

Section 3 Plan
Warren County, Pennsylvania

Warren County is committed to comply with Section 3 of the Housing and Urban Development Act of 1968. This act encourages the use of small local businesses and the hiring of low-income residents of the community.

Applicability:

This plan applies to housing rehabilitation, housing construction and other public construction projects that exceed \$200,000 or more of housing and community development financial assistance from one or more HUD programs. Applicability is determined at the project level.

This plan also applies to projects that include multiple funding sources.

Individuals and businesses that meet Section 3 criteria may seek Section 3 preference from Warren County or its contractors/subcontractors. Businesses who misrepresent themselves as Section 3 business concerns and report false information to Warren County may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities.

Section 3 Coordinator:

Warren County has appointed the CDBG program administrator as the Section 3 Coordination/Compliance officer to advise and assist personnel and staff on Section 3, to officially serve as focal point on Section 3 complaints and as the on-site monitoring of prime contractors and sub-contractors to ensure the implementation and enforcement of Section 3. Subrecipients, contractors, subcontractors and others are encouraged to reach out to Warren County's Section 3 coordinator with questions regarding Section 3 compliance:

CDBG Program Administrator
Warren County Courthouse
204 Fourth Ave.
Warren, Pa., 16365
(814) 728-3434

Documentation of county Section 3 compliance efforts will be retained on file in the appropriate office for monitoring by the state.

Complaints regarding Section 3-related issues in Warren County can be sent to the Program Administrator for investigation.

Hiring:

Warren County commits to:

- a. Advertise all county positions in the local newspaper, except those listed as exempt employees and those filled by vacancy promotions.
- b. Preference in hiring will be given to lower income persons residing in the county. This means that if two equally qualified persons apply and one is a lower income resident of the county and one is not, the resident will be hired.
- c. Maintain records of county hiring including the following statistics: Job classification; Number of positions to be filled; Number of positions to be filled by lower income county residents; Number of positions filled; Number of positions filled by lower income county residents.

Contracting:

- a. The county will compile a list of businesses, suppliers and contractors located in the county.
- b. When contracting opportunities arise in connection with the Community Development Block Grant program, Warren County will employ the following strategies to notify Section 3 business concerns of contracting opportunities including:
 - a. Adding the Section 3 language contained in this plan to all RFPs, procurement documents, bid offerings and contracts.
 - b. Coordinating pre-bid meetings to clarify contracting opportunities.
 - c. Provide written notice to all county Section 3 businesses.
 - d. Coordinating with prime contractors and local economic development agencies to identify Section 3 businesses and workers and inform those concerns regarding opportunities.
- c. These vendors will be contacted whenever the county requires supplies, services or construction to solicit bids or quotes.
- d. Preference will be given to small, local businesses. This means if bids and/or quotes are received from a small business located in Warren County and one from outside the county, the contract will be awarded to the business located within the county.
- e. Prior to the beginning of work, contractors and subcontractors will be required to certify that they will follow the required prioritization of effort for Section 3 workers, Targeted Section 3 workers and Section 3 businesses as outlined in the "Goals and Safe Harbor" section of the plan.
- f. If any contractor or subcontractor does not meet the safe harbor requirements, they must provide evidence that they have made qualitative efforts to assist low and very low-income persons with employment and training opportunities.
- g. Warren County will comply with its existing procurement policy.

Training:

The county shall maintain a list of all training programs operated by the county and its agencies and will direct them to give preference to county residents. The county will also direct all Community Development Block Grant (CDBG) sponsored training to provide preference to county residents.

CDBG Contracts:

- a. All CDBG bid proposals and contracts shall include the following Section 3 language:

**Section 3 Proposal and Contract Provisions
Warren County, Pennsylvania**

The work to be performed under this contract, subcontract, memorandum of understanding, cooperative agreement or similar legally binding agreement, is subject to the requirements of Section 3 of the Housing and Urban Redevelopment Act of 1968 (Section 3). The purpose of Section 3 is to ensure, to the greatest extent feasible, that training, employment, contracting and other economic opportunities generated by Section 3 covered financial assistance shall be directed to low- and very low-income residents of the neighborhood where the financial assistance is spent, particularly to those who are recipients of government assistance for housing, and to businesses that are either owned by low-income residents of the neighborhood where the financial assistance is spent, or substantially employ those persons.

The parties to this contract, subcontract, memorandum of understanding, cooperative agreement or similarly binding agreement agree to comply with HUD's regulations in 24 CFR Part 75, which implement Section 3. As evidenced by execution of this contract or subcontract memorandum of understanding, cooperative agreement or similar legally binding agreement the parties certify that they are under no contractual or other impediment that would prevent them from complying with the requirements of 24 CFR Part 75.

The contractor agrees to identify current employees on its payroll when the contract or subcontract was awarded who will be working on the Section 3 covered project or activity and certify that any vacant employment opportunities, including training positions, that are filled:

1. *After the contractor is selected; and*
2. *With persons other than those that meet the definition of a Section 3 resident, were not filled to circumvent the contractor's Section 3 obligations.*

The contractor agrees to maintain records documenting Section 3 residents that were hired to work on previous Section 3 covered projects or activities that were retained by the contractor for subsequent Section 3 covered projects or activities.

The contractor agrees to post signs advertising new employment, training or sub-contracting opportunities that will be available as a result of the Section 3 covered projects and activities in conspicuous places at the work site where potential applicants can review them.

The contractor agrees to hire, to the greatest extent feasible, Section 3 residents as new hires or provide written justification to the recipient that is consistent with 24 CFR Part 75, describing why it was unable to meet minimum numerical hiring goals, despite its efforts to comply with the provisions of this clause.

The contractor agrees that in order for a Section 3 resident to be counted as a new hire, the resident must work a minimum of 50 percent of the average staff hours worked for the category of work for which they were hired throughout the duration of time that the category of work is performed on the covered project.

The contractor agrees to award, to the greatest extent feasible, 10 percent of the total dollar amount of subsequent subcontracts awarded in connection with the Section 3 covered project or activity to Section 3 businesses, or provide written justification that is consistent with 24 CFR Part 75 describing why it was unable to meet that goal, despite their efforts to comply with the provisions of this clause.

The contractor agrees to notify Section 3 residents and businesses about the availability of new employment, training, or contracting opportunities created as a result of the receipt of Section 3 covered financial assistance, as stipulated by the awarding agency.

The contractor agrees to verify the eligibility of prospective Section 3 residents and businesses for employment, training or subcontracting opportunities, in accordance with the recipient's policies and procedures.

The contractor agrees to provide priority consideration to eligible residents and businesses in accordance with 24 CFR Part 75, as applicable.

The contractor agrees to notify potential bidders on subcontracts that are associated with Section 3 covered projects and activities about the requirements of Section 3 and include this Section 3 clause in its entirety into every subcontract awarded.

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

The contractor agrees to comply with all monitoring, reporting, recordkeeping and other procedures specified by the awarding agency.

If applicable, the contractor agrees to notify each labor organization or representative of workers with which the recipient, subrecipient or contractor has a collective bargaining or similar labor agreement or other understanding, if any, about its obligation to comply with the requirements of Section 3 and ensure that new collective bargaining or similar labor agreements provide employment, registered apprenticeship, training, subcontracting, or other economic opportunities for Section 3 residents and businesses, and to post notices in conspicuous places at the work site advising the labor union, organization or worker's representative of the contractor's commitments under this part.

Failure to comply with this clause shall result in the imposition of sanctions. Appropriate sanctions for noncompliance may include: Requiring additional certifications or assurances of compliance; termination or cancellation of the contract, subcontract, memorandum of understanding, cooperative agreement or similar legally binding arrangement for default; refraining from entering into subsequent contracts, subcontracts, memorandum of understanding, cooperative agreements or similar legally binding arrangement; repayment of funds and withholding a portion of contract awards, subcontracts, memoranda of understanding, cooperative agreements or similar legally binding arrangements.

- b. Warren County shall require each contractor to prepare a written Section 3 plan as part of their bids on all contracts exceeding \$100,000. All Section 3 plans shall be reviewed and approved by the county's CDBG program administrator and maintained in the administrator's office for monitoring by the state.

Goals and Safe Harbor:

- a. Warren County affirms the Section 3 goals put forward by Department of Housing and Urban Development: 25 percent or more of the total number of labor hours on Section 3 projects and five (5) percent or more of the total number of labor hours worked by Targeted Section 3 workers.
- b. Warren County affirms the Section 3 goals put forward by the Pennsylvania Department of Community and Economic Development: 25 percent of labor hours reserved for Section 3 workers and five percent for Targeted Section 3 workers.
- c. Warren County will be considered to have complied with the Section 3 requirements and met safe harbor if they certify that they followed the required prioritization of effort and met or exceeded the Section 3 benchmarks, absent evidence to the contrary.