



Texas Department of Rural Affairs
Texas Community Development Block Grant Program
PO Box 12877
Austin, TX 78711

POLICY ISSUANCE

CDBG 10-02

SUBJECT: SECTION 3 COMPLIANCE

Effective Date: July 8, 2010

PURPOSE:

As a condition of receiving HUD CDBG funds, the Texas CDBG certifies that it will comply with the requirements of "Section 3" annually pursuant to 24 CFR 570.487(d). Section 3 refers to Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) as amended, and implementing regulations at 24 CFR Part 135. Accordingly, the Texas Department of Rural Affairs (TDRA) has the legal responsibility to monitor recipients of Texas Community Development Block Grant (TxCDBG) funds for Section 3 compliance. This policy issuance clarifies and updates the Section 3 requirements for TxCDBG Grant Recipients.

BACKGROUND:

HUD Community Planning and Development has conveyed that the Section 3 program requires that recipients of certain HUD financial assistance, such as CDBG, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.

HUD has said that the Section 3 regulation recognizes that HUD funding typically results in projects/activities that generate new employment, training and contracting opportunities. These economic opportunities not only provide "bricks and mortar", but can also positively impact the lives of local residents who live in the neighborhoods being redeveloped. Further, HUD has conveyed that Section 3 of the Housing and Urban Development Act of 1968, as amended, is their legislative directive for providing preference to low- and very low-income residents of the local community (regardless of race or gender), and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.

The additional reporting requirements included in this policy issuance are a result of clarification and training provided by HUD and an increased emphasis on Section 3 at the federal level. TDRA anticipates increased review and scrutiny of Section 3 compliance. Please see the attached testimony from John D. Trasviña, Assistant Secretary for Fair Housing and Equal Opportunity, HUD.

ACTION: This Policy Issuance modifies Section 3 reporting requirements and provides greater detail regarding Section 3 goals and requirements by:

- adding the following pages to the 2009 TxCDBG Project Implementation Manual, Chapter 10 Civil Rights Requirements; Chapter 5 Procurement Procedures; and Chapter 12 Contract Closeout; and
- revising the existing Forms A1001, A1002, and A503; and creating Forms A1011 and A1012.

EFFECTIVE DATE:

All guidance in this document is effective as of the date of this policy issuance. Grant recipients MUST use and submit the revised forms as of July 8, 2010.

Thank you for your efforts to ensure compliance with all federal, state and program requirements. If you have any questions or if we can provide any further assistance, please contact me or Community Development Manager Suzanne Barnard at 512-936-0247 or suzanne.barnard@tdra.state.tx.us.


Mark Wyatt, Director
Texas Community Development Block Grant Program

- Take necessary actions to ensure that members of the protected groups have equal access to any information, related services, job opportunities and training associated with the project. These actions are committed to in the Local Opportunity Plan discussed on the next page.
- Maintain records of final project beneficiaries by race, ethnicity, and sex and include this information in the *Project Completion Report (Form A1200)*. See **Chapter 12: Contract Closeout**.
- Exercise non-discrimination in decision-making processes for all elements of a CDBG project.

10.1.2 Inclusion of Equal Employment Opportunity (EEO) Provisions in Construction Contracts

Grant Recipients are required to include applicable equal opportunity provisions and certifications in the bid packages and contracts. These are included in the Sample Bid Package found in **Chapter 5: Procurement**. A list of guidelines for construction contractors regarding equal opportunity is included as **Form A1001**. These guidelines should be discussed with the construction contractor during the preconstruction conference.

10.1.3 Compliance with Section 3 Requirements

In accordance with Section 3 of the Housing and Urban Development Act of 1968, as amended, Grant Recipients using TxCDBG funding for housing or other public construction are required, to the greatest extent feasible, to provide training and employment opportunities to lower income residents and contract opportunities to businesses in the project area.

Although Grant Recipients must comply with the State of Texas statutory requirements on competitive bidding, (“lowest and best bid”), the following steps should be taken regarding Section 3 compliance:

1. Prepare & make available to the public a written Section 3 policy (see **Form A1002-rev**).
2. Take affirmative steps to follow the Section 3 Policy and document those efforts.
3. Include the Section 3 Policy and *Equal Opportunity Guidelines for Construction Contractors (Form A1001-rev)* in any bid packets for contracts on TxCDBG projects. Notify all bidders that adherence to the Section 3 Policy will be required for contracts and sub-contracts in excess of \$100,000.

HUD Section 3 Goals

The following goals apply to TxCDBG contracts [see 24 CFR 135.30 and 24 CFR 570.487(d)]:

- a) 30% of the total number of new hires directly related to the TxCDBG-funded project should be Section 3 residents;
- b) 10% of the total dollar amount of all construction contracts directly related to the TxCDBG-funded project should be awarded to Section 3 business concerns; and
- c) 3% of the total dollar amount of all non-construction contracts directly related to the TxCDBG-funded project should be awarded to Section 3 business concerns.

Grant Recipients must further the Section 3 goals “to the greatest extent feasible.” Section 3 regulations **should not be construed** to mean that recipients are *required* to hire Section 3 residents or award contracts to Section 3 businesses. Section 3 regulations also do not apply to the Grant Recipient's hiring and contracting activities *other than what is needed* to complete TxCDBG projects.

Definitions

Section 3 Residents:

- a) Residents of Public and Indian Housing; or
- b) Low- or very low-income persons that reside in the metropolitan area or nonmetropolitan county in which the TxCDBG funds are expended, or who identify themselves as Section 3 Residents.

Section 3 Business Concerns:

- a) Businesses that are 51 percent or more owned by Section 3 residents;
- b) Businesses whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the firm were Section 3 residents;
- c) Businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above; or
- d) Businesses located within the Grant Recipient's jurisdiction that identify themselves as Section 3 Business Concerns because they provide economic opportunities for low- and very low-income persons.

Grant Recipient Section 3 Responsibilities

If **new** employment, training, or contracting opportunities are created during the expenditure of TxCDBG funding, the TxCDBG Grant Recipient (and their contractors or subcontractors as applicable) must take the following actions "to the greatest extent feasible" in addition to compliance with State of Texas competitive bidding requirements and other related requirements:

- 1) Notify Section 3 Residents and Business Concerns in writing about training and employment opportunities generated by the TxCDBG-funded project;
- 2) Notify Section 3 Business Concerns in writing about the availability of contracting opportunities generated by the TxCDBG-funded project;
- 3) Notify potential contractors completing work on Section 3 covered projects of their responsibilities in writing;
- 4) Incorporate the Section 3 clause (see Appendix K, section 34) into all solicitations and contracts greater than \$100,000, as well as all subcontracts of those contracts;
- 5) Facilitate the training and employment of Section 3 Residents and the awarding of contracts to Section 3 Business Concerns;
- 6) Obtain Section 3 compliance reports from contractors and subcontractors as required;
- 7) Refrain from entering into contracts with contractors that are in violation with the Section 3 regulations (if the Grant Recipient has been notified of such violations);
- 8) Document actions taken to comply with Section 3; and
- 9) Report Section 3 information as described below.

Note: Requirements 1 and 2 may be satisfied by preparing, making available to the public, and following a Section 3 Policy (see **Form A1002-rev** for a sample plan).

Requirement 3 may be satisfied by including the Grant Recipient's adopted Section 3 Policy in construction related bid packets and requiring bidders to certify as part of the bid response that a Contractor's Section 3 Policy will be submitted if they are awarded the contract (see Appendix K for a sample contractor's plan).

If **no new** employment, training, or contracting opportunities are created during the expenditure of TxCDBG funding, the Grant Recipient must still report Section 3 information as described below to confirm that Section 3 has not been triggered.

Contractor Section 3 Responsibilities

If a Grant Recipient executes a contract with a contractor that exceeds \$100,000, Section 3 goals and reporting also apply to that contractor.

- The contractor must report all new employment, contracting, and training opportunities directly related to the TxCDBG-funded project to the Grant Recipient using **Form A1012** or similar format.
- If a subcontract exceeds \$100,000, the subcontractor must report to the prime contractor all new employment, contracting, or training opportunities directly related to the TxCDBG-funded project; the prime must include the subcontractor's information in its report to the Grant Recipient.

SECTION 3 EXAMPLE – What Opportunities Must Be Reported?
(also see diagram below for visual representation of this example)

Grant Recipient receives a \$300,000 TxCDBG grant (with \$70,000 match) to install water lines and in 2009:

- hires one person related to the project,
- contracts with Consultant (\$15,000),
- contracts with Contractor A (\$250,000),
- contracts with Contractor B (\$100,000).

Contractor A:

- hires two people related to the project,
- contracts with Subcontractor C (\$101,000),
- contracts with Subcontractor D (\$25,000),
- reports 2 contracts and 2 new hires to the Grant Recipient, plus information from Subcontractor C (all items in diagram marked in blue).

Subcontractor C:

- hires one person related to the project,
- contracts with Subcontractor E, (\$50,000), and
- reports 1 contract and 1 new hire to prime Contractor A (items marked in diagram in darker blue).

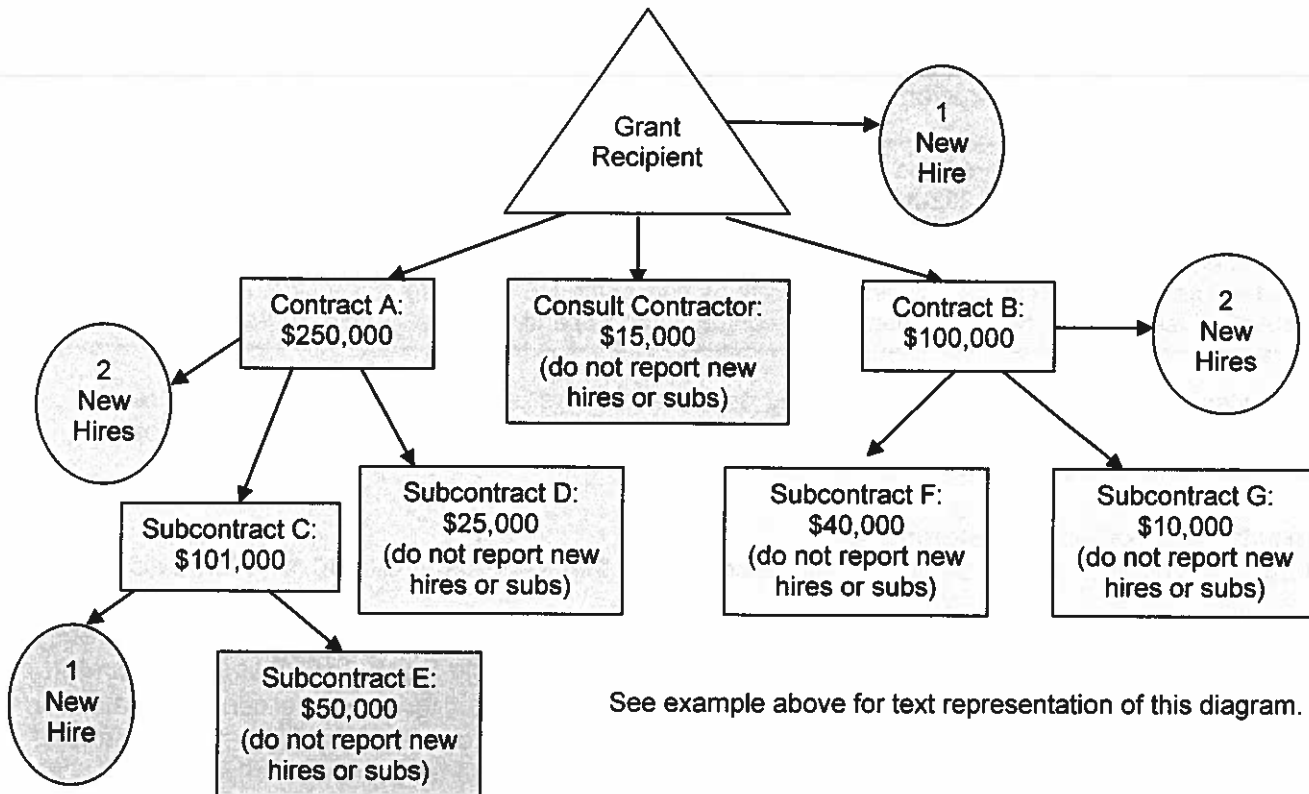
Contractor B:

- hires two people related to the project, and
- contracts with Subcontractor F (\$40,000),
- contracts with subcontractor G (\$10,000),
- reports 2 contracts and 2 new hires to the Grant Recipient (all items in diagram marked in green).

Consultant Contractor does NOT submit a Section 3 report to the Grant Recipient.

The Grant Recipient's Form A1011 for 2009 reports 6 new hires and 8 contracting opportunities. Had the following occurred, the Grant Recipient would have achieved HUD's Section 3 goals:

- 2 of the 6 new hires were Section 3 residents;
- \$35,000 of the \$350,000 in construction contracts were awarded to Section 3 Businesses; and
- \$450 of the \$15,000 in non-construction contracts were awarded to Section 3 Businesses.



See example above for text representation of this diagram.

Section 3 Reporting

The Grant Recipient must report Section 3 compliance in two ways:

- The *Financial Interest Report (Form A503)* - indicates each company's status as a Section 3 Business Concern and identifies contracts greater than \$100,000 subject to Section 3 requirements.
- The *Section 3 Annual Report (Form A1011)* - indicates Section 3 compliance for the calendar year. Contracting and employment opportunities reported on **Form A1011** include:
 - opportunities created by the Grant Recipient and all contractors or subcontractors with contracts that exceed \$100,000; and
 - persons hired and contracts executed during the calendar year only (NOT cumulative); opportunities reported for one year may **not** be repeated for the following year's report).

Form A1011 must be submitted as an attachment to:

- the *Quarterly Progress Report* for the 4th quarter of each year the contract is open (no later than January 20th), and
- the *Project Completion Report*.

The Grant Recipient will be considered in compliance with Section 3 requirements, absent evidence to the contrary, if:

- the Grant Recipient reports on the *Section 3 Annual Report* that it has met the minimum numerical goals above, or
- the Grant Recipient provides evidence that an appropriate Section 3 Plan was adopted and implemented, regardless of the actual percentage of employment, training, and contracting opportunities secured by Section 3 Residents or Business Concerns as reported on the *Section 3 Annual Report*. **If the numerical goals were not met, this evidence must include an explanation of the reasons the goals were not met.**

10.1.4 Participation by Small, Minority, and Women-Owned Businesses

Grant Recipients are encouraged to affirmatively take action to utilize small (SBE), minority (MBE) and women-owned businesses (WBE) whenever possible. Although Grant Recipients are not directly responsible for meeting a specific minority business participation goal, TXCDBG reports to HUD on the levels of MBE and WBE hiring under all CDBG contracts.

The following suggestions can be used to increase participation of small, minority and women owned-businesses are listed below.

- Place qualified small, minority, and women owned firms on solicitation lists. The Texas Facilities Commission (TFC) provides the Historically Underutilized Business (HUB) Directory that includes small businesses that are minority and women-owned. The directory can be obtained from online at <http://www.window.state.tx.us/procurement//cdbl/cdblhub.html>. Additional information on HUB certification is available at <http://www.window.state.tx.us/procurement/prog/hub/>.

Note: Payment of bond premiums on behalf of such firms is an allowable expenditure that can be paid for with CDBG funds only out of the general administration budget category.

- Utilize the Minority Business Development Centers (MBDCs) located throughout Texas. The Minority Business Development Agency of the U.S. Department of Commerce funds MBDCs. This network can assist in achieving local and state minority business goals by providing relevant information, management assistance, technical assistance, program outreach and brokerage services to minority firms. A listing of MBDCs can be found on the internet at: http://www.mbda.gov/?section_id=10.
- Solicit bids/services from small, minority and women-owned businesses whenever they are potential sources.
- Divide project activities into smaller tasks or services to allow participation by these types of businesses, if economically feasible.
- Provide direct bonding assistance to minority business enterprises in order to promote their participation in the CDBG funded projects.
- Provide small, minority and women-owned businesses with information regarding the Small Business Administration (SBA) Surety Bond Guarantee Program. This program opens the bonding system to new, small, or financially marginal disadvantaged construction contractors who are not able to obtain bonding through their own efforts, or find it too costly in the standard market. This applies to contracts of \$1.25 million or less. Information on the program and local contact information can be found online at <http://www.sba.gov/OSG/faqs.html> or by contacting the regional office at 4300 Amon Carter Blvd. Suite 114 Fort Worth, Texas 75155 Phone: (817) 684-5500.

Throughout the contract period, all Grant Recipients are required to submit data on their rates of contracting with Section 3, small, women, and minority owned businesses. MBE and Section 3 information is reported on the *Financial Interest Report (Form A503)*.

MBE reports should include contracts and subcontracts for engineering, administration, material, construction and any other major contracts awarded. Any contract or subcontract under \$2,000 does not have to be included in this report. When reporting subcontract amounts, the prime contract should be reduced accordingly to avoid duplication in reporting of construction contract dollars. The *Project Completion Report (Form A1200)* requires all contracts previously reported to be listed cumulatively with their final contract amounts.

MBE Definitions

Minority business enterprise is a business (corporation, partnership, sole proprietorship, or other legal entity formed for the purpose of making a profit) which is at least 51 percent owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. For this purpose, minority group members are those groups of U.S. citizens found to be disadvantaged by the Small Business Administration pursuant to Section 8(d) of the Small Business Act.

Women-owned small business is defined as at least 51 percent owned by one or more women, or in the case of publicly owned businesses, at least 51 percent of the stock is owned by one or more women, and the management and daily operations of which are controlled by one or more women.

Minority group members are individuals who are members of the races: Black/African-American, Asian, American Indian/ Alaskan Native, Native Hawaiian/Pacific Islander, or Other Multi-racial; or consider themselves of Hispanic ethnicity.

Suggested Ideas for Meeting the Fair Housing Activities Requirement

- Conduct a community-wide housing analysis to determine impediments to fair housing and implement actions to eliminate these impediments.
- If the Grant Recipient is a city, pass a fair housing ordinance. It is important that the ordinance include a penalty clause. Also, publicize the existence of such an ordinance (e.g., newspaper advertisement, or fliers enclosed in utility bills). A sample fair housing ordinance is included as **Form A1010**.
- If the Grant Recipient is a county, adopt written fair housing policies and procedures that are equivalent to a fair housing ordinance and publicize the existence of the policies/procedures (e.g., newspaper advertisement). A sample fair housing policy may be obtained from TxCDBG.
- Sponsor or fund fair housing counseling/referral services for owners and renters.
- Have a written local complaint and monitoring process and notify the public of its existence through newspaper advertisements, or through notices in utility statements.
- Promote housing opportunities outside historically minority and/or low and moderate-income neighborhoods.
- Designate April as "Fair Housing Month" by proclamation along with another sponsoring activity. See **Form A1007** for a sample proclamation.
- Utilize local businesses and banking institutions to promote fair housing by displaying fair housing posters.
- Announce the Grant Recipient's support of fair housing by means of newspaper advertisements, marquee displays, or public service announcements. See **Form A1009** for a sample public service announcement.
- Conduct free training workshops on fair housing laws to homebuyers, rental property owners, and tenant organizations.
- Sponsor a poster contest or essay writing contest at local schools to educate and promote fair housing.
- Review local zoning laws and procedures to determine whether they contribute to, or detract from, fair housing choice.
- Find ways to inform builders and architects as early as possible in the project design phase, but certainly no later than the issuance of a building permit, of the need to comply with the accessibility requirements of the Fair Housing Act.

10.2 Monitoring and Recordkeeping

In monitoring Grant Recipients for Equal Opportunity and Fair Housing compliance, TxCDBG Staff will review at least the following four major areas:

1. The beneficiaries of each TxCDBG funded contract.
2. Documentation of completed fair housing activities. Grant Recipients should maintain the following files and have available for review:
 - Beneficiary data by race, ethnicity and gender;
 - Any and all handbooks, policies and procedures manuals, and resolutions or ordinances regarding employment;
 - Any advertisement for employment and documentation regarding the subsequent applicants and individuals hired. Advertisements should contain the language "equal employment opportunity employer" (or similar);
 - An Excessive Force Policy (**Form A1003**);
 - Contractor Certification of Compliance with Section 3 or equivalent;
 - Written Section 3 Policy for Grant Recipient and all other parties under contract engineering firms and administration consultant as well as construction contractors (**Form A1002**);
 - Correspondence concerning Contractor Equal Opportunity compliance;
 - Copies of Financial Interest Reports (**Form A503**) with MBE and Section 3 information;
 - Newspaper advertisements of the Notice on Section 504 Compliance Requirements;

Equal Opportunity Guidelines for Construction Contractors

Note: To be included in bid packet and distributed at the preconstruction conference

1. What are the responsibilities of the offeror or bidder to insure equal employment opportunity?

The offeror or bidder must comply with the "Equal Opportunity Clause" and the "Standard Federal Equal Opportunity Construction Contract Specifications."

2. Are construction contractors required to insure a comfortable working environment for all employees?

Yes, it is the construction contractor's responsibility to provide an environment free of harassment, intimidation, and coercion to all employees and to notify all foremen and supervisors to carry out this obligation, with specific attention to minority or female individuals.

3. To alleviate developing separate facilities for men and women on all sites, can a construction contractor place all women employees on one site?

No, two or more women should be assigned to each site when possible.

4. Are construction contractors required to make special outreach efforts to Section 3 or minority and female recruitment sources?

Yes, construction contractors must establish a current list of Section 3, minority and female recruitment sources. Notification of employment opportunities, including the availability of on-the-job training and apprenticeship programs, should be given to these sources. The efforts of the construction contractors should be kept in file.

5. Should records be maintained on the number of Section 3 residents, minority and females applying for positions with construction contractors?

Yes, records must be maintained to include a current list of names, addresses and telephone numbers of all Section 3, minority and female applicants. The documentation should also include the results of the applications submitted.

6. What happens if a woman or minority is sent to the union by the Contractor and is not referred back to the Contractor for employment?

If the unions impede the construction contractor's responsibility to provide equal employment opportunity, a written notice should be submitted to TXCDBG.

7. What efforts are made by construction contractors to create entry-level positions for Section 3 residents, women and minorities?

Construction contractors are required to develop on-the-job training programs, or participate in training programs, especially those funded by the Department of Labor, to create positions for Section 3 residents, women and minorities and to meet employment needs.

8. Are any efforts made by the Contractor to publicize their Equal Employment Opportunity (EEO) policy?

Yes, the construction contractor is responsible for notifying unions and sources of training programs of their equal employment opportunity policy. Unions should be requested to cooperate in the effort of equal opportunity. The policy should be included in any appropriate manuals, or collective bargaining agreements. The construction contractor is encouraged to publicize the equal employment opportunity policy in the company newspaper and annual report. The Contractor is also responsible to include the EEO policy in all media advertisement.

9. Are any in-service training programs provided for staff to update the EEO policy?

At least annually a review of the EEO policy and the affirmative action obligations are required of all personnel employees of a decision-making status. A record of the meeting including date,

time, location, persons present, subject matter discussed, and disposition of the subject matter should be maintained.

10. **What recruitment efforts are made for Section 3 residents, minorities and women?**
The construction contractor must notify both orally and in writing, Section 3, minority and female recruitment sources one month prior to the date of acceptance for apprenticeship or other training programs.
11. **Are any measures taken to encourage promotions for minorities and women?**
Yes, an annual evaluation should be conducted for all minority and female personnel to encourage these employees to seek higher positions.
12. **What efforts are taken to insure that personnel policies are in accordance with the EEO policy?**
Personnel policies in regard to job practices, work assignments, etc. should be continually monitored to insure that the EEO policy is carried out.
13. **Can women be excluded from utilizing any facilities available to men?**
No, all facilities and company activities are non-segregated except for bathrooms or changing facilities to insure privacy.
14. **What efforts are made to utilize minority and female contractors and suppliers?**
None, however records are kept of all offers to minority and female construction contractors.
15. **If a construction contractor participates in a business related association that does not comply with affirmative action standards, does that show his/her failure to comply?**
No, the construction contractor is responsible for its own compliance.
16. **Will a construction contractor be in violation of EEO policy and affirmative action if he sets up one set of goals to include minorities and women?**
Yes. There is a separate goal for minorities and a separate single goal for women. The construction contractor is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women both minority and non-minority.
17. **Can a construction contractor hire a subcontractor who has been debarred from government contracts pursuant to EEO?**
No. The construction contractor must suspend, terminate or cancel its contract with any Subcontractor who is in violation of the EEO policy.
18. **What effort has been taken by the construction contractor to monitor all employment to insure the company EEO policy is being carried out?**
The construction contractor must designate a responsible individual to keep accurate records of all employees that includes specific information required by the government.

Sample Section 3 Policy

In accordance with 12 U.S.C. 1701u, (Section 3), the *(name of Grant Recipient)* agrees to implement the following steps, which, to *the greatest extent feasible*, will provide job training, employment and contracting opportunities for Section 3 residents and Section 3 businesses of the areas in which the program/project is being carried out.

- A. Introduce and pass a resolution adopting this plan as a policy to strive to attain goals for compliance to Section 3 regulations by increasing opportunities for employment and contracting for Section 3 residents and businesses.
- B. Assign duties related to implementation of this plan to the designated Equal Rights Officer.
- C. Notify Section 3 residents and business concerns of potential new employment and contracting opportunities as they are triggered by TxCDBG grant awards through the use of: Public Hearings and related advertisements; public notices; bidding advertisements and bid documents; notification to local business organizations such as the Chamber(s) of Commerce or the Urban League; local advertising media including public signage; project area committees and citizen advisory boards; local HUD offices; regional planning agencies; and all other appropriate referral sources. Include Section 3 clauses in all covered solicitations and contracts.
- D. Maintain a list of those businesses that have identified themselves as Section 3 businesses for utilization in TxCDBG funded procurements, notify those businesses of pending contractual opportunities, and make this list available for general Grant Recipient procurement needs.
- E. Maintain a list of those persons who have identified themselves as Section 3 residents and contact those persons when hiring/training opportunities are available through either the Grant Recipient or contractors.
- F. Require that all Prime contractors and subcontractors with contracts over \$100,000 commit to this plan as part of their contract work. Monitor the contractors' performance with respect to meeting Section 3 requirements and require that they submit reports as may be required by HUD or TDRA to the Grant Recipient.
- G. Submit reports as required by HUD or TDRA regarding contracting with Section 3 businesses and/or employment as they occur; and submit reports within 20 days of calendar year end which identify and quantify Section 3 businesses and employees.
- H. Maintain records, including copies of correspondence, memoranda, etc., which document all actions taken to comply with Section 3 regulations.

As officers and representatives of *(name of Grant Recipient)*, we the undersigned have read and fully agree to this plan, and become a party to the full implementation of this program.

Signature

Title

Date

- Experience with federal programs;
 - Capacity to perform the specific proposed task;
 - Affirmative action efforts; and
 - References – a list of past/current clients so that the proposals can be ranked based on past performance. The selection committee should contact these references and evaluate the respondent's experience, work performance, and capacity to perform.
- **Sample Contract.** A sample professional services contract containing the terms and conditions of the contract between the Grant Recipient and the professional service provider should be provided as part of the RFP package. This contract should contain four parts:
 - Part I - Agreement
 - Part II - Scope of Work
 - Part III - Payment Schedule
 - Part IV - Terms and Conditions

STEP 5 Advertise and Distribute the RFP

In order to create competition for the work, the Grant Recipient must advertise the RFP. A sample advertisement is provided that can be altered for the appropriate professional service. The Grant Recipient must:

- Contact a minimum of five individuals/firms for their response by either email, fax, or return receipt mail. At least three of the firms contacted must be "local" to the Grant Recipient's COG region, or a contiguous region, based on:
 - the location of the firm's offices, or
 - history of contracts managed.
 The Grant Recipient may request a list of service providers on previous contracts from TxCDBG if it is not familiar with service providers in the area. The remaining two or more firms may be selected based on other criteria for effective competition if documented in the local files.
- Advertise in a locally distributed newspaper. (If no local newspaper is published in the municipality or county, the advertisement may be posted at the city hall or county courthouse.) The deadline for receipt of proposals must be at least ten days after the date of public advertisement and contact dates of the RFP.

STEP 6 Promote participation of MBEs and Section 3 Businesses

Grant Recipients should actively take steps to encourage proposals from small, minority, and female-owned businesses (MBEs), as well as Section 3 business concerns.

STEP 7 Rate Proposals and Document the Process

Once the deadline for submitting proposals has passed, the selection committee must rate the proposals using only the specific selection criteria identified in its RFP. This selection process must be thorough, uniform, and well documented through the rating sheets developed in Step 3.

Newspaper Advertisement For Management or Engineering Services

(DATE)

GRANT (MANAGEMENT)
(ENGINEERING/ARCHITECTURAL SERVICES)

PUBLICNOTICE

The City of Two Dash has recently received a Contract award from the Texas Department of Rural Affairs (TDRA) for water system improvements. Accordingly, the City is seeking to contract with a qualified (individual/management firm); (engineer/engineering firm registered to practice in the State of Texas) to (administer the contract), (prepare all preliminary and final design plans and specifications, and to conduct all necessary interim and final inspections).

Please submit your proposal of services and a statement of qualifications for these proposed services to the address below:

City of Two Dash
City Hall
100 Main Street
Two Dash, Texas 78000

Proposals must be received by the City no later than 10:00 am on the 15th day of May, 2009 to be considered. The City reserves the right to negotiate with any and all individuals, engineers or firms that submit proposals, as per the Texas Professional Services Procurement Act and the Uniform Grant and Contract Management Standards.

The City of Two Dash is an Affirmative Action/Equal Opportunity Employer.

5.2 Construction and Materials Contracts

Construction services and materials contracts paid in whole or in part with TxCDBG funds must be procured using either the **Small Purchase** procurement method or the **Sealed Bids** procurement method.

5.2.1 Small Purchase Procurement

The Small Purchase procurement method uses relatively simple and informal procurement methods to secure equipment, non-professional services, supplies or other property that cost, in the aggregate, less than \$50,000 in accordance with state law.

Small Purchase Procurement applies to contracts or "jobs" that cost less than \$50,000.

Key concepts for Small Purchase procurement include:

- **Aggregate cost** – total cost of the project including TxCDBG funds and all other funding sources;
- **Job** – a project as defined by the engineering plans and specs;
- **Separate** purchases – purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase;
- **Sequential** purchases – purchases, made over a period, of items that in normal purchasing practices would be purchased in one purchase;
- **Component** purchases – purchases of the component parts of an item that in normal purchasing practices would be purchased in one purchase.

The Local Government Code, Sec. 262.023 (c) and Sec. 252.062 (a) specifically prohibits the use of the small purchase procurement method to make separate, sequential, or component purchases of items or services, with the intent of avoiding the competitive bidding and competitive proposal requirements. For example:

- A water line job should be one purchase, rather than separate purchases of pipe, fire hydrants, valves, and fittings.
- A water storage tank should be bid as one purchase, rather than separate purchases of site preparation, foundation, piping, valves, welding, etc.

Prior to beginning small purchase procedures, the Grant Recipient should get an estimate of the cost of the construction from the engineer. If the estimated cost is greater than \$50,000, small purchase procurement is not appropriate.

Step-by-Step Small Purchase Procedures

Wage Rates are not required for construction contracts less than \$2,000.

STEP 1 Comply with Davis-Bacon Act requirements

The Grant Recipient must obtain prevailing wage rates for the local area as required by the Davis-Bacon and Related Acts, and incorporate those wage rates into the procurement for construction. See **Chapter 7: Davis-Bacon Labor Standards** for specific information on the requirements of the Davis-Bacon Act.

STEP 2 Contact three vendors for quotes or estimates

The Grant Recipient must contact at least three firms by phone, in person, or in writing, to obtain cost estimates for the goods or services. The responses (including responses that indicate no interest or quotes provided) must be recorded on the *Small Purchase Procurement Record (Form A504)* and submitted to TxCDBG Program Staff.

STEP 3 Promote participation of MBEs and Section 3 Businesses

The Grant Recipient should actively take steps to encourage proposals from small, minority, and female-owned businesses (MBEs), as well as Section 3 business concerns.

TXCDBG recommends that the Grant Recipient's attorney review the construction contract prior to the bid and certify that it meets all program, state, and federal requirements. This certification is included in the sample construction contract as **Appendix K**.

If a construction contract includes both a TxCDBG project and a separate project (not included in the Performance Statement or claimed as match) to be paid by the Grant Recipient or another funding source, the construction contract should clearly indicate the work and the costs associated with each project.

STEP 2 Comply with Davis-Bacon Act requirements

The Grant Recipient must obtain prevailing wage rates for the local area as required by the Davis-Bacon and Related Acts and incorporate those wage rates into the construction procurement. See **Chapter 7: Davis-Bacon Labor Standards** for specific information on these requirements.

STEP 3 Advertise for Bids

The procedure for advertising for bids is as follows:

- Publish once a week for two consecutive weeks prior to bid opening;
- Ensure that the first publication date is at least fourteen days prior to the bid opening date;
- Ensure that the two published notices are at least 7 days apart;
- Describe work or item to be purchased or state where specifications can be obtained;
- Include time and place for receiving and opening bids (count 15 calendar days from the first advertisement date);
- Include name and position of local official or employee to whom bids are sent;
- Indicate whether bidder should use lump-sum or unit pricing;
- Indicate method of payment by Grant Recipient;
- Indicate type(s) of bond(s) required by the bidder;
- Indicate whether contract will be awarded within thirty or sixty days; and
- Identify TxCDBG contract number.

If an addendum to the bid package is necessary, it must be distributed to each potential bidder. The distribution of an addendum shall be verified either by statements of receipt or registered/certified mail receipts, which shall be included in the public works construction file. The addendum shall allow adequate time for consideration in bid preparation (usually at least one week), and if adequate time is not available, the bid opening date must be extended. This will require re-advertisement of the bid opening with the new date, time, and place.

TxCDBG recommends the Dodge Report, *Texas Contractor*, the Minority Business Development Center, and regional newspapers for advertising bids. See **Chapter 10: Civil Rights Requirements** for further information on Minority Business Centers.

STEP 4 Promote Participation of MBEs and Section 3 Business concerns.

The Grant Recipient should actively take steps to encourage proposals from small, minority, and female-owned businesses (MBEs), as well as Section 3 business concerns.

STEP 5 Hold the Bid Opening

- Note the date and time of receipt of each bid on the bid envelope, which must be kept with the original bid even following the bid opening;
- Open and read aloud each bid;
- Record the base bid, along with any alternates, on a bid spreadsheet;
- Announce the apparent low bidder and all bidders with complete packets.

The Grant Recipient or their designee (usually the engineer) should carefully review the bids submitted and the low bidder's statement of qualifications and references. Awarding the contract on the same date as the bid opening does not generally allow sufficient time to research and review the

- Notice of awarding agency requirements and regulations pertaining to reporting.
- Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.
- Awarding agency requirements and regulations pertaining to copyrights and rights in data.
- Access by the Grant Recipient, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
- Retention of all required records for three years after Grant Recipients make final payments and all other pending matters are closed.
- Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts and subcontracts of amounts in excess of \$100,000).
- Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).
- Compliance with Section 3 policies and reporting requirements (Contracts and subcontracts of amounts in excess of \$100,000).

Contracts less than \$50,000:

- do **not** have to include administrative, contractual, or legal remedies for instances in which a contractor violates or breaches the contract terms; and
- will provide for such remedial actions as may be appropriate.

5.2.4 Bonding Information

A surety bond is a three-party instrument between a surety, the contractor and the project owner. The agreement binds the contractor to comply with the terms and conditions of a contract. If the contractor is unable to successfully perform the contract, the surety assumes the contractor's responsibilities and ensures that the project is completed. Bonds and other forms of surety must be made payable to the locality.

Bid Bond

A bid bond guarantees that the bidder, upon acceptance of the contract, will honor his bid as submitted and within the time specified. If a bidder does not honor his bid as submitted, the bid bond, which is retained by the Grant Recipient, is used to offset any additional cost from completing the construction with another contractor. A 5% bid bond is recommended for all TxCDBG contracts. A certified or cashier's check or U.S. Savings bond may be submitted in lieu of the bid bond.

Performance Bond

A performance bond guarantees that the contractor will perform the contract in accordance with its terms. A performance bond is required in the amounts below unless otherwise stated in the Invitation for Bids (IFB):

- For total awards of up to \$100,000 - no bond is required.
- For total awards in excess of \$100,000 – in the amount of the construction contract.

[Texas Government Code, Chapter 2253.021]

When applicable, a separate performance bond must be provided for each construction contract awarded and must reference the contract number(s) for which the bond is provided. Any required performance bond(s) must be filed within 30 days from the date of the Notice of Award.

5.4 Recordkeeping Procedures

TxCDBG recommends that the Grant Recipient have a written set of procedures that detail how procurements will be made and by whom. This purchasing function should be assigned to one individual whose responsibility it will be to make all procurements and issue all contracts. The purchasing officer should also be responsible for ensuring that purchases are made in accordance with all local, state, and federal regulations and that proper documentation is maintained to support the purchase.

The Grant Recipient must maintain records that are detailed enough to show the history of each procurement. At a minimum, records must demonstrate how the Grant Recipient:

- Executed price sampling for small purchases, or established [published] RFP solicitation;
- Selected the method of procurement and the type of contract to be used;
- Determined the bids or proposals to accept and the ones to reject; and
- Computed the basis for the contract cost or price.

The Grant Recipient must submit a *Financial Interest Report (Form A503)* for all businesses and other entities contracted to provide products or services in whole or in part for a TxCDBG project. This report:

- describes the work to be performed by the business or other entity;
- verifies that all required clearances have been completed prior to executing a contract with the business or other entity;
- discloses the financial interest of the business or other entity;
- provides Minority Business Enterprise information for the business owner (not required for Councils of Government and other non-business entities); and
- identifies Section 3 business concerns and anticipated Section 3 employment opportunities.

All contracts for \$2,000 or more must be reported on the *Financial Interest Report (Form A503)*. If the contract price changes after the contract is reported, Form A503 does NOT need to be resubmitted.

5.4.1 Professional Services

The Grant Recipient must establish and maintain separate files for records relating to the procurement of a management consultant, engineer or other professional service provider to detail the procurement process undertaken. The files for professional services procurement should contain the following information:

- A copy of the Request for Proposals (RFP);
- A copy of the RFP public notice and documentation relating to the distribution of the RFPs (minimum of five sent) –
 - Email – printout of the sent email with header visible;
 - Fax – confirmation page showing the fax was successfully sent;
 - Mail – return receipt for certified mail;
- A copy of the RFP cover letter sent to each interested party;
- A copy of each respondent's reply to the Grant Recipient's RFP;
- A copy of each respondent's rating worksheet (if applicable);
- A copy of the procurement summary sheet (if applicable);
- A copy of council/commissioner court action awarding the contract; and
- A copy of the executed professional services contract.

5.4.2 Construction and Material Purchases

The Grant Recipient must establish and maintain separate files for records relating to the procurement of a construction contractor or materials supplier to detail the procurement process undertaken. The files for construction and material purchases procurement should contain:

- Bid Document(s) with Labor Standards Provisions included
- Contract Document(s) with Labor Standards Provisions included

- a) proportion of such fee or assessment that related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, contractor certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (a);
- b) The persons to benefit from the activities described in Exhibit A, Performance Statement, of this contract are receiving service or a benefit from the use of the new or improved facilities and activities; and
- c) Proper provision has been made for the payment of all unpaid costs and unsettled third-party claims and the State of Texas is under no obligation to make any further payment to the recipient under the contract agreement in excess of the amount identified in the Certificate of Expenditures table as "TxCDBG Reserved Funds".

Attachments

For each attachment, indicate whether the document is attached or not required.

- Publication, Final Public Hearing – the publication may be submitted electronically by scanning a copy of the notice and the publisher’s affidavit, or by mailing the original tearsheet.
- Project Map – If the project includes construction activities, the Grant Recipient must attach a project map showing the project as actually built.
- Evidence of Benefit – If the project includes work on private property, including water and sewer service connections, the Grant Recipient must attach evidence that the households are in fact receiving a benefit:
 - List the name, address, number of beneficiaries, and income level of each household; and
 - Documentation that beneficiaries are receiving services for such projects, such as:
 - Copies of utility bills for all beneficiary households;
 - Printout of accounts from utility billing system;
 - Other reasonable documentation approved by TxCDBG.
- *Section 3 Annual Report (Form A1011)* – the annual report must include all employment, contracting, and training opportunities since the previous submittal.

12.2.2 Part II. Performance Report

Actual Accomplishments

This section of the PCR reports all work completed, organized by the activity. Engineering and administration activities are not reported. The work reported must correspond to the project described in the Performance Statement and be described in quantitative terms. (If the Performance Statement describes a project item without using quantities, report the item as lump sum with a quantity of one.)

If the current Performance Statement and actual accomplishments vary in quantities and/or number of beneficiaries served, please contact the Regional Coordinator for technical assistance. A contract modification or amendment is generally required when quantities vary by more than 15% and in other cases as appropriate. If the completed project is significantly different from the Performance Statement, the PCR will not be accepted until a contract amendment is requested and TxCDBG staff determines that the changes are acceptable. TXCDBG is not obligated to reimburse work that is not included in the contract.

The Grant Recipient must confirm that the work was performed in the location(s) described in the current Performance Statement. If work was performed in a different location, the Grant Recipient must resolve this issue with TxCDBG staff prior to submitting the PCR.

SECTION 3 ANNUAL REPORT

A1011

Grant Recipient Name

Contract Number

Rpt Year

Economic Opportunities for Low and Very Low-Income Persons

1. Grant Recipient: _____ 2. Contract Number: _____ 3. Report Year: _____

Contracts Executed During Reporting Year:

Report all contracts executed during the reporting year under this TxCDBG contract that are valued at or above \$2,000.

Non-Construction Contracts:

Business Name	Contract Amount	Section 3 Business	Section 3 Amount
	\$0.00	<input type="checkbox"/>	\$0.00
	\$0.00		\$0.00

Construction Contracts:

Prime (Name): _____	Construction Contract Amount: \$0.00	Prime Contract Amount: \$0.00	<input type="checkbox"/> Prime is Section 3
Subcontractor	Contract Amount	Section 3 Business	
	\$0.00	<input type="checkbox"/>	

Prime (Name): _____	Construction Contract Amount: \$0.00	Prime Contract Amount: \$0.00	<input type="checkbox"/> Prime is Section 3
Subcontractor	Contract Amount	Section 3 Business	
	\$0.00	<input type="checkbox"/>	

Part I: Employment and Training

Job Category	Number of New Hires	# of New Hires that are Sec 3 Residents	% of Sec 3	# of Sec 3 Trainees	Add A Row
	0	0	0%	0	Remove A Row
Totals:	0	0	0%	0	

Part II: Contracts Awarded During the Reporting Year

Non-Construction Contracts:

- A. Total dollar amount of all non-construction contracts awarded on the project / activity: _____ \$0.00
- B. Total dollar amount of non-construction contracts awarded to Section 3 businesses: _____ \$0.00
- C. Percentage of the total dollar amount that was awarded to Section 3 businesses: _____ 0%
- D. Total number of Section 3 businesses receiving contracts: _____ 0

Construction Contracts:

- A. Total dollar amount of all construction contracts awarded on the project / activity: _____ \$0.00
- B. Total dollar amount of contracts awarded to Section 3 businesses: _____ \$0.00
- C. Percentage of the total dollar amount that was awarded to Section 3 businesses: _____ 0%
- D. Total number of Section 3 businesses receiving contracts: _____ 0

Part III: Summary

Indicate the 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, toward low-and-very-low income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

SECTION 3 ANNUAL REPORT

Grant Recipient Name

Contract Number

Rpt Year

A1011

Economic Opportunities for Low and Very Low-Income Persons

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, Contacts
- with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
 - Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
 - Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
 - Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
 - Other; describe:

SECTION 3 ANNUAL REPORT

A1011

Grant Recipient Name

Pilot

Contract Number

710911

Rpt Year

2010

Economic Opportunities for Low and Very Low-Income Persons

1. Grant Recipient: Pilot 2. Contract Number: 710911 3. Report Year: 2010

Contracts Executed During Reporting Year:

Report all contracts executed during the reporting year under this TxCDBG contract that are valued at or above \$2,000.

Non-Construction Contracts:			
Business Name	Contract Amount	Section 3 Business	Section 3 Amount
Grant Consultants of Texas	\$15,000.00	<input checked="" type="checkbox"/>	\$15,000.00
	\$15,000.00		\$15,000.00

Construction Contracts:			
Prime (Name): <u>Adams Construction</u>	Construction Contract Amount: <u>\$250,000.00</u>	Prime Contract Amount: <u>\$119,000.00</u>	<input checked="" type="checkbox"/> Prime is Section 3
Subcontractor	Contract Amount	Section 3 Business	
Cooper Concrete	\$56,000.00	<input type="checkbox"/>	
Davis Utilities	\$25,000.00	<input checked="" type="checkbox"/>	
Emerson Electric	\$50,000.00	<input checked="" type="checkbox"/>	
Prime (Name): <u>Bradley Contractors</u>	Construction Contract Amount: <u>\$100,000.00</u>	Prime Contract Amount: <u>\$50,000.00</u>	<input checked="" type="checkbox"/> Prime is Section 3
Subcontractor	Contract Amount	Section 3 Business	
Fenway Services	\$40,000.00	<input type="checkbox"/>	
Grand Construction	\$10,000.00	<input type="checkbox"/>	

Part I: Employment and Training

Job Category	Number of New Hires	# of New Hires that are Sec 3 Residents	% of Sec 3	# of Sec 3 Trainees	Add A Row
Professional	1	1	100%	0	Remove A Row
Operatives (semi-skilled)	2	1	50%	0	Remove A Row
Laborers (unskilled)	3	1	33%	0	Remove A Row
Totals:	6	3	50%	0	

Part II: Contracts Awarded During the Reporting Year

Non-Construction Contracts:

A. Total dollar amount of all non-construction contracts awarded on the project / activity:	<u>\$15,000.00</u>
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses:	<u>\$15,000.00</u>
C. Percentage of the total dollar amount that was awarded to Section 3 businesses:	<u>100%</u>
D. Total number of Section 3 businesses receiving contracts:	<u>1</u>

Construction Contracts:

A. Total dollar amount of all construction contracts awarded on the project / activity:	<u>\$350,000.00</u>
B. Total dollar amount of contracts awarded to Section 3 businesses:	<u>\$244,000.00</u>

SECTION 3 ANNUAL REPORT

A1011

Grant Recipient Name

Pilot

Contract Number

710911

Rpt Year

2010

Economic Opportunities for Low and Very Low-Income Persons

C. Percentage of the total dollar amount that was awarded to Section 3 businesses: 70%

D. Total number of Section 3 businesses receiving contracts: 4

Part III: Summary

Indicate the 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, toward low-and-very-low income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, Contacts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe:

A1012

Economic Opportunities for Low and Very Low-Income Persons

1. Grant Recipient: _____ 2. Contract Number: _____ 3. Report Year: _____

Contracts Executed During Reporting Year:

Report all contracts executed during the reporting year under this TxCDBG contract that are valued at or above \$2,000.

Construction Contracts:		
Prime (Name): _____	Construction Contract Amount: \$0.00	Prime Contract Amount: \$0.00 <input type="checkbox"/> Prime is Section 3
Subcontractor	Contract Amount	Section 3 Business
	\$0.00	<input type="checkbox"/>

Part I: Employment and Training

Job Category	Number of New Hires	# of New Hires that are Sec 3 Residents	% of Sec 3	# of Sec 3 Trainees	
	0	0	0%	0	Add A Row
					Remove A Row
Totals:	0	0	0%	0	

Part II: Contracts Awarded During the Reporting Year

Construction Contracts:

- A. Total dollar amount of all construction contracts awarded on the project / activity: _____ \$0.00
- B. Total dollar amount of contracts awarded to Section 3 businesses: _____ \$0.00
- C. Percentage of the total dollar amount that was awarded to Section 3 businesses: _____ 0%
- D. Total number of Section 3 businesses receiving contracts: _____ 0

FINANCIAL INTEREST REPORT

Form A503

Grant Recipient Name: _____

Contract Number: _____

Reset Form	
Contact Information	
Name of Company	<input type="text"/>
Name of Owner	<input type="text"/>
Point of Contact	<input type="text"/>
Phone No.	<input type="text"/>
Fax No.	<input type="text"/>
Email	<input type="text"/>
Mailing Address	<input type="text"/>
Type of Procurement	<input type="text"/>
Trade	<input type="text"/>
Service Provided	<input type="text"/>
Clearances	
Environmental Clearance Date (for activity)	<input type="text"/>
Excluded Party List System Clearance Date (Contractor Verification/Clearance)	<input type="text"/>
Contract Executed Date	<input type="text"/>

Financial Interest Disclosure Report		
TxCDBG Funds	Other Funds	Total Dollars
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="checkbox"/> Prime Contractor <input type="checkbox"/> Subcontractor		
If a subcontractor, list Prime		
<input type="text"/>		
<input type="checkbox"/> This contract will be funded through CDBG-R funding		
Section 3 Report		
<input type="checkbox"/> The company reported qualifies as a Section 3 Business Concern.		
<input type="checkbox"/> The contract reported is for \$100,000 or more. (Company is subject to Section 3 reporting requirements if checked).		

Minority Business Enterprise Report	
<input type="checkbox"/> The company reported is a business with a contract for at least \$10,000 . (Report MBE info below if checked.)	
Race of Owner	<input type="text"/>
Ethnicity of Owner	<input type="text"/>
Gender of Owner	<input type="text"/>

Describe the work to be completed:

(if more than one business will be procured for similar work, indicate the specific work included in this contract)



Texas Department of Rural Affairs
 Texas Community Development Block Grant Program
 PO Box 12877
 Austin, TX 78711

POLICY ISSUANCE

CDBG 10-02a

SUBJECT: SECTION 3 COMPLIANCE - addendum

Effective Date: August 15, 2011

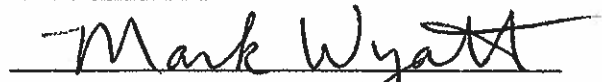
ACTION: This Policy Issuance - addendum modifies Policy Issuance 10-02 to include appropriate additions to the monitoring checklist based on the policies included in that Policy Issuance. The following section is added to the checklist:

SECTION 3 POLICY REQUIREMENTS					
		Y	N	N/A	DOCUMENT SOURCE AND COMMENTS
1.	Did the Grant Recipient prepare and make available the written Section 3 Policy to the public?				
2.	Did the Grant Recipient implement the Section 3 Policy? (Specific tasks may vary according to the Policy)				
3.	Did the Grant Recipient include the Section 3 Policy in the sample construction bid packets to prospective bidders?				
4.	If the prime construction contract is > \$100,000, did the Grant Recipient receive the <i>Section 3 Policy and Equal Opportunities Guidelines for Construction Contractors Form A1012</i> or a similar formatted form from the prime construction contractor?				

EFFECTIVE DATE:

TxCDBG Program Monitors will begin using the additional checklist items immediately.

Thank you for your efforts to ensure compliance with all federal, state and program requirements. If you have any questions or if we can provide any further assistance, please contact me or Community Development Manager Suzanne Barnard at 512-936-0247 or suzanne.barnard@tdra.state.tx.us.


 Mark Wyatt, Director
 Texas Community Development Block Grant Program

