CITY OF LONG BEACH

SECTION 3 GUIDELINES

June 2025

CITY OF LONG BEACH

SECTION 3 GUIDELINES

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INTRODUCTION

Section 3 of the Housing and Urban Development Act of 1968 is designed to ensure that training, employment, contracting, and other economic opportunities generated by U.S. Housing and Urban Development (HUD) financial assistance are, to the greatest extent feasible, and consistent with federal, state, and local laws and regulations, directed to low- and very low-income persons, particularly those who receive government housing assistance, and to business concerns that provide economic opportunities to low-income persons.

These guidelines have been developed by the City of Long Beach (the City) to outline the responsibilities of all parties and to provide resources for Section 3 Business Concerns and Workers. By adhering to these guidelines, the City hopes to enhance economic development, support its businesses, and create sustainable employment opportunities for its residents.

Threshold for HUD Community Planning and Development (CPD) funded projects is $300,000 and the threshold for Lead Hazard Control and Healthy Homes projects is $150,000.

BENCHMARKS

The City is committed to achieving the following Section 3 benchmarks:

- Section 3 Workers to provide a minimum of 25% of the total labor hours worked on a Section 3 Project.
- Targeted Section 3 Workers to provide a minimum of 5% of the total labor hours worked on a Section 3 Project. (This 5% is included in the 25% Section 3 Worker goal.)
- Section 3 Businesses to be utilized to the greatest extent feasible.

DEFINITIONS

A **Section 3 Worker** is defined as any worker who currently fits or, when hired within the past five years, fit at least one of the following categories:

- The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
- The worker is a resident of public housing or Section 8 assisted housing.

A **Targeted Section 3 Worker** is a Section 3 Worker who currently fits or, when hired within the past five years, fit at least one of the following categories:

- The worker is employed by a Section 3 Business.
- The worker lives within a one-mile radius of the project site.
- The worker is a YouthBuild participant.

A **Section 3 Business/Business Concern** is defined as a business meeting at least one of the following criteria:

- It is at least 51 percent owned and controlled by low-income persons.
- It is at least 51 percent owned and controlled by current residents of public housing or Section 8 assisted housing.
- At least 75 percent of the labor hours performed for the business over the prior three-month period were performed by Section 3 Workers (see criteria above for Section 3 Worker).

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CITY RESPONSIBILITIES

The City of Long Beach is responsible for ensuring compliance with Section 3 requirements on all applicable projects, including:

- Establishing policies and procedures to facilitate Section 3 compliance.
- Monitoring and enforcing compliance among contractors and subcontractors.
- Providing outreach and education to businesses and workers regarding Section 3 opportunities.
- Collaborating with local organizations to promote workforce development and business opportunities for Section 3 Business Concerns and Workers.
- Maintaining records and reports to demonstrate compliance with HUD requirements.
- Conducting periodic audits and reviews to assess compliance and the effectiveness of the Section 3 Program.

The City is involved in every phase of project development and implementation:

PRE-BID PHASE

Advertisement

The following Section 3 language is to be included in the solicitation notice (Notice Inviting Bids):

> This is a HUD Section 3 Contract, and all bidders/proposers must commit to achieving established requirements, including benchmarks, for Section 3 Workers and Targeted Section 3 Workers, to be considered a responsive bidder/proposer and eligible for contract award. The bidder/proposer must declare its intent to comply with Section 3 requirements by submitting a completed Declaration of Intent to Comply with Section 3 Requirements form with its bid. ***Proposals that fail to comply with the requirements of Section 3 will be considered non-responsive and excluded from further consideration.***
>
> A pre-bid meeting will be held on [date/time/address] to discuss prevailing wage and Section 3 requirements. Bidders are ***highly encouraged*** to attend this meeting.

Bid Documents

A sample contract will be included in the solicitation package, and the sample contract will include the Section 3 Clause and the Form HUD-4010. (These forms are included in the Appendix.)

PRE-CONSTRUCTION PHASE

Contract Award

The City will ensure that all Section 3 contracts physically incorporate a copy of the applicable federal wage decision, a copy of the Section 3 Clause, and a copy of Form HUD-4010.

Pre-Construction Conference

A pre-construction conference with the prime contractor and subcontractors will be held to discuss the following:

- Section 3 Worker, Targeted Section 3 Worker, and Section 3 Business commitment and benchmarks
- Section 3 Compliance Reports (to be completed and submitted quarterly)
- Documentation of Qualitative Efforts (to be submitted for any reporting period when benchmarks are not met)

CONSTRUCTION PHASE

The City will review quarterly Compliance Reports and labor hours worked/reported to determine/ verify compliance with benchmarks.

If the contractor has not met the Section 3 benchmarks for any reporting period, a Documentation of Qualitative Efforts form will be required. The City will provide guidance and assist with the preparation and implementation of a remediation plan for attaining compliance with the benchmarks.

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BIDDER RESPONSIBILITIES

The bidder/proposer must declare its intent to comply with Section 3 requirements, including benchmarks, in order to be a responsive bidder/proposer eligible for contract award. Failing to commit to complying with the Section 3 requirements will be grounds for finding the bidder/proposer non-responsive and ineligible for contract award. The *Declaration of Intent to Comply with Section 3 Requirements* form (see Appendix) is to be completed and returned with the bid/proposal.

Bidders/proposers should familiarize themselves with the Section 3 requirements and the benchmarks to be attained:

- Section 3 Workers to provide a minimum of 25% of the total labor hours worked on a Section 3 Project.
- Targeted Section 3 Workers to provide a minimum of 5% of the total labor hours worked on a Section 3 Project. (This 5% is included in the 25% Section 3 Worker goal.)
- Section 3 Businesses to be utilized to the greatest extent feasible.

It is highly recommended that bidders/proposers be proactive regarding Section 3 requirements by identifying Section 3 Workers and Section 3 Targeted Workers among their current workforce; by seeking to hire eligible qualified Section 3 Workers and Targeted Section 3 Workers; and by identifying Section 3 Business Concerns for subcontracting opportunities prior to bid submission and contract award.

Examples of good faith efforts to meet Section 3 Worker and Targeted Section 3 Worker utilization benchmarks are listed on the *Section 3 Compliance Report* (see Appendix).

Good faith efforts to contract with Section 3 Business Concerns include, but are not limited to, the following:

- Coordinating with Business Assistance Agencies, Minority Contractors Associations, and/or Community Organization Publications that provide assistance in overcoming limitations such as the inability to obtain bonding, lines of credit, financing, or insurance.
- Advertising subcontracting opportunities in trade association papers/newsletters, local media, such as community television networks, newspapers of general circulation, and/or radio advertising.
- Consulting the publishing sources for HUD Section 3 Contracting Opportunities.
- Providing written notice of subcontracting opportunities to all known Section 3 Business Concerns who can provide the identified services. This notice should provide sufficient time to allow the Section 3 Business Concerns to respond to the bid invitation.

Links to the above organizations and the Section 3 Business Concern database are available on the City's website: http://longbeach.gov/finance/business-info/compliance/hud-section-3-program/.

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CONTRACTOR RESPONSIBILITIES

By submitting the executed *Declaration of Intent to Comply with Section 3 Requirements* with its bid, a contractor has committed to using its best efforts to achieve the goals of the Section 3 Program. The selected contractor shall, to the greatest extent possible, employ Section 3 Workers for a minimum of 25% of the total number of labor hours worked; shall employ Targeted Section 3 Workers for a minimum of 5% of the total number of labor hours worked; and shall utilize Section 3 Business Concerns to the greatest extent feasible.

Subcontracts under a Section 3 covered contract are also subject to Section 3 requirements. The contractor shall physically incorporate into its subcontracts a copy of the applicable federal wage decision, a copy of the Section 3 Clause, and a copy of Form HUD-4010.

The contractor shall post public notices announcing Section 3 job and subcontracting/business opportunities at the jobsite. The announcement must list the contact information of the contractor's hiring official and identify the place and time where prospective employees can obtain and submit an application for employment and *Section 3 Worker Certification* form, and the contract/project manager in charge of awarding subcontracts.

The contractor and all subcontractors must submit certified payroll reports (CPRs) in the City's LCPtracker monitoring system with all Section 3 and Targeted Section 3 Workers properly identified in the Demographic Information section.

The contractor will document its achievement of benchmarks by submitting *Section 3 Business Certification* form(s) and *Section 3 Worker Certification* form(s) to support its attainment. (The Certification forms are included in the Appendix.)

The contractor will submit a *Section 3 Compliance Report* (see Appendix) to the City every quarter and at project conclusion. If the benchmarks are not met, the contractor will also submit a *Documentation of Qualitative Efforts* form (see Appendix) with supporting evidentiary documentation.

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SECTION 3 BUSINESS RESOURCES

Section 3 Business Concerns, or businesses that wish to qualify as Section 3 Business Concerns, are encouraged to consult the City's Section 3 website (http://longbeach.gov/finance/business-info/compliance/hud-section-3-program/) for additional information about resources and assistance, including:

- Registration with the City as a Section 3 Business Concern.
- Access to bid opportunities reserved for Section 3 Business Concerns.
- Workshops and training programs on business development, finance, and contracting.
- Networking events to connect with contractors and City officials.
- Small business grants and low-interest loans to support growth.
- Technical assistance in preparing bid proposals and navigating the contracting process.
- Assistance from the City's Business Outreach Coordinator: lbpurchasing@longbeach.gov; (562) 570-5099.

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SECTION 3 WORKER RESOURCES

Individuals who are interested in qualifying as Section 3 Workers are encouraged to consult the City of Long Beach Section 3 website: http://longbeach.gov/finance/business-info/compliance/hud-section-3-program/ for additional information about potential assistance and support services, including:

- Job training programs tailored to construction, maintenance, and administrative roles.
- Resume-building workshops and interview preparation assistance.
- Job placement services and connections to potential employers.
- Career counseling and mentorship opportunities.
- Access to apprenticeship programs in various trades.
- Information on Section 3 Worker Certification and eligibility criteria.
- Assistance from the City's Workforce Development Department, Long Beach Workforce Innovation Network. The Section 3 team can be contacted at: LocalHire@longbeach.gov, (562) 570-7158.

CONCLUSION

The Section 3 Program is a vital initiative for promoting economic empowerment and reducing unemployment among low-income residents. By following these guidelines, the City of Long Beach, along with bidders, contractors, businesses, and workers, can ensure that HUD-funded projects create meaningful employment and business opportunities for those who need them most. The City remains committed to fostering an inclusive and prosperous community through the implementation of Section 3 policies.

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APPENDIX - FORMS

The following Section 3 documents from the City of Long Beach Section 3 Program are included:

FORM NAME	DESCRIPTION	USES
HUD-4010 (Federal Labor Standards Provisions)	Provides a detailed description of the labor standards that must be followed on federally funded construction projects, including prevailing wage requirements and worker protections	**Informational Only** • To be physically attached to all contracts and subcontracts
Section 3 Clause	A required contract provision that ensures businesses and contractors comply with Section 3 hiring and subcontracting obligations	**Informational Only** • To be physically attached to all contracts and subcontracts
Declaration of Intent to Comply with Section 3 Requirements	A signed statement by contractors or subcontractors affirming their commitment to fulfilling Section 3 requirements, including hiring Section 3 Workers and Targeted Section 3 Workers and contracting with Section 3 Business Concerns	**Mandatory – must be submitted with bid/proposal** • To be submitted by bidders/proposers with their bid; failure to submit will render a bid non-responsive
Section 3 Business Certification Form	Used by businesses to self-certify as a Section 3 Business Concern by demonstrating that they meet the eligibility criteria	**Optional** • To be submitted by contractor/subcontractor to claim Section 3 status
Section 3 Worker Certification Form	This form is completed by a worker and verified by the employer to certify that the worker meets the qualifications to be considered a Section 3 Worker or a Targeted Section 3 Worker	**Optional** • To be submitted by contractor/subcontractor (Worker) to claim Section 3 status
Section 3 Project Compliance Report	A required report submitted by contractors summarizing their compliance with Section 3 goals, including hiring and utilization of Section 3 Workers and Targeted Section 3 Workers and any subcontracting with Section 3 Business Concerns	**Mandatory – must be submitted quarterly** • To be submitted by contractor to report cumulative Section 3 utilization
Documentation of Qualitative Efforts	A record of outreach and engagement activities to demonstrate efforts in meeting Section 3 requirements, such as job fairs, training programs, and advertisements targeting low-income individuals.	**Contingently Mandatory** (required if quarterly report shows Section 3 benchmarks are not being met) • To be submitted by contractor with Section 3 Compliance Report *if benchmarks are not met*

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DECLARATION OF INTENT TO COMPLY WITH SECTION 3 REQUIREMENTS

Return with the bid proposal

As a minimum requirement for consideration of contract award, bidders/proposers shall declare their intent to comply with Section 3 (24 CFR 75) of the Housing and Urban Development Act of 1968, as amended. The bidder/proposer is obliged, to the greatest extent feasible, to give opportunities for training and employment to low-income and very low-income persons residing in the service area or neighborhood in which the covered Section 3 project/service is located, and/or to award subcontracts to Section 3 Business Concerns that provide economic opportunities for Section 3 Workers and Targeted Section 3 Workers.

The undersigned bidder/proposer agrees that, as a condition of responsiveness to the solicitation and prior to recommendation for contract award, it has reviewed, understood, and agrees to be found by the Section 3 requirements. It will: (1) include the Section 3 contract language in all subcontracts; (2) meet the Section 3 benchmarks to the greatest extent feasible; and (3) report all efforts and accomplishments and provide all required documentation on a quarterly basis for the duration of the contract. *Documentation must be maintained for five (5) years following contract completion.*

The Section 3 benchmarks apply to all Section 3 covered contracts as follows:

- Section 3 Workers: 25% or more of the total number of labor hours worked by all workers employed on a Section 3 project; and
- Targeted Section 3 Workers: 5% or more of the total number of labor hours worked by all workers employed on a Section 3 project (included as part of the 25% Section 3 worker benchmark above)

Failure to agree to comply with the Section 3 requirements and reporting obligations shall be grounds for determining the bidder/proposer non-responsive, and no further consideration for contract award shall be granted.

I declare under penalty of perjury under the laws of the State of California that we agree to comply with the Section 3 requirements as stated above.

Name of Contractor/Subcontractor	Address
Print Name	Title
Signature	Date
Email	Phone

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SECTION 3 CONTRACT 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 USC.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. [Low- and very low-income limits are defined in Section 3(b)(2) of the Housing Act of 1937 and are determined annually by HUD. These limits are typically established at 80 percent and 50 percent of the area median individual income. HUD income limits may be obtained from: https://www.huduser.gov/portal/datasets/il.html.]

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with Section 3 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; set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, and qualifications for each; provide the name and location of the person(s) taking applications for each of the positions; and indicate 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 75, and agrees to take appropriate actions, 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. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 75.

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 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 75.

F. Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. The contractor agrees to report at specified intervals and at project conclusion: (1) the total number of labor hours worked; (2) the total number of labor hours worked by Section 3 Workers; and (3) the total number of labor hours worked by Targeted Section Workers.

H. If the contractor fails to achieve the HUD Section 3 benchmarks, the contractor must report on the qualitative nature of its activities and those of its subcontractors. Such qualitative efforts may include the following:

- Consult with state and local agencies administering training programs sponsored by or funded through apprenticeship councils, probation and parole agencies, unemployment compensation programs, community organizations, and other organizations to assist with recruiting Section 3 Workers and Targeted Section 3 Workers for employment.
- Advertise employment opportunities in the neighborhood of the project; contact resident councils, resident management corporations, and/or other resident organizations in the neighborhood of the project to request assistance in notifying Section 3 and Targeted Section 3 Workers of employment opportunities.
- Hold a job fair or job informational meeting.
- Provide direct, on-the-job training or apprenticeship opportunities.
- Provide technical assistance to help Section 3 Workers seek employment and compete for jobs (*e.g.*, resume assistance, finding job opportunities, connecting to job placement services, coaching, preparing for interviews, computer and online technology training).
- Provide or refer Section 3 Workers to services supporting work readiness and retention (*e.g.*, health screenings, interview clothing, uniforms, test fees, transportation, and childcare).
- Provide assistance to apply for or attend community college, a four-year educational institution, or vocational/technical training.
- Assist Section 3 Workers in obtaining financial literacy training and/or coaching.
- Provide outreach or referrals to the State of California assistance system developed pursuant to the Workforce Innovation and Opportunity Act: https://edd.ca.gov/en/jobs_and_training/workforce_innovation_and_opportunity_act.
- Engage in outreach efforts to identify and secure bids from Section 3 Business Concerns, defined as businesses that meet at least one of the following criteria, documented within the last six-month period: (1) at least 51 percent owned and controlled by low-income persons; (2) at least 51 percent owned and controlled by current residents of public housing or Section 8 assisted housing; or (3) 75 percent or more of the labor hours performed for the business over the prior three-month period were performed by Section 3 workers.
- Provide technical assistance to help Section 3 Business Concerns understand and bid on contracts.
- Divide contracts into smaller parcels and provide bid documents in multiple languages to facilitate participation by Section 3 Business Concerns.
- Provide bonding assistance, guaranties, or other efforts to support viable bids from Section 3 Business Concerns.
- Promote the use of business registries designed to create opportunities for Disadvantaged, Small, and Section 3 Business Concerns.

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SECTION 3 BUSINESS CERTIFICATION

Contractors or subcontractors who wish to be identified as a Section 3 Business Concern must complete this Certification and provide any backup documentation (proof of ownership, payroll documentation, etc.) requested by the City of Long Beach.

Business Name:	
Business Address:	
County Where Business is Located:	
Business Type:	☐ Corporation ☐ Sole Proprietorship ☐ Partnership ☐ Joint Venture
Business Services (list):	

Please read the following statements and *check all that apply to your business:*

- ☐ 51% or more of the business is owned by low-income persons.
- ☐ 51% or more of the business is owned and controlled by current residents of public housing or Section 8 assisted housing.
- ☐ 75% or more of the labor hours performed for the business over the prior six-month period were performed by Section 3 Workers.
- ☐ None of the above apply to this business.

I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief.

Printed or Typed Name and Title	**Signature**	**Date**

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SECTION 3 WORKER CERTIFICATION

Part 1: Employee Certification

Name:			
Permanent Address:			
County of Residence:		HUD Income Limit (from chart on p. 2):	

Please read the following statements and *check all that apply to you currently or during the five-year time period prior to today's date:*

- ☐ My individual annual income is or was below 80% of the current area median income for the county in which I reside (from table on p. 2 and as noted above).
- ☐ I am or was a resident of public housing or Section 8 assisted housing.
- ☐ I am or was a YouthBuild participant.
- ☐ None of the above apply to me.

I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief.

Printed or Typed Name	Signature	Date

Part 2: Employer Certification

Company Name:	

Please read the following statements and check all that apply to your employee currently or during the five-year time period prior to the date of certification.

- ☐ The above employee is employed by our company, which is a Section 3 Business.
- ☐ The above employee lives within a one-mile radius of the project site (see pp. 2-3).
- ☐ None of the above apply.

I affirm that the above statements are true, complete, and correct to the best of my knowledge and belief.

Printed or Typed Name and Title	Signature	Date

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Definitions

Section 3 Worker:
- Income below Limit in table above; or
- Resident of public housing or Section 8 assisted housing

Targeted Section 3 Worker:
- Employed by a Section 3 Business Concern; or
- Lives within a one-mile radius of the project site; or
- Is a YouthBuild participant

HUD Income Limits by County

Effective: May 1, 2026 until issuance of new data*

County	80% Area Median Income (AMI) Limit for a Household of 1**
Kern County	$54,400
Los Angeles County	$93,300
Orange County	$104,200
Riverside County	$68,900
San Bernardino County	$68,900
San Diego County	$97,950
Ventura County	$87,950

**Income limits are typically updated annually: https://www.huduser.gov/portal/datasets/il.html*
** As of November 30, 2020, the HUD "Final Rule" has stipulated that Section 3 Workers are determined based on the *individual income level*, not on a family-size level.

Determining a Project's One-Mile Radius

- Navigate to Google Map Developers: https://mapdevelopers.com

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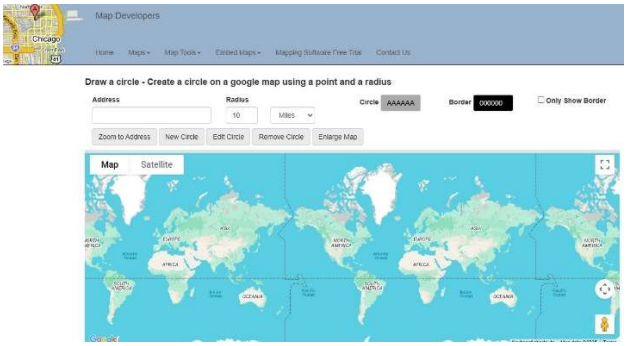
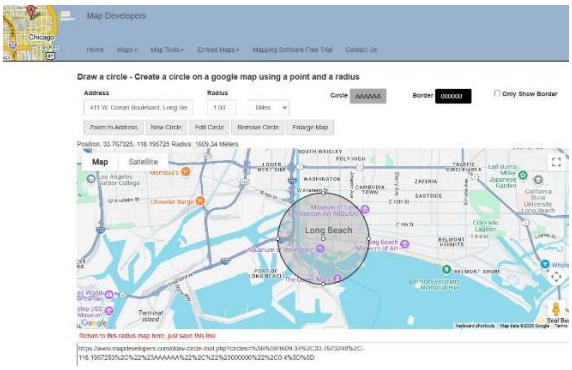
- From the “Map Tools” tab, select “Draw a Circle Tool”



- Enter the project address
- Select 1 Mile Radius
- “Zoom to Address”
- “New Circle”



- Print the page for your file
- Save the link for future access and interactive searchability

Review by City of Long Beach	
1. Is the employee a Section 3 Worker based on this self-certification?	☐ Yes ☐ No
2. Is the employee a Targeted Section 3 Worker based on this self-certification?	☐ Yes ☐ No
3. Was the employee hired as a result of the Section 3 project?	☐ Yes ☐ No
a. If Yes, provide name of the company:	
b. Hire date:	

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SECTION 3 COMPLIANCE REPORT

This form is required for all Section 3-triggered projects (over $200,000) and must be submitted as backup documentation for periodic and final reporting.

☐ Periodic Report ☐ Final Report

Project Name	Contract Execution Date	Construction Start Date	Today's Date

A. SECTION 3 CONTACT INFORMATION

Contractor Section 3 Point of Contact:	
Phone:	Email:

B. SECTION 3 HOURS WORKED (see p. 2 for more information)

A. Total labor hours worked this period by all workers	B. Number of Section 3 hours worked this period	% Section 3 hours (Divide column B by column A)

C. TARGETED SECTION 3 HOURS WORKED (see p. 2 for more information)

A. Total labor hours worked this period by all workers	B. Number of Targeted Section 3 hours worked this period	% Targeted Section 3 hours (Divide column B by column A)

D. QUALITATIVE EFFORTS – If this report indicates numeric goals were ***not*** met (see page 2 for more information), attach the Documentation of Qualitative Efforts form describing any qualitative efforts made to increase Section 3 participation for this reporting period.

E. ADDITIONAL ATTACHMENTS – For the Final Section 3 Compliance Report, attach supportive documentation.

I declare that all statements contained in this form and any accompanying documents are true and correct. Statements given are subject to investigation, and any false or dishonest answer may be grounds for denial or revocation of funding or other penalties pursuant to 18 U.S. Code § 1001.

Signature: _____ Date: _____

Print Name: _____ Title: _____

Requirement:

Contractors are required, to the greatest extent feasible, to achieve HUD's Section 3 benchmarks required for the number of labor hours performed by both Section 3 Workers and Targeted Section 3 Workers:

- 25% or more of all labor hours must be worked by Section 3 Workers (currently fit or when hired within the past five years fit at least one of the following categories):
  - Income for the previous or annualized calendar year is below the income limit established by HUD
  - Resident of public Housing or Section 8 assisted housing
- 5% or more of all labor hours must be worked by Targeted Section 3 Workers (currently fit or when hired within the past five years fit at least one of the following categories):
  - Employed by a Section 3 Business Concern
  - Live within a one-mile radius of the project site
  - Is a YouthBuild participant

The graphic above shows three concentric circles. The smallest internal circle illustrates Targeted Section 3 workers, the mid-sized circle illustrates all Section 3 workers, and the largest external circle illustrates all workers.

The final submission of this form, marked **Final Report**, is due within 30 days of project completion and must capture the data for the entire project from start date to completion date.

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DOCUMENTATION OF QUALITATIVE EFFORTS

This form must be submitted with all periodic or final compliance reports that indicate numeric goals were not met. Please fill out this form completely. Attach additional pages if needed.

Project Name	Contract Execution Date	Construction Start Date	Today's Date

1. Describe all efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, to Section 3 Workers.

Attach supporting documentation such as:

- Copies of publications, notices, pictures of posted notices, and other outreach materials.
- List of all Section 3 Workers who responded to outreach efforts (*e.g.*, submitted job applications, phone logs, etc.). Were any of them hired? If not, please explain why.

2. Describe all efforts made to notify Section 3 Business Concerns of any subcontracting opportunities generated by HUD financial assistance for this project, to the greatest extent feasible.

Attach supporting documentation such as:

- Copies of publications, notices, pictures of posted notices, and other outreach materials.
- Section 3 Business List used in solicitation.
- List of Section 3 Business Concerns included in solicitation and documentation of efforts (*e.g.*, emails, letters, phone logs, etc.).
- List of Section 3 Business Concerns that responded to solicitation and/or outreach efforts. Were any of them hired? If not, please explain why.

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3. Describe all additional qualitative efforts made to comply with Section 3 requirements. See below for examples. Attach additional sheets and all applicable supporting documentation.

Examples of Qualitative Efforts

- Consult with state and local agencies administering training programs funded through JTPA, probation and parole agencies, unemployment compensation programs, community organizations, and other organizations to assist with recruiting Section 3 Workers and Targeted Section 3 Workers for employment.
- Advertise employment positions in the neighborhood of the project; contact resident councils, resident management corporations, and/or other resident organizations in the neighborhood of the project to request assistance in notifying Section 3 and Targeted Section 3 Workers of employment opportunities.
- Hold a job fair or job informational meeting in the neighborhood of the project.
- Provide direct, on-the-job training or apprenticeship opportunities.
- Provide technical assistance to help Section 3 Workers seek employment and compete for jobs (*e.g.*, resume assistance, finding job opportunities, connecting to job placement services, coaching, preparing for interviews, computer and online technology training).
- Provide or refer Section 3 Workers to services supporting work readiness and retention (*e.g.*, work readiness activities such as health screenings, interview clothing, uniforms, test fees, transportation, and childcare).
- Provide assistance to apply for or attend community college, a four-year educational institution, or vocational/technical training.
- Assist Section 3 Workers to obtain financial literacy training and/or coaching.
- Provide outreach or referrals to the State of California assistance system developed pursuant to the state's Workforce Innovation and Opportunity Act (more information available at: https://edd.ca.gov/en/jobs_and_training/workforce_innovation_and_opportunity_act).
- Engage in outreach efforts to identify and secure bids from Section 3 Businesses.
- Provide technical assistance to help Section 3 Business Concerns understand and bid on contracts.
- Divide contracts into smaller parcels and provide bid documents in multiple languages to facilitate participation by Section 3 Business Concerns.
- Provide bonding assistance, guaranties, or other efforts to support viable bids from Section 3 Business Concerns.
- Promote the use of business registries designed to create opportunities for Disadvantaged, Small, and Section 3 Business Concerns.

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Requirement:

This form is required for all Section 3-triggered projects (over $200,000 provided by HUD financial assistance) and must be submitted with all periodic or final compliance reports that indicate numeric goals were not met. Attach additional pages as needed. The numeric goals for achieving the HUD established benchmark for Section 3 are as follows:

- Section 3 Worker hours: 25 percent of all labor hours performed on the project.
- Targeted Section 3 Worker hours: 5 percent of all labor hours performed on the project.

A **Section 3 Worker** is defined in 24 CFR Part 75.5 as any worker who currently fits or when hired within the past five years fits at least one of the following categories:

- The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
- The worker is a resident of public housing or Section 8 assisted housing.

A **Targeted Section 3 Worker** is a Section 3 Worker who currently fits or or when hired within the past five years fits at least one of the following categories:

- The worker is employed by a Section 3 Business Concern.
- The worker lives within a one-mile radius of the project site.
- The worker is a YouthBuild participant.

A **Section 3 Business Concern** is defined as a business meeting at least one of the following criteria:

- It is at least 51 percent owned and controlled by low-income persons.
- It is at least 51 percent owned and controlled by current residents of public housing or Section 8 assisted housing.
- At least 75 percent of the labor hours performed for the business over the prior three-month period were performed by Section 3 Workers (see criteria above for Section 3 Worker).

Attach supporting documentation such as:

- Copies of all publications, notices, picture of posted notices, and other outreach materials that were used for targeted outreach to provide employment and other economic opportunities to Section 3 workers and Section 3 Business Concerns.
- Documentation of all communication efforts (emails, letters, phone logs, etc.).
- Copies of completed applications from Section 3 workers.
- Documentation of efforts made to notify Section 3 Business Concerns of any subcontracting opportunities generated by HUD financial assistance for this project.
- Section 3 Business Concern List used for solicitation.
- List of Section 3 Business Concerns that responded to solicitation and/or outreach efforts.

CITY OF LONG BEACH

A. 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.

1. Minimum wages and fringe benefits

i. All laborers and mechanics employed or working upon the site of the work (or otherwise working in construction or development of the project under a development statute), 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 basic hourly 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. As provided in 29 CFR 5.5(d) and (e), the appropriate wage determinations are effective by operation of law even if they have not been attached to the contract. Contributions made or costs reasonably anticipated for bona fide fringe benefits under the Davis-Bacon Act (40 U.S.C. 3141(2)(B)) on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(v) of these contract clauses; 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 must be paid the appropriate wage rate and fringe benefits on the wage determination for the classification(s) 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 classifications and wage rates conformed under 29 CFR 5.5(a)(1)(iii)) and the Davis-Bacon poster (WH-1321) must 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. Frequently recurring classifications

A. In addition to wage and fringe benefit rates that have been determined to be prevailing under the procedures set forth in 29 CFR part 1, a wage determination may contain, pursuant to § 1.3(f), wage and fringe benefit rates for classifications of laborers and mechanics for which conformance requests are regularly submitted pursuant to 29 CFR 5.5(a)(1)(iii), provided that:

1. The work performed by the classification is not performed by a classification in the wage determination for which a prevailing wage rate has been determined;

2. The classification is used in the area by the construction industry; and

3. The wage rate for the classification bears a reasonable relationship to the prevailing wage rates contained in the wage determination.

B. The Administrator will establish wage rates for such classifications in accordance with 29 CFR 5.5(a)(1)(iii)(A)(3). Work performed in such a classification must be paid at no less than the wage and fringe benefit rate listed on the wage determination for such classification.

iii. Conformance

A. The contracting officer must require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract be

classified in conformance with the wage determination. Conformance of an additional classification and wage rate and fringe benefits is appropriate 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 used 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. The conformance process may not be used to split, subdivide, or otherwise avoid application of classifications listed in the wage determination.

C. If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken will be sent by the contracting officer by email to DBAconformance@dol.gov. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30–day period that additional time is necessary.

D. In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer will, by email to DBAconformance@dol.gov, refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30–day period that additional time is necessary.

E. The contracting officer must promptly notify the contractor of the action taken by the Wage and Hour Division under 29 CFR 5.5 (a)(1)(iii)(C) and (D). The contractor must furnish a written copy of such determination to each affected worker or it must be posted as a part of the wage determination. The wage rate (including fringe benefits where appropriate) determined pursuant to 29 CFR 5.5 (a)(1)(iii)(C) or (D) must 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.

iv. Fringe benefits not expressed as an hourly rate

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 may either pay the benefit as stated in the wage determination or may pay another bona fide fringe benefit or an hourly cash equivalent thereof.

v. Unfunded plans

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, in accordance with the criteria set forth in 29 CFR 5.28, 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.

vi. Interest In the event of a failure to pay all or part of the wages required by the contract, the contractor will be required to pay interest on any underpayment of wages.

2. **Withholding**

   i. **Withholding requirements**

   The U. S. Department of Housing and Urban Development may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for the full amount of wages and monetary relief, including interest, required by the clauses set forth in 29 CFR 5.5(a) for violations of this contract, or to satisfy any such liabilities required by any other Federal contract, or federally assisted contract subject to Davis-Bacon labor standards, that is held by the same prime contractor (as defined in 29 CFR 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to Davis-Bacon labor standards requirements and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld. In the event of a contractor's failure to pay any laborer or mechanic, including any apprentice or helper working on the site of the work (or otherwise working in construction or development of the project under a development statute) all or part of the wages required by the contract, or upon the contractor's failure to submit the required records as discussed in 29 CFR 5.5(a)(3)(iv), HUD may on its own initiative and after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, 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.

   ii. **Priority to withheld funds**

   The Department has priority to funds withheld or to be withheld in accordance with 29 CFR 5.5(a)(2)(i) or (b)(3)(i), or both, over claims to those funds by:

   A. A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;
   B. A contracting agency for its reprocurement costs;
   C. A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;
   D. A contractor's assignee(s);
   E. A contractor's successor(s); or
   F. A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901-3907.

3. **Records and certified payrolls**

   i. **Basic record requirements**

   A. Length of record retention. All regular payrolls and other basic records must be maintained by the contractor and any subcontractor during the course of the work and preserved for all laborers and mechanics working at the site of the work (or otherwise working in construction or development of the project under a development statute) for a period of at least 3 years after all the work on the prime contract is completed.

   B. Information required Such records must contain the name; Social Security number; last known address, telephone number, and email address of each such worker; each worker's correct classification(s) of work actually performed; 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 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act); daily and weekly number of hours actually worked in total and on each covered contract; deductions made; and actual wages paid.

   C. Additional records relating to fringe benefits. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(v) 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 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act, the contractor must 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.

D. Additional records relating to apprenticeship Contractors with apprentices working under approved programs must maintain written evidence of the registration of apprenticeship programs, the registration of the apprentices, and the ratios and wage rates prescribed in the applicable programs.

ii. Certified payroll requirements

A. Frequency and method of submission The contractor or subcontractor must submit weekly, for each week in which any DBA- or Related Acts-covered work is performed, certified payrolls to HUD if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the certified payrolls to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to HUD. The prime contractor is responsible for the submission of all certified payrolls by all subcontractors. A contracting agency or prime contractor may permit or require contractors to submit certified payrolls through an electronic system, as long as the electronic system requires a legally valid electronic signature; the system allows the contractor, the contracting agency, and the Department of Labor to access the certified payrolls upon request for at least 3 years after the work on the prime contract has been completed; and the contracting agency or prime contractor permits other methods of submission in situations where the contractor is unable or limited in its ability to use or access the electronic system

B. Information required The certified payrolls submitted must set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i)(B), except that full Social Security numbers and last known addresses, telephone numbers, and email addresses must not be included on weekly transmittals. Instead, the certified payrolls need only include an individually identifying number for each worker (*e.g.*, the last four digits of the worker's Social Security number). The required weekly certified payroll information may be submitted using Optional Form WH-347 or in any other format desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at *https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/wh347.pdf* or its successor website. It is not a violation of this section for a prime contractor to require a subcontractor to provide full Social Security numbers and last known addresses, telephone numbers, and email addresses to the prime contractor for its own records, without weekly submission by the subcontractor to the sponsoring government agency (or the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records).

C. Statement of Compliance Each certified payroll submitted must be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor, or the contractor's or subcontractor's agent who pays or supervises the payment of the persons working on the contract, and must certify the following:

1. That the certified payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information and basic records are being maintained under 29 CFR 5.5 (a)(3)(i), and such information and records are correct and complete;

2. That each laborer or mechanic (including each helper and apprentice) working on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly

from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3; and

3. That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification(s) of work actually performed, as specified in the applicable wage determination incorporated into the contract.

D. **Use of Optional Form WH-347** The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 will satisfy the requirement for submission of the "Statement of Compliance" required by 29 CFR 5.5(a)(3)(ii)(C).

E. **Signature** The signature by the contractor, subcontractor, or the contractor's or subcontractor's agent must be an original handwritten signature or a legally valid electronic signature.

F. **Falsification** The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 3729.

G. **Length of certified payroll retention** The contractor or subcontractor must preserve all certified payrolls during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

iii. **Contracts, subcontracts, and related documents** The contractor or subcontractor must maintain this contract or subcontract and related documents including, without limitation, bids, proposals, amendments, modifications, and extensions. The contractor or subcontractor must preserve these contracts, subcontracts, and related documents during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

iv **Required disclosures and access**

A. **Required record disclosures and access to workers** The contractor or subcontractor must make the records required under 29 CFR 5.5(a)(3)(i)–(iii), and any other documents that HUD or the Department of Labor deems necessary to determine compliance with the labor standards provisions of any of the applicable statutes referenced by 29 CFR 5.1, available for inspection, copying, or transcription by authorized representatives of HUD or the Department of Labor, and must permit such representatives to interview workers during working hours on the job.

B. **Sanctions for non-compliance with records and worker access requirements** If the contractor or subcontractor fails to submit the required records or to make them available, or refuses to permit worker interviews during working hours on the job, the Federal agency may, after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, that maintains such records or that employs such workers, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available, or to permit worker interviews during working hours on the job, may be grounds for debarment action pursuant to 29 CFR 5.12. In addition, any contractor or other person that fails to submit the required records or make those records available to WHD within the time WHD requests that the records be produced will be precluded from introducing as evidence in an administrative proceeding under 29 CFR part 6 any of the required records that were not provided or made available to WHD. WHD will take into consideration a reasonable request from the contractor or person for an extension of the time for submission of records. WHD will determine the reasonableness of the request and may consider, among other things, the location of the records and the volume of production.

C. **Required information disclosures** Contractors and subcontractors must maintain the full Social Security number and last known address, telephone number, and email address of each covered worker, and must provide them upon request to HUD if the agency is a party to

the contract, or to the Wage and Hour Division of the Department of Labor. If the Federal agency is not such a party to the contract, the contractor, subcontractor, or both, must, upon request, provide the full Social Security number and last known address, telephone number, and email address of each covered worker to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to HUD, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or other compliance action.

4. Apprentices and equal employment opportunity

i. Apprentices

A. Rate of pay Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship (OA), or with a State Apprenticeship Agency recognized by the OA. A person who is not individually registered in the program, but who has been certified by the OA or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice, will be permitted to work at less than the predetermined rate for the work they perform in the first 90 days of probationary employment as an apprentice in such a program. In the event the OA or a State Apprenticeship Agency recognized by the OA withdraws approval of an apprenticeship program, the contractor will no longer be permitted to use apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

B. Fringe benefits Apprentices must be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringe benefits must be paid in accordance with that determination.

C. Apprenticeship ratio The allowable ratio of apprentices to journeyworkers on the job site in any craft classification must not be greater than the ratio permitted to the contractor as to the entire work force under the registered program or the ratio applicable to the locality of the project pursuant to 29 CFR 5.5(a)(4)(i)(D). Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in 29 CFR 5.5(a)(4)(i)(A), must be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under this section must be paid not less than the applicable wage rate on the wage determination for the work actually performed.

D. Reciprocity of ratios and wage rates Where a contractor is performing construction on a project in a locality other than the locality in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyworker's hourly rate) applicable within the locality in which the construction is being performed must be observed. If there is no applicable ratio or wage rate for the locality of the project, the ratio and wage rate specified in the contractor's registered program must be observed.

ii Equal employment opportunity The use of apprentices and journeyworkers under this part must be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

5 Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

6 **Subcontracts.** The contractor or subcontractor must insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (11), along with the applicable wage determination(s) and such other clauses or contract modifications as the U.S. Department of Housing and Urban Development may by appropriate instructions require, and a clause requiring the subcontractors to include these clauses and wage determination(s) in any lower tier subcontracts. The prime contractor is responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section. In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any workers of lower-tier subcontractors, and may be subject to debarment, as appropriate.

7 **Contract termination: debarment.** A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8 **Compliance with Davis-Bacon and Related Act requirements.** All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

9 **Disputes concerning labor standards.** Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. **Certification of eligibility**.

i. By entering into this contract, the contractor certifies that neither it nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of 40 U.S.C. 3144(b) or 29 CFR 5.12(a).

ii. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of 40 U.S.C. 3144(b) or 29 CFR 5.12(a).

iii. The penalty for making false statements is prescribed in the U.S. Code, Title 18 Crimes and Criminal Procedure, 18 U.S.C. 1001.

11 **Anti-retaliation** It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

i. Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the DBA, Related Acts, or 29 CFR parts 1, 3, or 5;

ii. Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under the DBA, Related Acts, or 29 CFR parts 1, 3, or 5;

iii. Cooperating in any investigation or other compliance action, or testifying in any proceeding under the DBA, Related Acts, or 29 CFR parts 1, 3, or 5; or

iv. Informing any other person about their rights under the DBA, Related Acts, or 29 CFR parts 1, 3, or 5.

B. Contract Work Hours and Safety Standards Act (CWHSSA)

The Agency Head must cause or require the contracting officer to insert the following clauses set forth in 29 CFR 5.5(b)(1), (2), (3), (4), and (5) in full, or (for contracts covered by the Federal Acquisition Regulation) by reference, in any contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses must

be inserted in addition to the clauses required by 29 CFR 5.5(a) or 4.6. As used in this paragraph, the terms "laborers and mechanics" include watchpersons and guards.

1. **Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
2. **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in 29 CFR 5.5(b)(1) the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages and interest from the date of the underpayment. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchpersons and guards, employed in violation of the clause set forth in 29 CFR 5.5(b)(1), in the sum of $31 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in 29 CFR 5.5(b)(1).
3. **Withholding for unpaid wages and liquidated damages**

i. **Withholding process** The U.S Department of Housing and Urban Development or the recipient of Federal assistance may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for any unpaid wages; monetary relief, including interest; and liquidated damages required by the clauses set forth in 29 CFR 5.5(b) on this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act that is held by the same prime contractor (as defined in 29 CFR 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to the Contract Work Hours and Safety Standards Act and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld.

ii **Priority to withheld funds** The Department has priority to funds withheld or to be withheld in accordance with 29 CFR 5.5(a)(2)(i) or (b)(3)(i), or both, over claims to those funds by:

- **A.** A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;
- **B.** A contracting agency for its reprocurement costs;
- **C.** A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;
- **D.** A contractor's assignee(s);
- **E.** A contractor's successor(s); or
- **F.** A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901-3907.

4. ***Subcontracts.*** The contractor or subcontractor must insert in any subcontracts the clauses set forth in 29 CFR 5.5(b)(1) through (5) and a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor is responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in 29 CFR 5.5(b)(1) through (5). In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss,

due to any workers of lower-tier subcontractors, and associated liquidated damages and may be subject to debarment, as appropriate.

5 **Anti-retaliation** It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

- **i.** Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the Contract Work Hours and Safety Standards Act (CWHSSA) or its implementing regulations in 29 CFR part 5;
- **ii.** Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under CWHSSA or 29 CFR part 5;
- **iii.** Cooperating in any investigation or other compliance action, or testifying in any proceeding under CWHSSA or 29 CFR part 5; or
- **iv.** Informing any other person about their rights under CWHSSA or 29 CFR part 5.

C. CWHSSA required records clause In addition to the clauses contained in 29 CFR 5.5(b), in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other laws referenced by 29 CFR 5.1, the Agency Head must cause or require the contracting officer to insert a clause requiring that the contractor or subcontractor must maintain regular payrolls and other basic records during the course of the work and must preserve them for a period of 3 years after all the work on the prime contract is completed for all laborers and mechanics, including guards and watchpersons, working on the contract. Such records must contain the name; last known address, telephone number, and email address; and social security number of each such worker; each worker's correct classification(s) of work actually performed; hourly rates of wages paid; daily and weekly number of hours actually worked; deductions made and actual wages paid. Further, the Agency Head must cause or require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph must be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview workers during working hours on the job.

D. Incorporation of contract clauses and wage determinations by reference Although agencies are required to insert the contract clauses set forth in this section, along with appropriate wage determinations, in full into covered contracts, and contractors and subcontractors are required to insert them in any lower-tier subcontracts, the incorporation by reference of the required contract clauses and appropriate wage determinations will be given the same force and effect as if they were inserted in full text.

E. Incorporation by operation of law The contract clauses set forth in this section (or their equivalent under the Federal Acquisition Regulation), along with the correct wage determinations, will be considered to be a part of every prime contract required by the applicable statutes referenced by 29 CFR 5.1 to include such clauses, and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Administrator grants a variance, tolerance, or exemption from the application of this paragraph. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

F. HEALTH AND SAFETY

The provisions of this paragraph (F) are applicable where the amount of the prime contract exceeds **$100,000**.

1. No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his or her health and safety, as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.
2. The contractor shall comply with all regulations issued by the Secretary of Labor pursuant to 29 CFR Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96), 40 U.S.C. § 3701 et seq.
3. The contractor shall include the provisions of this paragraph in every subcontract, so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.