

Section 3 Clause

ALL CONSTRUCTION CONTRACTS SHALL INCLUDE THE FOLLOWING CLAUSE

A. The work to be performed under this contract is subject to Section 3 of the Housing and Urban Development Act of 1968, as amended, (12 U.S.C. 1701u) ("Section 3"). The purpose of Section 3 is to ensure, to the greatest extent feasible, that employment and other economic opportunities are made available to low and very low income persons as a result of projects funded through specific programs of the U.S. Department of Housing and Urban Development (HUD). The applicable regulations are found at 24 CFR Part 75 (the Section 3 Regulations). The terms "Section 3 Workers," "Section 3 Business Concerns," and "YouthBuild Programs" as used herein have the meanings specified in the Section 3 Regulations. Section 3 Project refers to the project that is the subject of this contract, and "Section 3 Clause" refers to this Section 3 Clause.

B. The parties to this contract agree to comply with the Section 3 regulations and with the requirements of the Maryland Department of Housing and Community Development (DHCD) (the "DHCD Requirements" and, together with the Section 3 Regulations, the "Section 3 Requirements") and certify that they are under no contractual or other impediment that would prevent them from complying with the Section 3 Requirements.

C. The contractor agrees, to the greatest extent feasible, and consistent with existing Federal, state and local laws and regulations, to provide employment and training opportunities (for any vacant positions) to Section 3 Workers, in the following priority where feasible: to low and very low income persons in the service area or neighborhood of the Section 3 Project, and to participants in YouthBuild Programs.

D. The contractor agrees, to the greatest extent feasible, and consistent with existing Federal, state and local laws and regulations, to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 Workers, in the following priority where feasible: to Section 3 Business Concerns that provide economic opportunities to Section 3 Workers residing in the service area or neighborhood of the Section 3 Project, and to YouthBuild Programs.

E. The contractor agrees to include this Section 3 Clause in every subcontract subject to Section 3 and agrees to take appropriate action upon a finding that the subcontractor is in violation of the Section 3 Requirements. 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 Section 3 Requirements.

F. 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 and shall set forth the following: (1) a minimum number and job titles to hire; (2) availability of apprenticeship

and training positions; (3) the qualifications for each; (4) the name and location of the person(s) taking applications for each of the positions; and (5) the anticipated date the work shall begin.

G. The contractor agrees to obtain Section 3 Worker certification forms from (1) all existing employees that will or may work on the project; and (2) from persons hired to work on the project.

H. The contractor agrees to notify Section 3 Businesses Concerns about the availability of new contracting opportunities created as a result of the Section 3 Project.

I. The contractor agrees to provide a written narrative regarding all efforts to comply with Section 3.

J. The contractor agrees to maintain records documenting employees who qualified as Section 3 Workers that were hired to work on previous Section 3 projects that were retained by the contractor for subsequent Section 3 projects.

K. The contractor agrees to notify subcontractors that are associated with the Section 3 Projects about the Section 3 Requirements and include this Section 3 Clause in its entirety in every awarded subcontract.

L. The contractor agrees to impose sanctions upon any subcontractor that has violated the requirements of this Section 3 Clause in accordance with DHCD's policies and procedures.

M. The contractor agrees to comply with all monitoring, reporting, recordkeeping, and other procedures specified by DHCD.

N. Non-compliance with the Section 3 Requirements may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD funded projects and contracts.

O. The Section 3 Regulations are hereby incorporated into this Section 3 Clause, and to the extent there is any conflict between this Section 3 Clause and the Section 3 Regulations, the Section 3 Regulations shall control.

_____	_____	_____
Contractor Name	Contractor Signature	Date

_____	_____	_____
Subcontractor Name	Subcontractor Signature	Date

_____	_____	_____
Subcontractor Name	Subcontractor Signature	Date

_____	_____	_____
Subcontractor Name	Subcontractor Signature	Date

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