

PROCUREMENT AND CONTRACT DOCUMENTS

HVAC Mechanical System Upgrade

Invitation for Bid

IFB # **HC2026-04**

Housing Connect

3595 So. Main Street

Salt Lake City, UT 84115

The Housing Authority of the County of Salt Lake

dba: **Housing Connect.**

www.housingconnect.org

Date

March 24, 2026

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Invitation for Bid

INVITATION FOR BID HVAC Mechanical System Upgrade

PROPOSAL TIMELINE

Release of IFB	March 24 2026
Email Questions Due	March 27, 2026, by 4:00 pm MST
Proposals Submittals Due	April 08, 2026, by 12:00 pm MST
IFB Contact	Paul Wellington Procurement Manager 3595 So. Main Stret Salt Lake City, UT 84115 pwellington@housingconnect.org 801-284-4446

Issued By:
Housing Connect
3595 So. Main Street
Salt Lake City, Utah 84115

PURPOSE

The purpose of this Invitation for Bid (“IFB”) is to solicit proposals and ultimately enter into a contract between the Housing Authority of the county of Salt Lake (“Housing Connect”) and a qualified, licensed, and insured firm to provide **HVAC Replacement Services** at Housing Connect’s Main Office, to include all applicable services listed on the attached Scope of Service. The contract will be for an initial term from Start of project to completion. **Minority, women, veteran, and tribal owned businesses are encouraged to apply.**

This IFB is designed to provide interested firms with sufficient basic information to submit proposals that meet the stated minimum requirements. It is not, however, intended to limit a contractor’s proposal content or exclude any relevant or essential data. Contractors are at liberty, and are encouraged, to expand upon the Scope of Service and the specifications of this IFB prior to submitting their proposal.

The project consists of HVAC Replacement Services at Housing Connects Main Office. The contract scope is outlined in the Scope of Service and is available through the Housing Connect (www.housingconnect.org)

The successful Contractor has and/or will comply with all applicable local, state and federal laws and requirements.

Contractors are advised that, prior to an award of any contract, Housing Connect reserves the right to conduct a pre-award survey for the purpose of determining the Contractor’s responsibility and capacity to perform the contract. This research may include review of sub-contract agreements, financial capacity, and quality of work performed on previous contracts.

Housing Connect reserves the right to reject any and all proposals, and to waive any informality or irregularity in the IFB, whenever it is in the best interest of Housing Connect to do so. Housing Connect may use deductive alternatives in the proposal procedure to comply with budget limitations.

AGENCY OVERVIEW:

The Housing Authority of the County of Salt Lake (doing business as Housing Connect) was formed in 1970. Housing Connect is a tax-exempt and municipal corporation governed by a seven-member board of commissioners. Our mission is to connect people and communities to quality affordable housing opportunities while promoting self-sufficiency and neighborhood revitalization. Housing Connect owns a 501 C (3) Corporation, Housing Opportunities, Inc., which is the agency's development arm and often holds ownership interest in the agency's affordable- Low Income Housing Tax Credit projects. Housing Connect was designated as a Moving To Work (MTW) agency in 2021 as part of the MTW "Cohort #2" which involves a six-year evaluation of alternative rent policies designed to increase resident self-sufficiency and reduce administrative burdens. This MTW status provides high performing housing authorities with funding and regulatory flexibility.

Housing Connect is a service-oriented agency that assists low-income individuals, families, elderly, individuals with physical and or mental disabilities, and homeless through partnership with other local non-profits. Housing Connect Owns and operates 184 public housing units, around 1,276 affordable (LIHTC) units. Housing Connect also administers 3,635 housing choices voucher under the Section 8 program and around 864 units through other rental assistance programs.

LENGTH OF CONTRACT

The **Contract** resulting for this IFB shall be effective for an initial term from start of project until singed off complete by Housing Connect.

SUBMITTING YOUR PROPOSAL

Please email all questions to pwellington@hpusingconnect.org by the date referenced above and all submissions of proposals to the same email address and date referenced above. Proposals and questions received after the deadline will be late and ineligible for consideration.

OPPORTUNITY TO ASK QUESTIONS

Contractors with questions related to this project may submit questions in writing via email to pwellington@housingconnect.org by **March 27.2026**

PROPRIETARY INFORMATION

The proposal of the successful Contractor becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. Pricing and service elements are not considered proprietary. An entire proposal may not be marked as proprietary. Contractors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the Housing Connect Purchasing Agent. All materials submitted become the property of Housing Connect and may be returned only at the Housing Connect's option.

DISCLOSURE OF CRIMINAL AND CIVIL PROCEEDINGS

Housing Connect reserves the right to request the information described herein from the contractor selected for the contract award. Failure to provide the information may result in a disqualification from the selection process and no award of contract to the contractor. Housing Connect also reserves the right to obtain the requested information by way of a background check performed by an investigative firm. The selected contractor also may be requested to provide information to clarify initial responses. Negative information provided or discovered may result in disqualification from the selection process and no award of contract.

The selected contractor may be asked to disclose whether the firm, or any of its partners, principals, members, associates or key employees (as that term is defined herein), within the last ten years, has been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense arising directly or indirectly from the conduct of the firm's business, or whether the firm, or any of its partners, principals, members, associates or key employees, has within the last ten years, been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense involving financial misconduct or fraud. If the response is affirmative, the contractor may be asked to describe any such indictments or charges (and the status thereof), convictions and the surrounding circumstances in detail.

In addition, the selected contractor may also be asked to disclose whether the firm, or any of its partners, principals, members, associates or key employees, within the last ten years, has been the subject of legal proceedings as defined herein arising directly from the provision of services by the firm or those individuals. "Legal proceedings" means any civil actions filed in a court of competent jurisdiction, or any matters filed by an administrative or regulatory body with jurisdiction over the firm or the individuals. If the response is affirmative, the contractor may be asked to describe any such legal proceedings (and the status and disposition thereof) and the surrounding circumstances in detail.

For purposes of this provision "key employees" includes any individuals providing direct service to Housing Connect. "Key employees" do not include clerical personnel providing service at the firm's offices or locations.

ANTI-HARASSMENT

Housing Connect does not tolerate any form of harassment of our employees or residents. Harassment is defined as any unwelcome verbal, non-verbal, or physical conduct based on race, color, religion, sex (including pregnancy and gender identity), national origin, age (40 or older), disability (mental or physical), genetic information, sexual orientation, marital status, political affiliation, or status as a parent. If harassment is reported it may be grounds for immediate termination of contract.

DEBARMENT AND SUSPENSION

Contractor certifies (using Exhibit D) that neither it nor its principals or subcontracts is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency as required by Executive Order 12549.

BOARD AND STAFF COMMUNICATIONS

Under no circumstances may any member of the Housing Connect or any staff member other than the contact specified be contacted during this IFB process, by any entity intending to submit a response to this IFB. Failure to comply with this request will result in disqualification.

SECTION III BUSINESS CONCERN

The Section III Program requires that recipients of HUD funds, to the greatest extent possible, provide job training, employment and contract opportunities for low or very-low-income residents in connection with projects and activities in their neighborhoods.

SCOPE OF SERVICE

1. DESCRIPTION OF SERVICES. The successful contractor shall provide all management, tools, supplies, equipment, and labor necessary to ensure that Mechanical Upgrade services are performed at properties listed in **SERVICE LOCATIONS** in a manner that will maintain a satisfactory and safe environment.

1.1. BASIC SERVICES

Replace the HVAC Mechanical System at Housing Connect (main bldg.) 3595 S. Main Street

****Contractors are encouraged to request a site visit ****

- Estimate the Replacement of the existing multi-zone air handlers with packaged roof top units to include all aspects of the HVAC System. (Demolition, Architectural repair, Roofing, Structure, duct repair / replacement,
- Replacement will be outlined in contractors Bid:
- upgrade of all mechanical system if needed (Ducts, plumbing, electrical , etc.)
- Remove and dispose of current (old) roof top units.
- Decommission boiler system and make safe for removal at a later date.
- Estimate of timeline for equipment (Leadtime) and installation.

Worked to be performed preferably May 2026 or Oct 2025 Depending on lead time.

Engineering estimate: Demolition, Architectural Repair, Roofing, Structural, Mechanical, Piping, and Electrical
****2021 Engineers estimate \$822,714.00 ****

SERVICE LOCATIONS

Housing Connect
3595 S. Main Street
Salt Lake City, Utah 84115

***SITE VISIT ***

Please Request a Visual Site visit from – Contact-- **Greg Cantrell** gcantrell@housingconnect.org
(385)210-5552

Contractors with questions related to this project may submit questions in writing via email to pwellington@housingconnect.org.

SUBMISSION REQUIREMENTS

Forms included within this IFB must be included with the contractor's proposed bid, in addition to HUD forms 5369-B and 5369-C. Failure to submit mandatory forms may result in rejection of the proposal.

Collusion

Contractor, by submitting a bid- proposal, hereby certifies that no officer, agent, or employee of Housing Connect has a pecuniary interest in the proposal; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other contractor; and that the contractor is competing solely in its own behalf without connection with, or obligation to any undisclosed person or company.

Disputes

In case of any doubt or differences of opinions as to the participation sought hereunder, or the interpretation of the provisions of the IFB, the dispute process shall apply.

Contractor may appeal the recommended award, provided the appeal is in writing, contains the IFB number, is delivered to the address listed in Section II – Paragraph A of this IFB, and is submitted according to the time requirements listed below. The following shall apply to protests (unless otherwise specified, this section will use the term “protest” to also include disputes and appeals):

Solicitation: Contractor may protest a solicitation issued by Housing Connect. It must be received by the Purchasing Agent before the bid or proposal submittal deadline, or it will not be considered.

Award IFB: Any protest against the award of a contract based on an IFB must be received by the Procurement Manager no later than two (2) full business days after the bid submittal deadline, or before award of the contract, whichever is earlier, or the protest will not be considered.

Award RFP/RFQ/IFB: Any protest against the award of a contract based on an RFP, RFQ, or IFB or appeal of a decision by Housing Connect to reject a proposal, must be received by the Procurement within three (3) business days after notification to an unsuccessful proposer that they were not selected, or the protest will not be considered.

Rejection of Bid: Any protest of a decision by Housing Connect to reject a bid submitted in response to an IFB must be received by the Procurement Manager within two (2) business days after being notified in writing of Housing Connects decision, or the appeal will not be considered. A written response will be directed to the appealing contractor within fourteen (14) calendar days of receipt of the appeal, advising the decision with regard to the appeal and the basis for the decision. The decision of Housing Connect shall be final and binding upon all parties.

INSURANCE REQUIREMENTS

Proof of Insurance. The following insurance coverages are required and shall not be terminated or expire without thirty (30) days' written notice to Housing Connect and are required to be maintained in force until completion of the contract. The contractor shall require all subcontractors, if any, used in the performance of any contract resulting from this IFB to name Housing Connect as an additional insured. Following are the standard types of insurance required, and the minimum coverage amounts for each type.

- General Liability:** \$1,000,000; per occurrence for bodily injury, personal injury and property damage liability; *Housing Connect Additional Insured* or,
- Commercial General Liability:** \$3,000,000; combined single limit bodily and property damage liability per occurrence; *Housing Connect additional named insured.*
- Comprehensive Automobile Liability:** \$1,000,000; combined single limit bodily and property damage liability per occurrence and aggregate; *Housing Connect C Additional Insured.*
- Errors and Omissions Liability:** \$1,000,000; combined single limit bodily and property damage liability per occurrence and \$3,000,000 aggregate or,
- Professional Liability:** \$1,000,000; per occurrence and aggregate.
- Workers' Compensation:** statutory limits or,
- Self-Insurance Program:** A State Approved program in an amount and form that meets all applicable requirements of the Labor Code of the State of Utah.
- Environmental Liability:** \$500,000; per occurrence and aggregate; *Housing Connect Additional Insured.*
- Owner's Liability:** 100% of insurable value of the work, Builder's Risk, Extended coverage for Vandalism and Malicious Mischief, if required; *Housing Connect additional named insured.*
- Fire Insurance with Extended Coverage:** 100% of insurable value of the work; Builder's Risk, Extended coverage including Vandalism and Malicious Mischief, if required; *Housing Connect Additional Insured.*

Failure to provide proof of insurance or failure to maintain insurance as required in this bid, or by law, are grounds for immediate termination of the contract. In addition, the successful contractor shall be liable for all re-procurement costs and any other remedies under law.

INDEMNIFICATION AND INSURANCE REQUIREMENTS**1. Indemnification**

The contractor agrees to indemnify, defend and hold harmless Housing Connect and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of any contract arising out of this IFB from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by Housing Connect on account of any claim therefore, except where such indemnification is prohibited by law.

2. Additional Named Insured

All policies, except for the Workers' Compensation, Errors and Omissions, and Professional Liability policies, shall contain additional endorsements naming Housing Connect and its officers, employees, agents and volunteers as additional named insured with respect to liabilities arising out of the performance of services hereunder.

3. Waiver of Subrogation Rights

The successful contractor shall require the carriers of the above required coverages to waive all rights of subrogation against Housing Connect, its officers, employees, agents, volunteers, contractors and subcontractors.

4. Policies Primary and Non-Contributory

All policies required above are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by Housing Connect.

5. Proof of Coverage

The contractor shall furnish certificates of insurance to the Housing Connect Procurement Department administering the contract evidencing the insurance coverage, including the endorsements above required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department. Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this Agreement, the successful contractor shall furnish certified copies of the policies and all endorsements.

6. Insurance Review

The above insurance requirements are subject to periodic review by Housing Connect. Housing Connects Risk Manager is authorized, but not required, to reduce or waive any of the above insurance requirements whenever the Risk Manager determines that any of the above insurance is not available, is unreasonably priced, or is not needed to protect the interests of Housing Connect . In addition, if the Risk Manager determines that heretofore, unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Risk Manager is authorized but not required, to change the above insurance requirements, to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against Housing Connect , inflation, or any other item reasonably related to Housing Connects risk. Any such reduction or waiver for the entire term of the Agreement and any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. Contractor agrees to execute any such amendment within thirty (30) days of receipt.

Invitation for Bid

Exhibit A - Cost Proposal Form

The structure of this form can be adapted to suit the particular scenario, additional lines added, etc.

NAME OF CONTRACTOR _____ DATE _____

To: Housing Connect
3595 S. Main Street
Salt Lake City, Utah 84115

The undersigned, responsive to the "Invitation for Bid IFB **HC2026-04** for the **HVAC Mechanical System Upgrade services** proposed fee(s) at the price stated below. This price is to cover all expenses incurred in performing the Scope of Services as outlined in our proposal of which this proposal is a part:

I/We acknowledge receipt of the following Addenda: _____

We have listed the following information (if applicable) for your convenience in responding to this IFB. If the Contractor needs to add additional line items or information to better respond to the IFB, please attach to this document. If no additional forms have been attached, it will be understood that the costs listed below are for the scope of services within the Contractors Proposal.

	<u>Description</u>	<u>Unit of Measure</u>	<u>Unit Cost</u>	<u>Total</u>
A.	_____	_____	\$ _____	\$ _____
B.	_____	_____	\$ _____	\$ _____
C.	_____	_____	\$ _____	\$ _____
D.	_____	_____	\$ _____	\$ _____
E.	_____	_____	\$ _____	\$ _____
F.	_____	_____	\$ _____	\$ _____
G.	_____	_____	\$ _____	\$ _____
			TOTAL	\$ _____

The undersigned Contractor's License Number for Utah is _____.

Type of Organization:

(Corporation, partnership, Individual, etc.)

Name of Contractor

Authorized Signature

Address

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Invitation for Bid

Exhibit B – Contact Information Form

To: Paul Wellington, Procurement Manager
Phone: 801-284-4446
Email: pwellington@housingconnect.org

This document is to acknowledge that we are in receipt of IFB # HC2026-04 for the **HVAC Mechanical System Upgrade services** and have noted our intention to bid.

Vendor Name: _____

Address: _____

Contact/Title: _____

Phone: _____

Fax: _____

Email: _____

I PLAN TO SUBMIT A BID.

- Yes, I will be submitting a bid.
- Maybe, I need to research and get more information (contact Housing Connect-information listed above)

NO BID. Indicate *any* of the following. We:

- Do NOT desire to be retained on the vendor list.
- Desire to be retained on the vendor list, but decline to bid based on the following:
- Cannot comply with specifications/scope of work, Explain: _____

- Cannot meet delivery requirements, Explain: _____

- Do not regularly provide this type of product/service.
- Other, Explain: _____
- Please update my information as listed above.

HOW YOU FOUND OUT ABOUT BID. Indicate *any* of the following. We:

- Checked the agency website.
- Received notice by fax or e-mail.
- Newspaper Ad, please list paper: _____
- Trade Publication, please list: _____
- Plan Room, please list: _____
- Other, Explain: _____

BID Form

Housing Connect wishes to enter into contract. Please complete the following form and include with your Bid. (Form can be typed or handwritten.)

NAME of VENDOR: _____

CONTACT PERSON for BILLING:

EMAIL of BILLING CONTACT: _____

PHONE NUMBER of BILLING CONTACT:

BILLING ADDRESS: _____

TAX IDENTIFICATION NUMBER (TIN):

CONTACT PERSON for ONSITE WORK:

ONSITE CONTACT PHONE NUMBER:

PRICING:

Housing Connect will enter into a fixed price contract (Stipulated Sum). Please provide a total cost estimate as an attachment to this sheet, to establish a maximum amount for reimbursement. The contractor (prime) cannot exceed the maximum without a Housing Connect-approved modification. For federal regulations on fixed price contracts, please see FAR subpart 16.201.

With the total cost estimate, please include an itemized listing of anticipated costs, including materials, labor, overhead and profit, with each listed separately.

Exhibit C – Client Reference

CURRENT CLIENT REFERENCES (REQUIRED) – IFB# HC2025-04

Company	_____
Address	_____
City, ST, Zip	_____
Fax/Phone/Email	_____
Contact Name/Title	_____
Type of Engagement	_____
Company	_____
Address	_____
City, ST, Zip	_____
Fax/Phone/Email	_____
Contact Name/Title	_____
Type of Engagement	_____
Company	_____
Address	_____
City, ST, Zip	_____
Fax/Phone/Email	_____
Contact Name/Title	_____
Type of Engagement	_____
Company	_____
Address	_____
City, ST, Zip	_____
Fax/Phone/Email	_____
Contact Name/Title	_____
Type of Engagement	_____

Bidder's Company Name _____

Legal Structure _____
(corp./partner/proprietor)

Principle Office Address _____

City, State, Zip _____

Phone Number _____

Email _____

Federal Employer Identification Number _____

Title of Person Authorized to Sign _____

Print Name of Person Authorized to Sign _____

Date Signed and Authorized Signature _____

Exhibit D – Certification Regarding Debarment or Suspension

In compliance with contracts and grants agreements applicable under the U.S. Federal Awards Program, the following certification is required by all Proposers submitting a response to this IFB:

1. The Proposer certifies, to the best of its knowledge and belief, that neither the Proposer nor its Principals are suspended, debarred, proposed for debarment, or declared ineligible for the award of contracts from the United States federal government procurement or non-procurement programs, or are listed in the *List of Parties Excluded from Federal Procurement and Non-procurement Programs* issued by the General Services Administration.
2. “Principals,” for the purposes of this certification, means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).
3. The Proposer shall provide immediate written notice to the Housing Connect Chief Finance Officer (CFO) if, at any time prior to award, the Proposer learns that this certification was erroneous when submitted or has become erroneous by reason of changes circumstances.
4. This certification is a material representation of fact upon which reliance will be placed when making the award. If it is later determined that the Proposer rendered an erroneous certification, in addition to other remedies available to the Housing Connect government, the Housing Connect Chief Finance Officer (CFO) may terminate the contract resulting from this solicitation for default.
5. Proposer affirms that it has no record of recent unsatisfactory performance with Housing Connect, during the past twenty-four (24) months at a minimum.

**Printed Name of
Representative:**

Title:

Signature:

Exhibit E – HUD Form 5369 A (Instructions to Bidders)

Document on following page

**U.S. Department of Housing and
Urban Development**
Office of Public and Indian Housing

**Instructions to Bidders for Contracts
Public and Indian Housing Programs**

Instructions to Bidders for Contracts Public and Indian Housing Programs

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1. Bid Preparation and Submission

(a) Bidders are expected to examine the specifications, drawings, all instructions, and, if applicable, the construction site (see also the contract clause entitled **Site Investigation and Conditions Affecting the Work** of the *General Conditions of the Contract for Construction*). Failure to do so will be at the bidders' risk.

(b) All bids must be submitted on the forms provided by the Public Housing Agency/Indian Housing Authority (PHA/IHA). Bidders shall furnish all the information required by the solicitation. Bids must be signed and the bidder's name typed or printed on the bid sheet and each continuation sheet which requires the entry of information by the bidder. Erasures or other changes must be initialed by the person signing the bid. Bids signed by an agent shall be accompanied by evidence of that agent's authority. (Bidders should retain a copy of their bid for their records.)

(c) Bidders must submit as part of their bid a completed form HUD-5369-A, "Representations, Certifications, and Other Statements of Bidders."

(d) All bid documents shall be sealed in an envelope which shall be clearly marked with the words "Bid Documents," the Invitation for Bids (IFB) number, any project or other identifying number, the bidder's name, and the date and time for receipt of bids.

(e) If this solicitation requires bidding on all items, failure to do so will disqualify the bid. If bidding on all items is not required, bidders should insert the words "No Bid" in the space provided for any item on which no price is submitted.

(f) Unless expressly authorized elsewhere in this solicitation, alternate bids will not be considered.

(g) Unless expressly authorized elsewhere in this solicitation, bids submitted by telegraph or facsimile (fax) machines will not be considered.

(h) If the proposed contract is for a Mutual Help project (as described in 24 CFR Part 905, Subpart E) that involves Mutual Help contributions of work, material, or equipment, supplemental information regarding the bid advertisement is provided as an attachment to this solicitation.

2. Explanations and Interpretations to Prospective Bidders

(a) Any prospective bidder desiring an explanation or interpretation of the solicitation, specifications, drawings, etc., must request it at least 7 days before the scheduled time for bid opening. Requests may be oral or written. Oral requests must be confirmed in writing. The only oral clarifications that will be provided will be those clearly related to solicitation procedures, i.e., not substantive technical information. No other oral explanation or interpretation will be provided. Any information given a prospective bidder concerning this solicitation will be furnished promptly to all other prospective bidders as a written amendment to the solicitation, if that information is necessary in submitting bids, or if the lack of it would be prejudicial to other prospective bidders.

(b) Any information obtained by, or provided to, a bidder other than by formal amendment to the solicitation shall not constitute a change to the solicitation.

3. Amendments to Invitations for Bids

(a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

(b) Bidders shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the amendment, (2) by identifying the amendment number and date on the bid form, or (3) by letter, telegram, or facsimile, if those methods are authorized in the solicitation. The PHA/IHA must receive acknowledgement by the time and at the place specified for receipt of bids. Bids which fail to acknowledge the bidder's receipt of any amendment will result in the rejection of the bid if the amendment(s) contained information which substantively changed the PHA's/IHA's requirements.

(c) Amendments will be on file in the offices of the PHA/IHA and the Architect at least 7 days before bid opening.

4. Responsibility of Prospective Contractor

(a) The PHA/IHA will award contracts only to responsible prospective contractors who have the ability to perform successfully under the terms and conditions of the proposed contract. In determining the responsibility of a bidder, the PHA/IHA will consider such matters as the bidder's:

- (1) Integrity;
- (2) Compliance with public policy;
- (3) Record of past performance; and
- (4) Financial and technical resources (including construction and technical equipment).

(b) Before a bid is considered for award, the bidder may be requested by the PHA/IHA to submit a statement or other documentation regarding any of the items in paragraph (a) above. Failure by the bidder to provide such additional information shall render the bidder nonresponsible and ineligible for award.

5. Late Submissions, Modifications, and Withdrawal of Bids

(a) Any bid received at the place designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it:

(1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);

(2) Was sent by mail, or if authorized by the solicitation, was sent by telegram or via facsimile, and it is determined by the PHA/IHA that the late receipt was due solely to mishandling by the PHA/IHA after receipt at the PHA/IHA; or

(3) Was sent by U.S. Postal Service Express Mail Next Day Service - Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and observed holidays.

(b) Any modification or withdrawal of a bid is subject to the same conditions as in paragraph (a) of this provision.

(c) The only acceptable evidence to establish the date of mailing of a late bid, modification, or withdrawal sent either by registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks must show a legible date or the bid, modification, or withdrawal shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, bidders should request the postal clerk to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.

(d) The only acceptable evidence to establish the time of receipt at the PHA/IHA is the time/date stamp of PHA/IHA on the proposal wrapper or other documentary evidence of receipt maintained by the PHA/IHA.

(e) The only acceptable evidence to establish the date of mailing of a late bid, modification, or withdrawal sent by Express Mail Next Day Service-Post Office to Addressee is the date entered by the post office receiving clerk on the "Express Mail Next Day Service-Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service. "Postmark" has the same meaning as defined in paragraph (c) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, bidders should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and Failure by a bidder to acknowledge receipt of the envelope or wrapper.

(f) Notwithstanding paragraph (a) of this provision, a late modification of an otherwise successful bid that makes its terms more favorable to the PHA/IHA will be considered at any time it is received and may be accepted.

(g) Bids may be withdrawn by written notice, or if authorized by this solicitation, by telegram (including mailgram) or facsimile machine transmission received at any time before the exact time set for opening of bids; provided that written confirmation of telegraphic or facsimile withdrawals over the signature of the bidder is mailed and postmarked prior to the specified bid opening time. A bid may be withdrawn in person by a bidder or its authorized representative if, before the exact time set for opening of bids, the identity of the person requesting withdrawal is established and the person signs a receipt for the bid.

6. Bid Opening

All bids received by the date and time of receipt specified in the solicitation will be publicly opened and read. The time and place of opening will be as specified in the solicitation. Bidders and other interested persons may be present.

7. Service of Protest

(a) Definitions. As used in this provision:

"Interested party" means an actual or prospective bidder whose direct economic interest would be affected by the award of the contract.

"Protest" means a written objection by an interested party to this solicitation or to a proposed or actual award of a contract pursuant to this solicitation.

(b) Protests shall be served on the Contracting Officer by obtaining written and dated acknowledgement from —

[Contracting Officer designate the official or location where a protest may be served on the Contracting Officer]

(c) All protests shall be resolved in accordance with the PHA's/IHA's protest policy and procedures, copies of which are maintained at the PHA/IHA.

8. Contract Award

(a) The PHA/IHA will evaluate bids in response to this solicitation without discussions and will award a contract to the responsible bidder whose bid, conforming to the solicitation, will be most advantageous to the PHA/IHA considering only price and any price-related factors specified in the solicitation.

(b) If the apparent low bid received in response to this solicitation exceeds the PHA's/IHA's available funding for the proposed contract work, the PHA/IHA may either accept separately priced items (see 8(e) below) or use the following procedure to determine contract award. The PHA/IHA shall apply in turn to each bid (proceeding in order from the apparent low bid to the high bid) each of the separately priced bid deductible items, if any, in their priority order set forth in this solicitation. If upon the application of the first deductible item to all initial bids, a new low bid is within the PHA's/IHA's available funding, then award shall be made to that bidder. If no bid is within the available funding amount, then the PHA/IHA shall apply the second deductible item. The PHA/IHA shall continue this process until an evaluated low bid, if any, is within the PHA's/IHA's available funding. If upon the application of all deductibles, no bid is within the PHA's/IHA's available funding, or if the solicitation does not request separately priced deductibles, the PHA/IHA shall follow its written policy and procedures in making any award under this solicitation.

(c) In the case of tie low bids, award shall be made in accordance with the PHA's/IHA's written policy and procedures.

(d) The PHA/IHA may reject any and all bids, accept other than the lowest bid (e.g., the apparent low bid is unreasonably low), and waive informalities or minor irregularities in bids received, in accordance with the PHA's/IHA's written policy and procedures.

(e) Unless precluded elsewhere in the solicitation, the PHA/IHA may accept any item or combination of items bids.

(f) The PHA/IHA may reject any bid as nonresponsive if it is materially unbalanced as to the prices for the various items of work to be performed. A bid is materially unbalanced when it is based on prices significantly less than cost for some work and prices which are significantly overstated for other work.

(g) A written award shall be furnished to the successful bidder within the period for acceptance specified in the bid and shall result in a binding contract without further action by either party.

9. Bid Guarantee (applicable to construction and equipment contracts exceeding \$25,000)

All bids must be accompanied by a negotiable bid guarantee which shall not be less than five percent (5%) of the amount of the bid. The bid guarantee may be a certified check, bank draft, U.S. Government Bonds at par value, or a bid bond secured by a surety company acceptable to the U.S. Government and authorized to do business in the state where the work is to be performed. In the case where the work under the contract will be performed on an Indian reservation area, the bid guarantee may also be an irrevocable Letter of Credit (see provision 10, Assurance of Completion, below). Certified checks and bank drafts must be made payable to the order of the PHA/IHA. The bid guarantee shall insure the execution of the contract and the furnishing of a method of assurance of completion by the successful bidder as required by the solicitation. Failure to submit a bid guarantee with the bid shall result in the rejection of the bid. Bid guarantees submitted by unsuccessful bidders will be returned as soon as practicable after bid opening.

10. Assurance of Completion

(a) Unless otherwise provided in State law, the successful bidder shall furnish an assurance of completion prior to the execution of any contract under this solicitation. This assurance may be [Contracting Officer check applicable items] —

(1) a performance and payment bond in a penal sum of 100 percent of the contract price; or, as may be required or permitted by State law;

(2) separate performance and payment bonds, each for 50 percent or more of the contract price;

(3) a 20 percent cash escrow;

(4) a 25 percent irrevocable letter of credit; or,

(5) an irrevocable letter of credit for 10 percent of the total contract price with a monitoring and disbursements agreement with the IHA (applicable only to contracts awarded by an IHA under the Indian Housing Program).

(b) Bonds must be obtained from guarantee or surety companies acceptable to the U.S. Government and authorized to do business in the state where the work is to be performed. Individual sureties will not be considered. U.S. Treasury Circular Number 570, published annually in the Federal Register, lists companies approved to act as sureties on bonds securing Government contracts, the maximum underwriting limits on each contract bonded, and the States in which the company is licensed to do business. Use of companies listed in this circular is mandatory. Copies of the circular may be downloaded on the U.S. Department of Treasury website <http://www.fms.treas.gov/c570/index.html>, or ordered for a minimum fee by contacting the Government Printing Office at (202) 512-2168.

(c) Each bond shall clearly state the rate of premium and the total amount of premium charged. The current power of attorney for the person who signs for the surety company must be attached to the bond. The effective date of the power of attorney shall not precede the date of the bond. The effective date of the bond shall be on or after the execution date of the contract.

(d) Failure by the successful bidder to obtain the required assurance of completion within the time specified, or within such extended period as the PHA/IHA may grant based upon reasons determined adequate by the PHA/IHA, shall render the bidder ineligible for award. The PHA/IHA may then either award the contract to the next lowest responsible bidder or solicit new bids. The PHA/IHA may retain the ineligible bidder's bid guarantee.

11. Preconstruction Conference (applicable to construction contracts)

After award of a contract under this solicitation and prior to the start of work, the successful bidder will be required to attend a preconstruction conference with representatives of the PHA/IHA and its architect/engineer, and other interested parties convened by the PHA/IHA. The conference will serve to acquaint the participants with the general plan of the construction operation and all other requirements of the contract (e.g., Equal Employment Opportunity, Labor Standards). The PHA/IHA will provide the successful bidder with the date, time, and place of the conference.

12. Indian Preference Requirements (applicable only if this solicitation is for a contract to be performed on a project for an Indian Housing Authority)

(a) HUD has determined that the contract awarded under this solicitation is subject to the requirements of section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e(b)). Section 7(b) requires that any contract or subcontract entered into for the benefit of Indians shall require that, to the greatest extent feasible

(1) Preferences and opportunities for training and employment (other than core crew positions; see paragraph (h) below) in connection with the administration of such contracts or subcontracts be given to qualified "Indians." The Act defines "Indians" to mean persons who are members of an Indian tribe and defines "Indian tribe" to mean any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and,

(2) Preference in the award of contracts or subcontracts in connection with the administration of contracts be given to Indian organizations and to Indian-owned economic enterprises, as defined in section 3 of the Indian Financing Act of 1974 (25 U.S.C. 1452). That Act defines "economic enterprise" to mean any Indian-owned commercial, industrial, or business activity established or organized for the purpose of profit, except that the Indian ownership must constitute not less than 51 percent of the enterprise; "Indian organization" to mean the governing body of any Indian tribe or entity established or recognized by such governing body; "Indian" to mean any person who is a member of any tribe, band, group, pueblo, or community which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs and any "Native" as defined in the Alaska Native Claims Settlement Act; and Indian "tribe" to mean any Indian tribe, band, group, pueblo, or community including Native villages and Native groups (including

corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act, which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs.

(b) (1) The successful Contractor under this solicitation shall comply with the requirements of this provision in awarding all subcontracts under the contract and in providing training and employment opportunities.

(2) A finding by the IHA that the contractor, either (i) awarded a subcontract without using the procedure required by the IHA, (ii) falsely represented that subcontracts would be awarded to Indian enterprises or organizations; or, (iii) failed to comply with the contractor's employment and training preference bid statement shall be grounds for termination of the contract or for the assessment of penalties or other remedies.

(c) If specified elsewhere in this solicitation, the IHA may restrict the solicitation to qualified Indian-owned enterprises and Indian organizations. If two or more (or a greater number as specified elsewhere in the solicitation) qualified Indian-owned enterprises or organizations submit responsive bids, award shall be made to the qualified enterprise or organization with the lowest responsive bid. If fewer than the minimum required number of qualified Indian-owned enterprises or organizations submit responsive bids, the IHA shall reject all bids and readvertise the solicitation in accordance with paragraph (d) below.

(d) If the IHA prefers not to restrict the solicitation as described in paragraph (c) above, or if after having restricted a solicitation an insufficient number of qualified Indian enterprises or organizations submit bids, the IHA may advertise for bids from non-Indian as well as Indian-owned enterprises and Indian organizations. Award shall be made to the qualified Indian enterprise or organization with the lowest responsive bid if that bid is -

(1) Within the maximum HUD-approved budget amount established for the specific project or activity for which bids are being solicited; and

(2) No more than the percentage specified in 24 CFR 905.175(c) higher than the total bid price of the lowest responsive bid from any qualified bidder. If no responsive bid by a qualified Indian-owned economic enterprise or organization is within the stated range of the total bid price of the lowest responsive bid from any qualified enterprise, award shall be made to the bidder with the lowest bid.

(e) Bidders seeking to qualify for preference in contracting or subcontracting shall submit proof of Indian ownership with their bids. Proof of Indian ownership shall include but not be limited to:

(1) Certification by a tribe or other evidence that the bidder is an Indian. The IHA shall accept the certification of a tribe that an individual is a member.

(2) Evidence such as stock ownership, structure, management, control, financing and salary or profit sharing arrangements of the enterprise.

(f) (1) All bidders must submit with their bids a statement describing how they will provide Indian preference in the award of subcontracts. The specific requirements of that statement and the factors to be used by the IHA in determining the statement's adequacy are included as an attachment to this solicitation. Any bid that fails to include the required statement shall be rejected as nonresponsive. The IHA may require that comparable statements be provided by subcontractors to the successful Contractor, and may require the Contractor to reject any bid or proposal by a subcontractor that fails to include the statement.

(2) Bidders and prospective subcontractors shall submit a certification (supported by credible evidence) to the IHA in any instance where the bidder or subcontractor believes it is infeasible to provide Indian preference in subcontracting. The acceptance or rejection by the IHA of the certification shall be final. Rejection shall disqualify the bid from further consideration.

(g) All bidders must submit with their bids a statement detailing their employment and training opportunities and their plans to provide preference to Indians in implementing the contract; and the number or percentage of Indians anticipated to be employed and trained. Comparable statements from all proposed subcontractors must be submitted. The criteria to be used by the IHA in determining the statement(s)'s adequacy are included as an attachment to this solicitation. Any bid that fails to include the required statement(s), or that includes a statement that does not meet minimum standards required by the IHA shall be rejected as nonresponsive.

(h) Core crew employees. A core crew employee is an individual who is a bona fide employee of the contractor at the time the bid is submitted; or an individual who was not employed by the bidder at the time the bid was submitted, but who is regularly employed by the bidder in a supervisory or other key skilled position when work is available. Bidders shall submit with their bids a list of all core crew employees.

(i) Preference in contracting, subcontracting, employment, and training shall apply not only on-site, on the reservation, or within the IHA's jurisdiction, but also to contracts with firms that operate outside these areas (e.g., employment in modular or manufactured housing construction facilities).

(j) Bidders should contact the IHA to determine if any additional local preference requirements are applicable to this solicitation.

(k) The IHA [] does [] does not [Contracting Officer check applicable box] maintain lists of Indian-owned economic enterprises and Indian organizations by specialty (e.g., plumbing, electrical, foundations), which are available to bidders to assist them in meeting their responsibility to provide preference in connection with the administration of contracts and subcontracts.

Exhibit F – HUD-4010 (Federal Labor Standards Provisions)

Document on following page

Federal Labor Standards Provisions

U.S. Department of Housing and Urban Development Office of Labor Relations

Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract in the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (I) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been

communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(II) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(I) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5 (a)(3)(II), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(I), and that such information is correct and complete;

Invitation for Bid

Exhibit G - Section 3 General Information

Document on following page

Frequently Asked Questions and Answers About Section 3 of the Housing & Urban Development Act of 1968

General Questions

Applicability

Consistency with Other Laws

Recipient Responsibilities

Section 3 Preference

Economic Opportunities/Numerical Goals

Recordkeeping and Reporting

Section 3 Complaints

GENERAL QUESTIONS

1. What is Section 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968, which recognizes that HUD funds are typically one of the largest sources of federal funding expended in communities through the form of grants, loans, entitlement allocations and other forms of financial assistance. Section 3 is intended to ensure that when employment or contracting opportunities are generated because a covered project or activity necessitates the employment of additional persons or the awarding of contracts for work, preference must be given to low- and very low-income persons or business concerns residing in the community where the project is located.

What does the term “Section 3 resident” mean?

A “section 3 resident” is: 1) a public housing resident; or 2) a low- or very low-income person residing in the metropolitan area or Non-metropolitan County in which the Section 3 covered assistance is expended.

What does the term Section 3 Business Concern mean?

Section 3 business concerns are businesses that can provide evidence that they meet one of the following:

- 51 percent or more owned by Section 3 residents; **or**
- At least 30 percent of its fully time employees include persons that are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; **or** Provides evidence, as required, 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 in the above two paragraphs.

How does Section 3 differ from the Minority Business Enterprise/Women Business Enterprise programs?

Section 3 is both race and gender neutral. The preferences provided under this regulation are based on income level and location. The Section 3 regulations were designed to encourage recipients of HUD funding to direct new employment and contracting opportunities to low-income residents, and the businesses that employ these persons, within their community regardless of race and/or gender.

Please contact HUD’s Office of Small and Disadvantaged Business Utilization at 202-708-1428, to learn more about these programs.

How is “low-income” determined?

The term “low-income” is used in the Section 3 regulation to include both low- and very low-income individuals. Local income levels can be obtained online at: <http://www.huduser.org/DATASETS/il.html>.

Define “metropolitan area” and “Non-metropolitan County.”

Metropolitan area means a metropolitan statistical area (MSA), as established by the Office of Management and Budget. Non-metropolitan County means any county outside of a metropolitan area.

What is a “new hire”?

A new hire means a full-time employee for a new permanent, temporary, or seasonal position that is created during the expenditure of Section 3 covered financial assistance.

What is a Section 3 covered project?

A Section 3 covered project involves the construction or rehabilitation of housing (including reduction of lead-based paint hazards), or other public construction such as street repair, sewage line repair or installation, updates to building facades, etc.

Who is considered a recipient of Section 3 funding?

A recipient is any entity which receives Section 3 covered assistance, directly from HUD or from another recipient. It does not include contractors or any ultimate beneficiary under the HUD program to which Section 3 applies.

Is a non-profit organization considered a “business” for the purposes of Section 3?

Yes. A non-profit organization is a legitimate business. The non-profit organization must meet the criteria of a Section 3 business concern as defined in 24 CFR Part 135.5 in order to receive Section 3 preference.

What is a Service Area?

The Service area is the geographical area in which the persons benefiting from the Section 3 covered project reside. The Service Area shall not extend beyond the unit of local government in which the Section 3 covered financial assistance is expended.

APPLICABILITY

- What is Section 3 covered assistance?
- Public and Indian housing development, operating or capital funds; **or**
- Other housing assistance and community development assistance expended for housing rehabilitation, housing construction or other public construction projects, such as: CDBG, HOME, 202/811, Lead-Based Paint Abatement, etc.

Which recipient agencies (or sources of HUD financial assistance) are required to comply with Section 3?

Public Housing Authorities regardless of size or number of units

Section 3 also applies to recipients of \$200,000 or more of the following Housing and/or Community.

Development financial assistance:

HOPE VI funding.

Community Development Block Grant (CDBG) funding

Community Development Block Grant Programs for Indian Tribes and Alaska Native Villages

HOME Investment Partnership funding

Self-Help Homeownership Opportunity Programs

Economic Development Initiatives assistance

Brownfields Economic

Section 3 Clause and Section 3 Statement (HUD 24 CFR PART 135)

<https://www.govinfo.gov/content/pkg/CFR-2019-title24-vol1/xml/CFR-2019-title24-vol1-part135.xml>