

## **POLICY WITH RESPECT TO MINORITY AND WOMEN OWNED BUSINESS ENTERPRISES**

To the maximum extent feasible, opportunities for contracting in connection with this project shall be given to MBEs/WBEs. Upon acceptance of a bid by ACDS, if any portion of the Contract is subcontracted, the Contractor will be expected to solicit MBE/WBE firms to bid on various aspects of the Contract. Resources available to assist the Contractor in finding or notifying MBE/WBE firms include, but are not limited to the following.

Anne Arundel County Directory of Minority & Women-Owned Businesses, available online at [www.aacounty.gov/services-and-programs/directory-of-minority--woman-owned-businesses](http://www.aacounty.gov/services-and-programs/directory-of-minority--woman-owned-businesses)

A list of MBE/WBE certified by the Maryland Department of Transportation may be accessed online by visiting: [www.mdot.state.md.us](http://www.mdot.state.md.us).

Minority trade associations:

Maryland/Washington Minority Contractors Association  
2423 Maryland Avenue, Suite 200  
Baltimore, MD 21218  
E-mail: [mmca.inc@gmail.com](mailto:mmca.inc@gmail.com)  
E-mail: [info@mmca-inc.net](mailto:info@mmca-inc.net)

For each MBE/WBE with whom a Contractor enters into a contract, the MBE/WBE Identification Statement shall be completed. This form was designed by ACDS to obtain information which it must report to the federal government on behalf of Anne Arundel County regarding MBE/WBE participation in certain HUD programs. It is the only MBE/WBE certification required for this project by ACDS and by HUD. However, some projects which are partially financed by the State of Maryland may require a separate certification of a firm by the Maryland Department of Transportation in order for the firm to count toward meeting the State's minority business participation goals for the project. If State funding of the project requires Maryland Department of Transportation certification and any additional documentation, those requirements will be stated elsewhere in the Contract.

When evaluating compliance for MBE/WBE, a contractor who does not have the MBE/WBE participation typically associated with the provision of services in Anne Arundel County, shall have the burden of demonstrating why it is not feasible. Such justification shall include, but not be limited to, documentation of their MBE/WBE outreach and marketing efforts such as (i) the provision of evidence that MBE/WBE firms listed on the MDOT Directory of Certified MBE/WBE firms were notified as to the availability of the contract, (ii) evidence of notification to the Anne Arundel County MBE Coordinator and the minority contractor/trade associations, and (iii) other supporting documentation demonstrating notification outreach was provided to MBE/WBE firms. All general contractors may satisfy their MBE/WBE affirmative marketing and outreach requirements through its subcontractors.

Arundel Community Development Services, Inc. shall withhold final payment to the contractor until all applicable MBE/WBE affirmative marketing and outreach documentation have been submitted and full compliance has been demonstrated.

## MINORITY AND WOMEN OWNED BUSINESS ENTERPRISES IDENTIFICATION STATEMENT

This form is to be submitted by General Contractor, Consultant, or Service Provider as part of the Contract or Agreement, and by Subcontractors before they begin work.

Name of Company/Organization: \_\_\_\_\_

Address of Company/Organization: \_\_\_\_\_

Company/Organization Telephone Number: \_\_\_\_\_

Company/Organization Tax Identification Number: \_\_\_\_\_

Name of Project:\_\_\_\_\_

1. Indicate if, on this project, you are a
- General Contractor/Consultant/Services Provider
  - Subcontractor

**If none of your owners or officers is a minority, please skip Sections 2 through 8 and sign and date this form where indicated.**

2. Is your firm certified as an MBE or WBE?  Yes  No

**If so, attach a copy of your MBE/WBE certification form and skip Sections 3 through 8 and sign and date form as indicated.**

If you are not certified as a MBE or WBE, please self certify by answering Sections 3 through 9.

3. When was the company/organization established? \_\_\_\_\_

4. State the name of each owner/officer of the enterprise, their minority group, percentage of ownership, and type of investment.

Name	WBE		MBE			Minority Group (Check all that apply)			
	Yes	No	No	Yes	% Ownership	African American	Hispanic American	Native American	Asian/Pacific Islander American

5. The above percentages of MBE or WBE ownership have existed since \_\_\_\_\_.

6. Does any owner of your enterprise who is not a minority group member also have an ownership interest in any other firm working on this project?  Yes  No

*(If yes, state the name of each such owner and the names of the firms in which such ownership interests exists.)*

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7. Are any of the minority owners/officers listed in Question #4 a former or current employee of any other firm working on the project?  Yes  No

*(If yes, state the name(s) of the individual(s), name(s) of the employer(s), date(s) of employment with the other firm(s), and responsibilities in such employment.)*

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8. Has your enterprise subcontracted with other firms any work to be performed on this project?  Yes  No

*(If yes, state the percentage of work subcontracted and the nature of such work.)*

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I certify that the foregoing information is correct and complete.

\_\_\_\_\_  
Printed or Typed Name of Owner or Officer

\_\_\_\_\_  
Signature of Owner or Officer

\_\_\_\_\_  
Title of Owner or Officer Above

\_\_\_\_\_  
Date

# GENERAL CONTRACTOR'S SUBCONTRACTOR/VENDOR REPORT

Project Name: \_\_\_\_\_ Contact Person: \_\_\_\_\_

General Contractor: \_\_\_\_\_ Telephone Number of Contact Person: \_\_\_\_\_

Date: \_\_\_\_\_ Page # \_\_\_ of \_\_\_

Name/Address/Telephone	Check if Second or Third Tier Sub-Contractor*	Tax I.D.	Dollar Amount	Trade, Construction Element, or Service	If MBE/WBE, Specify Group(s)**	Check if Section 3
	<input type="checkbox"/>				<input type="checkbox"/> African American <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian/Pacific Islander <input type="checkbox"/> Eskimo/Aleut <input type="checkbox"/> Female	<input type="checkbox"/>
	<input type="checkbox"/>				<input type="checkbox"/> African American <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian/Pacific Islander <input type="checkbox"/> Eskimo/Aleut <input type="checkbox"/> Female	<input type="checkbox"/>
	<input type="checkbox"/>				<input type="checkbox"/> African American <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian/Pacific Islander <input type="checkbox"/> Eskimo/Aleut <input type="checkbox"/> Female	<input type="checkbox"/>
	<input type="checkbox"/>				<input type="checkbox"/> African American <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian/Pacific Islander <input type="checkbox"/> Eskimo/Aleut <input type="checkbox"/> Female	<input type="checkbox"/>
	<input type="checkbox"/>				<input type="checkbox"/> African American <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian/Pacific Islander <input type="checkbox"/> Eskimo/Aleut <input type="checkbox"/> Female	<input type="checkbox"/>
	<input type="checkbox"/>				<input type="checkbox"/> African American <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian/Pacific Islander <input type="checkbox"/> Eskimo/Aleut <input type="checkbox"/> Female	<input type="checkbox"/>

\*If yes, state here (or on an attached page if necessary) the name of the higher tier subcontractor who has contracted with this lower tier subcontractor:

\*\* African American; Hispanic; Native America; Asian/Pacific Islander; Eskimo/Aleut; Female

# SECTION 3

Section 3 of the Housing and Urban Development Act of 1968, as amended, applies to this project. This means that, consistent with existing Federal, state, and local laws and regulations, the contractor shall ensure: (i) contracts for work awarded in connection with Section 3 projects are provided to Business Concerns that provide economic opportunities to Section 3 workers residing within the Baltimore Metropolitan Statistical Area and/or the neighborhood in which the project is located; and (ii) employment and training opportunities arising in connection with this Section 3 project is provided to Section 3 workers within the Baltimore Metropolitan Statistical Area.

The Contractor and Subcontractors should review and/or submit the following Section 3 documents contained herein:

1. **The Section 3 Clause, including Bidding Preference** (Information)
2. **Targeted Incomes for Section 3** (Information)
3. **Basic Actions for Compliance with Section 3** (Information)
4. **Section 3 Agreement and Certification**
  - Form: Contractor shall sign when the contract for the project is signed; Subcontractors shall submit this form to ACDS through the General Contractor prior to beginning work on the project.
5. **Final Report on Compliance with Section 3**
  - Form: Contractor shall submit to ACDS at the end of the project.

## THE SECTION 3 CLAUSE

Inclusion of the following clauses in this contract are required by law.

1. The federally defined Section 3 regulations are a means to foster local economic development, neighborhood economic improvement, and individual self-sufficiency through housing and community development projects funded in whole or in part by the federal Department of Housing and Urban Development (HUD).
2. The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Community Development Act of 1968, as amended, 12 U.S.C. 1701u and its associated regulations (24 C.F.R. Part 75) (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.
3. The parties to this Contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this Contract, the parties to this Contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
4. The Contractor agrees to send to each labor organization or representative of workers with which 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, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
5. The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, 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 in 24 CFR part 135. The Contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of regulations in 24 CFR 135.
6. The Contractor will certify that any vacant employment positions, including training positions, that are filled (i) after the contractor is selected but before the contract is executed, and (ii) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

7. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD assisted contracts.
8. ACDS shall provide a preference to Section 3 Businesses for all Section 3 Covered Contracts exceeding \$200,000 associated with Section 3 Covered Projects. When a Section 3 Covered Contract for construction services is to be awarded to the responsive and responsible construction contractor with the lowest reasonable sealed price, the contract shall be awarded to the qualified Section 3 Business Concern if its proposal amount is no more than five percent higher than the quotation of the otherwise lowest responsive quotation. In order to receive a Section 3 Business Concern preference as described, the business must provide acceptable documentation demonstrating Section 3 status to ACDS with their proposal. To obtain the preference, the Section 3 Business Concern must provide sufficient documentation and proof to ACDS that they:
  - 1) at least 51% of the business is owned by low-income people; or
  - 2) low-income people work more than 75% of the labor hours worked at the business; or
  - 3) at least 25% of the business is owned by public housing residents or Section 8 residents (either tenant-based or project-based).

A preference, as identified above, may be awarded to a joint venture partnership for an eligible Section 3 Covered Contract whereby an association of businesses, one of which qualifies as a Section 3 Business Concern, form a joint venture, and provide evidence through a written agreement, to engage in and carry out a business venture associated with the Section 3 Covered Contract. This agreement must identify the purpose for which the business concerns are combining their efforts, resources and skills. In addition, the agreement must identify a clearly defined portion of the work for which the Section 3 Business Concern will be responsible and what management responsibilities the Section 3 Business will be responsible for as part of the joint venture. In order to receive the preference, the Section 3 Business Concern in joint venture must perform at least 25 percent of the hours to be worked and must be contractually entitled to compensation proportionate to its work.

9. Any contractor who does not meet the Section 3 numerical goals must demonstrate why meeting the goals was not feasible. In the absence of evidence to the contrary, a contractor and/or subcontractor who reports meeting the minimum numerical benchmarks for all new hires and contracting opportunities will be considered to have met the Section 3 requirements. In evaluating compliance under Section 3, a contractor or subcontractor who has not met the numerical benchmarks has the burden of demonstrating why it was not feasible to meet the numerical benchmarks. Such justification may include statements regarding impediments encountered despite actions taken. In addition, to further demonstrate efforts taken to meet the numerical benchmarks, a contractor and/or a subcontractor may provide acceptable documentation as to the efforts taken to provide economic opportunities provided to Section 3 Workers/Targeted Workers or Section 3 Business Concerns. All prime contractors may satisfy the resident hiring requirements

through its subcontractors. ACDS shall withhold final payment to the contractor until all applicable Section 3 forms have been submitted and the contractor has demonstrated full compliance with Section 3 requirements.

10. ACDS will count all employees of a Section 3 Business Concern as Section 3 workers and Targeted Section 3 Workers for purposes of meeting the “hours worked” employment safe harbors. The Contractor will be responsible for reporting the following benchmark data to ACDS: (i) the total number of labor hours worked, (ii) the total number of labor hours worked by Section 3 workers, and (iii) the total number of labor hours worked by Targeted Section 3 workers.
11. YouthBuild is a community-based pre-apprenticeship program that provides job training and educational opportunities for at-risk youth ages 16-24 who have previously dropped out of high school. YouthBuild participants learn vocational skills in construction, as well as in other in-demand industries that include health care, information technology, and hospitality. Youth also provide community service through the required construction or rehabilitation of affordable housing for low-income or homeless families in their own neighborhoods. The Division of Youth Services within the Employment and Training Administration's Office of Workforce Investment at the U.S. Department of Labor administers the YouthBuild program. More information can be found here: <https://www.dol.gov/agencies/eta/youth/youthbuild>.
12. Section 3 does not apply to material only contracts or those that do not require any labor. For example, a contract for office or janitorial supplies would not be covered by Section 3. In this example, Section 3 would be encouraged but not required. However, a contract to replace windows that includes the removal of existing windows and the installation of new windows would be covered due to the involvement of labor.



## TARGETED INCOMES FOR SECTION 3

It is the policy of ACDS to ensure that residents of the Baltimore Metropolitan Statistical Area whose family incomes do not exceed 80 percent of the median family income for that area shall participate, to the greatest extent feasible, in the economic opportunities generated by HUD financial assistance. Economic opportunities include training, employment, contracting or subcontracting, and purchasing. The current income levels for families at 80 percent or below of the area median adjusted for family size appears below. A Section 3 Worker is someone meeting *or when hired within the past five years* fit one of the following: (i) the worker's household income is less than 80% of AMI as set by HUD; (ii) the worker lives in the Baltimore Metropolitan Statistical Area; (iii) the worker is employed by a Section 3 Business Concern; or (iv) a YouthBuild participant. A Targeted Section 3 Worker means a Section 3 worker who when hired (within the last 5 years) was: (i) a worker employed by a Section 3 Business Concern; (ii) lives within the neighborhood of the project (as defined by ACDS); or (iii) a YouthBuild participant.

### 80 PERCENT OF MEDIAN FAMILY INCOME BY FAMILY SIZE FOR THE BALTIMORE METROPOLITAN STATISTICAL AREA April 2021

Family Size	Annual Income
1 Person	\$55,950
2 Persons	\$63,950
3 Persons	\$71,950
4 Persons	\$79,900
5 Persons	\$86,300
6 Persons	\$92,700
7 Persons	\$99,100
8 Persons	\$105,500

### **Numerical Goals for Employment and Training of Section 3 Workers and Section 3 Targeted Workers**

Benchmarks will be considered to have complied with requirements, in the absence of evidence to the contrary: (i) twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers; and (ii) five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers. This means that the 5 percent is included as part of the 25 percent threshold.

Section 3 Labor Hours =  
25% Total Labor Hours

Targeted Section 3 Labor Hours = 5%  
Total Labor Hours

### **Proof of Eligibility for Preference**

A business seeking to qualify for a Section 3 contracting preference shall certify or submit evidence, *if requested*, that it is a Section 3 Business Concern.

### **Qualifications for the Job**

There is no requirement to hire a Section 3 worker who does not meet the qualifications of the position to be filled. A Section 3 Business Concern seeking a contract or subcontract shall submit evidence to the Contractor, or subcontractor, *if requested*, that it is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract.

### **Outreach**

If reporting indicates that the agency has not met the Section 3 benchmarks, the agency must report in a method prescribed by HUD program offices on the qualitative nature of its activities and those its contractors and subcontractors pursued per 24 CFR § 75.15(b) and § 75.25(b).

Such qualitative efforts may, for example, include but are not limited to, the following

- Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- Provided training or apprenticeship opportunities.
- Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
- Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
- Held one or more job fairs.
- Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare).
- Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- Assisted Section 3 workers to obtain financial literacy training and/or coaching
- Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.

- Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
- Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
- Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

## **BASIC ACTIONS FOR COMPLIANCE WITH SECTION 3 IN HIRING AND CONTRACTING**

1. Before beginning work on the project, the General Contractor and Subcontractors will certify that the company will comply with Section 3 and will carry out the Basic Actions for Compliance listed herein.
2. The General Contractor and Subcontractors will send to each labor organization or representative of workers with whom there is a collective bargaining agreement or other understanding a notice regarding the Section 3 commitments under this Contract.
3. The General Contractor and Subcontractors will cooperate with ACDS in informing referral agencies and community organizations about hiring and contracting opportunities and will respond to expressions of interest by Section 3 job applicants and Section 3 businesses.
4. The General Contractor will post at the site (i) a notice that this is a Section 3 project and (ii) information about specific job openings and contracting opportunities and how to apply.
5. The General Contractor will accept job applications at the site and maintain a file of those applications for use by all subcontractors on the project. Subcontractors will consider applicants from this file.
6. When a specific construction job opening occurs, the General Contractor or Subcontractor will contact the following for a referral of a low or very low income Anne Arundel County resident.

Employer Services Representative  
Anne Arundel Workforce Development Corporation One-Stop Career Center  
80 West Street, Suite A Annapolis, MD 21401  
(410) 269-4423

7. **General Contractor and Subcontractors will place asterisks (\*) by names of all Section 3 Workers and Section 3 Targeted Workers whenever they appear on the Certified Payroll Form.**
8. In cases where two or more Section 3 individuals or businesses are competing for the same opportunity and other factors such as qualifications or costs are equal, the General Contractor will consult with ACDS for guidance as to locally established priorities.
9. After completion of the project, the General Contractor and Subcontractors will, as requested by ACDS, report on subcontracting and hiring activity related to the project.

## SECTION 3 AGREEMENT AND CERTIFICATION

The General Contractor, Consultant or Service Provider must submit this form when signing the Contract. Subcontractors submit this form prior to starting work.

Company Name: \_\_\_\_\_

Company Address: \_\_\_\_\_

Company Telephone Number: \_\_\_\_\_ Date: \_\_\_\_\_

Company Tax Identification Number: \_\_\_\_\_

Name of Project: \_\_\_\_\_

**Please check YES or NO by each of the following statements to indicate whether or not it applies to your company.**

YES      NO

- |                          |                          |  |
|--------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | At least 51% of the business is owned by low-income people; or.  |
| <input type="checkbox"/> | <input type="checkbox"/> | Low-income people work more than 75% of the labor hours worked at the business; or.  |
| <input type="checkbox"/> | <input type="checkbox"/> | At least 25% of the business is owned by public housing residents or Section 8 residents (either tenant-based or project-based). |

### Statement of Agreement to Comply with Section 3 and Certification

The company named above has read the general information about Section 3 which appears in the Contract for the project, will comply with the goals and provisions of Section 3 as they apply to this project, and will carry out the basic actions for compliance as stated in the Contract. The company certifies that no hiring done during the period between Contract award and execution of the Contract was intended to circumvent obligations under Section 3. The company further certifies to the correctness of the information it has provided above for use in determining whether or not it is a Section 3 business.

Signature of Officer or Owner of the Company: \_\_\_\_\_

Printed Name of Signatory Above: \_\_\_\_\_

Title of Signatory: \_\_\_\_\_

## FINAL REPORT ON COMPLIANCE WITH SECTION 3

The General Contractor, Consultant or Service Provider shall submit this form to ACDS at the end of the completion of the project. Final payments on the project may be withheld until this report is received.

Company Name:  
Company Address: \_\_\_\_\_

Company Telephone Number: \_\_\_\_\_ Date: \_\_\_\_\_

Company Tax Identification Number: \_\_\_\_\_

Name of Project: \_\_

Please provide the following information about economic opportunities provided **ON THIS PROJECT** to Section 3 Workers by your company and all your subcontractors. (See contract document "Targeted Incomes for Section 3 Workers and Targeted Workers.")

Job Category	Total Hours Worked	Total Hours Worked by Section 3 Workers	Total Hours Worked by Section 3 Targeted Workers
Professional/Supervisory			
Office/Clerical			
Construction (List Trades)			
Other (List)			
Total			

**Summary of Efforts**

The following efforts were made to direct the employment and other economic opportunities of the project, to the greatest extent feasible, toward low and very low income persons, particularly those who are recipients of government assistance for housing. Please check all items that apply.

<input type="checkbox"/>	Attempted to recruit low-income residents through local advertising media.
<input type="checkbox"/>	Attempted to recruit low-income residents through signs prominently displayed at the project site and acceptance of applications at project site
<input type="checkbox"/>	Attempted to recruit low-income residents through contacts with community organizations and public or private agencies
<input type="checkbox"/>	Attempted to recruit low-income residents through coordination with HUD Youthbuild Programs or other publicly funded job training programs for low-income residents of Anne Arundel County
<input type="checkbox"/>	Informed referral agencies or community organizations about contracting opportunities
<input type="checkbox"/>	Notified labor organizations about Section 3 commitment
<input type="checkbox"/>	Participated in a HUD or other programs which promotes Section 3 training and employment
<input type="checkbox"/>	Participated in a HUD or other programs which promotes contracts with Section 3 businesses
<input type="checkbox"/>	Other

If numerical goals were not met, please explain below why it was not feasible to do so.

**The company named above has complied with Section 3 as stated above.**

\_\_\_\_\_  
Signature of Office or Owner of Company

\_\_\_\_\_  
Printed Name of Signatory

\_\_\_\_\_  
Title of Signatory