



# SECTION 3 PLAN

Aurora Housing Authority  
10745 East Kentucky Avenue  
Aurora, Colorado 80012  
(720) 251-2100  
[www.aurorahousing.org](http://www.aurorahousing.org)

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This Plan implements the requirements under 24 CFR Part 135 for the Aurora Housing Authority. It is not intended to replace or supersede any part of the regulation and where there may be unintentional omissions in this Plan, compliance with 24 CFR 135 is required.

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## Introduction

Section 3 refers to Section 3 of the Housing and Urban Development Act of 1968 and is implemented at 24 CFR 135. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

Section 3 applies to training, employment, contracting and other economic opportunities arising from the expenditure of the following public and Indian housing assistance:

1. Development assistance provided pursuant to Section 5 of the U.S. Housing Act of 1937 (the Act);
2. Operating assistance provided pursuant to Section 9 of the Act; and
3. Modernization assistance provided pursuant to Section 14 of the Act.

Programs administered by the Aurora Housing Authority (AHA) that fall under the above Sections of the Act are:

- Low Rent Public Housing Annual Contributions Contract (Section 5 of the Act)
- Low Rent Public Housing Operating Fund (Section 9 of the Act)
- Low Rent Public Housing Capital Fund (Section 9 of the Act)

Section 3 applies to the Aurora Housing Authority and all its contractors and subcontractors performing work in connection with projects and activities funded by public and Indian housing assistance, regardless of the amount of funds expended. Section 3 does not apply to routine maintenance, repair and replacement, or to contracts for supplies and materials only.

This Plan also applies to housing that utilizes other HUD funding used for housing construction and rehabilitation (including reduction and abatement of lead-based paint hazards). (See 24 CFR Part 135 for dollar thresholds for other federal funds, such as Community Development Block Grant (CDBG) and HOME Investment and Partnership program (HOME), which are commonly used in new construction and rehabilitation of affordable housing.)

Section 3 applies to the entire project even if only a portion of the project was funded with HUD funding.

No person shall be discriminated against on the basis of age, race, color, religion, sex, national origin, disability, veteran status, sexual orientation or any other status protected by State or local law in all phases of employment by AHA, contractors and subcontractors.

## Definitions

*Business Concern* means a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

*Section 3 Business Concern* means a business concern that is (1) 51 percent or more owned by Section 3 residents; or (2) 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 business concern were Section 3 residents; or (3) that provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the definitions of (1) or (2).

*New hires* mean full-time employees for permanent, temporary or seasonal employment opportunities

*Section 3 resident* means (1) a public housing resident; or (2) an individual who resides in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and who is (i) a low-income person<sup>1</sup>, or (ii) a very low-income person<sup>2</sup>. A person seeking the training and employment preference provided by Section 3 bears the responsibility of providing evidence that the person is eligible for the preference

*Service area* means the geographical area in which the persons benefitting from the Section 3 covered project reside, but shall not extend beyond the unit of general local government.

## SECTION I: Aurora Housing Authority (AHA) Recruitment Plan

AHA includes in its employee Recruitment Plan efforts to offer employment opportunities to Section 3 residents, which includes notification of employment opportunities to:

1. Residents of the housing development(s) for which the Section 3 covered assistance is expended (Category 1 Residents);
2. Residents of other housing developments managed by AHA that is expending the Section 3 covered housing assistance (Category 2 Residents);
3. Participants in HUD Youthbuild programs being carried out in the metropolitan area (or nonmetropolitan county) in which the Section 3 covered assistance is expended (Category 3 Residents);

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<sup>1</sup> Household income does not exceed 80% of the area median income as established by HUD annually.

<sup>2</sup> Household income does not exceed 50% of the area median income as established by HUD annually.

4. Other Section 3 residents, which may include outreach to residents participating in other AHA programs, including Section 8 Housing Choice Vouchers, if it is cost effective to do so.

Notifications to Section 3 Residents may consist of:

- Posting flyers that include information on the position(s) to be filled, the qualifications required, and where to obtain additional information about the application process in common areas, including lobbies, mailbox locations, laundry rooms, community rooms and other prominent areas within housing developments owned and managed by AHA;
- Notifying Resident Councils, resident management corporations or other resident organizations, where they exist, in the housing development(s) where Category 1 or Category 2 persons reside;
- Posting job notifications in the lobby of AHA's main office;
- Notifying community organizations that represent and/or assist Section 3 residents, including State and local job training programs, to find training and employment opportunities. Such outreach may include:
  1. Arapahoe/Douglas Works!
  2. Adams County Workforce & Business Center
  3. Aurora Community College
  4. Pickens Technical College
  5. Local YouthBuild program

See Appendix C for program contact information

- To the community at-large by posting information on the position(s) to be filled, the qualifications required, and where to obtain additional information about the application process on AHA's website at [www.aurorahousing.org](http://www.aurorahousing.org). Postings may also be posted to Connecting Colorado at [www.connectingcolorado.com](http://www.connectingcolorado.com) and other public advertising means.

AHA may advertise an open position first to incumbent employees and Section 3 Residents before advertising the position to the general public.

Where there are more qualified Section 3 residents than there are positions to be filled, AHA will maintain a file of eligible qualified Section 3 residents for future employment positions for a period of one year. AHA will place Section 3 applicants in the following order of preference: Category 1 Residents, Category 2 Residents, Category 3 Residents, and other Section 3 Residents.

Section 3 residents seeking Section 3 hiring preferences shall certify, or submit evidence to the AHA, if requested, that the person is a Section 3 resident. An example of evidence is evidence of receipt of public assistance or evidence of participation in a public assistance program.

There is no requirement to offer employment to a Section 3 Resident who does not meet the qualifications of the position to be filled.

AHA will undertake reasonable and continuous job training efforts as may be necessary to ensure the continued employment of Section 3 residents previously hired for employment opportunities. However, employment with the Housing Authority is at-will and AHA reserves its rights to terminate employees for any reason with or without advance notice.

Other economic opportunities to train and employ Section 3 residents include, but need not be limited to, use of “upward mobility,” “bridge” and trainee positions to fill vacancies; hiring Section 3 residents in management and maintenance positions within other housing developments; and hiring Section 3 residents in part-time positions.

Numerical Goals. AHA will strive to demonstrate compliance with “the greatest extent feasible” requirement of Section 3 by establishing a goal that at least 30% of its new hires each year, in aggregate, be Section 3 Residents at all job levels.

## **SECTION II: Procurement and Contracting**

Solicitations for Bids. All solicitations for bids issued by AHA will include a reference to the Section 3 clause found at 24 CFR Section 135.38 when applicable (see Appendix A). Requests for Proposals will include the requirement that bidders include in their proposals their efforts to comply with Section 3 when new hires will be required to work on the Section 3 covered project. (See AHA’s Procurement Policy for more information the procurement of goods and services.)

AHA may demonstrate compliance with Section 3 by utilizing the following examples when soliciting for bids:

Where a Section 3 covered contract is to be awarded based upon the lowest price, the contract may be awarded to the qualified Section 3 business concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified Section 3 business concern is within 10 percent of the lowest responsive quotation from any qualified source, the award will be made to the source with the lowest quotation.

Where a Section 3 covered contract is to be awarded based on factors other than price, a rating system may be used that evaluates all merits of proposals, including price. The rating system will provide for a range of 15 to 25 percent of the total rating points to be set aside to provide a preference to Section 3 business concerns. The contract may be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

For Section 3 covered contracts procured by sealed bid (contracts of \$100,000 or more and where price is the only factor,) refer to the Appendix to Part 35 (Appendix B of this document) for examples pertaining to preferences for Section 3 business concerns. Contractors may be expected to carry out the examples in Appendix B as appropriate for the size of the project and the anticipated number of new hires. AHA will work with contractors to determine the appropriate outreach methods.

Bidders that claim to be Section 3 Business Concerns may be requested to show evidence.

Contracting. All applicable contracts will include the Section 3 Clause, which includes the responsibility of contractors to include the Section 3 Clause in its contracts with subcontractors who work on the AHA project.

AHA will not contract with any contractor where AHA has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR part 135.

Contractor Hiring Practices - Preference for Section 3 Residents. AHA will direct contractors (and direct them to require their subcontractors) to make efforts to direct training and employment opportunities to Section 3 residents in the following order of priority:

1. Residents of the housing development(s) for which the Section 3 covered assistance is expended (Category 1 Residents);
2. Residents of other housing developments managed by AHA that is expending the Section 3 covered housing assistance (Category 2 Residents);
3. Participants in HUD Youthbuild programs being carried out in the Denver metropolitan area or county in which the Section 3 covered assistance is expended (Category 3 Residents.)
4. Other Section 3 residents, which may include outreach to residents participating in other AHA programs, including Section 8 Housing Choice Vouchers, if it is cost effective to do so.

Section 3 residents seeking the preferences shall certify, or submit evidence to the recipient, contractor or subcontractor, if requested, that the person is a Section 3 resident. An example

of evidence is evidence of receipt of public assistance or evidence of participation in a public assistance program.

There is no requirement to offer training or employment to a Section 3 resident who does not meet the qualifications of the position to be filled.

Other economic opportunities to train and employ Section 3 residents include, but need not be limited to, use of “upward mobility,” “bridge” and trainee positions to fill vacancies; hiring Section 3 residents in management and maintenance positions within other housing developments; and hiring Section 3 residents in part-time positions.

#### Contractors and Subcontractors - Preference for Section 3 Business Concerns

AHA will direct contractors (and direct them to require their subcontractors) to make efforts to award contracts to Section 3 business concerns in the following order of priority:

1. Business concerns that are 51-percent or more owned by residents of the housing development(s) for which the Section 3 covered assistance is expended, or whose full-time, permanent workforce includes 30-percent of these persons as employees (Category 1 Businesses);
2. Business concerns that are 51-percent or more owned by residents of other housing development(s) managed by AHA that is expending the Section 3 covered assistance, or whose full-time, permanent workforce includes 30-percent of these person as employees (Category 2 Businesses);
3. HUD Youthbuild programs being carried out in the Denver metropolitan area or county in which the Section 3 covered assistance is expended (Category 3 Businesses);
4. Business concerns that are 51-percent or more owned by Section 3 residents, or whose permanent, full-time workforce includes no less than 30-percent Section 3 residents (category 4 businesses), or that subcontract in excess of 25-percent of the total amount of subcontracts to Category 1 or Category 2 Business Concerns.

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

A Section 3 Business Concern seeking a contract or a subcontract shall submit evidence to the recipient, contractor, or subcontractor (as applicable), if requested, sufficient to demonstrate to the satisfaction of the party awarding the contract that the Business Concern is responsible and has the ability to perform successfully under the terms and conditions of the propose contract. (The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors subject to AHA and federal procurement standards.) This regulation requires consideration of, among other factors, the

potential contractor's record in complying with public policy requirements. Section 3 compliance is a matter properly considered as part of this determination.

A recipient or contractor may provide economic opportunities to establish stabilize or expand Section 3 Business Concerns, including micro-enterprises. Such opportunities include, but are not limited to the formation of Section 3 joint ventures, financial support for affiliating with franchise development, use of labor only contracts for building trades, purchase of supplies and materials from housing authority resident-owned businesses and use of procedure under 24 CFR part 963 regarding housing authority contracts to housing authority resident-owned businesses. See 24 CFR 135.40 (c) for additional information.

*Numerical Goals.* Contractors and subcontractors may demonstrate compliance with the "greatest extent feasible" requirement by meeting the numerical goals for providing training, employment, and contracting opportunities to Section 3 residents and Section 3 Business Concerns. Numeric goals pertain to new hires.

Contractors and subcontractors may demonstrate compliance by committing to employ Section 3 residents as follows:

1. At least 30-percent of the aggregate number of new hires each year
2. When other HUD programs, including Community Development assistance, (e.g. HOME and CDBG) where there is a managing general partner affiliated with an aggregate of 500 or more units in any fiscal year within the City of Aurora, the managing partner or management agent may demonstrate compliance with numerical goals by 30-percent of the aggregate number of new hires each year.

Contractors and subcontractors may demonstrate compliance with the requirements to award to Section 3 Business Concerns as follows:

1. At least 10-percent of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction; and
2. At least three percent of the total dollar amount of all other Section 3 covered contracts

While it is prohibited to split bids to avoid compliance with federal procurement regulations, jobs may be split into smaller components in order to assist Section 3 Businesses to compete for the work.

Joint ventures may qualify as Section 3 Businesses if the Section 3 partner has a clearly defined portion of the work and performs at least 25% of the work and proportional compensation.

## **Solicitations and Outreach for Training and Employment Opportunities**

The Appendix to Part 35 provides examples of efforts to offer training and employment opportunities to Section 3 Residents and examples of efforts to award contracts to Section 3 Business Concerns.

## **SECTION III: Reporting**

AHA is required to submit Form HUD-60002 to HUD's Economic Opportunity Division each year. Pursuant to 24 CFR 135.90, the form is due at one of the following intervals:

1. The program providing Section 3 covered funding requires the submission of an annual performance report - Form HUD-60002 shall be submitted at the time that the annual report is due; or
2. No annual performance report is required for the program providing Section 3 covered funding - Form HUD-60002 shall be submitted by January 10<sup>th</sup> of each year; or
3. Form HUD-60002 shall be submitted within 10 days of project completion if the project is completed prior to January 10<sup>th</sup>.

The form and instructions may be accessed at the following website:

<http://www.hud.gov/offices/adm/hudclips/forms/files/60002.pdf>

**More information on Section 3 and the HUD Office of Fair Housing, including how to file a complaint, may be accessed at the following website:**

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/aboutfheo/aboutfheo](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/aboutfheo/aboutfheo)

## Appendix A

Sec. 135.38 Section 3 clause.

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 clause):

A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. 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.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, 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.

D. 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 the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. 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.

G. With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

## Appendix B

### Appendix to Part 135

#### **I. Examples of Efforts To Offer Training and Employment Opportunities to Section 3 Residents**

- (1) Entering into "first source" hiring agreements with organizations representing Section 3 residents.
- (2) Sponsoring a HUD-certified "Step-Up" employment and training program for Section 3 residents.
- (3) Establishing training programs, which are consistent with the requirements of the Department of Labor, for public and Indian housing residents and other Section 3 residents in the building trades.
- (4) Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every occupied dwelling unit in the housing development or developments where category 1 or category 2 persons (as these terms are defined in Sec. 135.34) reside.
- (5) Advertising the training and employment positions by posting flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of the housing development or developments. For HAs, post such advertising in the housing development or developments where category 1 or category 2 persons reside; for all other recipients, post such advertising in the housing development or developments and transitional housing in the neighborhood or service area of the Section 3 covered project.
- (6) Contacting resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments where category 1 or category 2 persons reside, and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.
- (7) Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by an HA or contractor representative or representatives at a location in the housing development or developments where category 1 or category 2 persons reside or in the neighborhood or service area of the Section 3 covered project.
- (8) Arranging assistance in conducting job interviews and completing job applications for residents of the housing development or developments where category 1 or category 2 persons reside and in the neighborhood or service area in which a Section 3 project is located.
- (9) Arranging for a location in the housing development or developments where category 1 persons reside, or the neighborhood or service area of the project, where job applications may be delivered to and collected by a recipient or contractor representative or representatives.
- (10) Conducting job interviews at the housing development or developments where category 1 or category 2 persons reside, or at a location within the neighborhood or service area of the Section 3 covered project.
- (11) Contacting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild program participants for the HA's or contractor's training and employment positions.
- (12) Consulting with State and local agencies administering training programs funded through JTPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 residents for the HA's or contractor's training and employment positions.
- (13) Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
- (14) Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the Section 3 business concerns identified in part 135), that will undertake, on behalf of the HA, other recipient or contractor, the efforts to match eligible and qualified Section 3 residents with the training and employment positions that the HA or contractor intends to

fill.

(15) For an HA, employing Section 3 residents directly on either a permanent or a temporary basis to perform work generated by Section 3 assistance. (This type of employment is referred to as "force account labor" in HUD's Indian housing regulations. See 24 CFR 905.102, and Sec. 905.201(a)(6).)

(16) Where there are more qualified Section 3 residents than there are positions to be filled, maintaining a file of eligible qualified Section 3 residents for future employment positions.

(17) Undertaking job counseling, education and related programs in association with local educational institutions.

(18) Undertaking such continued job training efforts as may be necessary to ensure the continued employment of Section 3 residents previously hired for employment opportunities.

(19) After selection of bidders but prior to execution of contracts, incorporating into the contract a negotiated provision for a specific number of public housing or other Section 3 residents to be trained or employed on the Section 3 covered assistance.

(20) Coordinating plans and implementation of economic development (e.g., job training and preparation, business development assistance for residents) with the planning for housing and community development.

## **II. Examples of Efforts To Award Contracts to Section 3 Business Concerns**

(1) Utilizing procurement procedures for Section 3 business concerns similar to those provided in 24 CFR part 905 for business concerns owned by Native Americans (see Section III of this Appendix).

(2) In determining the responsibility of potential contractors, consider their record of Section 3 compliance as evidenced by past actions and their current plans for the pending contract.

(3) Contacting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying Section 3 businesses which may solicit bids or proposals for contracts for work in connection with Section 3 covered assistance.

(4) Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information, in the common areas or other prominent areas of the housing development or developments owned and managed by the HA.

(5) For HAs, contacting resident councils, resident management corporations, or other resident organizations, where they exist, and requesting their assistance in identifying category 1 and category 2 business concerns.

(6) Providing written notice to all known Section 3 business concerns of the contracting opportunities. This notice should be in sufficient time to allow the Section 3 business concerns to respond to the bid invitations or request for proposals.

(7) Following up with Section 3 business concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.

(8) Coordinating pre-bid meetings at which Section 3 business concerns could be informed of upcoming contracting and subcontracting opportunities.

(9) Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that Section 3 business concerns can take advantage of upcoming contracting opportunities, with such information being made available in languages other than English where appropriate.

(10) Advising Section 3 business concerns as to where they may seek assistance to overcome limitations such as inability to obtain bonding, lines of credit, financing, or insurance.

(11) Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 business concerns.

(12) Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by Section 3 business concerns.

(13) Contacting agencies administering HUD Youthbuild programs, and notifying these agencies of the contracting opportunities.

(14) Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation, and radio advertising.

(15) Developing a list of eligible Section 3 business concerns.

(16) For HAs, participating in the "Contracting with Resident-Owned Businesses" program provided under 24 CFR part 963.

(17) Establishing or sponsoring programs designed to assist residents of public or Indian housing in the creation and development of resident-owned businesses.

(18) Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to Section 3 business concerns.

(19) Supporting businesses which provide economic opportunities to low income persons by linking them to the support services available through the Small Business Administration (SBA), the Department of Commerce and comparable agencies at the State and local levels.

(20) Encouraging financial institutions, in carrying out their responsibilities under the Community Reinvestment Act, to provide no or low interest loans for providing working capital and other financial business needs.

(21) Actively supporting joint ventures with Section 3 business concerns.

(22) Actively supporting the development or maintenance of business incubators which assist Section 3 business concerns.

### **III. Examples of Procurement Procedures That Provide for Preference for Section 3 Business Concerns**

This Section III provides specific procedures that may be followed by recipients and contractors (collectively, referred to as the "contracting party") for implementing the Section 3 contracting preference for each of the competitive procurement methods authorized in 24 CFR 85.36(d).

(1) Small Purchase Procedures. For Section 3 covered contracts aggregating no more than \$25,000, the methods set forth in this paragraph (1) or the more formal procedures set forth in paragraphs (2) and (3) of this Section III may be utilized.

(i) Solicitation. (A) Quotations may be solicited by telephone, letter or other informal procedure provided that the manner of solicitation provides for participation by a reasonable number of competitive sources. At the time of solicitation, the parties must be informed of: the Section 3 covered contract to be awarded with sufficient specificity; the time within which quotations must be submitted; and the information that must be submitted with each quotation.

(B) If the method described in paragraph (i)(A) is utilized, there must be an attempt to obtain quotations from a minimum of three qualified sources in order to promote competition. Fewer than three quotations are acceptable when the contracting party has attempted, but has been unable, to obtain a sufficient number of competitive quotations. In unusual circumstances, the contracting party may accept the sole quotation received in response to a solicitation provided the price is reasonable. In all cases, the contracting party shall document the circumstances when it has been unable to obtain at least three quotations.

(ii) Award. (A) Where the Section 3 covered contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified Section 3 business concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified Section 3 business concern is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.

(B) Where the Section 3 covered contract is to be awarded based on factors other than price, a request for quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25

percent of the total number of available rating points to be set aside for the provision of preference for Section 3 business concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

(2) Procurement by sealed bids (Invitations for Bids). Preference in the award of Section 3 covered contracts that are awarded under a sealed bid (IFB) process may be provided as follows:

(i) Bids shall be solicited from all businesses (Section 3 business concerns, and non-Section 3 business concerns). An award shall be made to the qualified Section 3 business concern with the highest priority ranking and with the lowest responsive bid if that bid

(A) is within the maximum total contract price established in the contracting party's budget for the specific project for which bids are being taken, and

(B) is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible bidder. "X" is determined as follows:

	x=lesser of:
When the lowest responsive bid is	
Less than \$100,000	10% of that bid or \$9,000
At least \$100,000, but less than \$200,000	9% of that bid, or \$16,000
At least \$200,000, but less than \$300,000	8% of that bid, or \$21,000
At least \$300,000, but less than \$400,000	7% of that bid, or \$24,000
At least \$400,000, but less than \$500,000	6% of that bid, or \$25,000.
At least \$500,000, but less than \$1 million	5% of that bid, or \$40,000
At least \$1 million, but less than \$2 million	4% of that bid, or \$60,000
At least \$2 million, but less than \$4 million	3% of that bid, or \$80,000
At least \$4 million, but less than \$7 million	2% of that bid, or \$105,000
\$7 million or more	1-1/2% of the lowest responsive bid, with no dollar limit.

(ii) If no responsive bid by a Section 3 business concern meets the requirements of paragraph (2)(i) of this Section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

(3) Procurement under the competitive proposals method of procurement (Request for Proposals (RFP)). (i) For contracts and subcontracts awarded under the competitive proposals method of procurement (24 CFR 85.36(d)(3)), a Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals.

(ii) One of the evaluation factors shall address both the preference for Section 3 business concerns and the acceptability of the strategy for meeting the greatest extent feasible requirement (Section 3 strategy), as disclosed in proposals submitted by all business concerns (Section 3 and non-Section 3 business concerns). This factor shall provide for a range of 15 to 25 percent of the total number of available points to be set aside for the evaluation of these two components.

(iii) The component of this evaluation factor designed to address the preference for Section 3 business concerns must establish a preference for these business concerns in the order of priority ranking as described in 24 CFR 135.36.

(iv) With respect to the second component (the acceptability of the Section 3 strategy), the RFP shall require the disclosure of the contractor's Section 3 strategy to comply with the Section 3 training and employment preference, or contracting preference, or both, if applicable. A determination of the contractor's responsibility will include the submission of an acceptable Section 3 strategy. The contract award shall be made to the responsible firm (either Section 3 or non-Section 3 business concern) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.

## Appendix C

### **Arapahoe/Douglas Works!**

Name: Cassandra Snow, Business Development Representative  
Address: 5500 S. Quebec Street, Suite 175 | Greenwood Village, CO 80111  
Phone: 303.636.1515  
Email: [csnow@co.arapahoe.co.us](mailto:csnow@co.arapahoe.co.us)  
Website: [www.adworks.org](http://www.adworks.org)

### **A/D Works Youth Program**

Name: Robert Baronas, GCDF, Workforce Specialist  
Address: 5500 S. Quebec Street, Suite 175, Greenwood Village, CO 80111  
Phone: 303.636.1253  
Email: [rbaronas.co.arapahoe.co.us](mailto:rbaronas.co.arapahoe.co.us)  
Website: [www.adworks.org](http://www.adworks.org)

### **Adams County Workforce & Business Center**

Name: Rebecca Post  
Address: 4430 S. Adams County Pkwy, 1<sup>st</sup> Floor, Suite W5000, Brighton, CO 80601  
Phone: (720) 523-6923  
Email: [rpost@adcogov.org](mailto:rpost@adcogov.org)  
Website: [www.co.adams.co.us/](http://www.co.adams.co.us/) (click on Workforce and Business Center)

NOTE: Only one Workforce Center need be contacted. All Centers work together to list job postings

### **Aurora Community College**

Name: Suzanne Payne, Computer Aided Drafting Instructor  
Address:  
Phone:  
Email: [STPAYNE@aps.k12.co.us](mailto:STPAYNE@aps.k12.co.us)  
Website:  
Notes: send flyers for job openings and Suzanne will post them

### **Aurora Public Schools - Deconstruction Program**

Name: Kate Hoilien, BETA Teacher  
Address: Room 200 CTE Building, 9150 E. Union Ave., Greenwood Village, CO 80111  
Phone: 720-554-4553  
Email: [choilien@cherrycreekschools.org](mailto:choilien@cherrycreekschools.org)  
Website:

**Pickens Technical College (Aurora Public Schools)**

Name: Larry Moore  
Address: 500 Airport Blvd., Aurora, CO 80011  
Phone: (303) 344-4910  
Email: lrmoore@aps.k12.co.us  
Website: www.pikenstech.org

**YouthBuild Program/Mile High Youth Corps**

Name: Alexandra  
Address: 1801 Federal Blvd., Denver, CO 80204  
Phone: (303) 433-1206; youth jobs (720) 407-7281  
Email: alexandraL@mhyc.net  
Website: [www.milehighyouthcorps.org/](http://www.milehighyouthcorps.org/)

**City of Aurora**

Name: Laura Allen-Hatcher, Community Development Program Specialist  
Address: 9898 E. Colfax Ave., 2<sup>nd</sup> floor, Aurora, CO 80010  
Phone: (303) 739-7921  
Email: lhatcher@auroragov.org  
Laura will try to get job opportunities posted to the City's website

**Websites for job postings**

[www.aurorahousing.org](http://www.aurorahousing.org)

[www.connectingcolorado.org](http://www.connectingcolorado.org)