Oklahoma Department of Commerce

Project Name and Number:	
Checklist Review by:	Contact Information:

Grantee Section 3 Review Checklist

NOTE: This form is to only be used for projects with over $200,000 in HUD funding with grant contracts dated after July 1, 2021.

- Section 3 FAQ https://www.hudexchange.info/section-3/faqs/
- Learn about https://www.hud.gov/program_offices/field_policy_mgt/section3
- Section 3 Training https://www.hudexchange.info/trainings/section-3/
- Section 3 https://www.hudexchange.info/programs/section-3/

At Grant Award or RROF and Removal of Contract Conditions

☐ Grantee adopts a resolution and "Attachment A" Section 3 Plan to comply with Section 3 at 24 CFR Part 75. The regulations at 24 CFR Part 75 are applicable to projects for which assistance or funds are committed on or after July 1, 2021.

☐ Have the Section 3 poster promoting Section 3 Business Registry and the Section Opportunity Portal hanging up at the City or County Building as well as any relevant places in the community (Job centers, etc).

At the time project goes out to bid

☐ Bid advertisement contains Section 3 language.

☐ Bid Documents contain Section 3 language under 24 CFR Part 75. This includes a Bidder Intent to Comply with Section 3 that is required to be submitted with bid documents. There is also a FAQ on Section 3 that should be included for bidders.

☐ Send bid documents to compliance specialist for approval (Grant Administrator or ODOC Project Manager).

☐ The Section 3 contract opportunity has been posted at https://hudapps.hud.gov/OpportunityPortal/ and documentation of posting has been obtained. An account log in will need to be created to post contract opportunities to this website.
A print out should be provided for verification to the OKGrants file.

- ☐ Directly solicit Section 3 business. A listing can be found at the following link. https://portalapps.hud.gov/Sec3BusReg/BRegistry/SearchBusiness Minority, Woman Owned, and Disadvantaged firms should also be directly solicited. Documentation must be in file.
- ☐ Any prebid meetings will need to discuss Section 3 requirements as well as documentation provided. Provide Section 3 monthly reporting form.
- ☐ Answer any questions bidders have regarding the new Section 3 regulations. Seek CDBG help if needed.

At the time of bid opening

- ☐ Verify Bid documents are completed with Section 3 requirements. The Section 3 Intent to Comply has also been signed by the bidder (contractor). In order to be an acceptable bidder, these must be completed. Note: Low- and very low-income individuals and Section 3 business concerns must be able to demonstrate that they have the ability or capacity to perform the specific job or successfully complete the contract that they are seeking.

- ☐ Preconstruction Conference: This is a very important time to discuss with contractor Section 3 compliance. Explain you must start early in the project to be in compliance with Section 3.

- ☐ It is very important contractors are made aware of their responsibilities; and grant recipients are required to ensure this has been completed. Ensure that contractors are made aware of their responsibilities and this is documented during the pre-construction conference.
- ☐ Provide the Section 3 monthly reporting form and explain all information on the form will be required. Discuss reporting requirements of Section 3 workers and Targeted Section 3 workers. The total number of labor hours that are worked on the Section 3 project must be reported along with how many hours are completed by Section 3 workers and Targeted Section 3 workers. Note: For those employers who do not track labor hours in detail through a time-and-attendance system, HUD does not require they acquire such a system. Instead, they may provide a good faith assessment of the labor hours for a full-or part-time employee. A project can't be completed until these hours are reported to ODOC. Explain that if safe harbor benchmarks aren't met, then the contractor is required to report a number of qualitative efforts to assist low- and very low-income persons with employment and training opportunities. Discuss with the contractor how they plan to meet the qualitative effort portion. Seek help from your CDBG compliance specialist if needed.

- ☐ Certification requirements and documentation of certification must also be present in a recipient's Section 3 file (OKGrants) for Section 3 Workers and Targeted Section 3 Workers.
  Explain what documentation is needed to be obtained by the company to verify Section 3 and Targeted Section 3 worker status.

  Note: Recipients may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established. Section 3 is no longer tracked by new workers only.

- ☐ Inform contractor they will be required to sign a contract with Section 3 requirements. Ensure proper Section 3 language is in contract. See Sample Section 3 Plan for contractors.

- ☐ Encourage contractors if they are using subcontractors to directly solicit from Section 3, disadvantaged and small businesses. This is one way they can show qualitative efforts to meet Section 3 regulations. Direct solicitation of subcontractors must be documented.
- ☐ Discuss with company if they provide apprenticeship opportunities, training or education assistance. This is another way to show qualitative efforts to meet Section 3 requirements.
- ☐ Provide the contractor with the two Section 3 posters. Explain the first poster is to promote the Section 3 Business Registry and the Section Opportunity Portal. It should be hung at the worksite, place of business, and any other relevant places such as job centers. The second poster must be placed at the worksite (labor board area) with a designated Section 3 coordinator. These actions will provide one qualitative effort to meet Section 3 requirements if safe harbor benchmarks are not met. https://www.hud.gov/program_offices/field_policy_mgt/section3/products
- ☐ Explain the importance of having a Section 3 coordinator for the project. The Section 3 coordinator for the selected company should be able to answer Section 3 questions or obtain Section 3 information. The Section 3 poster that is required at the job site requires a coordinator and contact information including an email and phone number. This is stated in the bidder intent to comply. All Section 3 inquiries should be documented.
- ☐ Ensure contractor fully knows Section 3 responsibilities. Explain the business can be prevented from bidding on future Section 3 projects if willful noncompliance is shown.
- ☐ Ensure documentation requirements of Section 3 are fully understood by contractor.

Final payment/ Monitoring/Project Closure

- ☐ One of the most important requirements is to keep adequate documentation of Section 3 requirements in grantee's file and this will be verified at monitoring. Record keeping requirements for recipients are found at 24 CFR § 75.31. Recipients are required to maintain documentation to demonstrate compliance with the regulations and are responsible for requiring their contractors/subcontractors to maintain or provide any documentation that will assist recipients in demonstrating compliance, including documentation that shows hours worked by Section 3 workers, Targeted Section 3 workers, and any qualitative efforts to comply with Section 3. Examples of documentation can be found in 24 CFR §75.31. Maintain supporting documentation that reflects the recipient's Section 3 compliance activities, along with affirmative action and equal opportunity efforts in the areas of employment, program benefits, contracting, and housing activities.
- ☐ Maintain direct solicitation, advertisements, and procurement records. Ensure contractor has Section 3 reporting requirements. Before final payment, it is encouraged to obtain this information.
- ☐ Section 3 closeout report must be completed for project closeout and submitted to ODOC.

If Section 3 reporting information is not obtained, a project cannot be closed as ODOC is required to report Section 3 information directly to HUD.