

RESOLUTION NO. 4967
DATE ADOPTED 2/22/01

RESOLUTION ESTABLISHING A GOAL OF HIRING RESIDENTS OF SAN FRANCISCO PUBLIC HOUSING TO CONSTITUTE AT LEAST TWENTY-FIVE PERCENT (25%) OF THE TOTAL WORKFORCE FOR CERTAIN TYPES OF CONTRACTS PERFORMED BY THE HOUSING AUTHORITY

WHEREAS, the San Francisco Housing Authority seeks to comply with and further the goals set forth in Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1701u, as amended, and its accompanying regulations in 24 CFR part 135 (hereinafter called Section 3) for resident hiring by contractors and subcontractors performing various types of work for the San Francisco Housing Authority; and,

WHEREAS, Section 3 regulations require beginning on October 1, 1996, all contractors in conjunction with their subcontractors on San Francisco Housing Authority projects hire eligible Section 3 residents to constitute a minimum of 30% of their aggregate new hires (full-time employees for permanent, temporary or seasonal employment) for each subsequent fiscal year; and,

WHEREAS, the San Francisco Housing Authority presently has a goal that Section 3 residents, hired in the priority order set forth in 24 CFR 135.34, will constitute a minimum of twenty-five percent (25%) of the total workforce (person-hours for all contractors and subcontractors) on all construction projects and construction related activities (e.g., architects and engineers); and,

WHEREAS, the San Francisco Housing Authority wishes to ensure that the maximum number of residents of public housing are employed in private and public sector jobs that afford them the ability to achieve their highest potential, gain vocational exposure, participate in the activities of public housing residential developments, and be employed by other contractors and subcontractors who provide services to the San Francisco Housing Authority; and,

WHEREAS, the San Francisco Housing Authority seeks to expand the Section 3 objectives to establish a goal that Section 3 residents, hired in the priority order set forth in 24 CFR 135.34, will constitute a minimum of twenty-five percent (25%) of the total workforce (person-hours for all contractors and subcontractors) on all contracts and purchases that are covered by Section 3 and by this resolution; and,

WHEREAS, the San Francisco Housing Authority defines all contracts and purchases covered by Section 3 and this resolution to include contracts and subcontracts for construction projects and construction related activities, e.g., architects and engineers; also included are personal and professional services such as legal counsel, consultants, security services, and other services. This resolution excludes contracts or purchases of supplies and materials unless the contract or purchase includes the installation of the supplies and materials; and

WHEREAS, the San Francisco Housing Authority wishes to assist Section 3 business concerns through preference in contracting opportunities or providing other economic opportunities; and

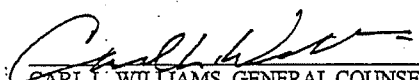
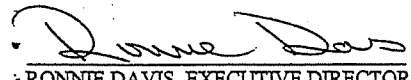
NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO THAT:

1. The solicitation documents for construction contracts over \$25,000 and non-construction contracts over \$50,000 covered by Section 3 requirements and by this resolution that are awarded by the San Francisco Housing Authority shall include provisions that give effect to the below enumerated requirements:
 - (a) Establish a goal requiring contractors, in conjunction with their subcontractors together, to hire residents of public housing such that residents constitute a minimum of twenty-five percent (25%) of the total workforce (calculated by person-hours) on all contracts and purchases covered by Section 3 and by this resolution for contracts awarded by the San Francisco Housing Authority.
 - (b) In those instances where the size of the contract, scope of work covered by the contract, the specialized technical expertise required, the term and urgency of the contract (as determined on a case basis) and/or the contractor's worksite is located outside the nine Bay Area Counties makes reaching the above 25% goal impractical, the contractor may, with approval of the Contracting Officer for the San Francisco Housing Authority, satisfy the resident hiring requirement by providing appropriate training and development of technical skills in the contractor's office (e.g., accounting, architectural, consultant, engineering, legal, etc.).
 - (c) Contracts covered by this resolution are those issued by the San Francisco Housing Authority and include construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements assisted with housing or community development assistance. This resolution goes beyond the requirements of Section 3 to include all contracts for professional and other services (e.g., architectural, consultant, engineering, legal, etc.) but excludes contracts for the purchase of supplies and materials unless these contracts include the installation of the supplies or materials. This resolution also covers construction on SFHA property even if the construction is not performed under contract with the SFHA and will extend to contractors and subcontractors engaged in such construction.
 - (d) A contractor who meets the goals set forth above is in compliance with this resolution. When the above goals are not met, the contractor must demonstrate to the Contracting Officer the reasons it is not feasible to meet the goal. The contractor's good faith efforts with regard to meeting the resident employment and Section 3 employment requirements under this resolution will be evaluated using Appendix to 24 CFR Part 135, Examples of Efforts to Offer Training and Employment Opportunities to Section 3 Residents. The evaluation will also include such factors as the size of the monetary value of the contract and the appropriateness of applying multiple criteria to meet the resident hiring requirements.

(e) Provide that a contractor's failure to realize the goal or to make a good faith effort as defined in Appendix to 24, CFR Part 135, Examples of Efforts to Offer Training and Employment Opportunities to Section 3 Residents, shall result in: (1) a cure notice issued when there is clear evidence the contractor will fail to meet the resident employment requirements before the completion of the contract (if not cured the contractor will be terminated for default and assessed penalties up to the date of determination); (2) penalties in the amount of \$45.00 (forty-five dollars) multiplied by the number of hours constituting the shortfall for each week of the shortfall (e.g., if 3,000 person hours were expended during the course of a given week for the project, then of those 3,000 hours, 750 must be worked by residents; if residents worked only 650 hours, and the contractor showed no good faith efforts, then penalties would be due in the amount of \$45.00 multiplied by the 100-hour shortfall, or \$4500.00), assessed upon completion of the project and payable to the San Francisco Housing Authority upon demand, or set off from amounts owed for work on the project; or (3) breach of contract; and/or (4) termination of the contract. In addition, penalties will be regarded by the SFHA as poor past performance and may be grounds for determining a contractor to be nonresponsible and ineligible for award of future contracts.

2. The Executive Director will use Section 3 provisions to grant preference for contracting opportunities for Section 3 business concerns; provide other training and employment related opportunities to low income people; and provide other business related economic opportunities that expand Section 3 businesses, including micro-enterprises.
3. This resolution supercedes and replaces Determination and Order Number D-109 of Resolution Number 4604 adopted 4/19/97 and compliments Resolution Number 4886 adopted 4/27/00 and Resolution Number 4908 adopted 6/22/00.

APPROVED AS TO FORM AND LEGALITY: REVIEWED BY:

	
CARL L. WILLIAMS, GENERAL COUNSEL	RONNIE DAVIS, EXECUTIVE DIRECTOR
Date <u>2-16-01</u>	Date <u>2-16-01</u>