

**Quotations for Small Purchases (QSP)
CONDITIONS TO QUOTE – NON CONSTRUCTION**



Solicitation No. QSP- 1964-153

Date: March 19, 2019

Project Description: Electronic Content Management System

INTRODUCTION

The Housing Authority of the County of Contra Costa (hereinafter, “HACCC”) is a public entity that provides federally subsidized housing and housing assistance to low-income families within the County of Contra Costa. HACCC is governed by a six-person Board of Commissioners and is subject to the requirements of Title 24 of the Code of Federal Regulations (hereinafter, “CFR”) and HACCC’s procurement policy. An Executive Director is appointed by the Board and is responsible for managing the daily operations of the agency with a budget of approximately \$180 million and a staff of 88.

HACCC owns and manages 963 public housing units and 17 affordable tax credit developments. HACCC also manages approximately 8,400 families through the Housing Choice Voucher Program and Continuum of Care Grants.

In keeping with its mandate to provide efficient and effective services, HACCC is now soliciting Quotation for Small Purchases (QSP) from qualified, licensed, and insured entities to provide services to HACCC as listed below. All bids submitted in response to this solicitation must conform to all of the requirements and specifications outlined within this document and any designated attachments in its entirety.

Accessing the QSP Solicitation
All solicitations are posted on our website at www.contracostahousing.org go to (Purchasing and click, you will see the solicitations listed) and on our internet e-Procurement System at ha.economicengine.com . In order to review and submit proposal pricing for our solicitations, you must first register for free access to review and submit pricing for HACCC solicitations at ha.economicengine.com . (HACCC Company ID: 11057.) If you have any problems registering or using the internet e-Procurement System, contact the site administrator at 1-859-335-5306 or via email at Larry.t.hancock@gmail.com .
Responding to the QSP Solicitation - Entry of Proposed Fees
Quoters must submit proposed pricing only through our internet e-Procurement System. HACCC will not accept proposed pricing verbally, by mail, telephone or fax!
Contact Person for Procurement & Solicitations
HACCC Contracting Official for Procurement & Solicitations is: Cynthia E. Simpson, Director of General Services, Procurement Agent (PA) Telephone (925) 957-8040, TDD (925) 957-1685, Email: csimpson@contracostahousing.org
Pre-Bid Conference Meeting
Thursday, March 28, 2019, at 10:00AM HACCC Central Office, 3133 Estudillo Street, Martinez, CA 94553
Contact for Project Information
Jesse Hunter – Program Analyst Telephone (925) 957-7027, Email: jehunter@contracostahousing.org
Bid Due Date
Each quoter shall submit his/her proposed costs, prior to the posted deadline, as provided for herein. HACCC reserves the right to extend the posted deadline at any time prior to the deadline, if, in the opinion of the PA, it is in the best interests of HACCC to do so. Submit Quotes no later than 2:00 P.M. on Wednesday, April 10, 2019.



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- 1.0 **Applicability:** By submitting a quote to HACCC, the firm or individual doing so (hereinafter, "the quoter") is automatically agreeing to abide by all terms and conditions listed herein, including those terms and conditions within the HUD document, *Table 5.1, Mandatory Contract Clauses for Small Purchases other than Construction*, which is attached hereto.
- 2.0 **HACCC Reservation of Rights:** HACCC reserves the right to:
 - 2.1 **Right to Reject, Waive, or Terminate the QSP.** Reject any or all proposals, to waive any informality in the QSP process, or to terminate the QSP process at any time, if deemed by HACCC to be in its best interests.
 - 2.2 **Right to Not Award.** Not to award a contract pursuant to this QSP.
 - 2.3 **Right to Terminate.** Terminate a contract awarded pursuant to this QSP, at any time for its convenience upon 10 days written notice to the successful proposer (s).
 - 2.4 **Right to Determine Time and Location.** Determine the days, hours, and locations that the successful proposer(s) shall provide the services called for in this QSP.
 - 2.5 **Right to Retain Proposals.** Retain all proposals submitted and not permit withdrawal for a period of 60 days subsequent to the deadline for receiving proposals without the written consent of HACCC Procurement Agent (PA).
 - 2.6 **Right to Negotiate.** Negotiate the fees proposed by the proposer entity.
 - 2.7 **Right to Reject any Proposal.** Reject and not consider any proposal that does not meet the requirements of this QSP, including but not necessarily limited to incomplete proposals and/or proposals offering alternate or non-requested services.
 - 2.8 **No Obligation to Compensate.** Have no obligation to compensate any proposer for any costs incurred in responding to this QSP.
 - 2.9 **Right to Prohibit.** At any time during the QSP or contract process to prohibit any further participation by a proposer or reject any proposal submitted that does not conform to any of the requirements detailed herein. By accessing the ha.economicengine.com, e-Procurement Marketplace (hereinafter, the "e-Procurement Internet System") and by downloading this document, each prospective proposer is thereby agreeing to abide by all terms and conditions listed within this document and within the e-Procurement Internet System, and further agrees that he/she will inform the PA in writing within 5 days of the discovery of any item listed herein or of any item that is issued thereafter by HACCC that he/she feels needs to be addressed.
 - 2.10 **Right to Reject - Obtaining Competitive Solicitation Documents.** The e-Procurement Internet System (ha.economicengine.com) is the only official and appropriate venue to obtain the competitive solicitation documents on behalf of HACCC (and any other information pertaining to the competitive solicitation such as addenda). According, by submitting a response to this competitive solicitation the respondent thereby affirms that he/she obtained all information from (ha.economicengine.com) the e-Procurement Internet System. Any other



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group such as a proposal depository that informs potential respondents of the availability of such competitive solicitations are hereby instructed to not distribute these documents to any such potential respondents, but to instruct the potential respondents to visit the e-Procurement Internet System (ha.economicengine.com) to obtain the documents. HACCC will reject without consideration any response submitted from a firm that has not obtained the documents from the e-Procurement Internet System (ha.economicengine.com).

- 3.0 **Quoter's Responsibility:** Each quoter must carefully review and comply with all instructions provided herein, provided within any named attachments and those provided within this QSP.
- 4.0 **Hold Price/Non-Escalation:** By submitting a quote, and whereas the quote sum submitted is a firm-fixed quote, each quoter thereby agrees to "hold" or not increase the proposed quote prices during the term of the work.
- 5.0 **Purchase Order (PO) and/or Contract:** HACCC will procure the applicable goods or services by issuance of a PO/Contract and/or an HACCC Contract. By submitting a quote, the successful quoter thereby agrees to confirm receipt of the PO/Contract in the manner directed by HACCC.
 - 5.1 **Award Criteria:** If an award is completed pursuant to this QSP, and unless otherwise instructed in writing by the PA, award shall be made to the most responsive and responsible quoter that submits the lowest cost.
- 6.0 **Invalid or Alternate Quotes:** Failure to complete and submit all required information, or to add any additional requirements not acceptable to HACCC, may invalidate the quote submitted. Furthermore, HACCC shall reserve the right to reject, without consideration, all quotes that do not meet the requirements of this QSP.
- 7.0 **Shipping Costs:** Each quoted sum submitted shall include completion of the specified services at HACCC site or location, as specified within this QSP and on the PO/Contract issued.
- 8.0 **Assignment of Personnel:** HACCC shall retain the right to demand and receive a change in personnel assigned by the successful quoter to provide services to HACCC if HACCC believes that such change is in the best interest of HACCC and the completion of the work or any provision of the items.
- 9.0 **Unauthorized Sub-Contracting Prohibited:** The successful quoter shall not assign any right, nor delegate any duty for the work proposed pursuant to this QSP (including, but not limited to, selling or transferring the ensuing PO/Contract) without the prior written consent of the PA. Any purported assignment of interest or delegation of duty, without the prior written consent of the PA shall be void and may result in the cancellation of the PO/Contract with HACCC.
- 10.0 **Licensing and Insurance Requirements:** Prior to award (but not as a part of the quote submission) the *successful quoter* will be sent via an e-mail, a "Vendor-Contractor Packet", from the Procurement Department requesting specific documents and information, some of which is listed in the following:
 - 10.1 An original certificate evidencing the quoter's current industrial Worker's Compensation Insurance carrier and coverage amount, if applicable;



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- 10.2 An original certificate evidencing General Liability Insurance coverage, naming HACCC as an additional insured, together with the appropriate endorsements to said policy reflecting the addition of HACCC, 3133 Estudillo Street, Martinez, CA 94553 as an additional insured under said policy (minimum of \$1,000,000 each occurrence, general aggregate minimum limit of \$1,000,000, together with damage to premises and fire damage of \$50,000 and medical expenses any one person of \$5,000), with a deductible of not greater than \$1,000;
 - 10.3 An original certificate evidencing the quoter's Automobile Insurance coverage, naming HACCC as an additional insured, together with the appropriate endorsements to said policy reflecting the addition of HACCC, 3133 Estudillo Street, Martinez, CA 94553 as an additional insured under said policy in a combined single limit of \$500,000. For every vehicle utilized during the term of this program, when not owned by the entity, each vehicle must have evidence of automobile insurance coverage with limits of no less than \$50,000/\$100,000 and medical pay of \$5,000.
 - 10.4 A copy of the Contractors Business License allowing the Contractor to provide such services within the jurisdiction of the County of Contra Costa or the appropriate city/town.
 - 10.5 A copy of the Contractor's License issued by the State of California licensing authority allowing the Contractor to provide the services detailed herein. (If applicable)
 - 10.6 A valid and current W-9 Document (Taxpayer ID number and Certification).
- 11.0 Documents That Apply to This QSP:**
These 'Conditions To Quote' are as noted on the internet e-Procurement system;
www.ha.economicengine.com.
- 11.1 HUD for Table 5.1, Mandatory Contract Clauses for Small Purchases Other than Construction: (Attachment A).
 - 11.2 Section 3 Business Preference Documentation (Optional Item): For any quoter claiming a Section 3 Business Preference, please read (Attachment B), as it also includes the Section 3 Certification Forms. If a quoter is claiming Section 3 Business Preference, he/she must fully complete and execute these forms and submit them to HACCC Procurement as part of their bid.
 - 11.3 HACCC reserves the right to require the successful contractor to utilize any form required by HUD to complete the required work and by submitting his/her quote each contractor agrees to do so at no additional charge.



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- 12.0 **Scope of Work (SOW):** HACCC is seeking proposals from qualified and licensed entities to provide HACCC with the following services:

Submit proposals to provide software, configuration, installation, training and ongoing support to meet the needs of an enterprise content management (ECM) system for electronic filing of scanned-in documents, to be implemented by mid May, 2019.

Accordingly, HACCC prefers perpetual licensing over subscription based agreements and on-line data hosting over on-site data storage. Online data hosting should be able to hold about 8000 tenant folders which will contain roughly 400 pages each and about 3000 vendor folders which will have less than 100 pages each.

Initial need will be for 9 users with full retrieval/read/write access to all records and 32 users who will only need retrieval /read only access.

In the future, HACCC desires to expand the use of the software to include more users, additional record types, and features that enable streamlining of work processes related to these documents.

HACCC is interested in a detailed description and prices of the full range of IT services which can be offered or provided by any respondents for future reference. This Statement of Work (SOW) does not include a request for proposals (RFP) for hardware nor “back file scanning” services. Those will be addressed in a future RFP.

13.0 **Technical Specifications:**

13.1 **Document Imaging and Capture**

Ability to process documents of mixed types, sizes, and conditions, support for leading scanners and input devices, image enhancement features, ability to capture color documents and integrate with leading capture systems.

Ability to import any document, report or other content that is printable from a Windows Application directly into the ECM solution.

13.2 **Indexing**

Support fielded indexing, full-text indexing, barcode recognition and barcode generation.

Provide automated data capture, i.e. zoned optical character recognition / intelligent character recognition support for index extraction, barcode recognition, etc., as well as manual indexing and data entry.

Provide full audit trail for all changes to indexing information, and ability to modify.

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existing indexes.

13.3 Document Management

Provide a single logical repository for documents (accessed by multiple users in multiple on-site or remote locations and ability to store all object types, including document images, document and desktop files, PDF, JPEG, TXT RFT, photos, videos, audio, email, support check in/check and version control.

Allows for annotations and redactions with security, major and minor versions. Ability to support published versions (finalized available for public viewing) versus non-published versions (editable, only available to users with rights).

Provide the ability to create custom reports using meta-data.

13.4 Records Management

Provide support for reliable retention of documents in accordance with relevant regulations/best practices.

Provide the ability to ensure timely disposition (disposal) of documents in accordance with relevant best practices (keeping an audit of all record destructions, providing certifiable proof of destruction).

Provide the ability to notify administrators or managers when disposition or migration is called for.

Provide the ability to define retention and disposition schedules.

Provide the ability for users (with rights) to declare documents or content as records, add them to the records repository, and assign a status to prevent destruction.

Provide security over electronic records to ensure trustworthiness so it can be upheld in court, i.e. appropriate backups, security, version control, retrieval capabilities, access control.

13.5 Content Security

Provide the ability to set security at the user and group levels.

Provide the ability to limit what users can see and do based on security level.

Provide the ability to provide access to previous document versions, based on security.

Provide the ability to maintain audit log for user actions.

Provide support for single, sign-on environments.



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Provide support for security access control down to the document and annotation levels.

Provide the ability to output reports regarding audit tracking information.

13.6 Search and Retrieval

Support multi-attribute search of indexes or document text (when OCR legible).

Support searching attached notes (if your software supports attaching notes).

13.7 Browsing /Folders

Allows users to create, move, copy, and re-order folders and subfolders.

Allows folders and sub-folders to be auto created when new documents are added.

Allows users to add notes to folders.

13.8 Workflow

Provide the ability to support advanced routing logic within work processes.

Support configurable workflows to allow separate workflows for different departments.

Provide the ability to route images, documents or work items based on any available index criteria.

Provide the ability to support both serial and parallel routing.

Provide the ability to generate a notification for high priority, escalations, pending and overdue work items.

Provide the ability for users to draw from a shared queue of work tasks.

Provide the ability to integrate with other systems for notification of pending work tasks, i.e. email, etc.

Provide the ability for users to digitally sign a work item or document.

Provide the ability for users to specify delegates to complete their work tasks when they are unavailable.

Provide visibility into different users' tasks and workloads by managers for work balancing and metrics.

13.9 Licensing, Support, and Maintenance



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Provide software maintenance and ability to forward upgrade.

Provide customer support, technical support, off-hours support and documentation to assist end users.

13.10 Training

Provide initial and ongoing training.

13.11 Optional Capabilities (available capabilities that will not be purchased at this time)

Capability to allow clients to fill out and submit forms through a website.

Capability to allow clients to have read-only access to their documents through a website.

14.0 Current Information for HACCC Technology Environment

14.1 Major Application Software

Online-Hosted Yardi Voyager (7S) – Enterprise Software for Public and Affordable Housing

14.2 Server Environment

2 Dell Servers running Windows 2012 R2 (VMware 6.7)

Active Directory on 2012 Domain Controllers.

Microsoft Exchange 2013 Hybrid with Microsoft 365 hosted exchange (VMware 6.7).

Dell Layer 3 switches connecting central office with ten remote sites.

Dell data domain storage server 11Tb size.

14.3 Workstations

Dell computers running Windows 7 or Windows 10



ATTACHMENT A

*HUD for Table 5.1, Mandatory Contract Clauses for Small
Purchases Other than Construction*

TABLE 5.1 of HUD Procurement Handbook 7460.8 REV 2

MANDATORY CONTRACT CLAUSES FOR SMALL PURCHASES OTHER THAN CONSTRUCTION

The following contract clauses are required in contracts pursuant to 24 CFR 85.36(i) and Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. HUD is permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy. The PHA and contractor is also subject to other Federal laws including the U.S. Housing Act of 1937, as amended, Federal regulations, and state law and regulations.

Examination and Retention of Contractor's Records. The PHA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until three years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

Right in Data and Patent Rights (Ownership and Proprietary Interest). The PHA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials, and documents discovered or produced by Contractor pursuant to the terms of this Contract, including, but not limited to, reports, memoranda or letters concerning the research and reporting tasks of the Contract.

Energy Efficiency. The Contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

Procurement of Recovered Materials

(a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

(b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

Termination for Cause and for Convenience (contracts of \$10,000 or more).

(a) The PHA may terminate this contract in whole, or from time to time in part, for the PHA's convenience or the failure of the Contractor to fulfill the contract obligations (cause/default). The PHA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the PHA all information, reports, papers, and other materials accumulated or generated in performing the contract, whether completed or in process.

(b) If the termination is for the convenience of the PHA, the PHA shall be liable only for payment for services rendered before the effective date of the termination.

(c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (cause/default), the PHA may (1) require the Contractor to deliver to it, in the manner and to the extent directed by the PHA, any work described in the Notice of Termination; (2) take over the work and prosecute the same to completion by contract of otherwise, and the Contractor shall be liable for any additional cost incurred by the PHA; and (3) withhold any payments to the Contractor, for the purpose of set-off or partial payment, as the case may be, of amounts owned by the PHA by the Contractor. In the event of termination for cause/default, the PHA shall be liable to the Contractor for reasonable costs incurred by the Contractor before the effective date of the termination. Any dispute shall be decided by the Contracting Officer.

ATTACHMENT B

*Section 3 Business Preference Information, Documentation &
Forms - (Optional Item)*

(Optional Item)

**CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3 BUSINESS PREFERENCE
IN CONTRACTING AND DEMONSTRATION OF CAPABILITY**

NAME OF BUSINESS: _____

ADDRESS OF BUSINESS: _____

TYPE OF BUSINESS: Corporation Partnership Sole Proprietorship Joint Venture

Attached is the following documentation as evidence of status:

For business claiming status as a Section 3 resident-owned Enterprise:

Copy of resident lease Other evidence Copy of evidence of participation in a public assistance program

For the business entity as applicable:

- | | |
|--|---|
| <input type="checkbox"/> Copy of Articles of Incorporation | <input type="checkbox"/> Certificate of Good Standing |
| <input type="checkbox"/> Assumed Business Name Certificate | <input type="checkbox"/> Partnership Agreement |
| <input type="checkbox"/> List of owners/stockholder and % of each | <input type="checkbox"/> Corporation Annual Report |
| <input type="checkbox"/> Latest Board minutes appointing officers | <input type="checkbox"/> Additional documentation |
| <input type="checkbox"/> Organization chart with names and titles and brief functional statement | |

For business claiming Section 3 status by subcontracting 25% of the dollar awarded to qualified Section 3 business:

List of subcontracted Section 3 business and subcontract amount

For business claiming Section 3 status, claiming at least 30% of their workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business:

- | | |
|--|---|
| <input type="checkbox"/> List of all current full time employees | <input type="checkbox"/> List of all employees claiming Section 3 status |
| <input type="checkbox"/> PHA Residential lease (less than 3 years from date of employment) | <input type="checkbox"/> Other evidence of Section 3 status (less than 3 years from date of employment) |

Evidence of ability to perform successfully under the terms and conditions of the proposed contract:

- | | |
|---|--|
| <input type="checkbox"/> Current financial statement | <input type="checkbox"/> List of owned equipment |
| <input type="checkbox"/> Statement of ability to comply | <input type="checkbox"/> List of all contracts for the past 2 years with public policy |

Corporate Seal

Authorizing Name and Signature

Notary

My term expires: _____

Title

Signature

Date

Printed Name

SUGGESTED AFFIRMATIVE ACTION PLAN FOR UTILIZATION OF PROJECT AREA BUSINESSES

Number Of All Contracts Proposed: _____

Name Of Company: _____

Dollar Value Of All Contracts Proposed: _____

Project: _____

To The Greatest Extent Feasible, Contracts Will Be Awarded Through Negotiation Or Bid To Qualified Project Area Businesses.

Goal Of These Contracts For Project Area Businesses:

PROPOSED TYPE OF CONTRACT	APPROX. COST	PROPOSED TYPE OF CONTRACT	APPROX. COST

Outline The Program To Achieve These Goals For Economically And Socially Disadvantaged:

NOTE: To Complete The Affirmative Action Plan, Follow Steps Outlines In Attached Exhibit.

DATE: _____

Signature

Date

Printed Name

**SUGGESTED AFFIRMATIVE ACTION PLAN FOR UTILIZATION OF PROJECT AREA BUSINESSES
(cont'd)**

SUGGESTED SECTION 3 PRELIMINARY WORKFORCE STATEMENT UTILIZATION OF LOWER INCOME PROJECT AREA RESIDENTS AS REGULAR, PERMANENT EMPLOYEES, TRAINEES, APPRENTICES.

COMPANY NAME: _____

ADDRESS: _____

PROJECT: _____

	PRESENT PERMANENT EMPLOYEES (At Time of Contract Signing)	SECTION 3 WORKFORCE PROJECTION (Residents)	TOTAL PROJECTED WORKFORCE INCREASE
TRAINEES			
APPRENTICES			
JOURNEYPERSONS			
LABORERS			
SUPERVISORY			
SUPERINTENDENT			
PROFESSIONAL			
CLERICAL			

NOTE: RESIDENTS ARE THOSE LOWER INCOME PROJECT AREA RESIDENTS WHO HAVE BEEN QUALIFIED AS ELIGIBLE.

Signature

Date

Printed Name

SECTION 3 BUSINESS PREFERENCE CLAUSE

This contract is subject to the following conditions under Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3).

- 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 or 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 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 (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 Enterprise. 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).

PREFERENCE FOR SECTION 3 BUSINESS CONCERNS IN CONTRACTING OPPORTUNITIES

HACCC has established the following priority for preference when providing contracting opportunities to Section 3 Businesses:

Priority I

Category 1a Business

Business concerns that are 51 percent or more owned by residents of the housing development or developments for which the Section 3-covered assistance is expended.

Priority II

Category 1b Business

Business concerns whose workforce includes 30 percent of residents of the housing development for which the Section 3-covered assistance is expended, or within three (3) years of the date of first employment with the business concern, were residents of the Section 3-covered housing development.

Priority III

Category 2a Business

Business concerns that are 51 percent or more owned by residents of any other housing development or developments.

Priority IV

Category 2b Business

Business concerns whose workforce includes 30 percent of residents of any other public housing development or developments, or within three (3) years of the date of first employment with the business concern, were "Section 3" residents of any other public housing development.

Priority V

Category 3 Business

Business concerns participating in HUD Youth-build programs being carried out in the metropolitan area in which the Section 3-covered assistance is expended.

Priority VI

Category 4a Business

Business concerns that are 51 percent or more owned by Section 3 residents in the metropolitan area, or whose permanent, full-time workforce includes no less than 30 percent of Section 3 residents in the metropolitan area, or within three (3) years of the date of employment with the business concern, were Section 3 residents in the metropolitan area.

Priority VII

Category 4b Business

Business concerns that subcontract in excess of 25 percent of the total amount of subcontracts to Section 3 business concerns.

Eligibility for Preference

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

HUD directs within 24 CFR 135 that HACCC may make award to qualified Section 3 business concern with the highest priority ranking and with the lowest responsive bid if that bid is:

- (a) within the maximum total contract price established by HACCC; or
- (b) 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" = LESSOR OF:	
When the lowest responsive bid is less than \$100,000	10% of that bid, or \$9,000.00
When the lowest responsive bid is at least:	
\$100,000.00, but less than \$200,000.00	9% of that bid, or \$16,000.00
\$200,000.00, but less than \$300,000.00	8% of that bid, or \$21,000.00
\$300,000.00, but less than \$400,000.00	7% of that bid, or \$24,000.00
\$400,000.00, but less than \$500,000.00	6% of that bid, or \$25,000.00
\$500,000.00, but less than \$1,000,000.00	5% of that bid, or \$40,000.00
\$1,000,000.00, but less than \$2,000,000.00	4% of that bid, or \$60,000.00
\$2,000,000.00, but less than \$4,000,000.00	3% of that bid, or \$80,000.00
\$4,000,000.00, but less than \$7,000,000.00	2% of that bid, or \$105,000.00
\$7,000,000.00, or more	1.5% of the lowest responsive and responsible bid with no dollar limit