

Name	% of Ownership	Gender (M/F)	Race*	Latino (Yes/No)

\* Race (indicate all that apply)  
 1 – White                      2 = Black                      3 = Native American  
 4 = Asian                      5 = Pacific Islander

Certifications

Check all certifications held by this business and attach copies.

- Minority Business Enterprise
- Small Business Enterprise
- Women Business Enterprise
- Section 3 (Dane County & City of Madison)



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- The employment and training opportunities will be advertised in the following local media:

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- The employment and training opportunities will be sent for posting at the following places:

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- One or more job informational meetings will be held at the following location/date/time:

Date: \_\_\_\_\_  
Time: \_\_\_\_\_  
Location: \_\_\_\_\_

- Other, specify:

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---

By my signature below, I am hereby acknowledging to the City of Madison and Dane County, Wisconsin that I have been duly provided with information regarding the Section 3 Program which explains the obligations and requirements of any project involving construction, demolition, conversion, or reconstruction that is funded in part or in whole by HUD funds. I certify that I am empowered to enter into this Statement of Section 3 Commitment on behalf of this company. I am certifying that the information contained in this Section 3 Project Implementation Plan is accurate and correct. I understand that the funding body (City of Madison or Dane County) may impose penalties and sanctions for the submission of any false and/or inaccurate statements within this document.

**SUB-CONTRACTOR SIGNATURE**

Signature \_\_\_\_\_ Date: \_\_\_\_\_  
Print Name \_\_\_\_\_  
Title \_\_\_\_\_  
Company Name \_\_\_\_\_

