

APPENDIX F:
MAINE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FEDERAL LABOR STANDARDS HANDBOOK
&
FEDERAL CONSTRUCTION CONTRACT PROVISIONS FOR CONTRACTS
EXCEEDING \$100,000



**MAINE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FEDERAL LABOR STANDARDS HANDBOOK**



"BUILDING MAINE COMMUNITIES"

**Department of Economic & Community Development
Office of Community Development
111 Sewall Street, 3rd Floor, 59 State House Station
Augusta, Maine 04333-0059
(207) 624-7484 (Voice) (207) 287-6556 (TTY)**

DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

FEDERAL LABOR STANDARDS GUIDEBOOK

The purpose of this Guidebook is to create a “user friendly” resource for implementing Federal Labor Standards Compliance on Community Development Block Grant funded construction projects. This Guidebook is not intended to replace HUD Handbook 1344.1. This Handbook will still be found in the CDBG Administrator’s Guide and should be consulted for a more in-depth explanation of implementing Federal Labor Standards Compliance.

Take the time to read through this Guidebook and familiarize yourself with it during the planning process of your CDBG financed construction project. By doing so, you will have a good idea of what will be expected of you prior to contract award and once construction has begun.

Just What Are Labor Standards?

Federal Labor Standards are statutory provisions dealing with Federally funded construction projects. A summary of their contents is as follows:

Davis-Bacon Act (40 U.S.C. 276a-5)

This act provides that contracts in excess of **\$2,000** for construction related activities to public buildings or public works, which employ laborers and/or mechanics, shall contain provisions with respect to minimum wages, fringe benefits, payments without reductions or rebates, possible withholding of payments from contractors to ensure compliance, and contract termination and debarment provisions. These provisions are extended to HUD finances programs by a series of Related Acts, referred to as DBRA.

Contract Work Hours and Safety Standards Act (40 U.S.C 327 – 333)

This act states that all work in excess of 40 hours per week shall be compensated for at rates at least one and one-half times the basic hourly rate of pay. Further, the act contains provisions for rendering contractors and subcontractors liable for damages.

Copeland Act (Anti-Kickback Act) (40 U.S.C. 276c)

This act makes it a crime for any worker to be forced to give up any part of their compensation while working on a construction related project. Submission of weekly payrolls and statements of compliance by contractors and subcontractors which meets the requirements of 29 CFR Section 5.5, is required for contracts exceeding **\$2,000**. This act also permits only permissible deductions from employee paychecks.

GENERAL INFORMATION

Does Davis-Bacon and Related Acts Apply to My CDBG Project?

The answer to this question is almost certainly yes! Very few activities are exempted from Labor Standard Regulations. These are noted below:

- 1. Prime Contracts Below \$2,000.** These are exempted from Davis-Bacon Regulations no matter what their nature.
- 2. Certain Demolition Projects.** In instances where a blighted structure is to be demolished with no Federally financed construction to follow, the demolition is exempted. If, however, the demolition is a phase of a construction project to be financed by CDBG or other Federal monies, Davis-Bacon will apply to the demolition.
- 3. Housing Rehabilitation.** Contracts for the rehabilitation of **less than 8 units** of housing (either in one building or scattered site) are exempted.
- 4. Supply and Installation Contracts.** Materials contracts are not covered if they are to be installed by bona fide force account labor. Contracts that include only incidental installation of a material such as draperies are exempted.

Call OCD for assistance if you the slightest uncertainty about your project.

What do I have to do?

As a grantee, you will be responsible for assuring that your project complies with all aspects of Federal Labor Standards Compliance. Someone must be selected as the Labor Standards Compliance Officer. The Officer will work closely with the contractor in explaining the necessary procedures relating to Labor Standards Regulations required by law. This GuideBook has broken down the compliance process into 3 sections, which are presented in the order in which they occur. All necessary forms and instructions are included in the forms section which follows the text. If handled in a timely and efficient manner, Labor Standards Compliance will not cause an undue burden on your project.

REQUESTING A WAGE DETERMINATION

What is a Wage Determination?

A Wage Determination is a document issued by the U.S. Department of Labor that will inform you of the minimum wage rate that must be paid by the prime contractor and all subcontractors to each job classification (trade) that will work on your construction project.

Some rates will also have a required Fringe Benefit that must be paid to approved plans or as cash payments. Fringe Benefits are such things as health insurance, vacation time or retirement plans. Uniform allowances, travel time or worker's compensation are not fringe benefits and cannot count towards the total. For a more detailed description of Fringe Benefits, consult the 1344.1 HUD Manual or contact the Office of Community Development.

These Rates are issued for 4 different types of work, **Building Construction, Residential Construction, Heavy Construction and Highway Construction.** Detailed descriptions of each type are contained in the instruction pages in the forms section.

Are any Trades or Individuals Not Required to Receive a Minimum Rate?

Certain exceptions do exist, but they are limited. A brief explanation of some of these:

1. **Summer Youth.** Youths who are bona fide students and part of a bona fide "Youth Opportunity Program" may be paid lower rates on a temporary basis. Applicable stipulations must be met prior to their employment on the project. An application for use of Summer Youth on a Davis-Bacon project is available from OCD upon request.
2. **Force Account.** Use of municipal employees for such things as street paving or laying sewer lines is exempted. However, a contractor who works on a regular basis for a community, must comply when doing the same work.
3. **Self-Employed Owners.** Refer to the HUD Labor Relations letter on the Self-Employed (LR 96-01). It can be found at:
http://www.hud.gov/offices/olr/olr_9601.cfm
4. **Project Superintendents.** These individuals are not covered however, if they do work in listed trades, they must be paid the appropriate wage listed on the Wage Determination.
5. **Apprentices and Trainees.** May be paid less than wage rate if they are employed in a bona fide program registered with the U.S. Department of Labor.
6. **Project Foremen.** May not work more than 20% of his/her time performing duties covered by the Determination; if they do, they are working foremen and must be paid the applicable rate for work done.
7. **Project Engineers.**
8. **Watchmen, Water Carriers, Messengers, Clerical Workers.**

- 9. Volunteers.** Volunteers may work without pay on a construction project to which Davis-Bacon and Related Acts apply. An individual may not however, be paid for some work and volunteer for other. It is permissible to cover reasonable costs of volunteers such as travel or other incidental benefits. They must be approved by OCD in advance. Forms covering the use of volunteers are available from OCD upon request.

To Request a Wage Determination Do the Following:

1. Turn to the forms in this section of the Guidebook and fill out the Request for Wage Determination. Use the attached Instructions for Completion to direct you step by step in deciding what type of rate(s) you need and in completing the form properly. In certain instances, depending on your project(s), you may have to request more than one type of rates, such as Heavy and Highway. This will result in the issuance of a Dual Determination. Mail the request to:

Terry Ann Holden, Labor Standards Compliance Officer
Office of Community Development
111 Sewall Street, 3rd Floor, 59 State House Station
Augusta, Maine 04333
Phone: (207) 624-9814 Fax Copies: (207) 287-8070
E-mail: TerryAnn.Holden@maine.gov

The Office of Community Development will process your request and return the appropriate Rates. Expect it to take approximately 10 days before you have the Rates in your hand and ready to use. **Remember that you can't go out to bid until you have the Rates!**

PRECONSTRUCTION RESPONSIBILITIES

Bidding

As soon as OCD has provided the Wage Determination, you are ready to go out to bid. Your Wage Determination will inform you of the expiration date and have a list of minimum wage rates to which your project's contractors and subcontractors must comply. Your community and the project engineer or architect should already have the bid documents in place which include terms and conditions, specifications and applicable State and Federal Contract Provisions, but 2 specific Labor Standards Documents must be included in all bid documents made available to prospective bidders. These documents are:

1. A complete copy of your approved Wage Determination(s).
2. Federal Labor Standards Provisions. (HUD-4010)

(In certain instances a Modification to one or more of the rates on your Determination may be issued before the bid opening. OCD will forward this to you and depending on the timeframe, it may have to be included in the bid documents. This is rare in Maine.)

Inclusion of these documents will allow bidders to see the minimum wages they will have to pay and all regulations they must comply with..

After the Bid Opening

Once you have selected a contractor, there are 4 steps left in Labor Standards Compliance prior to awarding the contract. These steps are:

1. Include the Wage Determination, Federal Labor Standards Provisions in the actual body of the contract bid documents. "By Reference" is not allowed.
2. Be sure to check on the eligibility of the proposed contractor. You must complete this step as part of the Contract Information Reporting form. Some contractors (even in Maine) have been debarred for past Labor Standards violations from participating in federally funded programs. You will find the Debarred Contractor List at: **www.sam.gov/**
(You DO NOT need to register or log-in to perform a debarment check. Simply type in the name of the entity that you want to check in the search box on the right hand side of the SAM home page and click on the red search icon (magnifying glass on right). The results will appear in a new window.)
3. Before work commences, a preconstruction conference with your contractor and all available subcontractors must be held. Your Labor Standards Compliance Officer should conduct the meeting where the responsibilities of the contractor and subcontractors should be outlined. The contractor should be also be apprised of Civil Rights, Equal Employment Opportunity and Section 3 requirements. An attendance list as well as a written record of the conference minutes must be maintained. A good sample of an attendance list and preconstruction minutes record is contained in the forms section.
4. Sometimes a Wage Determination will not contain a wage rate for a trade needed on the construction project. When this occurs, an additional classification may be added. This is done by OCD and in some instances the U.S. Department of Labor has the final say in the matter.

Whenever an Additional Classification is needed, a Request for Additional Classification Form located in the forms section must be filled out and sent or faxed to OCD. OCD will process the Request and promptly issue the additional classification. **Failure to do so could cause a delay in the project, or result in underpayments.**

RESPONSIBILITIES DURING CONSTRUCTION

After the contract award, certain responsibilities for Labor Standards Compliance exist for both the contractor and the Compliance Officer. These responsibilities are outlined below.

Contractor's Responsibilities

1. Must post a complete copy of the Wage Determination in a conspicuous place at the job site.
2. Must post a Notice to All Employees Poster in a conspicuous place at the job site. The Labor Standards Compliance Officer's name, address and phone number must appear on the poster. This poster explains basic rights to workers under Labor Standards Law and allows the worker an avenue to examine suspected violations.
3. Must post the Equal opportunity Poster in a conspicuous place at the job site. This poster highlights the Contractor's responsibilities in assuring that discrimination does not take place on this project.
4. Must submit weekly payrolls for his employees and have all subcontractor's submit payrolls for their employees. The payroll form must be complete, including the Statement of Compliance on the back, and be signed by an officer of the company or a predetermined designee. A computerized payroll or other form is permissible as long as it contains the same information as the payroll form. A Statement of Compliance with authorized signature is still required. All payrolls must be submitted no more than 7 days following the completing of the workweek and be numbered sequentially, with the last one marked "final".
5. Must correct any violations in an appropriate manner as directed by the Labor Standards Compliance Officer. These violations include but are not limited to underpayments, improper deductions, and improper payment of overtime and fringe benefits. In addition to repayment to affected workers, all contractors are liable for liquidated damages to the United States Government for violations in the payment of overtime. Payment shall be fixed at a rate to \$25 per calendar day for which each individual was required or permitted to work over a 40-hour week.
6. Must assure that only bona fide deductions are taken from employees' pay. (Check 1344.1 HUD Manual or contact OCD.)
7. Must comply with all Federal labor Standards Provisions. Copies of all posters and forms are provided by OCD prior to the start of work.

Responsibilities of Labor Standards Compliance Officer

1. Submit a Contract Information Reporting Form to OCD that lists the Prime Contractor's name, and address, project and wage decision numbers, and

contract amount. Failure to submit this form will prevent processing payment of CDBG funds.

2. Assure that all contractors comply with the Federal Labor Standards Provisions.
3. Establish and maintain an adequate Construction Contract Management System.
4. Maintain a Labor Standards Compliance File for each contract to which Labor Standards apply. This file must contain:
 - Signed copies of all Contracts
 - Name and address of Prime Contractor
 - Name and addresses of all Subcontractors
 - Applicable Performance and Payment Bonds
 - Contractors' Proof of Insurance
 - Preconstruction Conference Minutes and Attendance list
 - Weekly Payrolls
 - Copy of Wage Determination (Including any Modifications)
 - Records of Additional Classifications
 - Notices of Start of Construction
 - On-site Inspection Reports
 - Employee Interviews
 - Records of Enforcement and Wage Restitution
 - Record of any Volunteer Labor
 - Records of Summer Youth or Apprentices on Job
5. Review weekly payrolls against the Wage Determination for completeness, proper payment of wages and fringe benefits, payment of overtime, inclusion of only listed classifications, use of proper deductions, and any disproportionate employment of laborers, helpers, trainees and apprentices. The signature on the Statement of Compliance should also be checked to make sure that it is authorized. A sample Weekly Compliance Review form is found in the forms section of the handbook.
6. Assure that all underpayments are corrected and full restitution made to affected employees. This also requires informing OCD of any underpayment in excess of \$10.00. A Receipt of Payment of Back Wages form is included in the forms section. The contractor must also submit a corrected certified payroll upon payment of restitution. Copies of these forms must be forwarded to OCD whenever an underpayment occurs.
7. Cooperate fully with OCD and/or HUD as well as the United States Department of Labor in any potential Labor Standards Investigation.

8. Conduct on-site interviews of project employees and record them on the Record of Employee Interview Form. These interviews should be sufficient to ensure compliance and to indicate the nature and extent of any violations. A review of pay stubs is recommended. On a small project, every effort should be made to interview all employees, while on larger projects, a representative sample of all trades should be interviewed. A summary of interviews should be maintained.
9. Assure that the contractor properly posts at the job site the Notice to All Employees, and the applicable Wage Determination, and the EEO Poster.
10. If volunteers are to be utilized on your construction project, you must receive prior permission from OCD. Contact OCD for the required forms to assure compliance.
11. Assure compliance by project contractor and subcontractors regarding the use of apprentices and trainees.



**STATE OF MAINE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
REQUEST FOR WAGE DETERMINATION**

1. Project Information

Community:		Date:	
Grant Type:		Grant Year:	
Contact Person:		Telephone:	
Fax:		E-mail:	
Address:		Prior Determination #:	
		Contract Dollar Value \$:	
State and Zip:		Proposed Advertising Date:	
County:		Proposed Bid Opening Date:	

Type of Work: Building Residential Highway Heavy

2. Project Description

3. Design Professional Information:

Name:		Phone:	
Address:		Fax:	
		E-mail:	
State:	Zip:		

SUBMIT TO:
Terry Ann Holden, Labor Standards Compliance Officer
Office of Community Development
111 Sewall Street, 3rd Floor, 59 State House Station
Augusta, Maine 04333
Phone: (207) 624-9814 Fax Copies: (207) 287-8070
E-mail: TerryAnn.Holden@maine.gov

Instructions for Completing Your Wage Determination Request

1. Project Information

1. Fill out all information completely in this section.
2. If an exact contract dollar amount is not available, give the best estimate possible.
3. If a prior determination number was issued, don't forget to list it, if not, enter N/A.
4. Check the type(s) of work the wage rates will apply to. This is important to assure correct rates. If more than one type applies, don't forget to check each. Use the following guide to determine the classification of your construction project.

Building Construction

Building construction generally is the construction of sheltered enclosures with walk-in access for the purpose of housing persons, machinery, equipment or supplies. It includes all construction of such structures, the installation of utilities, and the installation of equipment, both above and below grade.

Generally, for wage determination purposes, a project consists of all construction necessary to complete a facility regardless of the number of contracts involved so long as all contracts awarded are closely related in purpose, time and place. For example, demolition or site work preparatory to building construction is considered a part of the building project for wage determination purposes. When a project, such as a water and sewer treatment plant, includes construction items that by themselves would be otherwise classified, a multiple classification may be justified if the construction items are a substantial part of the project. However, a separate classification would not apply if such construction items were merely incidental to the total project to which they are closely related in function. For example, water and sewer line work, which is a part of a building project, would not generally be separately classified. When construction is "incidental" in function, 20% of project cost is used as a rough guide for determining when construction is also "incidental" in amount to the overall project level, as well as incidental grading, utilities and paving.

The following are examples of Building Construction in the CDBG program:

- § Alterations and additions to buildings
- § Apartment buildings over 4 stories
- § Civic & Community Centers
- § Commercial & industrial buildings
- § Fire stations
- § Water & sewage treatment plants (buildings only)

Residential Construction

Residential projects for Davis-Bacon purposes are those involving the construction, alteration, or repair of single-family houses or apartment buildings of no more than four stories in height. This includes all incidental items such as site work, parking areas, utilities, streets and sidewalks. Some examples are:

- § Town or row houses
- § Apartment buildings (4 stories or less)
- § Single family houses
- § Mobile home developments
- § Multi-family housing

Heavy Construction

Heavy projects are those projects that are not properly classed as “buildings”, “highway”, or “residential.” Unlike these classifications, heavy construction is not a homogeneous classification. Because of its catchall nature, projects within the heavy classification may sometimes be distinguished based on their particular project characteristics, and separate schedules issued. Examples are:

- § Dredging projects
- § Water and sewer line projects
- § Dams
- § Demolition (non construction related)
- § Drainage projects
- § Electrification projects (outdoor)
- § Flood control projects
- § Land reclamation
- § Marine Construction
- § Pipe lines
- § Pumping stations (prefab units - not buildings)
- § Reservoirs
- § Sewage collection and disposal lines
- § Sewers (sanitary, storm, etc.)
- § Shoreline maintenance
- § Storage tanks
- § Water mains
- § Water supply lines (not incidental to building)
- § Water & sewage treatment plants (other than buildings)
- § Well

Highway Construction

Highway projects include the construction, alteration or repair of roads, streets, highways, runways and related areas not incidental to building or heavy construction. Examples are:

- § Base courses
- § Bituminous treatments
- § Concrete pavement
- § Excavation - embankment (for road construction)
- § Fencing (highway)

- § Guard Rails
- § Highway signs
- § Bridges
- § Parking lots
- § Resurfacing streets & highways
- § Roadbeds
- § Storm sewers (incidental to road construction)
- § Street paving

2. Project Description

Give an accurate, detailed narrative of the proposed project. If the project is multifaceted, describe each specific section. Also, indicate what the projected use of the project will be. Attach an additional page if needed.

3. Check List for Crafts Needed

Check all crafts that will be needed for the completion of your project. If you're not sure, it is better to check it than be held up by having to request it later! Remember that the more information you supply to DECD, the smoother the process will be.

REMEMBER!

- **Submit your request at least 15 days prior to the proposed bid solicitation date.** This is essential to allow the necessary time for the request to go through the system.
- If your current determination looks as though it may run out prior to the contract award, submit another request immediately. The date of the contract award must predate the expiration date of the determination, or the determination is void.
- All requests for wage determinations should be sent to:

Terry Ann Holden, Labor Standards Compliance Officer
Office of Community Development
111 Sewall Street, 3rd Floor, 59 State House Station
Augusta, Maine 04333
Phone: (207) 624-9814 Fax Copies: (207) 287-8070
E-mail: TerryAnn.Holden@maine.gov

**DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PRE-CONSTRUCTION CONFERENCE MINUTES
(Attendance List Attached)**

Date: _____ CDBG Project Number: _____
Project Name: _____ Community: _____
Conducted By: _____ Amount of Contract: _____
Contractor: _____ Telephone: _____
Address: _____ Minority Contractor: ___ Yes ___ No
_____ Female Contractor: ___ Yes ___ No

LABOR STANDARDS ACTS
Conference)

(Check off Items as Covered in

Wage Decision Number: _____

Posting of Wage Decision at Job Site (Copy distributed to Contractor)

Davis-Bacon Acts

If a contract exceeds \$2,000, all laborers and mechanics employed by the Contractor and any Subcontractor on construction work pursuant to this Contract shall be paid wages at rates not less than the prevailing wages contained in the Wage Determination for _____ County, Maine, as determined by the United States Department of Labor. Furthermore, each Contractor or Subcontractor shall submit to the Town/City of _____ weekly payrolls for each week from the time the work is started on the project until it is completed. Weekly payrolls shall be submitted promptly, preferably, no later than seven working days following completion of the workweek and shall be numbered sequentially and the final payroll marked "Final."

Exceptions to minimum wage requirements

Fringe Benefit Payments Discussed

Payroll forms explained and distributed

Underpayments and Restitution explained

Employee interviews explained

Posting of "Notice to all Employees" poster (Poster distributed to Contractor)

Contract Work Hours and Safety Standards Act

All laborers and mechanics employed by the Contractor or any Subcontractor shall receive overtime compensation at rates not less than one and one-half times the basic rate of pay for work in excess of 40 hours per week.

Underpayments and Liquidated Damages explained

Copeland Anti-Kickback Act

The Contractor or any Subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion or repair of any public building or public work to give up any part of the compensation to which he or she is otherwise entitled.

Violations explained

Permissible deductions explained

Use of Volunteers

Check here if any Contractor or Subcontractor intends to utilize volunteer labor on this project.

Permissible use of volunteers explained

Need of OCD notification and approval

Title VI of the Civil Rights Act of 1964

No person shall be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination on the grounds of race, handicap, color, sex, sexual orientation, national origin, or familial status

Equal Employment Opportunity

All contractors and Subcontractors must comply with Executive Order 11246, entitled "Equal Employment Opportunity", as contained in the Construction Contract.

Posting of the EEO Poster at the jobsite (Copy distributed to Contractor)

Certification of Contractor and Subcontractors Regarding Nonsegregated Facilities as required by the May 19, 1967, Order 32F.R. 74390

Certification of Bidder Regarding Equal Employment Opportunity as required by the Construction Contract and all subcontracts

Section 3 of the Housing and Urban Development Act of 1964

Contractor must submit a completed Section 3 Affirmative Action Plan as required in the Construction Contract.

Contractor and all subcontractors must complete Section 3 Income Worksheet for all new hires.

Contractor must submit a completed Section 3 Utilization Report prior to receiving final payment.

Contractor fully understands his/her obligations as presented above.

Signature: _____

Title: _____



DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
REQUEST FOR ADDITIONAL CLASSIFICATION
(As approved by the Maine Office of Community Development)

Grantee: _____ Date: _____

Wage Determination Number: _____ CDBG Project Number: _____

Project Name: _____ Date of Contract Award: _____

Name of Prime Contractor: _____

Address: _____

Name of Subcontractor (if applicable): _____

Address: _____

Classifications Requested: _____

Signature of Requesting Party

Date

FOR OCD USE ONLY

Date Reviewed: _____ Approved _____ Denied _____

Authorized Signature
(Attach this form to Notice)



DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

CONTRACT INFORMATION REPORTING FORM

COMMUNITY: _____

GRANT YEAR & TYPE: _____

PROJECT NAME & NUMBER: _____

FEDERAL WAGE DECISION NUMBER (S): _____

DATE CONTRACT SIGNED: _____

TOTAL CONTRACT AMOUNT: \$_____ CDBG AMOUNT: \$_____

MINORITY CONTRACTOR: ___ Yes ___ No

FEMALE CONTRACTOR: ___ Yes ___ No

NAME & ADDRESS OF PRIME CONTRACTOR:

Employer (IRS) Number _____

ATTACH PROOF THAT THE CONTRACTOR LISTED ABOVE IS NOT ON THE FEDERAL
DEBARRED LIST - Refer to: www.sam.gov

**** IMPORTANT NOTICE ****

This form must be submitted for each prime contract within 7 days of contract signing:

SUBMIT TO:

Terry Ann Holden, Labor Standards Compliance Officer
Office of Community Development
111 Sewall Street, 3rd Floor, 59 State House Station
Augusta, Maine 04333
Phone: (207) 624-9814 Fax Copies: (207) 287-8070
E-mail: TerryAnn.Holden@maine.gov

Date: _____ **STATEMENT OF COMPLIANCE**

I, _____, _____, do hereby state:
 (Name of Signatory Party) (Title)

(1) That I pay or supervise the payment of the persons employed by _____
 (Contractor or Subcontractor)
 on the _____; that during the payroll period commencing on the _____ day
 (Name of Project)
 of _____, 2000, all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be
 made either directly or indirectly to or on behalf of said _____
 (Contractor or Subcontractor)
 from the full weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by
 any person, other than permissible deductions as defined in Regulations, Part 3, (29 CFR Subtitle A), issued by the Secretary of Labor under the
 Copeland Act, as amended (48 Stat. 948.63 Stat. 108, 72 Stat. 357: 40 U>S> C> 276c) and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers and mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into this contract; that the classifications set forth therein for each laborer or mechanic conform with the work he or she performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

In addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in Section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

Each laborer or mechanic listed in the above referenced payroll has been paid as indicated on the payroll an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed on the contract, except as listed in Section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION
Name and Title	Signature

THE WILFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.

INSTRUCTIONS FOR COMPLETING PAYROLL FORM, WH-347

General: The use of WH-347, payroll form, is not mandatory. This form has been made available for the convenience of contractors and subcontractors required by their Federal or Federally aided construction type contracts and subcontracts to submit weekly payrolls. Properly filled out, this form will satisfy the requirements of regulations, Parts 3 and 5 (29 CFR, Subtitle A), as to payrolls submitted in connection with contracts subject to the Davis-Bacon and related Acts.

This form meets needs resulting from the amendment of the Davis-Bacon Act to include fringe benefits provisions. Under this amended law, the contractor is required to pay not less than fringe benefits as predetermined by the Department of Labor, in addition to payment of not less than the predetermined rates. The contractor's obligation to pay fringe benefits may be met either by payment of the fringes to the various plans, funds or programs or by making these payment to the employees as cash in lieu to fringes.

The payroll provides for the contractor's showing on the face of the payroll all monies paid to the employee, whether as basic rates or as cash in lieu of fringes and provides for the contractor's representation in the statement of compliance on the rear of the payroll that he is paying to others fringes required by the contract and not paid as cash in lieu of fringes. Detailed instructions concerning the preparation of the payroll follow;

Contractor or Subcontractor: Fill in your firm's name and check appropriate box.

Address: Fill in your firm's address.

Column 1 – Name, Address and Social Security number of Employee: The employee's full name must be shown on each payroll submitted. The employee's address must also be shown on the payroll covering the first week in which the employee works on the project. The address need not be shown on subsequent weekly payrolls unless his address changes. Although not required by Regulations, Parts 3 and 5, space is available in the name and address section so that Social Security numbers may be listed.

Column 2 – Withholding Exemptions: This column is merely inserted for the employer's convenience and is not a requirement of Regulations, Parts 3 and 5.

Column 3 – Work Classifications: List classifications descriptive of work actually performed by employees. Consult classifications and minimum wage schedule set forth in contract specifications. If additional classifications are deemed necessary see Contracting Officer or Agency representative. Employee may be shown as having worked in more than one classification provided accurate breakdown of hours so worked is maintained and shown on submitted payroll by use of separate line entries.

Column 4 – Hours Worked: On all contracts subject to the Contract Work Hours Standards Act enter as overtime all hours worked in excess of 8 hours per day and 40 hours a week.

Column 5 – Total: Self-explanatory

Column 6 – Rate of Pay, Including Fringe Benefits: In straight time box, list actual hourly rate paid the employee for straight time worked plus any cash in lieu of fringes paid the employee. When recording the straight time hourly rate, any cash in lieu of fringes may be shown separately from the basic rate thus 13.25/. 40. This is of assistance in correctly computing overtime. See "Fringe Benefits" below. In overtime box show overtime-hourly rate paid, plus any cash in lieu of fringes paid the employee. See "Fringe Benefits" below. Payment of not less than time and one-half the basic or regular rate paid is required for overtime under the Contract Work Hours Standards Act of 1962. In addition to paying not less than the predetermined rate for the classification in which the employee works, the contractor shall pay to approved plans, funds, or programs or shall pay as cash in lieu of fringes amounts predetermined as fringe benefits in the wage decision made part of the contract. See "FRINGE BENEFITS" below.

FRINGE BENEFITS – Contractors who pay all required fringe benefits: A contractor who pays fringe benefits to approved plans, funds, or programs in amount not less than were determined in the applicable wage decision of the Secretary of Labor, shall continue to show on the face of the payroll the basic cash hourly rate and overtime rate paid to his employees just as he has always done. Such a contractor shall check paragraph 4(a) of the statement on the reverse of the payroll to indicate that he is also paying to approved plans, funds, or programs not less than the amount predetermined as fringe benefits for each craft. Any exceptions shall be noted in Section 4(c).

Contractors who pay no fringe benefits: A contractor who pays no fringe benefits shall pay to the employees, and insert the straight time hourly rate column of the payroll, an amount not less than the predetermined rate for each classification plus the amount of fringe benefits determined for each classification in the applicable wage decision. Inasmuch as it is not necessary to pay time and a half on cash paid in lieu of fringes, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on basic or regular rate, plus the required cash in lieu of fringes at the straight time rate. In addition, the contractor shall check paragraph 4(b) of the statement on the reverse of the payroll to indicate that he is paying fringe benefits in cash directly to his employees. Any exceptions shall be noted in Section 4(c).

Use of Section 4(c) Exceptions: Any contractor who is making payment to approved plans, funds, or programs in amount less than the wage determination requires, is obligated to pay the deficiency directly to his employees as cash in lieu of fringes. Any exception to Section 4(a) or 4(b), whichever the contractor may check, shall be entered in Section 4(c). Enter in the Exception column the craft, and enter in the Exception column the hourly amount paid the employee as cash in lieu of fringes and the hourly amount paid to plans, funds, or programs as fringes. The contractor shall pay and shall show that he is paying to each such employee for all hours (unless otherwise provided by applicable determination) worked on Federally assisted project an amount not less than the predetermined rate plus cash in lieu of fringes as shown in Section 4(c). The rate paid and amount of cash paid in lieu of fringe benefits per hour should be entered in column 6 on the payroll. See paragraph on "Contractors who pay no fringe benefits" for computation of overtime rate.

Column 7 – Gross Amount Earned: Enter gross amount earned on this project. If part of the employees' weekly wage was earned on projects other than the project described on this payroll, enter in column 7 first the amount earned on the Federal or Federally assisted project and then the gross amount earned during the week on all projects, thus \$63.00/120.00.

Column 8 – Deductions: Five columns are provided for showing deductions made. If more than five deductions should be involved, use first 4 columns; show the balance of deductions under "Other" column;

show actual total under "Total Deductions" column; and in the attachment to the payroll describe the deductions contained in the "Other" column. All deductions must be in accordance with the provisions of the Copeland Act Regulations 29 CFR, Part 3. If the employee worked on other jobs in addition to this project show actual deductions from his weekly gross wage, but indicate that deductions are based on his gross wages.

Column 9 – Net Wages Paid for Week: Self-explanatory.

Totals: Space has been left at the bottom of the columns so that totals may be shown if the contractor desires.

Statement Required by Regulations, Parts 3 and 5: While this form need not be notarized, the statement of the back of the payroll is subject to the penalties provided by 18 USC 1001, namely possible imprisonment for 5 years or \$10,000.00 fine or both. Accordingly, the party signing this required statement should have knowledge of the facts represented as true.

Space has been provided between items (1) and (2) of the statement for describing any deductions made. If all deductions made are adequately described in the "Deductions" column above, state "See Deductions column in the payroll." See paragraph entitled "FRINGE BENEFITS" above for instructions concerning filling out paragraph 4 of the statement.

INSTRUCTIONS FOR PREPARATION OF STATEMENT OF COMPLIANCE

This statement of compliance meets needs resulting from the amendment of the Davis-Bacon Act to include fringe benefits provisions. Under this amended law, the contractor is required to pay fringe benefits as predetermined by the Department of Labor, in addition of payment of the minimum rates. The contractor's obligation to pay fringe benefits may be met by payment of fringes to the various plans, funds or programs or by making these payments to the employees as cash in lieu of fringes.

The contractor should show on the face of his payroll all monies paid to the employees whether as basic rates or as cash in lieu of fringes. The contractor shall represent in the statement of compliance that he is paying to others fringes required by the contract and not paid as cash in lieu of fringes. Detailed instructions follow:

Contractors who pay all required fringe benefits:

A contractor who pays fringe benefits to approved plans, funds, or programs in amounts not less than were determined in the applicable wage decision of the Secretary of Labor shall continue to show on the face of his payroll the basic cash hourly rate and overtime rate paid to his employees, just as he has always done. Such a contractor shall check paragraph 4(a) of statement to indicate that he is also paying to approved plans, funds, or programs not less than the amount predetermined as fringe benefits for each craft. Any exception shall be noted in Section 4(c).

Contractors who pay no fringe benefits:

A contractor who pays no fringe benefits shall pay to the employee and insert in the straight time hourly rate column of his payroll an amount not less than the predetermined rate for each classification plus the amount of fringe benefits determined for each classification in the applicable wage decision. Inasmuch as it is not necessary to pay time and a half on cash paid in lieu of fringes, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on the basic or regular rate plus the required cash in lieu of fringes at the straight time rate. To simplify computation of overtime, it is suggested that the straight time basic rate and cash in lieu of fringes be separately stated in the hourly rate column, thus \$3.25/.40. In addition, the contractor shall check paragraph 4(b) of the statement to indicate that he is paying fringe benefits in cash directly to his employees. Any exceptions shall be noted in Section 4(c).

Use of Section 4(c), Exceptions

Any contractor who is making payment to approved plans, funds, or programs in amounts less than the wage determination requires is obligated to pay the deficiency directly to the employees as cash in lieu of fringes. Any exceptions to Section 4(a) or 4(b), whichever the contractor may check, shall be entered in Section 4(c). Enter in the Exception column the craft, and enter in the Explanation column the hourly amount paid the employees as cash in lieu of fringes, and the hourly amount paid to plans, funds, or programs as fringes.



**DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
RECEIPT OF PAYMENT FOR BACK WAGES
 (As approved by the Maine Office of Community Development)**

Wage Determination Number: _____ CDBG Project Number: _____

Project Name: _____ Grantee: _____

I, _____, hereby acknowledge receipt of payment in full from
 (Name of Employee)

_____, for the period beginning with the work week ending
 (Name of Contractor or Subcontractor)

_____ through the work week ending _____ of unpaid wages due me
 (as shown in the column below on the right) under the Act(s) indicated in the marked space(s) below:

The Davis-Bacon and Related Acts Gross Amount: \$ _____

The Contract Work Hours Standards Act Legal Deductions: \$ _____

Net Amount Received: \$ _____

NOTICE TO EMPLOYEES:

DO NOT SIGN THIS RECEIPT UNLESS YOU HAVE ACTUALLY RECEIVED PAYMENT OF BACK WAGES DUE

Date: _____ Signature of Employee: _____

Employee Social Security Number: _____ - _____ - _____

Employee Address: _____

EMPLOYER'S CERTIFICATION

I hereby certify that on this date _____, paid the above named employee in full covering unpaid wages as stated above.

Authorized Contractor Signature: _____ Title: _____

Address: _____

_____ Telephone: _____

PENALTIES ARE PRESCRIBED FOR FALSE STATEMENTS AND FALSE RECORDS



TOWN/CITY OF _____
Community Development Block Grant Program
Weekly Payroll Labor Standards Compliance Review

Name of Prime Contractor: _____

Subcontractor (if applicable): _____

IRS Employers ID Number: _____

Payroll Period: From _____ to _____

Date Submitted: _____

Date Reviewed : _____

Reviewed By: _____

Payroll and Statement of Compliance Properly Completed?: Yes No

Findings: _____

Job Classification

Wage and Fringe Paid

Determination Rate

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Compliance Determination: Yes No Follow-up Actions: _____

 Signature of Reviewer

 Date



**STATE OF MAINE CDBG PROGRAM
FEDERAL CONSTRUCTION CONTRACT PROVISIONS FOR
CONTRACTS EXCEEDING \$100,000**



"BUILDING MAINE COMMUNITIES"

**Department of Economic & Community Development
Office of Community Development
111 Sewall Street
59 State House Station
Augusta, Maine 04333-0059
(207) 624-9800 (Voice)
Hearing Impaired 1-800-437-1220**

DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

**INFORMATION FOR BIDDERS
PLEASE READ CAREFULLY!**



**TO BE CONSIDERED A RESPONSIVE BIDDER
YOUR BID SUBMISSION MUST CONTAIN A BID GUARANTEE EQUIVALENT TO FIVE
PERCENT OF THE BID PRICE AND THE FOLLOWING SIGNED AND COMPLETED
CERTIFICATIONS:**

For Contracts Between \$10,000 and \$100,000

1. CERTIFICATION OF CONTRACTOR REGARDING SEGREGATED FACILITIES
2. CERTIFICATION OF BIDDER REGARDING EQUAL EMPLOYMENT OPPORTUNITY

For Contracts Exceeding \$100,000

1. CERTIFICATION OF CONTRACTOR REGARDING SEGREGATED FACILITIES
2. CERTIFICATION OF BIDDER REGARDING EQUAL EMPLOYMENT OPPORTUNITY
3. SECTION 3 AFFIRMATIVE ACTION PLAN
4. CONTRACTOR'S DBE/SUBCONTRACTOR UTILIZATION FORM

Additional certifications by subcontractors prior to the start of work date

1. For all subcontracts exceeding **\$10,000**; Certification of Subcontractor Regarding Segregated Facilities and Certification of Subcontractor Regarding Equal Employment Opportunity
2. For all subcontracts exceeding **\$100,000**; Section 3 Affirmative Action Plan, and Contractor's DBE/Subcontractor Utilization Form.

Submission of Section 3 Utilization Report for Contracts Exceeding \$100,000

Prime Contractors must submit a Section 3 Utilization Report to the CDBG grantee or their designee prior to final payment of CDBG funds for the project. This Report must include all Section 3 Employees of both the Contractor and all Subcontractors according to the terms of the Section 3 Affirmative Action Plan.

CERTIFICATIONS FOR PRIME BIDDER

Must be submitted with Bid





**DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
CERTIFICATION OF CONTRACTOR REGARDING
EQUAL EMPLOYMENT OPPORTUNITY
(For Prime Contracts Exceeding \$100,000)**

INSTRUCTIONS

This certification is required pursuant to Executive Order 11246 (30 F.R. 12319-25). The implementing rules and regulations provide that any bidder or prospective contractor, or any other of their proposed subcontractors, shall state as an initial part of the bid or negotiations of the contract whether it has participated in any previous contract or subcontract subject to the equal opportunity clause, and if so, whether it has filed all compliance reports due under applicable instructions.

Where the certification indicates that the bidder has not filed a compliance report due under applicable instructions, such bidder shall be required to submit a compliance report within seven (7) calendar days after bid opening. No contract shall be awarded unless such report is submitted.

CERTIFICATION BY BIDDER

Name and address of bidder

1. Bidder has participated in a previous contract or subcontract subject to the EEO Clause.
 Yes No
2. Compliance reports were required to be filed in connection with such contract or subcontract.
 Yes No
3. Bidder has filed all compliance reports due under applicable instructions, including SF-100.
 Yes No
4. Have you ever been or are you being considered for sanction due to violation of Executive Order 11246, as amended?
 Yes No

Name and Title of Authorized Representative (print or type)

Signature of Authorized Representative

Date



DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
CERTIFICATION OF CONTRACTOR REGARDING
SEGREGATED FACILITIES
(For Prime Contracts Exceeding \$100,000)

Name of Prime Contractor: _____

Project Name and Number: _____

The undersigned hereby certifies that:

- (a) No segregated facilities will be maintained as required by Title VI of the Civil Rights Act of 1964.

Name and Title of Authorized Representative (print or type)

Signature of Authorized Representative

Date

**DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SECTION 3 REQUIREMENTS**

Each year the U.S. Department of Housing and Urban Development (HUD) invests billions of federal dollars into distressed communities for projects designed to build and rehabilitate housing, improve roads, develop community centers, and otherwise assist families achieve the American Dream.

The Section 3 regulation recognizes that HUD funding typically results in projects/activities that generate new employment, training and contracting opportunities. These economic opportunities can also positively impact the lives of local residents who live in the neighborhoods being redeveloped.

Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701u and 24 CFR Part 135] is HUD's legislative directive for providing preference to low- and very low-income residents of the local community (regardless of race or gender), and the businesses that substantially employ these persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects.

As a condition of receiving HUD assistance recipients certify that they will comply with the requirements of Section 3 annually pursuant to 24 CFR 570.607(b).

Applicability of Section 3 to Community Planning & Development Assistance

Contractors or subcontractors that receive contracts in excess of **\$100,000** for Section 3 covered projects/activities are **required to comply** with the Section 3. Accordingly, the recipient must attempt to reach the **Section 3 minimum numerical goals** found at 24 CFR Part 135.30 by:

- 1) Awarding 10 percent of the total dollar amount of all covered construction contracts to Section 3 businesses; and
- 2) Offering 30 percent of new employment opportunities to Section 3 businesses.

Recipients that fail to meet the minimum numerical goals above bear the burden of demonstrating why it was not possible to do so. Such justifications should describe the efforts that were taken, barriers encountered, and other relevant information that will enable the Department to make a compliance determination.

Triggering the Requirements of Section 3

Section 3 is triggered when the normal completion of construction and rehabilitation projects creates the need for **new** employment, contracting, or training opportunities.

The Section 3 regulations should not be construed to mean that recipients are required to hire Section 3 residents or award contracts to Section 3 businesses other than what is needed to complete covered projects/activities.

If the expenditure of covered funding does not result in new employment, contracting, or training opportunities, the requirements of Section 3 have not been triggered. However, each agency must still submit Section 3 annual reports indicating this information.

Recipient Responsibilities Pursuant to Section 3

Each recipient (and their covered contractors, subcontractors, or subrecipients) are required to comply with the requirements of Section 3 for employment, training, or contracting opportunities resulting from the expenditure of covered funding. This responsibility includes:

1. Implementing procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance;
2. Notifying potential contractors working on Section 3 covered projects of their responsibilities;
3. Incorporating the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38];
4. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;
5. Assisting and actively cooperating with the Department in making contractors and subcontractors comply;
6. Refraining from entering into contracts with contractors that are in violation of Section 3 regulations;
7. Documenting actions taken to comply with Section 3.

Section 3 Residents and Business Concerns

Section 3 Residents Are:

1. Residents of Public and Indian Housing; or
2. Individuals that reside in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and whose income do not exceed the local HUD income limits set forth for low- or very low-income households.

Section 3 Business Concerns Are One of the Following:

1. Businesses that are 51 percent or more owned by Section 3 residents; the business meets the definition of a resident-owned business, as set forth in HUD's regulations at 24 CFR 963.5.

2. The business demonstrates that at least 20 percent of its permanent full-time employees are Section 3 residents and the business either: (i) sponsored a minimum of 10 percent of its current Section 3 employees to attend a DOL or DOL-recognized, State Apprenticeship Agency-approved, registered apprenticeship or pre-apprenticeship training program that meets the requirements outlined in DOL's Employment Training Administration (ETA) Training and Employment Notice 13-12¹; or (ii) 10 percent of the employees of the business are participants or graduates of a DOL YouthBuild program.²

In accordance with the regulation, residents and businesses concerns seeking Section 3 preference shall certify, or submit evidence to the recipient, contractor, subcontractor or subrecipient (if requested) verifying that they meet the definitions provided above.

Some examples include: proof of residency in a public housing authority; proof of federal subsidies for housing, food stamps, or unemployment benefits; and payroll data or other relevant business information.

For additional information, please visit the Section 3 website at: www.hud.gov/section3.

¹ See http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5842.

² See http://www.doleta.gov/youth_services/youthbuild.cfm.

Section 3 Clause

A. The work to be performed under this contract, subcontract, memorandum of understanding, cooperative agreement or similar legally binding agreement, is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968 (Section 3). The purpose of Section 3 is to ensure, to the greatest extent feasible, that training, employment, contracting, and other economic opportunities generated by Section 3 covered financial assistance shall be directed to low- and very low-income residents of the neighborhood where the financial assistance is spent, particularly to those who are recipients of government assistance for housing, and to businesses that are either owned by low- or very low-income residents of the neighborhood where the financial assistance is spent, or substantially employ these persons.

B. The parties to this contract, subcontract, memorandum of understanding, cooperative agreement, or similar legally binding agreement agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract or subcontract memorandum of understanding, cooperative agreement or similar legally binding agreement the parties certify that they are under no contractual or other impediment that would prevent them from complying with the requirements of 24 CFR part 135.

C. The contractor agrees to identify current employees on its payroll when the contract or subcontract was awarded who will be working on the Section 3 covered project or activity and certify that any vacant employment opportunities, including training positions, that are filled:

1. After the contractor is selected; and
2. With persons other than those that meet the definition of a Section 3 resident, were not filled to circumvent the contractor's Section 3 obligations.

D. The contractor agrees to maintain records documenting Section 3 residents that were hired to work on previous Section 3 covered projects or activities that were retained by the contractor for subsequent Section 3 covered projects or activities.

E. The contractor agrees to post signs advertising new employment, training, or Sub-contracting opportunities that will be available as a result of the Section 3 covered projects and activities in conspicuous places at the work site where potential applicants can review them.

F. The contractor agrees to hire, to the greatest extent feasible, Section 3 residents as 30 percent of new hires, or provide written justification to the recipient that is consistent with § 135.7(b)(4), describing why it was unable to meet minimum numerical hiring goals, despite its efforts to comply with the provisions of this clause.

G. The contractor agrees that in order for a Section 3 resident to be counted as a new hire, the resident must work a minimum of 50 percent of the average staff hours worked for the category of work for which they were hired throughout the duration of time that the category of work is performed on the covered project.

H. The contractor agrees to award, to the greatest extent feasible, 10 percent of the total dollar amount of subsequent subcontracts awarded in connection with the Section 3 covered project or activity to Section 3 businesses, or provide written justification that is consistent with § 135.7(b)(4)

describing why it was unable to meet that goal, despite their efforts to comply with the provisions of this clause.

I. The contractor agrees to notify Section 3 residents and businesses about the availability of new employment, training, or contracting opportunities created as a result of the receipt of Section 3 covered financial assistance, as stipulated by the awarding agency.

J. The contractor agrees to verify the eligibility of prospective Section 3 residents and businesses for employment, training, or subcontracting opportunities, in accordance with the recipient's policies and procedures.

K. The contractor agrees to provide priority consideration to eligible residents and businesses in accordance with 24 CFR 135.37 or 24 CFR 135.57, as applicable.

L. The contractor agrees to notify potential bidders on subcontracts that are associated with Section 3 covered projects and activities about the requirements of Section 3, and include this Section 3 clause in its entirety into every subcontract awarded.

M. The contractor agrees to impose sanctions upon any subcontractor that has violated the requirements of this clause in accordance with the awarding agency's Section 3 policies and procedures.

N. The contractor agrees to comply with all monitoring, reporting, recordkeeping, and other procedures specified by the awarding agency.

O. If applicable, the contractor agrees to notify each labor organization or representative of workers with which the recipient, sub-recipient, or contractor has a collective bargaining or similar labor agreement or other understanding, if any, about its obligation to comply with the requirements of Section 3 and ensure that new collective bargaining or similar labor agreements provide employment, registered apprenticeship, training, subcontracting, or other economic opportunities to Section 3 residents and businesses, and to post notices in conspicuous places at the work site advising the labor union, organization, or workers' representative of the contractor's commitments under this part.

P. Failure to comply with this clause shall result in the imposition of sanctions. Appropriate sanctions for noncompliance may include: Requiring additional certifications or assurances of compliance; termination or cancelation of the contract, subcontract, memorandum of understanding, cooperative agreement, or similar legally binding arrangement for default; refraining from entering into subsequent contracts, subcontracts, memoranda of understanding, cooperative agreements, or similar legally binding arrangement; repayment of funds, and withholding a portion of contract awards, subcontracts, memoranda of understanding, cooperative agreements, or similar legally binding arrangements.



**DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SECTION 3 AFFIRMATIVE ACTION PLAN**

**(Prime Contractor)
[For Prime Contracts that exceed \$100,000]**

_____, Contractor, agrees to implement the following specific affirmative action steps directed at increasing the utilization of Section 3 Residents' and Section 3 Business Concerns within the Town/City/County of _____.

- A.** To ascertain from the locality's CDBG Program official the exact boundaries of the Section 3 Covered Project Area and where advantageous, seek the assistance of local officials in preparing and implementing the affirmative action plan.
- B.** To attempt to recruit from within the Town/City/County the necessary individuals to fill employment opportunities generated by Section 3 covered assistance through: local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within or serving the project area such as Service Employment and Redevelopment (SER), Opportunities Industrialization Center (OIC), Urban League, Concentrated Employment Program, Hometown Plan, or the U.S. Employment Service and providing preference for these opportunities in the following order:
 - (i) Section 3 Residents residing in the service area or neighborhood in which the Section 3 covered project is located;
 - (ii) Participants in HLJD Youthbuild Programs, and
 - (iii) Other Section 3 Residents.
- C.** To maintain a list of all lower income area residents who have applied either on their own or on referral from any source, and to employ such persons, if otherwise eligible and a vacancy exists.
- D.** To insert this Section 3 Affirmative Action Plan in all bid documents for contracts over \$100,000, and to require all bidders on subcontracts over \$100,000 to submit a Section 3 Affirmative Action Plan, including utilization goals and the specific steps planned to accomplish these goals.
- E.** To insure that subcontracts over \$100,000 which are typically let on a negotiated rather than bid basis in areas other than Section 3 covered project areas, are also let on a negotiated basis, whenever feasible, when let in a Section 3 covered project area.
- F.** To formally contact unions, subcontractors and trade associations to secure their cooperation for this program.
- G.** To notify Section 3 residents and Section 3 business concerns about economic opportunities generated by Section 3 covered assistance and to award Section 3 covered contracts, to the greatest extent feasible, to Section 3 business concerns in the following order of preference:
 - (i) Section 3 business concerns that provide economic opportunities for Section 3 residents in the service area or neighborhood in which the Section 3 covered project is located;
 - (ii) Applicants selected to carry out HUD Youthbuild projects;

(iii) Other Section 3 business concerns.

- H.** To notify potential contractors about Section 3 requirements of this part, and incorporating the Section 3 clause in all solicitations and contracts.
- I.** To facilitate the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns undertaking activities to reach the numerical goal established by HLJD.
- J.** To cooperate in obtaining the compliance of contractors and subcontractors with the requirements of Section 3.
- K.** To submit reports to DECD and HUD on the results of actions taken to provide training, jobs and contracts to Section 3 residents and Section 3 business concerns.
- L.** To appoint an executive official of the company or agency as Equal Employment Opportunity Officer to coordinate the implementation of this Section 3 Affirmative Action Plan.
- M.** To document utilization of Section 3 Employees on the covered project by having new employees, (including those of all subcontractors) from the Section 3 Area, complete the Section 3 Income Worksheet as provided by DECD
- N.** To complete a Section 3 Utilization Report and submit said report to DECD, HUD, or their designee prior to final payment for the covered project; This report will list all Section 3 Employees documented on the Section 3 Income Worksheets and be in the format provided by DECD.
- O.** To maintain records, including copies of correspondence, income verification memoranda, etc., which document that all levels of the above affirmative action steps have been taken.

CONTRACTOR CERTIFICATION

As officers and representative of: _____
(Name of Contractor)

On behalf of the Company, I have read and fully agree to the Section 3 Affirmative Action Plan, and become a party to the full implementation of this program.

Name and Title of the Authorized Representative (print or type)

Signature of Authorized Representative

Date

CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3 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
- Copy of receipt of public assistance
- Copy of evidence of participation in a public assistance program
- Other evidence

For business entity as applicable:

- Copy of Articles of Incorporation
- Assumed Business Name Certificate
- List of owners/stockholders and % ownership of each
- Organization chart with names and titles and brief function statement
- Certificate of Good Standing
- Partnership Agreement
- Corporation Annual Report
- Latest Board minutes appointing officers
- Additional documentation

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

- List of subcontracted Section 3 business(es) and subcontract amount

For business claiming Section 3 status, claiming at least 30 percent 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:

- List of all current full-time employees
- PHA/IHA Residential lease less than 3 years from day of employment
- List of employees claiming Section 3 status
- 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:

- Current financial statement
- Statement of ability to comply with public policy
- List of owned equipment
- List of all contracts for the past two years

Authorizing Name and Signature

(Corporate Seal)

Attested by: _____

SECTION 3 UTILIZATION REPORT

**Must be submitted by Prime Contractor
Prior to receiving final payment of CDBG funds**





DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SECTION 3 UTILIZATION REPORT
(To be Completed for all Prime Contracts Exceeding \$100,000)

A. SECTION 3 EMPLOYEE INFORMATION

Name of CDBG Grantee: _____

Name of Project: _____

CDBG Project Number: _____ Wage Decision Number: _____

Number of Section 3 Employees Utilized on Project by Prime Contractor: _____

Number of Section 3 Employees Utilized on Project by Subcontractors: _____

Total Number of Section 3 Employees Utilized on Project: _____

B. CERTIFICATION OF PRIME CONTRACTOR

As officer and representative of: _____
Name of Prime Contractor

Address: _____

Telephone Number: _____

On behalf of the Company, I hereby certify that the above information is true and accurate and is reported fully as required by the Section 3 Affirmative Action Plan as part of the contract for this CDBG assisted construction project. It is further understood that final payment from the State of Maine CDBG Program for this project cannot be made until this Report is submitted to the CDBG Grantee or authorized designee.

Name and Title of Authorized Representative (print or type)

Signature of Authorized Representative

Date

OCD/Sec3Uitz/2000

DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

**DIRECTIONS FOR COMPLETION OF
SECTION 3 UTILIZATION REPORT**

(For Prime Contracts Exceeding \$100,000)

1. Determine if there has been Section 3 participation in the construction project.
 - a. If you hire new employees who reside in the county where the construction is taking place to work on the CDBG project, have them complete the one page Section 3 Income Worksheet and return it to you. Compare the Worksheet to the Section 3 Income Schedule provided you at the pre-construction conference to determine if they are Section 3 eligible.
 - b. Distribute copies of the Section 3 Income Worksheet to all subcontractors you engage for the project. Instruct them to have any new employees they hire who reside in the county where the construction is taking place complete the worksheet and have the subcontractors return the forms to you. Compare as in (a.), above to determine Section 3 eligibility.
2. Retain all Section 3 Income Worksheets with your project records.
3. Complete (A) Section 3 Employee Information area of the report.
 - a. Enter name of the community where the project is located.
 - b. Enter project name.
 - c. Enter CDBG Project Number & Federal Wage Decision Number. (located in wage decision documents)
 - d. Enter number of Section 3 Employees you utilized on project.
 - e. Enter number of Section 3 Employees utilized by subcontractors on project
 - f. Enter total number (d + e) of Section 3 Employees utilized on project
4. Complete (B) Certification by Prime Contractor area of Report
 - a. List your name, address and telephone number of your company.
 - b. Print or type name and title of authorized company representative.
 - c. Have authorized representative sign and date Report.

IMPORTANT REMINDER!

Final payment of CDBG funds will not be made until Section 3 Utilization Report is submitted to CDBG grantee or designee.

CERTIFICATIONS FOR SUBCONTRACTORS

**Must be submitted by Prime Contractor
For each applicable Subcontractor prior to start of work**





DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
**CERTIFICATION OF SUBCONTRACTOR REGARDING
EQUAL EMPLOYMENT OPPORTUNITY**
(For Subcontracts Exceeding \$10,000)

INSTRUCTIONS

This certification is required pursuant to Executive Order 11246 (30 F.R. 12319-25). The implementing rules and regulations provide that any bidder or prospective contractor, or any other of their proposed subcontractors, shall state as an initial part of the bid or negotiations of the contract whether it has participated in any previous contract or subcontract subject to the equal opportunity clause, and if so, whether it has filed all compliance reports due under applicable instructions.

Where the certification indicates that the bidder has not filed a compliance report due under applicable instructions, such bidder shall be required to submit a compliance report within seven (7) calendar days after bid opening. No contract shall be awarded unless such report is submitted.

CERTIFICATION BY SUBCONTRACTOR

Name and address of subcontractor

1. Bidder has participated in a previous contract or subcontract subject to the EEO Clause.
 Yes No
2. Compliance reports were required to be filed in connection with such contract or subcontract.
 Yes No
3. Bidder has filed all compliance reports due under applicable instructions, including SF-100.
 Yes No
4. Have you ever been or are you being considered for sanction due to violation of Executive Order 11246, as amended?
 Yes No

Name and Title of Authorized Representative (print or type)

Signature of Authorized Representative

Date

OCD/EEO/Sub/2000



DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
CERTIFICATION OF SUBCONTRACTOR REGARDING
SEGREGATED FACILITIES
(For Subcontracts exceeding \$10,000)

Name of Subcontractor: _____

Project Name and Number: _____

The undersigned hereby certifies that:

- (a) No segregated facilities will be maintained as required by Title VI of the Civil Rights Act of 1964.

Name and Title of Authorized Representative (print or type)

Signature of Authorized Representative

Date



**DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SECTION 3 AFFIRMATIVE ACTION PLAN**

(Subcontractor)

[For Subcontracts that exceed \$100,000]

_____, Subcontractor, agrees to implement the following specific affirmative action steps directed at increasing the utilization of Section 3 Residents' and Section 3 Business Concerns within the Town/City/County of _____.

- A.** To ascertain from the locality's CDBG Program official the exact boundaries of the Section 3 Covered Project Area and where advantageous, seek the assistance of local officials in preparing and implementing the affirmative action plan.
- B.** To attempt to recruit from within the Town/City/County the necessary individuals to fill employment opportunities generated by Section 3 covered assistance through: local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within or serving the project area such as Service Employment and Redevelopment (SER), Opportunities Industrialization Center (OIC), Urban League, Concentrated Employment Program, Hometown Plan, or the U.S. Employment Service and providing preference for these opportunities in the following order:
 - (i) Section 3 Residents residing in the service area or neighborhood in which the Section 3 covered project is located;
 - (ii) Participants in HLJD Youthbuild Programs, and
 - (iii) Other Section 3 Residents.
- C.** To maintain a list of all lower income area residents who have applied either on their own or on referral from any source, and to employ such persons, if otherwise eligible and a vacancy exists.
- D.** To insert this Section 3 Affirmative Action Plan in all bid documents for contracts over \$100,000, and to require all bidders on subcontracts over \$100,000 to submit a Section 3 Affirmative Action Plan, including utilization goals and the specific steps planned to accomplish these goals.
- E.** To insure that subcontracts over \$100,000 which are typically let on a negotiated rather than bid basis in areas other than Section 3 covered project areas, are also let on a negotiated basis, whenever feasible, when let in a Section 3 covered project area.
- F.** To formally contact unions, subcontractors and trade associations to secure their cooperation for this program.
- G.** To notify Section 3 residents and Section 3 business concerns about economic opportunities generated by Section 3 covered assistance and to award Section 3 covered contracts, to the greatest extent feasible, to Section 3 business concerns in the following order of preference:
 - (i) Section 3 business concerns that provide economic opportunities for Section 3 residents in the service area or neighborhood in which the Section 3 covered project is located;

- (ii) Applicants selected to carry out HUD Youthbuild projects;
 - (iii) Other Section 3 business concerns.
- H.** To notify potential contractors about Section 3 requirements of this part, and incorporating the Section 3 clause in all solicitations and contracts.
 - I.** To facilitate the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns undertaking activities to reach the numerical goal established by HLJD.
 - J.** To cooperate in obtaining the compliance of contractors and subcontractors with the requirements of Section 3.
 - K.** To submit reports to DECD and HUD on the results of actions taken to provide training, jobs and contracts to Section 3 residents and Section 3 business concerns.
 - L.** To appoint an executive official of the company or agency as Equal Employment Opportunity Officer to coordinate the implementation of this Section 3 Affirmative Action Plan.
 - M.** To document utilization of Section 3 Employees on the covered project by obtaining income information from new project area employees on the Section 3 Income Worksheet.
 - N.** To provide all Section 3 Income Worksheets to the prime contractor for inclusion in the Section 3 Utilization Report prior to receipt of final payment of CDBG funds.
 - O.** To maintain records, including copies of correspondence, income verification memoranda, etc., which document that all levels of the above affirmative action steps have been taken.

SUBCONTRACTOR CERTIFICATION

As officers and representative of: _____
 (Name of Subcontractor)

On behalf of the Company, I have read and fully agree to the Section 3 Affirmative Action Plan, and become a party to the full implementation of this program.

 Name and Title of the Authorized Representative (print or type)

 Signature of Authorized Representative

 Date

OCD/Sec3/sub2000

FEDERAL REQUIREMENTS

1. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

(P.L. 88-352), as amended, (42 USC 2000d) and the requirements imposed by the Regulations of the Department of Commerce (15 CFR Part 8) issued pursuant to that Title. In accordance therewith no person in the United States shall, on the grounds of race, handicap, color, sex, national origin or familial status be excluded from participation in, be denied the benefits or be otherwise subjected to discrimination under any program or activity which is paid for with federal funds. The Owner further adds that there shall not be any form of discrimination by any party in any CDBG contract on the basis of familial status, sexual orientation or sex.

2. REHABILITATION ACT OF 1973

29 USC 794, Executive Order 11914, Section 504. No otherwise qualified handicapped individual shall, solely by reason of his/her handicap, be denied the benefits of, be excluded from participation in, or be subjected to discrimination under any program or activity receiving federal financial assistance.

3. SECTION 202 OF EXECUTIVE ORDER 11246

A. Activities and contracts not subject to Section 202

(Applicable to Federally assisted construction contracts and related subcontracts of \$10,000 and under.)

During the performance of this contract, the contractor agrees as follows:

1. The contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of Compensation; and selection for training, including apprenticeship.
2. The contractor shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this non-discrimination clause. The Contractor shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

3. Contractors shall incorporate foregoing requirements in all subcontracts.

B. Activities and contracts subject to Section 202

Applicable to Federally assisted construction contracts and related subcontracts exceeding \$10,000.

During the performance of this contract, the contractor agrees as follows:

1. (a) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration without regard to race, color, religion, sex, or national origin.

(c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the Contract Compliance Officer advising the said labor union or workers' representative of the contractor's commitment under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Department and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the contractor's noncompliance with the non-discrimination clauses of this contract or with any of the said rules,

regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- (g) The contractor will include the provisions of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Department may direct as a means of enforcing such provision, including sanctions for non-compliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Department the contractor may request the United States to enter into such litigation to protect the interest of the United States.

2. The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on -the credit of the Federal Government pursuant to a grant, contract, loan insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the contractor agrees as follows:

- (a) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin, such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment notices to be provided setting forth the provisions of this nondiscrimination clause.
- (b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor; state that all qualified applicants WM receive

considerations for employment without regard to race, color, religion, sex, or national origin.

- (c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract of understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and- applicants for employment.
- (d) The contractor will comply with all provisions of Executive, Order 11246 of September 24, 1965, and the rules, regulations, and relevant orders of the Secretary of Labor.
- (e) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (f) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- (g) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into -such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: Provided, that the applicant so participating

is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract. Or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of labor pursuant to Part IL Subpart D of the Executive order. In addition, the applicant agrees that if it fails or refuses to comply within these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

4. CERTIFICATION OF NONSEGREGATED FACILITIES AS REQUIRED BY THE MAY 19, 1967, ORDER (32 F.R. 74390 ON ELIMINATION OF SEGREGATED FACILITIES, BY THE SECRETARY OF LABOR.

Prior to the award of any construction contract or subcontract exceeding \$10,000, the Contractor shall submit signed Certification of Nonsegregated Facilities Forms for him/herself and all subcontractors.

5. THE AGE DISCRIMINATION ACT OF 1975

No person in the United States shall, on the basis of age, be excluded from participation or be denied the benefits of, or be subjected to discrimination under, any program or activity undertaken with federal funds.

6. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under Title I of the Housing and Community Development Act of 1974.

7. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

In connection with the planning and carrying out of any project assisted with CDBG funds, and to the greatest extent feasible, opportunities for training and employment should be given to lower-income persons residing within the unit of local government in which the project is located, and contracts for work in connection with the project should be awarded to eligible business concerns which are located in, or owned in substantial part by persons residing in, the same unit of local government in which the project is located. And that this contract, or any subcontracts, must adhere to and contain what is referred to as the Section 3 Clause, and which follows in its entirety:

Section 3 Clause:

- a. The work to be performed under this contracts 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 contract 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 sections 3 and 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with sec 7(b).

8. LABOR STANDARDS

- A. Davis-Bacon Act as amended (40 U.S.C 276a - 276a-5.) All laborers and mechanics employed by contractors or subcontractors, including employees of other governments, on construction work assisted under this contract, and subject to the provisions of the federal acts and regulations listed in this paragraph, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.
- B. Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333). All laborers and mechanics employed by contractors or subcontractors shall receive overtime compensation in accordance with and subject to the provisions of the Contract Work Hours and Safety Standards Act, and the

contractors and subcontractors shall comply with all regulations issued pursuant to these acts and with other applicable Federal laws and regulations pertaining to labor standards.

C. Copeland Anti-Kickback Act requires that workers be paid at least once a week, and without any deductions or rebates except permissible deductions.

9. TITLE IV OF THE LEAD BASED PAINT POISONING PREVENTION ACT

LEAD-BASED PAINT HAZARDS -The use of lead-based paint, that is any paint containing more than 1%- lead by weight, is strictly prohibited from use on any interior surface or exterior surface in any building being rehabilitated with funding from the Community Development program. Additionally, any evidence of a health hazard, which is, defined as cracking, scaling, peeling and loose lead-based paint must be treated to prevent the ingestion of the contaminated paint. It is further necessary to assume that any of the above conditions constitute an immediate or potential hazard and must be corrected using appropriate methods.

10. THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970

(P.L. 91-646 as amended), 15 CFR Part 916 including amendments thereto and regulations there under, as provided by 1. M.R.SA 901 et seq. The Contractor and Grantee will ensure that all work performed under this Agreement will be done in accordance with this act.

11. THE NATIONAL ENVIRONMENTAL POLICY ACT OF 1969 (P.I. 90-190); THE NATIONAL HISTORIC PRESERVATION ACT OF 1966 (80 Stat 915, 16 USC 470); AND EXECUTIVE ORDER NO. 11593 OF MAY 31, 1971.

The chief executive officer of the Grantee consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified in 24 CTR 58, which further the purposes of NEPA in the areas of historic preservation, noise control floodplains, coastal zones and wetlands, air quality, water quality, wildlife, endangered species, solid waste disposal, and environmental effects abroad.

The chief executive officer is authorized and consents on behalf of the Grantee and himself to accept the jurisdiction of the federal courts for the purpose of enforcement of his responsibilities as such an official.

12. THE FLOOD DISASTER PROTECTION ACT OF 1963 (P.L 93-234), AS AMENDED.

The Grantee will fulfill any flood insurance requirements under this Act and any regulations issued there under which NOAA may issue.

- 13. ARCHITECTURAL BARRIERS ACT (P.L 90-480), 42 USC 4151, AS AMENDED, and the regulations issued or to be issued there under, prescribing standards for the design and construction of any building or facility intended to be accessible to the public or which may result in the employment of handicapped persons therein.**
- 14. THE CLEAN AIR ACT AS AMENDED, 42 USC 1857 ED SEQ.9 THE FEDERAL WATER POLLUTION CONTROL ACT, AS AMENDED, 33 USC 1251 et seq. and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR Part 15, as amended from time to time.**

In no event shall any amount of the assistance provided under this Agreement be utilized with respect to a facility, which has given rise to a conviction under section 113(c) (1) of the Clean Air **Act** or section 309(c) of the Federal Water Pollution Control Act.

15. MINORITY BUSINESS ENTERPRISES

Referenced in Executive Order #11625, OMEB Circular A-102 Attachment 0 Procurement Standards. Grantees are to give priority to Minority Business Enterprises in purchase of supplies, equipment, construction, and services.

16. CDBG CERTIFICATION

Grantee shall provide any certification required under Sections 104(b), 106(d)(5) or under any other provision of Title I of the Housing and Community Development Act of 1974 as amended through 1983, including Amendments made by the Housing and Urban Rural Recovery Act of 1983, and shall comply with the terms of such certifications.

17. SECTION 319 OF PUBLIC LAW 101-121

The grantee shall comply with the requirements of Section 319 of Public Law 101-121 regarding government wide restrictions on lobbying.

SPECIAL CONDITIONS PERTAINING TO HAZARDS, SAFETY STANDARDS AND ACCIDENT PREVENTION

A. Lead-Based Paint Hazards

(Applicable to contracts for construction or rehabilitation of residential structures) The construction or rehabilitation of residential structures is subject to the HUD Lead-Based Paint regulations, 24 CFR Part 35. The contractor and Subcontractors shall comply with the provisions for the elimination of lead-based paint hazards under subpart B of said regulations. The Owner will be responsible for the inspections and certifications required under Section 35.14(f) thereof.

B. Use of Explosives

When the use of explosives is necessary for the prosecution of the work, the Contractor shall observe all local, state and federal laws in purchasing and handling explosives. The Contractor shall take all necessary precautions to protect completed work, neighboring property, water lines, or other underground structures. Where there is danger to structures or property from blasting, the charges shall be reduced and the material shall be covered with suitable timber, steel or rope mats. The Contractor shall notify all owners of public utility property of intention to use explosives at least eight hours before blasting is done, close to such property. Any supervision or direction of use of explosives by the Engineer does not in any way reduce the responsibility of the Contractor or his Surety for damages that may be caused by such use.

C. Danger Signals and Safely Devices

The Contractor shall make all necessary precautions to guard against damages to property and injury to persons. He shall put up and maintain in good condition, sufficient red or warning lights at night, suitable barricades and other devices necessary to protect the public. In case the Contractor fails or neglects to take such precautions, the Owner may have such lights and barricades installed and charge the cost of this work to the Contractor. Such action by the Owner does not relieve the Contractor of any liability incurred under these specifications or contract.

**Federal Labor Standards Provisions
U.S. Department of Housing and Urban Development**

Applicability

The Project of Program to which the Construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A.1. (i) Minimum Wages. All laborers and mechanics employed or working up on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project) will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than

weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification or work actually performed, without regard to skill, excepts as provided in 29 CFR Part 5.5 (a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFT part 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt

and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1) (b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized

representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much that the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract. HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic record relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the

work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b) (2) (B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonable anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) or the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each in which any

contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR Part 5.5(a)(3)(i). except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own

records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a property executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph AA.3. (ii)(b) of this section.

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor of subcontractor shall make the records required under paragraph A.3. (i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR Part 5.12.

4. (i) Apprentices and Trainees. Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprentice program, who is not individually

registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full

amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the even the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division

determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirement of Executive Order 11246, s amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3, which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor will insert in any subcontract the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the

subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all contract clauses in 29 CFR Part 5.5

7. Contracts termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor as provided in 29 CFR 5.12

8. Compliance with Davis-Bacon and Related Act Requirements. All ruling and interpretations of the Davis-Bacon and Related Act contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering in to this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act of 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty to making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transaction", provides in part: "Whoever, for the purpose of ...influencing in any way the action of such Administration...makes, utter or publishes any statement, knowing the same to be false...shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment

of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) or this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$25 for each calendar day on which such individual was required or permitted to work in excess of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages for liquidated damages. HUD or its designees shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold of cause to be withheld from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the

same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety

(1) No laborer or mechanic shall be required to work in surrounding or under working conditions that are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 (formerly Part 1518) and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54, 83 Stat. 96). 40 USC 3701 et seq.

(3) The Contractor shall include the provisions of this Article in every subcontract so that such provisions will be binding on each subcontractor. The

Contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.