# Section 3 Plan
# County of Milam, Texas

Adopted this the 9th day Oct, 2012.
By the Commissioners' Court of Milam County, Texas

## Approval & Implementation

## Section 3 Plan
## County of Milam

This plan is hereby approved for implementation and supersedes all previous editions.

Signature: Milam County Judge — Date: 10/9/12

Section 3 Coordinator — Date: 10/9/12

Precinct #1 Commissioner George Tomek — Date: 10-9-2012

Precinct #2 Commissioner Kenneth Hollas — Date: 10-9-2012

Precinct #3 Commissioner Dale Jaecks — Date: 10/09/2012

Precinct #4 Commissioner Jeff Muegge — Date: 10-09-2012

## General Policy Statement

It is the policy of the County of Milam, Texas, to require its contractors to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability veteran's or marital status, or economic status. The County implements this policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of the County and other qualified low- and very low-income persons residing in low-moderate income areas.

## Section 3 Purpose

As a provision of the Housing and Urban Development (HUD) Act of 1968, 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 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."

## Applicability

Section 3 requirements are triggered when HUD-sourced assistance is expended for housing rehabilitation, housing constructions or other public construction projects that are equal to or greater than $200,000 and subcontracts of such projects in the amount of $100,000 or more.

## Section 3 Plan

The County of Milam has developed this Section 3 Action Plan to identify the applicability of provisions of 24 CFR Part 135 objectives, and actions that will be implemented to ensure compliance with the requirements of Section 3. This plan is limited to the County of Milam's HUD funded projects.

## Section 3 Residents

What is a Section 3 resident?

1. A public housing resident; or
2. A low- or very low-income person residing in the metropolitan area or non-metropolitan county where the Section 3 covered assistance is expended. (24 CFR §135.5)

## Section 3 and Business Concerns

What is a Section 3 business concern?

A business concern:

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) in this definition of "Section 3 business concern."

To determine whether you are a Section 3 resident, or are employing Section 3 residents, please refer to HUD's Income Limit Documentation (http://www.huduser.org/portal/datasets/il/il2012/2012summary.odn).

## Compliance with Section 3

The County of Milam will ensure, to the greatest extent feasible, contractors will make good faith efforts to provide training, employment, and contracting opportunities to Section 3 Residents and Section 3 Business Concerns. The numerical goals established in this section represent minimum goals and are considered safe harbor numerical targets.

Contractors and subcontractors shall meet the minimum numerical goals set forth at 24 CRS Part 135.30:

1. 30 percent of the aggregate number of new hires shall be Section 3 residents; and
2. 10 percent of all contracts or subcontracts shall be awarded to Section 3 business concerns.
3. At least three (3) percent of the total dollar amount of all other Section 3 covered contracts.
4. In accordance with 24 CFR § 135.30, if these minimum requirements are not met, sufficient documentation must be kept to provide reasoning and justification for non-compliance. This documentation should include evidence of all Section 3 outreach efforts.

## Section 3 Contracting Policy and Procedure

The County of Milam will incorporate Section 3 in all procurement generated for use with HUD funding and follow goal requirements set forth in 24 CFR Part 135 for awarding contracts to Section 3 Business Concerns.

All contractors/businesses seeking Section 3 preference must, before submitting bids/proposals to the County, be required to complete certifications, as appropriate, as acknowledgement of the Section 3 contracting and employment provisions required by this section. Such certifications, issued by the County of Milam's Section 3 Coordinator, shall be adequately supported with appropriate documentation as referenced in the form.

## Bidding Procedures and Awarding Preferences

The County of Milam advertises for contractors through Request For Bids. Any contractor can submit a bid packet, but HUD encourages priority to be given to Section 3 business concerns, to the greatest extent feasible. Contractors wishing to be considered for HUD related funding must complete the "Contractor Certification of Efforts to Comply Notice" that is included in the County's bid documents.

All contractors awarded a Section 3 covered project will be required to certify with the County, or the grant agency, ensuring knowledge of and compliance with Section 3 regulations. Any contractor found in noncompliance will be at risk for legal ramifications for violating said contract.

## Contractors Hiring Section 3 Residents

Contractors and Subcontractors, who have been awarded the HUD Hurricane Ike Disaster Recovery funded project(s), must post all new hiring opportunities with the local Workforce Solutions Center and WorkinTexas.com. Hiring priority is to be given to residents who live in the Section 3 service area who are either:

- Public housing residents (including persons with disabilities); or
- Low-income or very-low-income person(s) who live in the non-metro county area of project; or
- HUD Youthbuild program participants; or
- Homeless, as defined under McKinney Act (42 U.S.C. 11301 et seq.).
- Other Section 3 residents

## Section 3 Clause

The County of Milam complies with HUD's 24 CFR by including the Section 3 clause into all solicitations and contracts for Section 3 covered projects. The clause to be included states:

A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing & 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 of 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 qualification 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 to all subcontractors subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an subcontractor is in violation of the regulation 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 American Indian housing assistance, section 7(b) of the American 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 American Indians, and (ii) preference in the award of contracts and subcontracts shall be given to American Indian organizations and American Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of the section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

**Section 3 Coordinator**

The County of Milam has appointed the County Judge as the Section 3 Coordinator. The coordinator will maintain records of certified Section 3 residents and business concerns through the GLO's master list and certifications turned in by local residents and business owners. As a recipient of HUD's Disaster Recovery CDBG funds, The County of Milam is required to submit (1) complete updated Quarterly Report Forms and (2) Section 3 Annual Summary Report to the GLO for the County's non-housing activities.

The Section 3 Coordinator will monitor contractors and subcontractors by reviewing all reporting documents and ensuring the documents are received in a timely manner. These reports will in turn be given to the GLO and HUD as required. The reporting documents include:

- Contractor Certification of Efforts to Fully Comply (included in bid packet)
- New Hires Section 3 Monthly Compliance Report (included in bid packet)
- Section 3 Certifications for Business Concerns (optional-can be found on website or County Judge's Office)

**Section 3 Outreach Program**

The County of Milam has created an outreach program designed to spread the word to the County's residents and businesses about our Section 3 plan and possible hiring opportunities for Section 3 residents and business owners. The outreach program involves 3 phases:

- Phase 1: Create a Section 3 page on the County's website. This page will include basic information about Section 3 (what it is, who can qualify, etc.), along with all the certification forms that residents and business concerns can fill out to be considered a Section 3 resident/business concern. The County website will maintain the current or upcoming CDBG projects for potential Section 3 resident/contractor hiring opportunities.
- Phase 2: Provide the Milam County HUD Agent, and all the cities within the County, with a copy of the Section 3 Policy and the Certification forms.
- Phase 3: Place an ad in the County's newspapers stating, "The County of Milam has revised its Section 3 Plan. Judge Barkemeyer is the appointed Section 3 Coordinator. Anyone wishing to view the County of Milam's Section 3 Plan, or to inquire more information about the plan, can do so by visiting the County's website or at the Milam County Judge's Office, 100 South Fannin, Cameron, Texas 76520."