

**CROSBY HOUSING & REDEVELOPMENT AUTHORITY  
AGREEMENT FOR NON-CONSTRUCTION SERVICES OR WORK**

This CONTRACT AGREEMENT ("Agreement") is made on \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between the **Crosby Housing & Redevelopment Authority** ("HRA") located at 324 East River Road, Brainerd, Minnesota 56401, and \_\_\_\_\_ ("Contractor") located at \_\_\_\_\_.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**SECTION 1. APPLICABLE CONTRACT DOCUMENTS.**

1.1 This Agreement for services or non-construction services or work (with or without maintenance work), together with the other Contract Documents used for the types of projects described in the section, represents the entire and integrated agreement between the parties and supersedes prior negotiations, representations, or agreements, either written or oral.

1.2 If the awarded bid or quoted price for the work or awarded response to the HRA's request for proposals ("RFP") for services is not funded in whole or in part by the U.S. Department of Housing and Urban Development ("HUD"), the Contract Documents forming the entire Agreement between HRA and Contractor shall consist of this Agreement, and any exhibits, attachments or other documents HRA deems necessary to incorporate into the Agreement by reference herein (collectively the "Contract Documents").

1.3 If the awarded bid or quoted price for the work or awarded response to the RFP for services, without maintenance, and is greater than \$150,000, and the project is in whole or in part by HUD, then the Contract Documents shall consist of the documents described in Section 1.2 above and include the General Contract Conditions for Non-Construction Contracts ("Form HUD-5370-C", Section I), as the provisions therein may apply to the project.

1.4 If the awarded bid or quoted price for the work or awarded response to the RFP for services, including nonroutine maintenance as defined at 24 Code of Federal Regulations ("CFR") 905.100, and is greater than \$2,000 but not more than \$150,000 and the project is funded in whole or in part by HUD, then the Contract Documents shall consist of the documents described in Section 1.2 above and include Form HUD-5370-C Section II, as the provisions therein may apply to the project.

1.5 If the awarded bid or quoted price for the work or awarded response to the RFP for services, including nonroutine maintenance, and is greater than \$150,000, and the project is funded in whole or in part by HUD, then the Contract Documents shall consist of the documents described in Section 1.2 above and include Form HUD-5370-C Sections I and II, as the provisions therein may apply to the project.

1.6 The Contract Documents are to be read as a whole and meaning given to each provision where possible. If an ambiguity exists in the Contract Documents, the specific provision shall take precedence over the general provision and the more stringent Contractor performance standard shall take precedence over the less stringent provision, provided the standard is in compliance with applicable law. If two provisions within the Contract Documents are substantially identical or duplicative, then the clauses in combination shall apply where possible, but if use of both provisions is contradictory or absurd, the provision appearing in this Agreement shall be used unless there is an applicable HUD-5370- C provision. In such case, the applicable HUD provision shall apply.

## **SECTION 2. CONTRACTOR TERMS AND CONDITIONS.**

2.1 Contractor shall furnish all labor, material, skill, and equipment necessary or required to perform all the work or services in the Contract Documents generally described as follows:

[Describe]

2.2 Contractor shall provide labor and materials and services as shown in the Contract Documents. The price ("Price") including all taxes and permit fees shall be: \$ \_\_\_\_\_. If the Price is based on unit prices then the Price shall be:

[Describe]

2.3 Contractor shall promptly pay for all materials, labor and equipment used in, or in connection with its performance of this Agreement, or the performance of its subcontractors and suppliers, when such bills or claims become due and indemnify and hold harmless the Project and the HRA from all claims and mechanic's liens, and upon HRA request, furnish satisfactory evidence to the HRA, when and if required that the Contractor has complied with the above requirements.

2.4 Contractor shall begin work or services within \_\_\_\_\_ calendar days after being notified, in writing by the HRA that Contractor may proceed ("Notice to Proceed"). Contractor further agrees that except for delays caused solely by the HRA or excusable delay, the Contractor will complete its work or services on a timely basis after its receipt of the Notice to Proceed. Contractor agrees that time is of the essence in performing the work or services.

2.5 Contractor agrees to proceed with the work or services in an orderly, consistently timely and reasonable sequence and to abide by the HRA's decision as to all Contractor storage and working spaces of the Project.

2.6 To the fullest extent permitted by law, Contractor agrees to indemnify, defend and hold harmless the HRA, and HRA's agents and representatives, the City of Brainerd, and the HRA's lenders from any and all losses or damage from third claims or causes of action (including without limiting the generality of the foregoing, attorneys' fees and disbursements paid or incurred by the HRA to enforce the provisions of this paragraph) occasioned by the failure of Contractor to carry out the provisions of this Agreement arising out of bodily injury, sickness, disease or death,

or to injury to or destruction of tangible property to the extent caused by the negligent acts or omissions of the Contractor, a Contractor subcontractor or supplier, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such a claim, damage, loss or expense is alleged to have been caused in part by a party indemnified hereby. Further, in claims against any person or entity indemnified under this section by an employee of the Contractor, a subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

2.7 Contractor agrees to provide a performance bond and payment bond if Contractor will utilize subcontractors or suppliers, satisfactory to the HRA prior to the beginning of work or service if the Contract Price is \$50,000 or greater.

2.8 Subject to additional terms set forth in the Contract Documents, Contractor agrees to obtain worker's compensation insurance as is required by law, comprehensive general liability and property damage insurance to protect the Contractor and the HRA against claims for bodily injury or death or for damage to property occurring upon, in or about the Project, for the applicable claims period for this Project, and to have the HRA named as an additional insured with limits in amounts at least equal to those specified below or as otherwise may be required by HUD, if the Project is funded in whole or in part thereby, and the HUD required amount is greater than below:

Risk Insurance	\$1,000,000.00 Aggregate
Bodily Injury Liability	\$1,000,000.00 Each Person
General Liabilities, Including Automobiles	\$5,000,000.00 Aggregate
Property Damage Liability	\$1,000,000.00 Aggregate
Worker's Compensation	As required by law

2.8.1 Any and all insurance shall be issued by an "A" rated insurance company or companies. Contractor agrees to furnish the HRA with satisfactory evidence that he has complied with this paragraph. Contractor further agrees to obtain and furnish the HRA with an undertaking by the insurance company issuing each such policy that such policy will not be canceled except after thirty (30) days written notice to the HRA of its intention to do so.

2.8.2 Contractor agrees to assume the entire responsibility and liability for all damages or injury to any and all individuals, whether employees or otherwise and to all property, including the HRA's property arising out of, resulting from, or in a manner connected with the performance of the Work or occurring or resulting from the use by Contractor, its agents or employees of materials, equipment, instrumentality's or other property, whether the same is owned by the HRA, Contractor or third parties, and Contractor agrees to indemnify, defend and save harmless the HRA, his agents and employees from any and all such claims, including, without limiting the generality of the foregoing claims for which the HRA may be, or may be claimed to be liable and attorneys' fees and disbursements paid or incurred to enforce the provisions of this paragraph.

2.9 Contractor agrees to accept responsibility for all damage caused by Contractor to clean and repair all surfaces soiled or damaged by Contractor or its subcontractors or suppliers, and to protect the work or subject of its services. If any dispute arises between Contractor and its subcontractors as to which is responsible for any time of damage, Contractor shall be responsible to first timely repair or pay for the damage or repair and later resolve allocated responsibilities for the damage among those responsible.

2.10 When using subcontractors approved by the HRA for the work or services, Contractor shall supervise and direct the work or services, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, the means, methods, techniques, sequences, and procedures used and for coordinating all portions of the work or services under the Contract Documents unless they give other special instructions concerning these matters. In such case the Contractor shall evaluate the jobsite safety and shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences, or procedures. If the Contractor determines that the Contract Documents direct means, methods, techniques, sequences, or procedures that are not safe, Contractor shall give timely written notice to the HRA and shall not proceed with that portion of the work or services without further written instructions from HRA.

2.11 Contractor is solely responsible for initiating, maintaining, and supervising all safety precautions and measures in connection with the performance of this Agreement and agrees to take all safety precautions with respect to its work or services and shall comply with all applicable laws, ordinances, rules and regulations and lawful orders of any public or governmental authority for the safety of persons or property.

2.12 Contractor agrees not to assign any or all of this Agreement and not to assign any money due or to become due thereunder without first obtaining prior written consent of the HRA. Contractor shall supply the HRA with a list of all individuals or businesses to which it intends to subcontract the work or services or from which it will obtain materials or equipment. Such list is attached hereto as Exhibit B and incorporated herein by reference.

2.13 Contractor agrees not to employ any person who is reasonably unacceptable to the HRA. Contractor further agrees to remove any such person from the Project if the HRA reasonably requests.

2.14 Contractor agrees that the HRA, or its authorized representatives, shall have the right to order, in writing, the elimination or addition of any part or parts of the work or services in the Contract Documents. Equitable adjustments shall be made to the Contract Price for such omitted or added work or services. No extra work shall be allowed, or changes made by Contractor, or paid for by the HRA, unless and until authorized in writing by the HRA before the work or service changes are commence. Contractor agrees to sign attached Exhibit A to this Agreement and waives all claims for additions or changes unless the HRA has signed a written change order.

2.15 Contractor further agrees to give prompt written notice to the HRA Contracting Officer of all claims for extras, for requests of extensions of time and for damages for delays or otherwise, and in accordance with Contract Documents. Contractor agrees that any change orders

for an increase in the Price and an extension to the time of performance must be consented to in writing by the HRA prior to commencing work or services on the proposed change order. Contractor agrees that only **Eric Charpentier, Executive Director** is authorized to sign change orders on the HRA's behalf.

2.16 Execution of the Agreement by the Contractor is a representation that the Contractor has visited the site, become familiar with local conditions under which the work or services are to be performed and has correlated personal observations with requirements of the Contract Documents.

2.17 Contractor shall, before starting the work or services, carefully study and compare the various Contract Documents relative to work or services, as well as the information furnished by the HRA. Contractor shall promptly report to the HRA any errors, inconsistencies or omissions discovered by or made known to the Contractor that may affect its work or services as a request for information in such form as the HRA may require.

2.18 Contractor agrees that in case of default, in addition to HRA rights and remedies in the performance bond, the material and equipment of Contractor shall be left at the Project for use by the HRA in completing the Contractor's work or services. The HRA shall be obligated to pay the Contractor for all such material and equipment on a rental basis and returned to Contractor upon completion, provided, however, any additional costs or damages incurred by HRA due to Contractor's default may be an offset against costs otherwise owed by HRA to Contractor due to its default.

2.19 Contractor agrees to obtain, at its cost, all permits, all licenses, all plan approval, all inspections and all other governmental approvals necessary to this work or service and to comply with all federal, state, county, and municipal laws, codes and regulations and to pay all costs and expenses incurred in connection with such compliance, to pay all fees and taxes, including sales and use taxes, and also pay all taxes imposed by any state or federal law for any employment insurance, pensions, retirement funds or any similar purpose, and to furnish all necessary reports and information to the appropriate federal, state and municipal agencies, with respect to all of the foregoing, the same as though Contractor was in fact the HRA and to hold the HRA and any other contractor and/or subcontractor harmless from any and all losses or damage occasioned by the failure of Contractor to comply with the terms of this paragraph.

2.20 If any part of Contractor's work or service depends, for proper execution, upon the work of the HRA, or any other contractor, Contractor shall inspect and promptly report to the HRA any apparent discrepancies or defects in such work or service that renders unsuitable. Failure of the Contractor to inspect and report to the HRA shall constitute Contractor's acceptance of the work or service of the HRA and other contractors.

2.21 If HRA has agreed to partial or periodic payments during the work or service, Contractor shall provide complete invoices, receipts and executed lien waivers, if necessary, in the form required by the HRA, so that the HRA may accept, review, and approve said invoices for the current payment cycle. Request for payment will be deemed accepted by the HRA on the date the HRA determines, in its sole judgment, that the HRA has all the information required to process

the payment. Consistent with the Prompt Payment of Local Government Bills, Minnesota Statutes, Section 471.425 (“PPA”) governing payments in this Agreement.

2.22 As applicable to Contractor’s work or service and in accordance with the PPA, Contractor shall pay its subcontractors and suppliers within ten (10) days of receipt of payment from the HRA or pay interest to the subcontractors and suppliers on the obligation at a rate of 1.5% per month or any part of a month.

2.23 Contractor agrees to perform all work or services in accordance with and to otherwise abide in all respects with all applicable federal, state, and local laws, rules, and ordinances. Contractor is responsible for removing all its debris from the site at its sole expense and pay for any costs associated with fees for dumpster or landfill costs. The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by works or services under the Contract. At completion of the work or services, the Contractor shall remove any waste materials or Contractor property from the Project area.

2.24 The Contractor has no right to stop work or service due to the HRA’s withholding of partial or periodic payment due to a good faith dispute over Contractor’s performance under the terms of the Contract. The Contractor must diligently proceed with the Work pending resolution of the dispute.

2.25 If HUD is funding all or some portion of this Project, Contractor shall include in all its subcontractor agreements, the following “Section 3” clause:

- The work or services to be performed under this Agreement are 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-income persons, particularly persons who are recipients of HUD assistance for housing.
- The parties to this Agreement agree to comply with HUD’s regulations in 24 CFR part 75, which implemented Section 3. As evidenced by their execution of this Agreement, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 75 regulations.
- 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.

- The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 75, 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 75. 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 75.
- The Contractor will certify that any vacant employment positions, including training positions, which are filled: (1) after the Contractor is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 75 require employment opportunities to be directed, were not filled to circumvent the Contractor's obligations under 24 CFR part 75.
- Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- To Show Compliance with regulations 24 CFR Part 75. Complete and submit to the HRA on Section 3 covered project and all of his/her subcontractors. To be completed annually, due date is by December 31st or at the completion of the project if before, as described in Section 3 contract, exhibit C.

2.26 Contractor agrees to maintain for the duration of the Agreement, all requirements to comply with Minnesota Statutes, Section 16C.285 (Responsible Contractor).

2.27 Renewal Options. This contract is initially executed for the period of 1 year with the option, at the Agency's discretion, of 4 additional one-year option periods, for a maximum total of 5 years.

2.28 Contract Period: The Agency anticipates that it will initially award a contract for the period of 1 year with the option, at the Agency's discretion, of 4 additional one-year option periods, for a total maximum contract period of 5 years.

### **SECTION 3. HRA TERMS AND CONDITIONS.**

3.1 The HRA contracts with Contractor to do the Work described in Paragraph 1 hereof under the terms and conditions of the Contract Documents.

3.2 Pursuant to the PPA, the HRA agrees to pay Contractor the full amount due and properly owing, less retainage, if any, and other hold backs or offsets, upon satisfactory performance of the Work under this Agreement and upon the HRA's written acceptance of the Work.

3.3 Final payment, including all retainage and other hold backs or offsets, shall become due and payable within thirty (30) days after acceptance of the work or services in writing by the HRA. The HRA shall condition final payment upon receipt of IC 134 requirements, mechanic's lien waivers, if applicable, and upon Contractor providing to HRA any and all documents reasonably required by the HRA to assure Contractor's compliance with all federal, state, and local laws.

3.4 The HRA may terminate the Contract if the Contractor:

3.4.1 repeatedly is untimely in the performance of the work or services of the Contract, or refuses or fails to supply enough properly skilled workers or proper materials to fulfill the Contract requirements;

3.4.2 fails to make payment to subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the subcontractors;

3.4.3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or

3.4.4 is otherwise in substantial breach of a provision of the Contract Documents.

3.5 When the HRA terminates the Contract for one of the reasons stated in Sections 3.4 1-3.4.4 above, the Contractor shall not be entitled to receive further payment until the work or services resume as timely and satisfactorily performed.

3.6 The HRA may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the HRA may determine.

3.7 The HRA may, at any time, terminate the Contract for the HRA's convenience and without cause.

3.8 Upon receipt of written notice from the HRA of such termination for the HRA's convenience the Contractor shall:

3.8.1 cease operations as directed by the HRA in the notice;

3.8.2 take actions necessary, or that the HRA may direct, for the protection and preservation of the Work; and

3.8.3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts, and purchase orders and enter into no further subcontracts and purchase orders.



3.9 In case of termination for the HRA's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination.

3.10 **Potential Escalation of Rates.** Pertaining to the ensuing contract, the successful bidder may receive an escalation in costs as detailed following:

3.10.1.1 **Labor Costs.** At the discretion of the Agency, at the end of the first one-year contract period (and at the end of any ensuing extended contract period), there may be an escalation of costs allowed in the same amount of any escalation that occurs pertaining to the corresponding or most similar State of Minnesota Prevailing Wage Rates for the Crow Wing County area ("most similar," as determined by and at the sole discretion of the Agency). For example, if, at the end of the first contract period the listed prevailing wage rates increase 5% as compared with the listed rates on the date of contract execution, then the Contractor will, at the CO's discretion, be entitled to a 5% increase in the labor rates that he/she submitted in response to this RFP. Similarly, for ensuing years, the end-date of the previous contract period shall be the base-line date to determine the previous listed wage rate.

3.10.1.1.1 **Notification must be received from the Contractor.** The Contractor must notify the ED, in writing, of such desired escalation at least 60 days prior to the end of the noted contract period(s). Such escalations may occur no more than once in any 12-month period without the express written consent of the ED.

3.10.1.1.2 **Right to Reject.** As stated within this Section 3.3.3, the Agency reserves the right to reject any such request for an increase in fees if the Agency feels doing so is in its best interests. Similarly, the Contractor has the right to terminate services if the Agency rejects the request for an increase. This will occur in the following manner (procedure):

3.10.1.1.2.1 **Step No. 1.** The Contractor submits his/her written request for an increase, accompanied by the required documentation, to the Agency ED within the required 60-day period (please see the preceding Section 3.3.3.1 herein); then,

3.10.1.1.2.2 **Step No. 2.** The Agency considers the requested increase and, within 10 days of receipt of such, issues a written response to the Contractor as to whether the request is approved or rejected: and,

3.10.1.1.2.3 **Step No. 3.** If rejected and the Contractor wishes to, as a result, cease providing the services to the Agency, the Contractor has 10 days from the receipt of the written notice of rejection to deliver to the Agency ED a written notice that he/she is hereby invoking his/her right to discontinue the services within 120 days of the date this notice was delivered to the Agency (the specific date 120-days hence shall be written within the notice); then,

3.10.1.1.2.4 **Step No. 4.** The Agency will then endeavor to ensure that it makes other arrangements to replace the Contractor (i.e., contract with another firm; do the services in-house; etc.); further, if such other arrangements are completed by the Agency prior to the aforementioned 120-day date, the

Agency shall retain the right to deliver to the original Contractor a 10-day written notice to cease services (meaning, the 120-day period is a maximum additional contract period that the Agency may, at its discretion, shorten with such written notice).

#### **SECTION 4. MISCELLANEOUS PROVISIONS.**

4.1 It is the HRA's policy to resolve all contract disputes informally, without litigation if possible. Contractor disputes shall not be referred to HUD until all pre-litigation dispute resolution remedies have been exhausted at the HRA level, including mediation.

4.2 This Agreement shall not be modified except in writing signed by both the HRA and Contractor.

4.3 This Agreement shall be construed and governed by the substantive laws of Minnesota, without regard to choice of law principles.

4.4 Pursuant to Minnesota Statutes, Section 13.05, subd. 11, all of the data created, collected, received, stored, used, maintained, or disseminated by Contractor in performing this contract is subject to the requirements of the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, and Contractor must comply with those requirements as if it were a government entity. The remedies in Minnesota Statutes, Section 13.08 apply to Contractor. Contractor does not have a duty to provide access to public data to the public if the public data are available from the HRA.

4.5 Pursuant to Minnesota Statutes, Section 16C.05, subd. 5, Contractor agrees that the books, records, documents and accounting procedures and practices of Contractor, that are relevant to the Contract or transaction, are subject to examination by the HRA and the state auditor for a minimum of six (6) years. Contractor shall maintain such records for a minimum of six (6) years after final payment.

4.6 Pursuant to Minnesota Statutes, Section 181.59, the Contractor will take affirmative action to ensure that applicants are selected, and that employees are treated during employment, without regard to their race, color, creed, religion, national origin, sex, sexual orientation, marital status, status with regard to public assistance, membership or activity in a local civil rights commission, disability, or age. The Contractor agrees to be bound by the provisions of Minnesota Statutes, Section 181.59, that prohibits certain discriminatory practices and the terms of said section are incorporated into this contract.

IN WITNESS WHEREOF, the undersigned parties represent that they have caused this Agreement to be executed by the parties below.

*[Signature page to follow]*

CROSBY HOUSING AND  
REDEVELOPMENT AUTHORITY

Date: \_\_\_\_\_

By \_\_\_\_\_  
Its: Executive Director

CONTRACTOR:

Date: \_\_\_\_\_

By \_\_\_\_\_  
Its: Owner

**ARE YOU A CORPORATION? \_\_\_\_\_**  
**PLEASE PROVIDE ONE OF THE FOLLOWING:**

**FEDERAL ID # \_\_\_\_\_**  
**OR SOCIAL SECURITY # \_\_\_\_\_**

## EXHIBIT A

TO: All Contractors and Suppliers

RE: Extras, Change Orders and Waiver

Any and all additional work which deviates from the original contract price shall be at your own risk unless authorized in writing by the HRA prior to said work occurring.

Any and all changes must be documented by a written change order signed by the HRA/Representative. Other employees of the HRA do not have express, implied, or apparent authority to authorize additional work for the HRA. Verbal agreements or orders shall not constitute authorization and any work done pursuant to a verbal agreement or order shall be at your risk. This notice also constitutes your written waiver of any benefits conferred under a claim based on a quasi-contract if and when work occurs pursuant to a verbal agreement or order.

Please sign and return this to:

THE CROSBY HOUSING AND  
REDEVELOPMENT AUTHORITY

CONTRACTOR

By \_\_\_\_\_  
Its: Executive Director  
324 East River Road  
(218) 824-3425  
(218) 828-8817 Fax

By \_\_\_\_\_  
Its: Owner

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT B

### **VERIFICATION OF SUB-SUBCONTRACTORS AND SUPPLIERS**

Please list all of your subcontractors and/or suppliers you anticipate using for the Project on this form and return to the HRA at least 10 days prior to commencing your work. This form must be returned to us before your first pay request will be processed and it must be updated before all other pay requests are processed.

If you will not be using any subcontractors or suppliers, please state that on this form, sign the bottom and return it to the HRA.

I, the undersigned, hereby certify and swear that the following list of subcontractors and or suppliers, is complete, including any and all suppliers of labor and material to and for the Project.

_____	_____	_____
Firm	Amount	Contact Person/Phone

_____	_____	_____
Firm	Amount	Contact Person/Phone

_____	_____	_____
Firm	Amount	Contact Person/Phone

_____	_____	_____
Firm	Amount	Contact Person/Phone

_____	By _____
Firm	(Print Name)
	Its _____
	(Print Title)

**Section 3 Contract - Recipient Compliance and Reporting  
(Exhibit C)**

\*This form must be completed and submitted to the HRA by the awarded contractor of a Section 3 covered project and all of his/her subcontractors. To be completed annually, due date is by December 31<sup>st</sup> or at the completion of the project if before.

From: \_\_\_\_\_ For: \_\_\_\_\_  
Name of Contractor Name of Project

***What is Section 3?***

Under Section 3 of the Housing and Urban Development Act of 1968, whenever HUD financial assistance is given for housing or community development, to the greatest extent feasible, economic opportunities will be given to low and very low income workers, targeted section 3 workers, and section 3 business concerns in that area. The project being awarded has funding which is subject to Section 3 requirements. **\*Covered projects contractors and subcontractors are required to show a good faith effort to provide the following:**

**Quantitative Reporting**

1. Provide employment and training opportunities for **Section 3 Workers** (minimum of 25% total labor hours).
2. Provide employment and training opportunities for **Targeted Section 3 Workers** (minimum of 5% total labor hours).
3. Provide opportunities for **Section 3 Business Concerns** for service contracts.

**If 1 and 2 are not met, #4 is a must.**

**Qualitative Reporting**

4. Section 3 Outreach and Development Activities.

**QUANTITATIVE REPORTING:**

**A. Confirmation of hiring and training Section 3 Workers and Targeted Workers:**

- The total number of labor hours for the covered contract \_\_\_\_\_
- Labor hours for Section 3 Workers \_\_\_\_\_
- Labor hours Section 3 Targeted Workers \_\_\_\_\_

\*Please note that if hours are entered, you must also provide record of self-certification or employer certification of Section 3 Worker or Targeted Worker if not done at contract award.

**B. Confirmation for contracting or certifying as a Section 3 Business Concerns:**

\_\_\_\_No \_\_\_\_Yes

If Yes, please

- Provide Section 3 Business self-certification form, if not provided at time of award.
- Provide Screen Print Out of Section 3 Business is registered on HUD opportunity portal.

**Section 3 Contract - Recipient Compliance and Reporting  
(Exhibit C)**

**QUALITATIVE REPORTING:**

If contractor has not met or exceeded HUD Section 3 Safe Harbor/Benchmarks (percentages listed above) Contract recipient must report qualitative Section 3 Compliance activities. Contractor and subcontractors must document that they have conducted Section 3 Worker outreach and development activities.

**Section 3 Outreach and Development Activities Option:**

Select actions that the contractor/sub-contractor will complete and document:

- ☐ Recruit, advertise, and train by posting 5 day notices to include number of positions; job titles; section 3 preference; name and locations of where to apply; anticipated work begin date (attach copy of notice).
- ☐ Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- ☐ Provided training or apprenticeship opportunities.
- ☐ Provide assistance to apply for or attend colleges or technical schools
- ☐ Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
- ☐ Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
- ☐ Utilize the services HUD opportunity portal  
(<https://hudapps.hud.gov/OpportunityPortal/>) (attach copy of Section 3 Resume)
- ☐ Recruit via Section 3 Business Concern  
(<https://portalapps.hud.gov/Sec3BusReg/BRegistry/BRegistryHome>) (provide print out of Section 3 business registry result)
- ☐ Other outreach activities as listed in HUD Section 24 CFR 75.15(b) Additional reporting if Section 3 benchmarks are not met.

If selected contractor/subcontractors must provide documentation of what specific activity was conducted.

I certify that to the greatest extent feasible HUD Section 3 Workers, Targeted Workers, and Business Concerns were sought and utilized for labor, services, and construction subcontracts to comply with HUD Section 3 requirements. I certify no violations of federal regulations. I certify the information and documentation provided is true and correct.

\_\_\_\_\_  
Signature (Contractor or Subcontractors)

\_\_\_\_\_  
Date: