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1.0 Introduction

The *Procurement, Contracts and Acquisition Handbook* (Revised May 2016) has been prepared by the State of Arizona Department of Housing (ADOH) for use by entities eligible for Community Development Block Grant (CDBG) funds, Weatherization Assistance Program (WAP) funds and HOME Investment Partnership Program (HOME) funds within the State of Arizona's program area and replaces the Handbook dated 2001.

Please note that although this Handbook is applicable to the procurement process as it relates to construction projects covered by federal labor standards (Davis-Bacon and Related Acts), the specific requirements relating only to labor standards contracts are in the *Labor Standards Handbook*.

The sample documents and forms are in Word format available for download from the department's website. Suggestions, comments or questions should be directed to:

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Title II of the Americans with Disabilities Act prohibits discrimination on the basis of disability in the programs of a public agency. Individuals with disabilities who need the information contained in this publication in an alternate format may contact the State of Arizona Department of Housing at (602) 771-1000 to make their needs known.

The Housing and Community Development Act of 1974, as amended and implementing regulations require each state to establish specific procurement procedures to be followed by all CDBG recipients. These procedures must be the same or equivalent to the procedures as stated in HUD regulations. The procedures in this Handbook establish a procurement system that is fair and compliant with federal laws, regulations, and executive orders. HUD procurement regulations can be found at 2 CFR 200.

The term "procurement" as used in this Handbook includes the process of selecting goods or services, the written agreement or contract for such, and the implementation of that agreement.

NOTE: It is the recipient's responsibility to comply with all laws and regulations including Arizona Revised Statutes, local ordinances, and codes that may be applicable to procurement and contracting. Recipients are strongly encouraged to confer with their legal counsel for guidance and refer to: <http://www.azleg.gov/ArizonaRevisedStatutes.asp> for current state law.

2.0 Recipient Responsibilities

Throughout this Handbook those entities that receive funding through ADOH are referred to as “recipients”. It should be noted that, depending on the program that funds each activity, the technical nomenclature for that entity may vary. Following is an itemized list of those various terms:

- HUD refers to ADOH as their “grantee” and the entities funded with CDBG funds through ADOH are then referred to by HUD as “sub-grantees”.
- Entities receiving federal HOME funds through ADOH are referred to as “sub-recipients”.
- Entities receiving funding through the Department of Energy (DOE) Weatherization Assistance Program are referred to as “sub-grantees”.

Because this Handbook applies to multiple funding sources, for simplicity sake, all of the above entities shall herein be referred to as “recipients”.

In order to comply with mandated procurement regulations for activities funded in whole or in part with CDBG/WAP/HOME funds, (herein after referred to as federal funds) a recipient must adopt the procedures outlined in this Handbook if it does not have a written procurement system or if its procedures are less restrictive than those included here.

Recipients are responsible for:

- selecting the procurement method(s) that is best suited to each funded activity;
- compliance with regulations and statutes;
- adopting and following procedures to ensure unrestricted competition;
- maintaining adequate documentation of the entire procurement process to ensure regulatory and statutory compliance;
- providing documentation for review by ADOH/HUD/DOE/other interested parties;
- managing any sub-recipients, contractors, lessees, etc.;
- if applicable, complying with Section 3 regulations;
- if applicable, complying with Uniform Relocation Act (URA) regulations.

2.1 Mandatory Procedures

Recipients must have written procedures to ensure that procurements are equitable and provide for open and full competition. The mandatory procedures to ensure such are:

- Provide a clear and accurate description of the technical requirements and/or specifications.

- Include a statement of the qualitative nature of the material, product or service (if applicable).
- Include minimum essential characteristics and standards.
- Identify all requirements that bidders must fulfill (no additional requirements can be added once the procurement process has been initiated).
- Identify all factors to be used in the evaluation process.

2.1.1 Compliance with Arizona Revised Statutes

Although recipient funding is contracted through ADOH, it is Federal funding. As such, recipients are required to follow the Federal Procurement Standards located in 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. In addition, there are also certain state statutes that ADOH requires recipients to follow. While these are fairly limited, they are noted specifically in each Handbook Section as they occur (with two (2) exceptions included below).

A.R.S. §32-142 requires that drawings, plans, specifications, estimates and construction observation for public works of a political subdivision of the state involving architecture, engineering, assaying, geology, landscape architecture and land surveying be prepared by or under the direct supervision of a registrant (someone licensed or registered with the appropriate Board) within that category.

- Appraisers must be certified or registered with the Arizona Board of Appraisers.
- Requests for Proposals/Qualifications must identify these qualifications as required by law.

A.R.S. §41-4401 outlines compliance requirements for Immigration Laws and E-Verify. The following must be included in all contracts between recipients and their contractors, service providers, sub-recipients, etc.

- Recipient warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: “After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.”)
- A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and recipient may be subject to penalties up to and including termination of this agreement.
- The ADOH retains the legal right to inspect the papers of any employee who works on this agreement to ensure that Recipient or Recipient’s sub-contractor is complying with the warranty under paragraph (a).

For a list of all statutes, visit the state website at: <http://www.azleg.gov/ArizonaRevisedStatutes.asp>.

2.1.2 Review for Unnecessary or Duplicative Purchases

Per 2 CFR 200.318(d), each recipient must have a system to review proposed procurements to avoid the purchase of unnecessary or duplicative items. Recipients should also consider consolidating purchases where possible or a lease versus purchase alternative to determine the most economical approach.

To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal government, the recipient is encouraged to enter into local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services (2 CFR 200.318(e)).

2.1.3 Procurement of Recovered Materials 2 CFR 100.322

Recipients must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired in the preceding fiscal year exceeded \$10,000 and establishing an affirmative procurement program for procurement of recovered materials identified by the EPA guidelines.

Recipients must ensure that suppliers and contractors certify that they are following the requirements and specifications as outlined by the EPA at 40 CFR Part 247, Comprehensive Procurement Guideline for Products Containing Recovered Materials.

2.1.4 Conflict of Interest

A conflict of interest situation is defined as one in which an employee, officer or agent or any member of his/her immediate family, or his/her partner or an organization that employs or intends to employ any of the aforementioned, has a financial or other interest in the selected contractor. A person who may potentially receive benefits from a CDBG/HOME/WAP assisted procurement activity shall not participate in the decision making process. These provisions are effective for the length of their tenure and for one (1) year thereafter if they have exercised any functions or responsibilities with respect to the federally funded activity or are in a position to participate in the

decision making process or gain inside information related to such activity. Recipients must adopt guidelines to ensure that each procurement decision is free from actual, potential or an appearance of conflict of interest.

Per 2 CFR 200.318(c)(1), the guidelines must include a written code of standards of conduct which govern the performance of its officers, employees or agents who engage in the award and administration of contracts supported by federal funds. The following items must be included.

- No employee, officer or agent of the recipient shall participate in the selection, award or administration of a contract supported by federal funds if there is a real or an appearance of conflict of interest.
- The recipient's officers, employees or agents may not solicit or accept gratuities, favors or items of monetary value from contractors, potential contractors or sub-recipients. However, a recipient may include additional guidance for situations when the financial interest is insubstantial or an unsolicited gift is of nominal value.
- To the extent allowed by state or local laws and regulations, such standards of conduct shall provide for penalties, sanctions or disciplinary actions for violations.
- The recipient may provide for additional prohibitions.

In addition to procurement and contracting, conflict of interest regulations cover other activities funded by ADOH:

- Acquisition and disposition of real property.
- Recipient or sub-recipient assistance to individuals, businesses or other private entities for rehabilitation, preservation or other improvements of private properties or facilities.
- Grants, loans or other assistance provided to businesses, individuals or other private entities such as neighborhood based organizations, small business investment companies and local development corporations engaged in special economic development activities.

These provisions apply to the following:

- any person who is an employee, agent, consultant, officer, elected official or appointed official of the recipient;
- any member of the above mentioned parties' immediate family;
- a partner of the above mentioned parties;
- an organization which employs or is about to employ any of the above parties; AND/OR

- any designated public agency or sub-recipient who receives ADOH funds from the recipient.

Examples

A recipient submitted an application for housing rehabilitation to the Council of Local Government (COG) in August 2015. If a person who served on the town council until June 2015 wished to apply for a rehab loan or bid on a rehab project in December 2015, he/she would have a conflict of interest because the prohibition extends for one (1) year after serving in office.

A recipient has a CDBG funded senior center project which includes acquisition of property. If the city wishes to acquire property that is owned by the brother of the current city manager, a conflict of interest would exist because the prohibition extends to the family of those persons who are part of the decision making process.

Exceptions

Exceptions may be made by HUD/DOE provided the recipient submits a written disclosure of the nature of the conflict, how the public has been made aware of this conflict and a written opinion from the recipient's legal counsel that the exception would not violate state or local law. This documentation must first be submitted to ADOH for review and approval at which time ADOH will submit the request to HUD/DOE. HUD/DOE will consider the cumulative effect of a number of factors before granting an exception:

- Would an exception provide a significant cost benefit or degree of expertise not otherwise available?
- Was an opportunity provided for open competitive bidding or negotiations?
- Is the person affected of Low-to-Moderate Income or a member of a group that is intended to benefit from the activity?
- Has the person withdrawn from his/her functions and the decision making process?

The League of Arizona Cities and Towns has published guidance in this area entitled *You as a Public Official...* which can be found at their website: <http://www.azleague.org/>. This is an excellent resource recipients are highly encouraged to read and take note of.

2.2 Competition Guidelines

Although a procurement policy attempts to ensure fair and open competition, some preferences for certain business types are allowable and, in some circumstances, are required preferences.

2.2.1 Contracting with Small or Minority/Women Owned Businesses

It is national policy that recipients take those steps necessary to assure that minority business enterprises (MBE), women's business enterprises (WBE) and labor surplus area firms are used whenever possible. Thus, recipients are encouraged to adopt policies and procedures that will promote the use of small, minority, women-owned, labor surplus area and local businesses (hereafter referred to as "MBE/WBE firms") as sources for supplies, equipment, construction and professional services.

NOTE: Per 48 CFR 2.101: A "Labor Surplus Area Firm" is defined as a firm that, together with its first-tier sub-contractors, will perform substantially in labor surplus areas. Performance is substantially in labor surplus areas if the costs incurred under the contract on account of manufacturing, production, or performance of appropriate services in labor surplus areas exceeds fifty percent (50%) of the contract price. A "Labor Surplus Area" is defined as a government-designated town and/or county that has experienced severe unemployment. The federal Department of Labor issues an annual list of such designated areas.

Recipients should also review their existing procurement policies and procedures to ensure that they do not inadvertently discriminate against MBE/WBE firms. For example, specifications that unreasonably require extensive experience or years in business can discriminate against small, minority or women-owned businesses. Advertisements in an English language newspaper that are not translated into another language can discriminate against minority businesses. Per federal regulations at 2 CFR 200.321, recipients should take the following affirmative steps to implement this policy:

- Include qualified MBE/WBE firms on solicitation lists.
- Assure that MBE/WBE firms are solicited whenever they are potential sources for procurement.
- When it is economically feasible, and not contrary to other requirements regarding restrictive practices, divide total procurement requirements into smaller tasks or quantities to permit maximum participation by MBE/WBE firms and/or establish delivery schedules which will have similar impact.
- Use the services of organizations such as the Small Business Administration, the Minority Business Development Agency of the federal Department of Commerce or state or local organizations which can provide information on techniques to increase the participation of MBE/WBE firms.

- Require the prime contractor, if subcontracts are to be used, to take affirmative steps by incorporating the above listed affirmative action outreach steps and reporting into their subcontracts.

2.2.2 Prohibited Restrictive Procedures

Per 2 CFR 200.319, any action that restricts or eliminates competition is in violation of federal policy. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, scopes of work and invitations for bids or RFP/Qs must be excluded from competing for such procurements. Below are a few examples of restrictive procedures:

- Placing unreasonable requirements on firms in order for them to qualify to do business.
- Requiring unnecessary experience and excessive bonding.
- Non-competitive pricing practices between firms or affiliated companies.
- Non-competitive contracts to consultants that are on retainer contracts.
- Organizational conflicts of interest.
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement.
- Any arbitrary action in the procurement process.

2.2.3 Bidders Lists

Per 2 CFR 200.319(d), recipients may use lists of prequalified bidders if the list is current (updated within one (1) year of the initiation of the procurement). Bidders lists must include a minimum of three (3) sources to ensure maximum competition. Recipients must not preclude potential bidders from qualifying during the solicitation period. If the complete list is not utilized for every related procurement, the bidder’s list must be rotated in a clear and consistent manner to give all vendors a fair and equal opportunity to compete.

2.2.4 Cost Estimates

Per 2 CFR 200.323, recipients must prepare a written independent cost estimate before receiving bids, proposals or contract modifications. The independent estimate should be provided by a qualified recipient staff person or qualified third party with no interest in the project. This helps ensure that the actual cost of the product or service is reasonable. Although the method of the cost or price analysis may vary according to the circumstance of a particular procurement, recipients should have

solid estimates for large items and construction based on research during the application process. Catalog or market price of products sold to the general public can suffice for cost estimates when applicable.

Examples

The architect's proposal includes a cost of \$50 per hour for the services of an administrative assistant and \$4,000 for blueprint publication. Cost estimates for these two (2) elements should be obtained by calling employment firms and printing companies.

The contractor requests a change order for the cost of constructing an additional bathroom in the senior center. This will only increase the total contract amount by ten percent (10%). The reasonableness of the cost can be determined by contacting other contractors or comparing the cost with bids submitted for a similar construction project.

Profit must be negotiated as a separate element when there is no price competition and in all cases when a cost analysis is performed. To establish a fair and reasonable profit, consideration should be given to the complexity of the work, any risk assumed by the contractor, the contractor's investment, the amount of subcontracting involved, the contractor's past performance record and industry profit rates.

NOTE: Cost plus contracts are illegal and prohibited by HUD/DOE. Cost plus a percentage of cost and percentage of construction costs methods of contracting must not be used, 2 CFR 200.323(d), "Contract Cost and Price". Contracts that allow payment of a set amount plus costs incurred over that set amount or require payment based on a percentage of the construction costs are considered "cost plus contracts".

2.2.5 Cooperative Purchases

Recipients may enter into a cooperative purchase agreement with other public entities or may purchase items and services from existing State of Arizona contracts. This allows recipients to purchase materials that have already been legally procured and are under contract. (Refer to the State's website for additional information: <https://spo.az.gov/>.)

Recipients must document the procurement and provide contract information to ADOH for review and approval. If a recipient opts to use this procurement method, the recipient's legal team MUST submit something to the CDBG program in writing certifying that the State's (or other public entity's)

procurement procedure for selecting the contractor/service provider/vendor met all federal procurement regulations.

Example

Community A has followed the required federal procurement procedures and now has a contract with STS to purchase TDDs. Community B needs one (1) TDD for the library. Rather than go through the entire procurement process for only one (1) TDD, Community B may purchase from STS through a cooperative agreement with Community A.

2.2.6 Protest and ADOH Role

Procurement procedures shall include a method to handle bidder or vendor protests regarding the bidding and award process. The procedure must designate the ultimate resolving authority. Although ADOH must be notified when any protest is received involving a federally funded contract, ADOH will review protests only when local administrative remedies have been exhausted. That review is limited to violations of Program rules, violations of a recipient's protest procedures or a recipient's failure to review a protest. Mandatory guidelines for protest procedures include:

- Bidders and/or vendors are to be provided an outline of the protest procedure to include the time period for review and the designated reviewer(s), by title. This information should be a part of the bid package or the non-award letter sent to unsuccessful bidders.
- Protests from the bidder and/or vendor must be written. Protests must be reviewed in a timely manner by a person or persons not involved in the original procurement decision and having no conflict of interest in the procurement process.
- The protester must receive written notification of the recipient's decision in a timely manner.

2.3 Maintaining Documentation

Each recipient must maintain records sufficient to detail the history of the procurement per 2 CFR 200.318(i). These will include the rationale for the procurement method, the type of contract used, the contractor selection or rejection and the basis for the contract price.

- Documentation that the appropriate procurement method was followed. For example, the recipient's Procurement File should contain copies of: bid advertisements; affidavits of publication; bidders lists and mailing lists; Requests For Proposals/Qualifications; prices quoted for small purchases; notes of the bid opening; correspondence related to award; and notification to those bidders not selected.

- Deviations from the standard procurement methods require a written rationale for the procurement method used and prior written approval from ADOH Program Staff.
- Bid specifications and/or a scope of work must clearly identify what is to be procured in terms of quantity, quality, time, price, qualifications and other factors to be used in the evaluation process.
- Price determination should include evidence of comparative prices in the area, estimates or other verification that the price specified in the award/contract is reasonable and achieves the goal of a favorable price for goods and services.
- Evaluation criteria and procedures. For example, the basis for selection and rejection of bids (lowest responsible bidder, weight attributed to evaluation factors) and the person(s) who will evaluate the bids/proposals.
- The signed contract, letter of agreement or approved purchase order.
- Contract amendments or change orders with approval and justification of such.
- Vouchers, invoices, payment requests and evidence of authorized review and approval.
- Evidence of contract monitoring to ensure compliance. This can include inspection reports, approval of construction, council approval of a master plan, monthly or interim progress reports and the engineer’s approval of a street improvement design.

NOTE: Recipients of CDBG funds are encouraged to track applicable purchases and contracts on the Business Opportunities Form. This will ensure a faster and smoother closeout at the end of the grant period. The Business Opportunities Form (C-7) can be found in the CDBG Administration Handbook, Chapter 8.

2.4 Providing Documentation for Review (CDBG Funding Specific)

To help ensure compliant implementation of CDBG projects, ADOH Program Staff review (desk monitor) and approve procurement documents. When submitting a draft Request For Proposal/Qualifications, bid documents, contract or agreement to CDBG, recipients are strongly encouraged to complete and submit the appropriate desk monitoring form to speed up the review and approval process. (Refer to Chapter 6 of the *CDBG Administration Handbook*.) Using the desk monitoring forms also provides a way for recipients to double check that their work meets all requirements.

Upon request by the ADOH Program Staff, recipients must make available all procurement documents to include technical specifications and documents related to contract changes. ADOH

Program Staff will review all procurement related documents either through desk monitoring or during a site visit prior to closeout. (Refer to Section 11 for Procurement File Checklists.)

2.5 Managing Contractors/Sub-recipients/Lessees

There are instances where recipients will choose to work with additional entities to complete grant activities. These entities include contractors, sub-recipients, operators/lessees and equipment operators. Because these entities will be receiving federal funds from recipients, they will each require a specific written agreement with the recipient.

2.5.1 Contractors

Contractors include entities with whom the recipient contracts to complete their grant award. These can be architects, engineers, construction companies, administrators, etc. Each type of contractor's service is procured through its respective procurement procedures as defined throughout this Handbook. When using contractors, the recipient is administering the project and procuring the goods and services needed to complete the activity.

NOTE: Standard procurement procedures are not required to contract with a COG. (For details on this exemption, refer to Section 3.4.)

Examples

Community C received a \$250,000 HOME grant to rehabilitate five (5) homes. Community staff will administer the project but have procured HRS (a non-profit organization) to income qualify the clients only. In this capacity, HRS is considered a contractor.

Community D has elected to contract with a COG for administrative services. In this instance, although standard procurement procedures were not required, the COG is still considered a contractor.

In the above examples, the recipient is permitted to use the sample administrative services contract in Section 8. Sample contracts for professional service providers can be found in Section 9 and sample contracts for construction contractors can be found in Section 10.

2.5.2 CDBG Program Sub-recipients

As defined by HUD, *sub-recipients* are organizations (usually non-profits) that receive CDBG funds from a recipient for their use in carrying out agreed upon, eligible activities. A sub-recipient receives CDBG funds to administer and complete an activity in lieu of the recipient. The recipient, however, is still responsible for ensuring that the sub-recipient complies with CDBG requirements through monitoring. It is important to remember that ultimately, the recipient is the one who is contractually responsible to ADOH. The sub-recipient is also required to have an annual audit in compliance with the Single Audit Act (SAA). When an entity qualifies as a sub-recipient and actually *performs in lieu of the recipient*, the sub-recipient may be designated rather than procured. This type of arrangement requires a *Sub-recipient Agreement*.

Examples

Community A received \$150,000 to rehabilitate approximately five (5) homes. It has contracted with Housing Rehabilitation Specialists (HRS), a non-profit organization, to administer the program and perform every facet of this activity. HRS will do the marketing, income qualifying, work write-ups, procurement of contractors, payment approval and final inspections. Community A will monitor HRS for compliance with CDBG requirements and submit payment requests to ADOH and manage the financial responsibilities. HRS is considered a sub-recipient.

Community B received \$150,000 to provide assistance to victims of domestic violence. The Community will pay for multiple full-time counselors and other operating expenses for the Victims Assistance League (VAL) to administer and provide this service.

NOTE: Both of the above are examples of sub-recipients. It is important to remember that they must provide an annual SAA audit and comply with the same Program requirements as the recipient.

2.5.3 Lessees/Operators (CDBG Funding Specific)

Facilities Operators or Lessees

Facilities operators or lessees, such as a Head Start Program, have no financial investment in the CDBG project but are an integral part of its success. An operator agrees to provide a service (Head Start, senior day care, job training) in a building constructed with CDBG funds. The operator/lessee

may pay rent or lease the facility. This arrangement requires the use of a *Centers and Facilities Agreement and a Use Policy*.

Examples

Community F has been awarded \$300,000 in CDBG funds to build a Head Start facility. Head Start has little involvement until the building is finished. At that point, an agreement is signed stating that Head Start will provide its services for at least five (5) years. The agreement also states who is responsible for operations and maintenance.

Community G plans to use its \$150,000 CDBG grant for an addition to the community center. The addition will include an office and two (2) classrooms for the JTPA program. JTPA has agreed to provide job training to teenage youths for at least five (5) years if the community will provide the space.

Equipment Operators

Equipment operators agree to operate and maintain equipment purchased with CDBG funds for the required five (5) year period. Ultimately the Recipient is responsible for the equipment even after transfer. As such, the Recipient must include contract language that explicitly outlines to the equipment operator the five (5) year use period.

Examples

Community H has been awarded \$45,000 in CDBG funds to purchase an accessible van for the senior center. The center agrees to operate the van and provide for operating and maintenance costs for the five (5) year use period. The community will purchase the van and transfer ownership to the senior center.

The County of Oz has received \$95,000 in CDBG funds to purchase an ambulance for the service area of Redwood Fire District. The fire district has agreed to operate and maintain the ambulance. The County will purchase the ambulance and transfer ownership to the fire district.

2.6 Section 3 (HUD Funding Specific)

Section 3 of the Housing and Community Development Act of 1968 is an attempt to ensure that the economic and employment opportunities generated from HUD funded projects will benefit Low-to-Moderate Income persons and recipients of HUD housing assistance. It does not address issues relating to ethnicity or gender.

Section 3 applies to recipients and contractors/sub-contractors, under specific circumstances:

- ADOH, under all conditions;
- Recipients, if they receive Housing and/or Community Development Assistance funds (for a complete list of funding sources, refer to Section 5) exceeding \$200,000 combined from all sources in a single reporting year;
- Contractors/sub-contractors when the activity is determined Section 3 covered for the recipient (refer to bullet point above) and the contract/subcontract exceeds \$100,000.

Section 3 is applicable to the entire project if the thresholds are met, whether the project is fully or partially funded by CDBG/HOME. Thresholds are based on the amount of HUD assistance awarded to a recipient and thus to a contractor/sub-contractor and is NOT limited to the CDBG/HOME share. Additionally, Section 3 regulations are applicable from the date of the CDBG/HOME contract until completion of the project (or in the case of a contractor/sub-contractor, from the date of the contract until the contractor's portion of the project is complete). (For detailed guidance regarding Section 3 requirements, refer to Section 5 of this Handbook.)

2.7 Uniform Relocation Act (URA)

An ADOH funded project that involves acquisition or relocation/displacement must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (P.L. 100-17) and implementing regulations at 49 CFR Part 24. The purpose of the URA is to:

- ensure that real property owners are treated fairly and consistently; and
- eliminate coercion or actions that could be interpreted as such.

(For detailed guidance regarding compliance with the Uniform Relocation Act, refer to Section 6 of this Handbook.)

3.0 Methods of Procurement

There are five (5) procurement methods for use in specific circumstances:

- Micro Purchases: The acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 or the acquisition of construction that does not exceed \$2,000.
- Small Purchases: To secure services, supplies or other property where the cost does not exceed \$150,000.
- Sealed Bids: For equipment and supplies exceeding \$150,000 and **all construction that exceeds \$2,000** (unless a waiver is approved). (Refer to Section 3.3.)
- Competitive Proposals: When the procurement is based on qualifications and price is not the determining factor in the evaluation process.
- Non-Competitive Proposals: Allowable under limited circumstances and only with prior written ADOH approval.

3.1 Micro Purchase Procurement 2 CFR 200.320(a)

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000, or the procurement of construction services that does not exceed \$2,000. To the extent practicable, the recipient must distribute micro-purchases equitably among qualified suppliers.

Micro purchases may be awarded without soliciting competitive quotations if ADOH considers the price to be reasonable. When a Request For Payment is submitted to ADOH for such items, backup documentation must evidence that the price paid is fair and reasonable in the current market. Examples of appropriate documentation include an online vendor's advertisement, contractor's labor pricing breakdown, etc. *The circumstances in which micro purchase is permissible are highly unique in a construction situation and if you are unsure if this method is allowable and appropriate, contact your Specialist before proceeding.*

Recipients may use their own adopted micro purchase procurement procedures *only if they are more restrictive than the requirements outlined above.*

3.2 Small Purchase Procurement

This method of procurement can be used to purchase supplies, equipment or services with a cost of no more than \$150,000 in the aggregate. Procedures for such a procurement are simple and informal

and require obtaining at least three (3) oral or written price quotations. The recipient must document its procedure and identify the individual authorized to make procurement decisions. Dividing a large procurement into small units to utilize the small purchase method in order to avoid the use of a more appropriate and competitive method is not allowable.

Recipients may use their own adopted small purchase procurement procedures *only if they are more restrictive than the ADOH requirements*.

3.2.1 Oral Quotes

If verbal price quotes are the basis for an award, supportive documentation must be maintained by using Form P-1 (refer to Section 11). The supportive documentation must include:

- the date and name of the person making the inquiry;
- method of contact (phone or in person);
- name and phone number of the firm(s) contacted;
- the date, name and title of the respondent; and
- the questions asked and the responses.

The recipient must ensure that each firm contacted is asked the same questions and provided the same basic information. The recipient should also ensure that the verbal quotes are obtained within a reasonable time frame.

3.2.2 Written Quotes

Documentation for written price quotes should include:

- specifications: type, size, color, quantity, quality, delivery date, warranty and prior experience or license requirements;
- responses to each item identified above;
- the name of the person obtaining the quotes; date requests mailed and date quotation is due back to the recipient;
- the name and address of the businesses contacted (must contact at least three (3));
- prices quoted by each source;
- the name of the person(s) authorized to make procurement decisions; and

- verification that the award decision was based on the information obtained.

3.3 Competitive Sealed Bids

The competitive sealed bid method applies to all construction (including housing rehabilitation) contracts (for costs exceeding \$2,000 unless a waiver is approved, refer to Section 3.3.1), as well as all purchases of supplies/materials/equipment costing more than \$150,000 (such as a fire truck or ambulance). The procurement must lend itself to a firm, fixed price contract where the selection can be principally made on the basis of price. Competitive sealed bids ensure fair and equitable competition by advertising in a newspaper of general circulation, posting to websites and/or direct solicitation of potential bidders and opening all bids at a public meeting.

3.3.1 Sealed Bid Waiver for Construction Contracts

A waiver from the use of the sealed bid procurement method for construction may be granted if it complies with the following conditions:

- It must be in writing and submitted to ADOH prior to the initiation of procurement for construction; and
- It must contain the following information:
 - ✓ why the sealed bid method is NOT appropriate (which is usually a factor of the total price of the construction or the unique nature of the construction);
 - ✓ how a competitive process will be ensured; and
 - ✓ how compliance with labor standards provisions will be ensured.

3.3.2 Sealed Bid Process

The invitation for bids will be publicly advertised, meaning that bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date of public bid opening. (ADOH considers two (2) weeks to be sufficient response time.) This requirement can be met through one (1) or more of the following procedures:

- Invitations for bids can be advertised in at least one (1) newspaper of general circulation. The affidavit of publication must be retained.
- Invitations for bids may also be advertised in local plan rooms. Evidence of this advertisement must be retained.
- Bids can be solicited from a recipient's pre-qualified bidders list. If this method is used, solicitation must be in writing (via e-mail, letter, fax, etc.) and must be sent to all contractors

on the bidders list. If the invitation to bid is not sent to all contractors, a written policy clearly outlining the rotation procedure for solicitation MUST be included with the procurement documentation. The full bidders list and evidence of written solicitation must be retained. (Refer to Section 2.2.3 for details regarding bidders list.)

NOTE: A sample invitation to bid can be found in Section 10.

The invitation to bid, including the specifications and attachments, must clearly describe the goods, scope of services or public improvement specifications so that bidders can respond appropriately. If applicable, the bid should specify that:

- The recipient has the right to reject any or all bids.
- The recipient will select the “lowest and most responsive/responsible” bid. This allows the recipient to use factors other than price to determine the bid award. Such factors **must** be clearly stated in the invitation to bid and can include: timelines for delivery; transportation costs; information relating to past performance; ability to perform. Consideration of other factors must be consistent among bidders (i.e. if references are checked for one (1) bidder, the same check must be completed for all bidders).
- The advertisement and bid package must clearly state the deadline for receipt of bids and the date, location and time of the public bid opening.
- The recipient may elect to hold a pre-bid meeting or conference. This must be advertised in the invitation to bid. This meeting, at the recipient’s discretion, may or may not be mandatory. This meeting provides potential bidders the opportunity to ask questions, view the project site and meet the recipient’s team.
- Federal procurement requires bid bonds for all bids of \$100,000 or more. The bid bond is five percent (5%) of the bid price. The recipient should follow local policy for those bids less than \$100,000. However, if the local government sealed bid and/or bonding requirements are more restrictive, the local government procedures must be used.
- All bids are confidential until the public bid opening.
- All bids must be date and time stamped upon receipt. Bids received after the deadline must be returned unopened.
- All bids must be opened publicly at the advertised time, date and location.
- A firm fixed price award must be made in writing to the lowest responsive/responsible bidder after approval by the authorized person(s) as per the recipient’s procurement policy.
- A bid abstract (process summary) must be maintained which documents:

- ✓ date, time and location of the bid opening;
 - ✓ persons present;
 - ✓ number of bids opened;
 - ✓ information received from each bidder; and
 - ✓ award decision.
- If the recipient decides not to accept any bid, it must document the reason and the person(s) authorized to make that decision.

NOTE: Prior to award, the recipient must verify the contractor is appropriately registered in the SAM.gov system. Contractors must have a current and valid SAM registration in order to be awarded a contract paid with federal funds!

- Both the awardee and unsuccessful bidders must be notified promptly in writing. If the recipient’s protest procedure was not included in the bid package, it must be included in this notification. (A sample award/non-award letter can be found in Section 10.)

(Refer to Section 10 for specific construction bid requirements and examples.)

3.4 Competitive Proposals 2 CFR 200.320(d)

Procurement through competitive proposals follows either the Request For Proposals (RFP) process or the Request For Qualifications (RFQ) process.

RFP is normally conducted with more than one (1) source submitting an offer and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. Common examples of items procured through this method are:

- grant administration;
- audits; and
- general plans.

2 CFR 200.318(e) states “to foster greater economy and efficiency and in accordance with efforts to promote cost-effective use of shared services across the federal government, the [recipient] is encouraged to enter into a state and local inter-governmental agreements...where appropriate for

procurement or use of common or shared goods and services.” Per this regulation, ADOH permits recipients to contract directly with a COG without going through the formal competitive proposal process.

RFQ is usually followed for the procurement of Architectural or Engineering Services. Price cannot be considered as a selection factor for the procurement of Architectural and Engineering services. However, a similar competitive proposal process for these services must be followed.

The process for competitive proposals (RFP/RFQ) is as follows:

- A written Request For Proposal (RFP) or Request For Qualifications (RFQ) must be developed.
- Proposals must be solicited from at least three (3) (preferably more) qualified sources for reasonable competition. A list of the firms solicited must be maintained. It is strongly recommended that RFP/RFQs also be advertised in a newspaper of general circulation. The affidavit of publication should be retained in the recipient’s procurement files.
- The RFP/RFQ must clearly identify the type of services/goods to be obtained and other evaluation factors. It must describe the evaluation process as well as the importance (weight) of each evaluation factor. For example, it should indicate the relative weight of experience as compared to qualifications.
- It should identify the approximate time frame for the review and evaluation of all proposals as well as the job titles of the persons who will evaluate the proposals. For example, “All RFP/RFQs will be reviewed during the week of March 12th - 16th by a committee composed of one (1) council member and two (2) department directors.”
- The RFP/RFQ must clearly identify the deadline for receipt of proposals.
- All proposals must be date and time stamped upon receipt. Proposals received after the deadline must be returned unopened.
- All proposals must be evaluated in writing following the method stated in the RFP/RFQ. Documentation of the evaluation process must be maintained.
- An RFP/RFQ score sheet must be used to document the evaluation factors as described in the RFP/RFQ. This score sheet must verify decisions to negotiate with a particular bidder or bidders. (Refer to examples in Sections 8 and 9.)
- As necessary, the recipient conducts negotiations depending on the process followed:
 - ✓ RFP: The recipient deems which offers are responsible and responsive and fall within a competitive price range based on the recipient’s evaluation of the bidders’ pricing and technical proposals. Once the recipient has made a selection, the selected offeror may be given the opportunity to submit a final and best offer.

OR

- ✓ RFQ: The recipient determines which offerors' qualifications are most suited to the project, including only those that are considered responsive and responsible. Once the offerors have been ranked according to qualifications, the recipient may enter into cost negotiations with the most qualified. If the two (2) parties fail to reach a mutual agreement, the recipient can move down the list to the next most qualified and start the negotiation process over.
- In conducting negotiations, there shall be no disclosure of any information derived from proposals submitted by competing offerors.
- The award may be made to the offeror whose proposal would be most advantageous to the recipient considering all evaluation factors identified in the RFP/RFQ. The award must be in writing and clearly identify any contingencies resulting from the negotiations
- Unsuccessful bidders must be notified promptly in writing. This notification should include information regarding the protest procedures if it was not included in the RFP/RFQ.
- The contract/agreement resulting from the acceptance of the award may be either for a fixed price (paid when the items/services are delivered and approved) or as a reimbursement after costs are incurred (i.e. an hourly fee for legal services rendered).

(Refer to Section 8 for RFP examples and Section 9 for RFQ examples.)

3.5 Design Build Projects

Arizona law A.R.S. §34-101 defines design-build as follows:

- "Design-build" means a project delivery method in which:
 - ✓ There is a single contract for design services and construction services.
 - ✓ Design and construction of the project may be in sequential phases or concurrent phases.
 - ✓ Finance services, maintenance services, operations services, design services, preconstruction services and other related services may be included.

The design-build method of construction is acceptable for only three (3) types of CDBG funded projects:

- pre-fab or modular buildings;
- ball field lighting; and

- community swimming pools.

This method allows one (1) firm to perform both the design and construction services for a project. (Refer to Arizona laws, Title 34, Chapter 6, for a complete description and the requirements for this type of construction.)

3.6 Non-Competitive Proposal

Procurement by non-competitive proposal is procurement through solicitation of a proposal from only one (1) source and may only be used in very limited circumstances when one (1) of more of the following apply:

- After solicitation from a number of sources, competition is determined to be inadequate (i.e. only one (1) or no source responds). *Advertising in only one (1) local newspaper that solicits no or only one response, is not considered adequate justification for a non-competitive negotiation.*
- The item is only available from a single source. This is highly unlikely and if a recipient believes their procurement would fit this method, contact ADOH for more information.
- There is a public emergency and other procurement methods cannot be used. (This is highly unlikely due to the restrictions associated with program funding sources.)
- When contracting with another unit of general local government or a COG.

NOTE: All non-competitive negotiations must be pre-approved by ADOH. The recipient must verify cost and profit elements of the contract and submit such to ADOH with the Request For Approval. A contractor performing other consultant services for the recipient is not adequate justification for a non-competitive negotiated award!

Examples

If a recipient has contracted with a consultant to prepare the grant application, it is not adequate justification to award that consultant the contract to administer the grant.

If a recipient has previously selected a firm to act as the town engineer through a non-competitive process, it may not use this method to contract for services from the same firm. The recipient must use a competitive procurement method to select an engineer for the funded activity.

If the original selection was made on the basis of a competitive process and the terms of that contract specify that the entity will provide all related services through the period of the current contract, then the entity may be retained to provide the services associated with said contract. (It may be necessary to amend that entity's contract to include provisions required by the federal funding source.)

4.0 Development of Construction Bid Documents

This Section provides guidance for the *development* of construction bid documents and final bid packages when federal funds are involved. (For information regarding the sealed bid *process*, refer to Section 3.3.2. Sample bid documents can be found in Section 10.)

4.1 Definitions

The following definitions are provided as background information to clarify some of the more technical program language and requirements that need to appear in a recipient's procurement file.

Construction Bid Documents: For the purposes of ADOH funding, Construction Bid Documents are the sections of the Final Bid Package (refer to definition below) that outline specific requirements to potential bidders. (For CDBG, these documents must include all of the items outlined in Section 4.2 below.) Many recipients have a standard format for Bid Documents but the CDBG/HOME Programs require specific federal language in certain places.

DUNS Number: Stands for "Data Universal Number System". It is a unique, nine (9) digit identifier issued and maintained by Dun and Bradstreet that verifies the existence of a business entity. A DUNS number is a requirement for any business in order to be awarded a government contract and receive federal funds. There is no cost to obtain a DUNS number.

Final Bid Package: For the purposes of ADOH's Programs, the Final Bid Package includes all items that would be received by a potential bidder. Typical items included are the invitation to bid, construction bid documents, sample contract, self-scoring sheets, addenda, etc.

Invitation to Bid: For the purposes of ADOH's Programs, the Invitation to Bid is the public advertisement that provides potential bidders the notice that a job is available. (For details on what is required in the Invitation to Bid, refer to Section 3.3.2 or the sample in Section 10.)

SAM.gov: Stands for "System for Award Management". It is an official U.S. government system (website) where all businesses must register in order to be awarded a government contract and receive federal funds. There is no cost to register in SAM and entities must re-register each year to remain active in the system.

Section 3: Section 3 of the Housing and Community Development Act of 1968 is an attempt to ensure that the economic and employment opportunities generated from HUD funded projects will benefit Low-to-Moderate Income persons and recipients of HUD housing assistance. (For specific details about Section 3 compliance, refer to Section 5.)

Technical Specifications: For the purposes of ADOH's Programs, Technical Specifications refer to the documents a recipient provides to potential bidders in order to demonstrate project requirements. These can include a detailed scope of work, architectural drawings, typical construction details, construction standards, etc.

Wage Rate Determination (WRD): Also referred to as a Wage Determination (or WD) by the Department of Labor, it is a document that lists the required pay rates for various types of workers on a given project. (For specific details about Wage Rate Determinations and associated Labor Standards information, refer to the *Labor Standards Handbook*.)

4.2 Developing Bid Documents for Procurement

Construction bid documents are quite lengthy and should contain as much information as possible regarding the project and what will be required of the contractor. In addition to a recipient's standard bid documents, ADOH regulations require the addition of certain references, language and documents. This includes items such as federal labor standards, wage rates, non-discrimination provisions, etc.

The final bid package incorporates and includes a sample of the actual contract, all attachments and addenda. When the award is made, the signed contract will incorporate those documents or list them by reference.

The following items **MUST** be included in all bids for construction (and therefore the construction contract):

NOTE: *Projects funded by Department of Energy are exempt from Davis-Bacon requirements and thus do not require the inclusion of the "Labor Standards" items in the list that follows.*

- Scope of Work. This must be a clear and detailed description of the contractor's duties and responsibilities.
- Technical specifications.

- Required license verified through Arizona Registrar of Contractors.
- A statement that the project is federally funded.
- Contractor's current and valid DUNS number.
- Evidence of eligibility to receive federal funds as verified through registration in www.sam.gov.
- The correct wage rate determination (WRD).
- Federal Labor Standards Provisions (HUD 4010). These provisions are applicable to construction contracts in excess of \$2,000 in which mechanics and labors are employees. (Refer to the *Labor Standards Handbook* for additional information pertaining to labor standards requirements.)
- Form LS-2 - Contractor's Certification Concerning Labor Standards and Prevailing Wage Requirements.
- Form LS-3 - Sub-contractor's Certification Concerning Labor Standards and Prevailing Wage Requirements.
- Form LS-4/5 - Payroll Report and Statement of Compliance.
- Records Retention. The contractor must agree to retain all records (including payroll records and time cards) for at least three (3) years after the grant contract closeout between HUD and ADOH has been approved.
- Access to Records. The contractor must agree to allow the recipient, ADOH, HUD and the Office of the Inspector General or their designated representatives, access to all records for review, monitoring and audit.
- Work schedule.
- Payment amount.
- Method of payment. This should state the basis for payment (i.e. if payments will be made on the basis of task completion, invoices or on a stated timetable). This section should also specify the conditions for payment (i.e. the town engineer's approval of the street construction) and the conditions for non-payment and any amounts that may be withheld for stated reasons (i.e. twenty percent (20%) of the total amount shall be withheld until ADEQ gives final approval of the sewer project).
- Sanctions/penalties. The bid/contract must describe appropriate remedies for violations to include administrative, legal or contractual. This section may also provide for sanctions and penalties as appropriate.

- Method of termination. The bid/contract shall specify the manner in which it may be terminated and the basis for settlement; conditions under which the contract may be terminated for default or because of circumstances beyond the control of the contractor.
- Mandatory Standards and Policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.
- Protest procedures.
- Procurement of Recovered Materials Certification.
- Civil Rights Certification.
- Equal Employment Certification.
- Equal Opportunity for Workers with Disabilities - Section 503 Certification.
- Procurement of Recovered Materials Certification
- Access to Records and Records Retention Certification.
- Conflict of Interest Certification. The general intent of this section is to ensure that no employee, agent, consultant, officer or elected official benefit from federal funds. Recipients are encouraged to consult with their legal counsel on this issue.
- Anti-Lobbying Certification.

If the project is Section 3 covered (refer to Section 5), the following items are also required:

- Section 3 Clause.
- Form S3B-1 (Section 3 Assurance).
- Form S3B-2 (Estimated Project Work Force).
- Form S3B-3 (Business Self-Certification).

Section 10 includes an example construction bid and contract with certifications and forms. When compiling a bid package, the recipient should use the ADOH desk monitoring form as a guide. (Refer to Section 11.)

5.0 Section 3 - Economic Opportunities for Low and Very Low-Income Persons

Millions of HUD dollars are received each year by state and local governments and Indian tribes for public and assisted housing and community development programs. These funds are intended to improve the living conditions of primarily low- and very low-income (LM) persons by providing them with decent, safe and sanitary housing and with adequate public facilities. These funds help to create thousands of new jobs and stimulate the creation or expansion of many new small businesses. However, few of these jobs and contracts are ever offered to LM persons or businesses owned by the very persons whom the projects are intended to benefit.

Section 3 was enacted for the purpose of bringing economic opportunities, generated by the expenditure of these HUD funds, to LM persons residing in communities where the financial assistance is expended.

By directing HUD-funded economic opportunities to residents and businesses in the community where the funds are expended, the expenditure can have the double benefit of creating new or rehabilitated facilities while creating jobs for the residents of these communities.

NOTE: As will be discussed later in this chapter, Section 3 also applies to other HUD assistance including Public and Indian Housing. However, this Handbook speaks specifically to those requirements of Section 3 that relate to the CDBG and HOME Programs.

5.1 Brief History

Section 3 is considered a “child of the 1960's civil rights movement”. Although the law is racially/ethnically neutral, the call for such legislation was contained in the Report of the National Advisory Commission on Civil Disorders (the Kerner Report), which followed the disastrous civil rights riots including the Watts riot of 1965. The law received renewed attention in the aftermath of the civil disturbances following the initial Rodney King trial verdict.

HUD, in the eyes of Congress and to some extent by its own admission, did not vigorously or effectively administer Section 3 as contained in the Housing and Urban Development Act of 1968 (1968 Act). Therefore, Congress amended Section 3 in its entirety in the Housing and Community Development Act of 1992 (1992 Act). With these new regulations, HUD has moved from a “process” to an “outcome” oriented rule. That is, HUD is more concerned with the results of efforts to comply than with the specific efforts undertaken.

5.2 Legal Basis Summary and Compliance with Other Laws

Section 3 was created as part of the 1968 Act and was then amended by the 1992 Act.

Proposed regulations were published in the October 8, 1993 Federal Register. Interim regulations were then published in the June 30, 1994, Federal Register, at 24 CFR Part 135. This interim regulation became effective on August 1, 1994. In addition, proposed rules governing the collection of information regarding Section 3 complaints, to include a Reporting Form and Complaint Register, were published in the May 16, 1994 Federal Register.

NOTE: HUD issued the Section 3 Proposed Rule on March 27, 2015 and they are currently accepting comments regarding this revision. The Proposed Rule stands to make some MAJOR adjustments to the requirements and structure of the Section 3 program. At this time ADOH advises recipients to operate under the current version of Section 3 regulations, those that are referenced in this section of the Handbook. When the Proposed Rule becomes final, ADOH will issue the required revisions.

Section 3 is consistent with other laws governing procurement, equal employment opportunity and Davis-Bacon. Compliance with Section 3 provisions should not violate these or any other local, state or federal laws. ***No recipient or contractor is required to hire persons who are not qualified for the advertised position.*** There will be more details on this throughout this chapter.

Section 3 does not specify procurement methods. Therefore, procurement is still governed by the general requirements associated with federal funds. All procurement transactions are to be conducted competitively.

All contractors covered by Section 3 are also required to comply with Executive Order 11246 which provides that no person shall be discriminated against on the basis of race, color, religion, sex, sexual orientation, gender identity or national origin in all phases of employment during the performance of federally assisted construction contracts. Section 3 contains no racial, ethnic or gender preferences or goals. Preferences are based only on place of residence (Public Housing Authority or Service Area) and income.

Davis-Bacon and Related Acts (DBRA) requirements apply equally to all Section 3 projects and employees. (Refer to the *Labor Standards Handbook* for guidance on Davis-Bacon and prevailing wage requirements.)

Apprentices and trainees may be hired for Section 3 covered projects only to the extent permitted under Department of Labor regulations and HUD policies. Approved apprenticeship and trainee programs include those approved by the Department of Labor's Office of Apprenticeship Training, Employer and Labor Services, a State Apprenticeship Agency or HUD. Participation in an approved apprenticeship program does not, in and of itself, demonstrate compliance with Section 3 regulations. (Refer to the *Labor Standards Handbook*.)

5.3 Definitions

The following terms are used throughout this Section. Definitions are provided for your reference.

Section 3 Covered Project: A Section 3 covered project involves the construction or rehabilitation of housing (including reduction of lead-based paint hazards) or other public construction such as street repair, sewer line repair or installation, etc. Certain dollar thresholds must be met in order for a project to be considered "covered". (Refer to Section 5.6 of this Handbook.)

Section 3 Resident: A Section 3 Resident is either:

- a public housing resident; OR
- a low or very-low income person residing in the area where the Section 3 covered assistance is expended.

Section 3 Business Concern: Section 3 Business Concerns are businesses that can provide evidence that they meet one of the following criteria:

- Fifty-one percent (51%) or more owned by Section 3 residents; OR
- At least thirty percent (30%) of its full time employees include persons that are currently Section 3 residents or were Section 3 residents within three (3) years of the date of hire; OR
- Provides evidence as required, or a commitment to subcontract in excess of twenty-four percent (24%) of the dollar award of all sub-contracts to business concerns that meet one (1) of the two (2) qualifications listed above.

A non-profit organization can be considered a Section 3 Business Concern if they meet the above criteria.

New Hire: A new hire is a full-time employee for a new permanent, temporary or seasonal position that is created as a direct result of the expenditure of Section 3 covered financial assistance. A laid-off

worker that was not on the payroll of a recipient, developer or contractor on the day that the Section 3 covered assistance was provided can be considered a new hire for the purpose of meeting numerical goals.

5.4 Section 3 Requirements Outlined

As outlined in detail throughout this section, the 1992 Housing and Community Development Act significantly amended Section 3 of the Housing and Urban Development Act of 1968. Interim regulations to implement Section 3 were published in the June 30, 1994 Federal Register and became effective on August 1, 1994. These regulations can be found codified at 24 CFR Part 135.

Section 3 regulations are applicable to the three (3) groups below, under the specific circumstances described:

- ADOH, under all conditions;
- a local government (recipient) if it:
 - ✓ receives housing and/or community development assistance funds that will be used for housing construction, rehabilitation or other public construction exceeding \$200,000 combined from all sources in any one (1) year. A year is considered to be HUD's reporting year which runs from October 1st through September 30th. (Refer to Section 5.6 for details regarding funding sources.)
 - ✓ If a recipient believes that they are exempt from Section 3 requirements because their community does not meet the \$200,000 threshold, *it is the recipient's responsibility to adequately document and justify this to ADOH.* Requests for a Section 3 exemption must be submitted in writing to ADOH staff prior to the start of any procurement procedures.
- contractors and sub-contractors (including professional service contracts if the work to be performed is generated by the expenditure of Section 3 covered funding) when the activity has been determined to be covered by Section 3 for the recipient and the contract or subcontract exceeds \$100,000. (Refer to Section 5.6 for examples.)

Those recipients meeting the applicability standards above are required to ensure their own compliance and the compliance of their contractors/sub-contractors with the Section 3 regulations by adhering to the following requirements:

- *Design and implement procedures to comply with the requirements of Section 3:* Recipients should take an active role in ensuring compliance and the first step is designing procedures to ensure that all parties (residents, businesses, contractors and sub-contractors) comply with Section 3.

- *Facilitate the training and employment of Section 3 residents:* Recipients should act as a facilitator, connecting Section 3 residents to training and employment opportunities. There should be procedures in place to notify residents of these opportunities. If necessary, this information should be provided in additional languages other than English.
- *Facilitate the award of contracts to Section 3 business concerns:* Recipients should work to link contractors with capable Section 3 business concerns. Recipients can also direct Section 3 business concerns to organizations that provide training and capacity building.
- *Ensure Contractor/Sub-contractor awareness of Section 3 Goals and Responsibilities:* Recipients must include specific Section 3 language in all solicitations (Requests For Qualifications/Proposals and bids) and all covered contracts. (Refer to Section 4.2 for requirements and Section 10 for sample documents.)
- *Ensure Compliance and Meeting Numerical Goals:* Recipients should regularly monitor contractor compliance, penalize for non-compliance and refrain from contracting with those contractors found to be in violation of Section 3 requirements. Recipients should, to the greatest extent feasible, attempt to meet the numerical goals required by Section 3.
- *Documentation Requirements:* Recipients must document actions taken to comply with Section 3 as well as any impediments to compliance. Recipients must collect data on the number of opportunities made available to Section 3 residents. There are several required ADOH forms specifically designed for collecting this data. (Refer to Section 5.16.)

NOTE: Costs incurred by the recipient to implement and comply with Section 3 regulations are reimbursable by CDBG (or HOME, if applicable) under Activity #1, Administration.

5.5 Applicability: Types of Projects

Section 3 applies to training, employment, contracting and other economic opportunities arising in connection with CDBG/HOME funding that is used for:

- Housing rehabilitation (including reduction and abatement of lead-based paint hazards but excluding routine repairs and maintenance);
- Housing construction; and
- Other public construction such as street or waterline improvements, flood and drainage control projects, barrier removal, etc. (including construction by private entities receiving CDBG assistance).

5.6 Applicability: Dollar Thresholds

Section 3 applies to Public Housing Authorities (PHAs), local governments (recipients), contractors/ sub-contractors and professional services based on specific thresholds:

- The threshold for a local government (recipient) is the receipt of Section 3 covered assistance (refer to Section 5.5 above) exceeding \$200,000 combined from all sources (listed below) in any one (1) HUD reporting year.
 - ✓ Community Development Block Grant (CDBG)
 - ✓ HOME Investment Partnership
 - ✓ Neighborhood Stabilization Program Grants (NSP 1, 2 and 3)
 - ✓ Economic Development Initiative (EDI)/Brownfield EDI Grants
 - ✓ Housing Opportunities for People with AIDS (HOPWA)
 - ✓ Homeless Assistance Grants (ESG)
 - ✓ University Partnership Grants
 - ✓ Economic Stimulus Funds (i.e. CDBG-R and CFP Supplemental)
 - ✓ 202/811 Grants
 - ✓ Lead Hazard Control Grants
- The threshold for contractors, sub-contractors and professional services is met when the activity has been determined Section 3 covered for the recipient and the contract/subcontract exceeds \$100,000.

NOTE: Section 3 requirements apply to professional service contracts provided that the work to be performed is generated by the expenditure of Section 3 covered funds. For example, an architectural contract (professional service) would be Section 3 covered if it exceeds \$100,000 and the work to be completed is generated by a Section 3 project. (Refer to example B below.)

NOTE: Recipients (local governments) must be aware that Section 3 requirements apply to their own staffing structure as well. Thus, if a recipient needs to fill any positions as a result of a Section 3 covered project, it must follow Section 3 guidelines and regulations during the hiring process.

Section 3 is applicable to the entire project if the thresholds are met, whether the project is fully or partially funded by CDBG/HOME. These requirements are NOT limited strictly to the CDBG/HOME share. Additionally, Section 3 regulations are applicable from the date of the ADOH contract until completion of the project (or in the case of a contractor/sub-contractor/professional service from the date of the contract until the contractor's portion of the project is complete).

Examples

A. County A receives two (2) CDBG grants for a total of \$300,000:

\$ 50,000 - Administration

\$ 80,000 - Public Services

\$170,000 - Water System Improvements (awarded to one (1) contractor)

Because the County is receiving total funds in excess of \$200,000, they are required to abide by Section 3 regulations. Because the Water System Improvements funding was awarded to one (1) contractor in a single contract, this is Section 3 covered because it is in excess of \$100,000. It is important to also note that even if the Public Services portion of the award was in excess of \$100,000, Section 3 requirements would not apply to this activity because it does not fall under one (1) of the three (3) Section 3 applicable project types (Housing Construction, Housing Rehabilitation, Public Construction).

B. County B receives similar CDBG grants totaling \$300,000 but opts to divide the funding differently:

\$ 50,000 - Administration

\$ 80,000 - Public Service

\$ 60,000 - Architectural Services for the Water System Improvements

\$110,000 - Water System Improvements (awarded to one (1) contractor)

Again, in this example, the County is covered by Section 3. The Architectural Services are not covered because that contract while associated with the Water System Improvements construction, does not exceed the \$100,000 threshold. Similar to the example above, the Water System Improvements funds are Section 3 covered and the Public Service funds are exempt.

C. Community C receives a CDBG grant for \$300,000:

\$ 20,000 - Administration

\$110,000 - Engineering Services for Water System Improvements

\$170,000 - Water System Improvements (awarded to one (1) contractor)

In this example, the community is covered by Section 3. The Engineering Services and the Water System Improvements are also covered by Section 3 because both are in excess of \$100,000. The Engineering is Section 3 covered because, in addition to exceeding the \$100,000 threshold, it is a professional service contract that is generated by the expenditure of Section 3 covered funds for public construction.

D. Community D received a variety of funding for FY 2016 as follows: \$350,000 CDBG, \$300,000 HOME and \$30,000 HOPWA. This represents a total of \$680,000 in housing and community development assistance. As such, any construction (housing or public) or rehabilitation activities funded by the community using ANY of those funds (HOPWA included) is covered by Section 3.

Additional Points on Applicability

- Section 3 requirements DO NOT apply to material only (no labor) contracts. For example, a contract to purchase generators for \$225,000 would not be covered by Section 3.
- Section 3 requirements DO apply to the following as long as the dollar thresholds are met: abatement of lead-based paint hazards; demolition; professional services (provided that the work to be performed is generated by the expenditure of Section 3 covered assistance).
- Contracts awarded to contractors/sub-contractors by the recipient ARE NOT cumulative. The requirements of Section 3 apply to each individual contract with the contractor/sub-contractor that meets the thresholds. For example, if a recipient awards three (3) separate Housing Rehab contracts (at \$36,000, \$50,000 and \$20,000 for a cumulative total of \$106,000) to one (1) contractor for three (3) different projects within a twelve (12) month period, the contractor is not required to comply with the requirements of Section 3 because none of the contracts exceeded the \$100,000 threshold.

NOTE: *It is not permissible to intentionally divide up contracts into smaller dollar amounts to avoid Section 3 requirements. If a recipient is found to have proceeded in this manner, it will result in a non-correctable finding.*

- Section 3 preference requirements are triggered by the need for new hires, whether employees of the recipient, contractor, or sub-contractor.

5.7 Numerical Goals

Section 3 regulations set numerical goals as minimum targets that must be reached in order for HUD to consider a recipient in compliance. Recipients are required to make best efforts *to the greatest extent feasible* to achieve the annual numerical goals for employment and contracting. If a recipient fails to fully meet the Section 3 numerical goals, they must adequately document the efforts taken in attempting to meet the goals.

HUD defines “*to the greatest extent feasible*” as meaning that every effort must be made to comply with the regulatory requirements of Section 3. By this, HUD means that recipients of Section 3 covered funds should make every effort within their disposal to meet the regulatory requirements. For instance, this may mean going a step beyond normal notification procedures for employment and

contracting by developing strategies that will specifically target Section 3 residents and businesses for these types of economic opportunities.

The most straightforward way for recipients and covered contractors/sub-contractors to demonstrate compliance with the “greatest extent feasible” requirement is by meeting the numerical goals of Section 3. These goals apply to the entire amount of Section 3 covered assistance awarded to a recipient for any activity. Those recipients that award contracts must ensure that the contractors will attempt to provide training, employment and contracting opportunities to Section 3 residents and Section 3 business concerns. The Section 3 minimum numerical goals are as follows:

- Employment: The minimum numerical goal for employment is thirty percent (30%) of the aggregate number of new hires annually. For example, three (3) out of ten (10) new employees *needed to complete a Section 3 covered project/activity* shall be Section 3 residents.
- Contracting: The minimum numerical goals for contracting are:
 - ✓ Ten percent (10%) of the total dollar amount of all Section 3 covered contracts for housing rehabilitation, housing construction and other public construction shall be awarded to Section 3 businesses.

AND

- ✓ Three percent (3%) of the total dollar amount of all non-construction Section 3 covered contracts shall be awarded to Section 3 businesses.

If a recipient or contractor/sub-contractor does not meet the numerical goals, they must adequately document all efforts taken to comply with the requirements of Section 3 and explain why, despite their efforts “to the greatest extent feasible”, the minimum goals were not met. This justification could include impediments encountered and/or other economic opportunities provided. (Refer to Section 5.13.) A justification should include a description of actions taken to attempt to hire or contract with a Section 3 business concern or a Section 3 resident and impediments encountered despite efforts undertaken.

5.8 Preference for Section 3 Residents in Training and Employment Opportunities

Recipients and contractors/sub-contractors will provide hiring preference to Section 3 residents as provided below on all Section 3 covered projects. *However, all persons must meet the position qualifications to be considered for employment and/or training.* Additionally, a person seeking the training and employment preference provided by Section 3 bears the responsibility of providing evidence that he/she is eligible for the preference.

- If the project is also assisted with Stewart B. McKinney Homeless Assistance Act funds (funds to provide housing and services for the homeless), then homeless persons residing in the service area shall be given the highest priority.
- Eligible persons (i.e. an LM person or PHA resident regardless of income) residing in the service area except where the project is also assisted with McKinney money.
- Participants in Youthbuild Programs.
- Other Section 3 residents (i.e. those meeting the income or PHA residence requirements).

Recipients may, at their own discretion, provide priority to recipients of government assistance for housing under the Section 8 housing assistance program within the service area where the Section 3 covered project is located.

A recipient or contractor/sub-contractor may request evidence that a Section 3 resident is eligible for preferential employment and training opportunities. It is the resident's responsibility to provide such proof (proof of receipt of public assistance, evidence of participation in a public assistance program or tax returns).

Recipients are not required to create jobs or contracts for Section 3 residents and/or business concerns simply for the sake of creating them. Section 3 requires that *when* employment or contracting opportunities are generated because of covered financial assistance, the recipient must give preference in hiring LM individuals and contracting with Section 3 business concerns.

5.9 Preference for Section 3 Business Concerns in Contracting Opportunities

Recipients and contractors/sub-contractors may preferentially award Section 3 covered contracts to Section 3 covered business concerns (where feasible) as provided below:

- Businesses that provide economic opportunities for Section 3 residents in the service area in which the project is located.
- Applicants conducting HUD Youthbuild programs.
- Other Section 3 businesses (i.e. those owned by or hiring LM persons or PHA residents not living in the service area).

A business seeking to qualify for Section 3 contracting preference may be requested to provide evidence of Section 3 qualifications as defined in Section 5.3 and bears the responsibility of providing

evidence of compliance. Additionally, the business concern should be asked to demonstrate to the awarding party its ability to perform successfully under the terms of the proposed contract. The business' past record in complying with public policy requirements (including Section 3) may be considered as part of the award determination. Detailed information on how to appropriately apply this preference is detailed later in this Section.

5.10 Compliance and the Procurement Process

The "Section 3 Clause" is provided verbatim at the end of this section and must be included in all Section 3 covered RFPs/RFQs/bids and all Section 3 covered contracts. Additionally, all RFPs/RFQs/bids must contain a requirement that the bidder indicate:

- if it wishes to receive preference as a Section 3 business and that it agrees to provide information on how it meets the criteria.
- how many new hires are anticipated, the job categories and approximate dates the positions will be available. (Use form S3B-2 for this purpose.) (Remember the new hires include engineers, administrative, architects, construction managers, payroll clerks, etc.) This information must be provided if the bidder is awarded the contract but may also be submitted with the bid.
- a verification the information provided in bullet points above will be included in all subcontracts that meet the Section 3 threshold.
- the bidder agrees to utilize in its procurement and employment process the list of Section 3 businesses and residents provided by the recipient.
- an agreement to submit a final report with its last Request For Payment, unless notified that more frequent reports are required.

The community must also document that it discussed Section 3 at the pre-construction conference and, if held, at the pre-bid conference.

ADOH will monitor for Section 3 compliance in its desk and on-site monitoring procedures. Forms to assist recipients in complying are included in this Section and will be amended as necessary.

Current Section 3 regulations state that HUD's Assistant Secretary "shall periodically conduct Section 3 compliance reviews of selected recipients and contractors ...". Thus, it is possible that HUD could directly monitor a recipient or contractor. If a recipient is contacted by HUD for a compliance review, it must notify ADOH within two (2) working days.

5.11 Complaints

Complaints alleging non-compliance with Section 3 regulations may be filed by:

- any Section 3 resident or by a representative of one (1) or more Section 3 residents; OR
- any Section 3 business concern or by a representative of Section 3 business concerns.

Section 3 complaints must be filed at the appropriate FHEO Regional Office where the violation occurred. For violations in Arizona, one would need to contact the San Francisco Regional Office at:

1 Sansome Street, Suite 1200
San Francisco, CA 94104
Phone: (800) 347-3739

A complainant may provide the information by telephone to HUD or a HUD field office which will then prepare the necessary forms and mail them to the complainant for signature. Ultimately, all complaints must be filed on form HUD 958. This form is available on HUD's website at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/section3/section3.

Complaints must be received at the above address no later than 180 days from the date of the action or omission upon which the complaint is based. However, the Assistant Secretary may extend the time for filing a complaint for "good cause shown".

5.12 Reporting and Recordkeeping

Each recipient will need to establish a Section 3 file for:

- each Section 3 covered contract; and
- for each federal fiscal year (October 1st - September 30th).

The recipient should document all actions taken to comply with the employment, training and contracting requirements of Section 3. If goals are not met, the burden of demonstrating why it was not feasible rests on the recipient. Such justification should include a description of actions taken to hire or contract with LM persons/businesses and any impediments encountered despite efforts undertaken.

The recipient should develop and maintain lists of interested parties for use in the procurement process and provide contractors/sub-contractors with the names of any Section 3 residents seeking employment or training. It should also document all “other economic opportunities” as per Section 5.13 below.

For each covered contract, recipients will need to collect information regarding:

- All new hires from each covered contractor/sub-contractor including the following:
 - ✓ name, address and telephone number of the contractor;
 - ✓ the number of new positions available by job class or description;
 - ✓ the number of applications filed by Section 3 residents by job class or description;
 - ✓ the gender, race, ethnicity and disability status¹ of all new hires;
 - ✓ the category of preference of each new Section 3 hire (i.e. service area resident, Youthbuild participant, non-service area resident or PHA service area resident, if the recipient has selected that as its preference).
- All of **its own** new hires for any covered contract including the name and location of the project and all of the information listed above.
- All Section 3 businesses/contractors/sub-contractors that submitted bids and/or received contracts.
- Other economic opportunities. (Refer to Section 5.13.)

Section 3 Reports (S3B-1, S3B-2, S3B-3, S3R-1, S3R-2, S3R-3) to ADOH are due no later than with the final Request For Payment submission.

¹ Although gender, race, ethnicity and disability status information is not required under Section 3, collection of this information is necessary to meet other HUD regulations and thus, is requested here for ease of collection.

5.13 Providing Other Economic Opportunities

Recipients and contractors/sub-contractors are also encouraged to provide economic opportunities other than training, employment and contract awards. These additional opportunities include:

- the use of upward mobility, “bridge” and trainee positions to fill vacancies;
- hiring Section 3 residents in management and maintenance positions within other housing developments;
- hiring Section 3 residents in part-time positions.

Although the actions listed above may not be realistic in smaller, rural communities, they should be considered whenever possible.

Business-related economic opportunities can include:

- financial support for affiliating with franchise development;
- purchasing supplies and materials from housing authority resident-owned businesses;
- providing the economic opportunity to establish, stabilize or expand Section 3 business concerns;
- forming a Section 3 joint venture. For example, a joint venture could be established for a specific Section 3 project as long as one (1) of the businesses is a Section 3 business concern. The Section 3 business must be responsible for at least twenty-five percent (25%) of a clearly defined portion of the work and have management responsibilities in the joint venture.

5.14 Satisfying Recipient Requirements Regarding Section 3 Resident & Business Concerns

Recipients should take note of the following general principles:

- all efforts should be documented in an appropriate file;
- these are examples ONLY; thus, not all actions are appropriate or necessary and a recipient may instead undertake other actions which meet its unique needs;
- the recipient should take into account its size and location in determining which actions are appropriate and feasible.

Although many of the examples are urban-focused, all recipients are urged to consider implementing those actions which will help it achieve Section 3 compliance.

5.14.1 Example Efforts to Offer Training & Employment Opportunities to Section 3 Residents

- Establish contact with the PHA and either help it develop or determine if it already has distributed a survey and now has an inventory of the skills, abilities, interests, training/ education needs and other job related concerns (i.e. child care) of its residents. This survey should include persons on the Section 8 waiting list as well as those receiving assistance. If there is a resident council, this entity should be contacted and involved in this survey or inventory. A PHA with a Self Sufficiency Program should already have or be in the process of collecting this information. Once collected, this information could form the basis for notifying people regarding upcoming Section 3 contracts and for notifying contractors regarding qualified or interested housing assistance recipients.
- Contact the PHA to determine if it already contracts with any PHA resident owned businesses for PHA-related work. If so, add those names to the list of those Section 3 businesses to be notified of upcoming procurement opportunities. This same list can be given to prime contractors as a possible source of sub-contractors.
- Develop “First Source” hiring agreements with organizations representing Section 3 residents.
- Sponsor a HUD-certified “Step-Up” employment and training program for Section 3 residents.
- Establish a training program for Section 3 residents in the building trades.
- Advertise training and employment opportunities by distributing flyers to occupied residences in the service area of the project. The flyers should indicate a central contact point where interested persons can leave resumes or other information.
- Post flyers in public buildings and other heavy traffic areas within the service area of the project (i.e. grocery stores, laundromats, social service centers, etc.). Advertise in local newspapers, on the radio or on local television networks.
- Contact resident councils, organizations and management corporations and HUD Youthbuild programs for their assistance in notifying residents of training and employment opportunities.
- Sponsor a job information meeting in the service area of the project.
- Arrange for assistance in job interviews and completing applications for Section 3 residents.
- Establish a single location in the housing project or service area where job applications will be received and delivered to the contractor.
- Conduct job interviews at a location within the service area.
- Establish a relationship (preferably via a Memorandum of Understanding) with the local Workforce Investment Act entity, a JOBs program or any community based organization

serving LM persons. The recipient would agree to notify the organization of upcoming projects that may provide jobs or contracting opportunities for LM persons and the entity would then publicize this information. This entity could also be a central contact point for those residents and businesses that are interested in upcoming projects.

- Employ a job coordinator or contract with a business (preferably a Section 3 business concern) to assist in matching eligible and qualified Section 3 residents with available training and employment positions.
- Maintain a file of eligible qualified Section 3 residents for possible future employment.
- Provide or sponsor job counseling, education and related programs in association with local educational institutions.
- Incorporate into contracts a specific number of Section 3 residents to be trained or employed on the project (with approval of legal counsel).

5.14.2 Example Efforts to Award Contracts to Section 3 Business Concerns

- In determining the responsibility of a potential contractor, consider its record of Section 3 compliance and its plans for the pending contract.
- Contact business assistance agencies, minority contractors' associations and community organizations to inform them of contracting opportunities and request their assistance in identifying Section 3 business concerns which may be interested in submitting bids.
- Advertise contracting opportunities by posting notices in common areas of the service area. Notices should include general information regarding the work to be contracted and where to obtain additional information.
- Provide a written notice to all known Section 3 business concerns of the upcoming contracting opportunities.
- Follow-up with those Section 3 business concerns that have expressed an interest in contracting opportunities by contacting them to provide additional information.
- Coordinate pre-bid meetings where Section 3 business concerns are informed of upcoming contracting opportunities.
- Provide workshops on contracting procedures in general and specific contracting opportunities in a timely manner so that businesses may utilize the information when bidding.
- Advise Section 3 business concerns where to seek assistance to overcome limitations such as an inability to obtain bonding, lines of credit, financing or insurance.
- Arrange solicitations, times for bid presentations, quantities, specifications and delivery schedules in ways to facilitate the participation of Section 3 business concerns.

- Where appropriate (and legal), break out contract work items into economically feasible units to facilitate participation by Section 3 business concerns.
- Advertise contracting opportunities in trade association papers and newsletters and through local media.
- Develop and maintain a list of eligible Section 3 business concerns.
- Support businesses that provide economic opportunities to low income persons by linking them to support services such as the Small Business Administration and U.S. Department of Commerce.
- Encourage financial institutions to provide no or low interest loans for working capital or other business needs under the Community Reinvestment Act (CRA).
- Actively support Section 3 joint venture business concerns.
- Actively support the development and maintenance of business incubators which assist Section 3 business concerns.

5.15 Examples of Procurement Procedures

This Section provides specific procedures that may be followed by recipients and contractors to implement the Section 3 contracting preference above and beyond the normal required procurement procedures. However, each recipient should check with its legal counsel before instituting any action and have the legal counsel provide a written opinion.

5.15.1 Small Purchases

When a Section 3 covered contract is to be awarded based upon the lowest price, the contract may be awarded to the qualified Section 3 business concern with the lowest quotation, if it is reasonable and no more than ten percent (10%) higher than the quotation of the lowest quotation from any other qualified source. If no quotation by a qualified Section 3 business concern is within ten percent (10%) of the lowest otherwise qualified bidder, then the award should be made to the lowest bidder.

5.15.2 Sealed Bids

An award may be made to the qualified Section 3 business concern with the highest priority ranking and lowest quotation if that bid:

- is within the maximum contract amount established by the contracting party; and
- is not more than “X” higher than the total bid price of a non-Section 3 business concern. “X” is determined in the table below. “X” is the lesser of the two (2) figures provided in the table.

X = lesser of:

When the lowest responsive bid is:	
Less than \$100,000	.....10% of that bid or \$9,000
At least \$100,000 but less than \$200,000	.....9% of that bid or \$16,000
At least \$200,000 but less than \$300,000	.....8% of that bid or \$21,000
At least \$300,000 but less than \$400,000	.....7% of that bid or \$24,000
At least \$400,000 but less than \$500,000	.....6% of that bid or \$25,000
At least \$500,000 but less than \$1 million	.....5% of that bid or \$40,000
At least \$1 million but less than \$2 million	.....4% of that bid or \$60,000
At least \$2 million but less than \$4 million	.....3% of that bid or \$80,000
At least \$4 million but less than \$7 million	.....2% of that bid or \$105,000
\$7 million or more	.....1 1/2% of the lowest responsive.....bid, with no dollar limit

NOTE: *If no bid from a Section 3 business concern meets the above requirements, the contract should be awarded to a responsible bidder with the lowest bid.*

5.15.3 Requests For Proposals or Qualifications (RFP or RFQ)

The RFP/RFQ evaluation factors may include one (1) addendum to address both the preference for Section 3 business concerns and an acceptable strategy for meeting the “greatest extent feasible” requirement (numerical goals). This factor may provide for a range of fifteen percent (15%) to twenty-five percent (25%) of the rating points to be set aside for the evaluation of these two (2) components. The evaluation for preference of Section 3 business concerns may establish an order of priority ranking as described in Section 5.15.2 above.

The contract should be awarded to the responsible firm (either Section 3 or non-Section 3 business concern) whose proposal is determined the most advantageous when considering price (if an RFP) and all other factors specified in the RFP/RFQ.

5.16 ADOH Forms for Section 3 Compliance

ADOH has developed a number of forms, some sample and some required, to help recipients document compliance with Section 3 requirements. These are all identified by the initial characters

S3 (Section 3) followed by a “P” (Public Notice or Publicity); a “B” (Bid document); or an “R” (Report to recipient or ADOH).

NOTE: The “P” Series of forms will be monitored on site by the CD&R Specialist. The “B” and “R” Series of forms MUST be submitted to ADOH no later than with the final Request For Payment submission.

5.16.1 Public Notice/Publicity Forms

Section 3 Employment and Training Notice (S3P-1): This notice is a way to help Section 3 residents become aware of potential job opportunities to be provided through a Section 3 covered project. This notice should be posted in prominent locations throughout the community such as public housing, locations where people apply for assisted housing, social service and community agencies that serve LM persons such as Head Start, WIC, SNAP, etc., as well as in the recipient’s administrative and personnel offices. Recipients are also encouraged to post this notice in other commonly used locations such as the post office, grocery store, etc.

Section 3 Preliminary Resident Eligibility Determination (S3P-2): This form provides information to determine Section 3 resident status for hiring purposes. This form can be used separately as part of the hiring process or with the Employment Survey Form (S3P-3).

Employment Survey (S3P-3): The recipient may work with the PHA or other social service agencies to distribute the Survey to determine if there may be qualified persons with the necessary skills.

5.16.2 Bid Forms

Section 3 Assurance (S3B-1): Completion of this form provides assurance the contractor will comply with Section 3 requirements. This form is included in the bid package and must be returned within three (3) working days of contract award.

Estimated Project Work Force Breakdown (S3B-2): This form identifies additional positions needed to complete the Section 3 covered project. It is included in the bid package and must be returned with the contractor’s bid or with the signed contract after award.

Section 3 Business Self-Certification (S3B-3): The bidder completes this document to qualify as a Section 3 business concern. The recipient may also use this form to compile a list of eligible Section 3 business concerns. This form must be included in the bid package and returned with the contractor’s bid if applicable.

5.16.3 Reporting Forms

Section 3 Notice Documentation (S3R-1): Recipients submit this completed form to the ADOH to document how Form S3P-1 (Employment and Training Positions Available) was distributed. Recipients may also require their contractors to use this form. This form is kept in the recipient's Section 3 file.

Section 3 Business Utilization Report (S3R-2): Reporting form for use by recipients and contractors to identify those Section 3 business concerns actually utilized for the Section 3 covered project. This form is submitted no later than with the last payment request.

Section 3 Applicant and New Hire Employment Report (S3R-3): Reporting form for use by recipients and contractors to identify the actual number of Section 3 residents employed on the project. This form is submitted no later than with the last payment request.

Sample Section 3 Forms

Sample Section 3 Forms are on the following pages.

JOBS! JOBS! JOBS!

SECTION 3 NOTICE

EMPLOYMENT AND TRAINING POSITIONS AVAILABLE

Name: *[recipient or contractor/sub-contractor]*

Project: *[describe project]*

Service Area: *[define by streets, etc. and/or attach a map]*

To comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 as amended by the Housing and Community Development Act of 1992, and implementing regulations, *[name of recipient, contractor or sub-contractor]* hereby notifies all labor organizations or representatives of workers with whom it has a collective bargaining agreement or other understanding and all employees or applicants for training and employment that it will **give preference in filling new positions and in all training opportunities to persons who meet the requirements stated below.** However, all persons must meet the minimum qualifications of the position to be considered for employment/training.

- A Public Housing Authority resident living in the Service Area described above.
- A low and moderate (LM) or low and very low (L/VL) income person living in the Service Area described above. The terms LM and L/VL are defined as: a person whose total family income during the prior twelve (12) months was at or below eight percent (80%) of the median income. A copy of the income guidelines, which are based on family size, are attached to this notice OR are available for review at *[address]*.
- A person who has been determined to be LM or L/VL on the basis of having been qualified for certain public assistance programs, based on income guidelines.
- A participant in a HUD Youthbuild Program.

S3P-1.1 (04/2016)

- If this project is receiving assistance from the Stewart B. McKinney Homeless Assistance Act, a person experiencing homelessness residing in the Service Area.
- Any LM or L/VL income person or resident of a Public Housing Authority regardless of location
- Other

NOTE: It is the responsibility of the applicant to document his/her status in any of the income categories described above.

[Contractor/sub-contractor] will be accepting applications for the following positions on [date] at [location]:

Positions that will be available:

<u>Title</u>	<u>Number</u>	<u>Minimum Qualifications</u>
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Training and apprenticeship positions that will be available:

<u>Title</u>	<u>Number</u>	<u>Minimum Qualifications</u>
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For further information, to include requests relating to accessibility needs, please contact:

[Name]

[Address]

[Phone Number, TTY, E-mail]

[Recipient should consult with the CDBG Program to determine if this notice should be posted in languages other than English.]

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

SECTION 3 PRELIMINARY RESIDENT ELIGIBILITY DETERMINATION

The State of Arizona Department of Housing (ADOH) and the U.S. Department of Housing and Urban Development (HUD) monitor hiring practices on Section 3 funded projects. It is important, therefore, that the information below be provided. Please be aware that your response, though needed, is voluntary.

Because these questions are personal in nature, your answers will be treated with confidentiality. If you have any questions, please contact: [Name]
[Address]
[Phone Number, TTY, E-mail]

Thank you for assisting us.

Sincerely,

[Recipient Name]

1. Name: _____

Address: _____

Phone Number: _____ Message Phone: _____

2. Number of individuals living in your household (include yourself): _____

3. Total annual household income (check one):

Less than \$21,550

Between \$21,551 - \$24,650

Between \$24,651 - \$27,700

Between \$27,701 - \$30,800

SAMPLE

ONLY!

Between \$30,901 - \$33,250

Between \$33,251 - \$35,750

Between \$35,751 - \$38,200

Above \$38,201

I certify that the statements made here are true, complete and correct to the best of my knowledge and belief. If an offer of employment is made to me, I agree to provide documentation of the above information.

Date: _____ Signature: _____

(To assist in job placement coordination, please complete the Employment Survey)

S3P-2 (04/2016)

EMPLOYMENT SURVEY

NOTE: Consult the CDBG Program to determine if this form should be translated into another language.

The [recipient] anticipates receiving federal CDBG funds from the State of Arizona Department of Housing to undertake activities to improve the community. As a result of this CDBG award, the [recipient] will be hiring additional staff and/or contractors in the near future to do various types of construction and related work in the community. The [city/town/county] and/or these contractors will be employing people with various types and ranges of skills. If you are interested in this type of employment, please complete the form on the reverse side and return it to the address indicated below. This form also asks whether you would be interested in training in any of these occupations and any special work-related needs you may have. You may be notified at a later date as to any further action you must take to be considered for employment, training or work-related services.

If you have further questions or special accessibility needs, please contact [name] at [phone number or TTY].

Return this form to: [recipient name and address]

Name: _____

Address: _____

Phone Number: _____

Please indicate any services you would need to enable you to accept employment or participate in job training:

Child Care

Transportation

English as a second language

Other: _____

Office Skills

Typing _____ WPM

Filing

Ten Key

Answering Phones

Personal Computer Software Programs: _____

Other: _____

S3P-3.1 (04/2016)

Construction Skills

Experience (check one)

Job Category	0 – 3 months	4 – 6 months	7 months – 1 year	2+ years	I would like training in this area
Plumbing					
Carpentry					
Roofing					
Painting					
Interior					
Exterior					
Sewer					
Landscaping					
Sprinklers					
Plants					
Lawns					
Tree Pruning					
Tree Cutting					
Stump Removal					
Drywall					
Tile Flooring					
Carpet Laying					
Insulation					
Brick Layer					
Electrician					
Residential					
Commercial					
Laborer					
Cement Mason					

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

**THIS DOCUMENT IS TO BE SUBMITTED BY THE BIDDER WITH THE BID DOCUMENTS
OR WITHIN THREE (3) DAYS OF CONTRACT AWARD**

SECTION 3 ASSURANCE

1. I, the undersigned, _____, as official representative of _____
(printed name) (contractor)
agree to comply with Section 3 requirements, to include recordkeeping and reporting, for the
_____. It is understood that failure to comply may result in the
(project)
following sanctions: cancellation, termination or suspension of this contract in whole or in part.

2. Prime Contractor

- a. The number of positions needed in this project: _____
Details of occupational categories provided in Attachment A ____ (yes)
- b. The number of these positions to be filled by regular, permanent employees: _____
- c. The number of positions projected to be filled by low income area residents: _____
Details of occupational categories provided in Attachment A ____ (yes)

3. Sub-contractors/Vendors

- a. The number of sub-contractors projected to be utilized for this project: _____
- b. The number of sub-contractors projected to be Section 3 businesses: _____
- c. The number of businesses/suppliers projected to be utilized: _____
Dollar amount: \$ _____
- d. The number of businesses/suppliers projected to be Section 3 businesses/suppliers: _____
Dollar amount: \$ _____

Authorized Signature

Date

Recipient: _____ Contract No.: _____
 Activity No.: _____ Activity Name: _____

Attachment A

Section 3

ESTIMATED PROJECT WORK FORCE BREAKDOWN

1.	2.	3.	4.	5.	6.
Job Category	Total Estimated Positions Needed for Project	# of Positions Occupied by Permanent Employees	# of Positions Not Occupied	# of Positions to be Filled with Section 3 Residents	Approximate Hiring Date
Supervisor					
Professional					
Technical					
Office/Clerical					
Others					
TRADE:					
Journeyman					
Apprentices					
Trainees					
Others					
TRADE:					
Journeyman					
Apprentices					
Trainees					
Others					
TOTALS					

Section 3 Resident

Individual residing within the Section 3 Area whose family income does not exceed eight percent (80%) of the median income in the Metropolitan Statistical Area or the county if not within a MSA in which the Section 3 covered project is located. See attached income schedule.

 Person Completing Form / Date

 Company

 Project Name / Number

 Company Address

 Telephone Number / E-mail

S3B-2 (04/2016)

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

SECTION 3 BUSINESS SELF-CERTIFICATION

THIS DOCUMENT IS TO BE SUBMITTED BY THE BIDDER WITH THE BID DOCUMENTS, IF APPLICABLE

A. Basis for Self-Certification

The _____, located at _____
(name of business) (address)

hereby certifies that it is a Section 3 business, as defined by HUD, on the basis of the following:

(Check all applicable)

- 1) _____ Fifty-one percent (51%) or more ownership by Section 3 residents;
- 2) _____ At least thirty percent (30%) of the current permanent, full-time employees are Section 3 residents or were Section 3 residents at the time they were hired (within the past three (3) years);
- 3) _____ Is committed to sub-contracting more than twenty-five percent (25%) of the total dollars awarded by [recipient] to business concerns that meet the qualifications indicated in 1) or 2) above.

B. Certifications

I, the undersigned, hereby certify that:

- 1) I have the legal authority to make these certifications on behalf of _____;
(name of business)
- 2) Documentation exists to verify the basis for the Self-Certification indicated in A. above;
- 3) This documentation will be made available to the recipient, the State of Arizona Department of Housing, HUD or its designated representatives, during normal business hours, upon request;
- 4) This documentation will be maintained for at least five (5) years after completion of the requirements of the contract provided by the recipient;
- 5) The information provided in A. above is true and accurate to the best of my knowledge; and
- 6) I am aware that both I and the business identified above, are liable to civil and criminal penalties for willful falsification of any of the information provided in this document.

Signature

Date

Printed Name

Title

S3B-3 (04/2016)

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

SECTION 3 NOTICE DOCUMENTATION

This form should be completed and filed in the recipient's Section 3 file if the contractor indicated that they would be hiring as a result of the CDBG project.

1. The Section 3 Employment and Training Notice (Form S3P-1) was mailed to the following entities (i.e. organizations, community based groups, social service agencies, Headstart Programs) on the date indicated:

Entity	Date
--------	------

2. The Section 3 Employment and Training Notice (Form S3P-1) was posted as follows:

Location	Date
----------	------

3. The Section 3 Employment and Training Notice (Form S3P-1) was printed in the following publications and copies of each are attached:

Publication	Date
-------------	------

4. Other actions taken to disseminate the Section 3 Employment and Training Notice (Form S3P-1) (include dates):

Signature

Date

Printed Name / Title

Phone Number / E-mail

S3R-1 (04/2016)

Recipient: _____ Contract No.: _____
 Activity No.: _____ Activity Name: _____

THIS REPORT MUST BE COMPLETED BY THE CONTRACTOR AND SUBMITTED TO THE RECIPIENT WITH THE CONTRACTOR'S FINAL DRAW. A COPY OF THE COMPLETED FORM MUST ALSO BE SUBMITTED TO ADOH WITH THE RFP THAT INCLUDES THE CONTRACTOR'S FINAL DRAW

SECTION 3 BUSINESS UTILIZATION REPORT

Project No.: _____ Total Dollar Amount of Prime Contract: _____
 Prime Contractor: _____ Federal ID No.: _____
 Address of Prime Contractor: _____

1. Name of Sub-contractor/ Vendor	2. Check <input type="checkbox"/> if Section 3	3. Address & Telephone Number	4. Trade/Service or Supply	5. Contract Amount	6. Award Date	7. Federal ID Number

Total Dollar Amount Awarded to Section 3 Businesses: \$ _____

 Person Completing Form / Date

 Company

 Project Name / Number

 Telephone Number / E-mail

Report Date: ___/___/___ to ___/___/___ Recipient: _____ Contract No.: _____
 Activity No.: _____ Activity Name: _____

THIS REPORT MUST BE COMPLETED BY THE RECIPIENT AND/OR CONTRACTOR AND SUBMITTED WITH THE FINAL REQUEST FOR PAYMENT

SECTION 3 APPLICANT AND NEW HIRE EMPLOYMENT REPORT

1. Job Category	2. Total Positions Needed to Complete Job	3. # Occupied by Permanent Employees	4. # of Positions Not Occupied	5. # of Section 3 Applicants	6. # of Section 3 Applicants Hired	7. Gender/ Other ¹	8. Ethnicity ²	9. Section 3 Status ³
Supervisor								
Professional								
Technical								
Office/Clerical								
Others								
TRADE:								
Journeyman								
Apprentices								
Trainees								
Others								
TOTALS								

¹ M = Male F = Female D = Disabled

² 1 = White, Non-Hispanic 2 = Black, Non-Hispanic 3 = Hispanic 4 = Asian/Pacific Islander 5 = American Indian/Alaskan Native

³ 1 = LM living in Service Area 2 = PHA resident living in Service Area 3 = Income Qualified for other LM Program (name program) 4 = Youthbuild Participant
 5 = Homeless Person 6 = PHA or LM person regardless of residence

Certification: This company hereby certifies that the information provided above is an accurate report of its Section 3 efforts.

 Recipient or Contractor/Sub-contractor

 Phone Number / E-mail

 Address

 Signature / Date

 Printed Name / Title

“SECTION 3 CLAUSE”

24 CFR Part 135, §135.38. This clause **must** be included in all Section 3 covered contracts.

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that the employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low - and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor 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; 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 sub-contract subject to compliance with regulations in 24 CFR part 135 and agrees to take appropriate action, as provided in an applicable provision of the sub-contractor in this Section 3 clause, upon a finding that the sub-contractor is in violation of the regulations in 24 CFR part 135. The contractor will not sub-contract with any sub-contractor where the contractor has notice or knowledge that the sub-contractor 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 sub-contracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

6.0 The Uniform Relocation Act (URA)

A federally funded project that involves acquisition or relocation/displacement must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (P.L. 100-17) and implementing regulations at 49 CFR Part 24. The purpose of the URA is to:

- ensure that real property owners are treated fairly and consistently; and
- eliminate coercion or actions that could be interpreted as such.

Acquisition and relocation/displacement activities are complicated and require strict compliance with the law to avoid potentially serious legal consequences. This is especially true for relocation. However, because it is an activity rarely engaged in by Arizona recipients, this chapter makes only a brief mention of relocation/displacement requirements and covers acquisition activities more thoroughly. *Recipients must contact ADOH for guidance if an activity will involve relocation, displacement, or demolition.*

Recipients must use the special forms included in this section to document each step of the acquisition. Please ensure that documentation is maintained for the entire acquisition transaction. Documentation must include mail and/or delivery receipts for all documents. Also, the special needs of limited or non-English speaking and disabled persons must be addressed during all phases of the process.

6.1 Relocation/Displacement and Demolition

The URA and federal law and regulations mandate that certain benefits and services are provided to those who are displaced as a result of a project that includes federal assistance. Those displaced or relocated must be notified of their rights and of the types of services and benefits available. Activities that could result in relocation and/or displacement include:

- acquisition of land or buildings;
- demolition;
- rehab of an existing building that will be converted to a different use or that will result in the occupant having to permanently move.

Under federal law, it is very difficult to demolish a building as part of an assisted project. Even a vacant building that is not residential could fall into the category of being “occupiable by a LM person”. To ensure that the proper steps are taken, *recipients must notify ADOH before taking any action relative to the demolition of a structure.*

6.2 Acquisition

The URA, as it pertains to acquisition, applies to:

- any program, project, activity or series of activities undertaken or anticipated to be undertaken by a local government or any entity receiving funds through the local government that will be paid for (in whole or in part) or be assisted (in any phase of the undertaking) by federal funds, AND
- the acquisition of real property for a program or project where there is federal financial assistance in any part of the project costs.

Examples

A project will utilize CDBG funds to pay for sewer line construction while local funds will be used to acquire the necessary easements. Because the CDBG funds are an integral part of the project, URA covers the easement acquisitions.

A non-profit organization will use other funds to acquire a building to be used as a center for the disabled. The recipient will provide CDBG funds to the non-profit to make the facility accessible and pave an area for the parking lot. The URA covers the acquisition by the non-profit.

In addition to an acquisition in which a fee simple title is acquired, the URA also applies under the following conditions:

- recipient or sub-recipient acquires a life estate or life use;
- recipient or sub-recipient leases for fifty (50) years or more (including options for extensions);
- recipient or sub-recipient acquires permanent easements.

As always, please ensure that documentation is maintained for the entire acquisition transaction.

6.3 Exceptions

The only exceptions to the URA as it relates to acquisition are as follows:

6.3.1 Voluntary Transaction 49 CFR 24.101(b)(1)(i-iv)

A voluntary transaction must meet *all* of the following conditions:

- no specific site or property must be acquired, although the recipient/sub-recipient may limit its search for sites to a general geographic area; and
- the property to be acquired is *not* part of an intended, planned or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits; and
- the recipient/sub-recipient will *not* acquire the property in the event that negotiations fail to result in an amicable agreement and the owner is so informed in writing; and
- the recipient/sub-recipient will inform the owner in writing of what is believed to be the fair market value of the property.

NOTE: If a specific parcel of land is identified in an application prepared by the local government, the transaction is no longer voluntary.

NOTE: It is a common misconception that a “willing seller” or “amicable agreement” means a transaction is “voluntary”. This is not necessarily true under the URA and applicable requirements.

NOTE: Donation of land is not the same as a voluntary transaction.

If there is a structure on the site that will be demolished or converted to another use resulting in tenants (non-property owners) being displaced, the tenants must receive relocation benefits as per the URA. If it looks like this will be the situation with your project, contact ADOH immediately for specific guidance to ensure compliance!

6.3.2 Government Owned Property

When real property is acquired from a federal or state agency and the recipient/sub-recipient does not have the authority to acquire the property through condemnation, the transaction is exempt from the URA. Complete Form ACQ-7 (at the end of this section) to document this type of acquisition.

6.4 Donations 49 CFR 24.108

A property owner may donate his/her property (or any portion thereof) after being informed by the potential of the right to receive just compensation for said property. In such instances, the recipient must still obtain an appraisal unless the owner waives such or the fair market value does not exceed \$10,000 and the valuation problem is uncomplicated (clear title and no questions regarding property lines) per 24 CFR 24.102(c)(2)(ii).

6.5 Forms

Refer to the tables below for guidance regarding which forms are required for different types of acquisition transactions.

Voluntary Sale Transaction (includes donations)		
Required	ACQ-1	Determination of No Relocation (if relocation is necessary, contact ADOH)
One (1) Required	ACQ-2 or ACQ-3	Voluntary Acquisition by Recipient Voluntary Acquisition by Sub-recipient
If Applicable	ACQ-4	Voluntary Acquisition of Government Property
Required	ACQ-7	Voluntary Sale by Owner
If Applicable	ACQ-8	Voluntary Donation and Appraisal Waiver by Owner

Non-Voluntary Transaction (includes donations)		
Required	ACQ-1	Determination of No Relocation (if relocation is necessary, contact ADOH)
Required	ACQ-5	Owner Notification Letter
Required	ACQ-6	Owner Notification Form
Required	HUD Brochure	<i>When A Public Agency Acquires Your Property</i>
If Applicable	ACQ-8	Voluntary Donation and Appraisal Waiver by Owner
If Applicable	ACQ-9	Recipient Determination to Waive Appraisal
Required	ACQ-10	Establishment of Just Compensation
Required	ACQ-11	Summary Statement of the Basis for Offer of Just Compensation

If Applicable	ACQ-12	Sale by Owner for Less than Just Compensation
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6.6 Procurement and Environmental Review Record Requirements for URA Covered Projects

It should be noted that while the Uniform Relocation Act is a federal requirement, it does not negate nor take the place of other federal requirements associated with ADOH funding, including Procurement and Environmental Review Records (ERR).

6.6.1 Procurement

Program specific procurement requirements are applicable to all phases of the acquisition process. Procurement of services may be necessary for the preliminary title report, appraisal, review appraisal and legal services. Most of these items will fall under the small purchase procurement method.

6.6.2 Environmental Review Record

The following actions are considered exempt in an acquisition activity: procurement of a title report, appraiser or review appraiser. **However, an ERR compliant with federal requirements must be completed before funds are obligated for the acquisition.** A recipient may submit a purchase offer contingent upon ADOH (or HUD in the case of a HOME non-profit) approval of the ERR but should not enter into final negotiations for the purchase until the Release of Funds Memorandum/Approval to Obligate has been received.

6.7 Complaint/Appeals Process

A complaint and appeals process must be in place before beginning the acquisition process. Those persons potentially affected by the acquisition must be made aware of the procedure. A recipient may use its existing complaint and appeals process provided it has made a written determination that such shall apply to acquisition issues or may adopt a procedure specific to acquisition.

6.8 Owner Rights

The following items should be the first communication with the property owner in a non-voluntary transaction to explain the overall procedures to be followed:

- Form ACQ-5 - Owner Notification Letter;
- Form ACQ-6 - Owner Notification;
- HUD brochure - "When a Public Agency Acquires Your Property".

As with all notices, these items should be sent certified mail, return receipt or hand-delivered with a receipt.

The property owner has the right to accompany the appraiser on his/her visit to the site. The recipient should make every effort to coordinate the desires of the owner, in terms of date and time, with the availability of the appraiser.

6.8.1 Fair Rental

If the owner or tenant is allowed to occupy the real property after acquisition, the rent cannot exceed the fair market rent for such occupancy.

NOTE: Rent collected by the recipient or sub-recipient may be considered Program Income.

6.9 Determination of No Relocation

A determination that no relocation will result from the proposed acquisition and verifying that the land is vacant of buildings and/or persons must be documented using Form ACQ-1. A separate determination must be made for each parcel to be acquired.

6.10 Appraisals

Appraisals are required in a non-voluntary transaction unless the owner waives such or the property value is less than \$10,000.

The format and level of documentation for an appraisal will depend on the complexity of the appraisal but must include valuation data, and an analysis of that data, to support the opinion of value. If more than one (1) appraisal is desired, the recipient should submit to ADOH a written request with a rationale to include the complexity of the valuation and the potential cost of the acquisition. As part of the appraisal process, recipients should check with the Assessor's Office to ensure the parcel numbers and owner names and addresses are correct and then request a preliminary title report from a reputable escrow company.

6.10.1 Low Value/Simple Acquisitions

Minimum standards may be developed, consistent with established practice, for those acquisitions which, because of their low value or simplicity (such as easements), do not require a detailed appraisal. A recipient should submit these standards to ADOH for review and approval along with the basis for its determination that the acquisition will be simple or of low value. A recipient's legal counsel should document review and agreement with the standards and determination.

6.10.2 Detailed Appraisals

A detailed appraisal must be prepared for all acquisitions other than those of low value or simple as described in Section 6.10.1. The detailed appraisal must follow appropriate nationally recognized appraisal standards including the Uniform Appraisal Standards for Federal Land Acquisition.

A detailed appraisal must include at least the following:

- the purpose of the appraisal;
- a definition of the estate being appraised;
- a statement of assumptions and limiting conditions affecting the appraisal;
- an adequate description of the physical characteristics of the property being appraised and, if a partial acquisition, an adequate description of the remaining property;
- a statement of the known and observed encumbrances, if any;
- title information;
- location;
- zoning;
- present use;
- an analysis of the highest and best use;
- at least a five (5) year sales history of the property;
- all relevant and reliable approaches to value (consistent with accepted professional appraisal practices);

When sufficient market sales data are available to reliably support the fair market value for the specific appraisal problem encountered, the recipient may require only the market approach. If more than one (1) approach is utilized, there must be an analysis and reconciliation of approaches to value that are sufficient to support the appraiser's opinion of value.

- a description of comparable sales including a description of all relevant physical, legal and economic factors such as parties to the transactions, sources and methods of financing and verification by a party involved in each transaction;
- a statement of value and, if a partial acquisition, a statement of value of the damages and benefits, if any, to the remaining real property, where appropriate;
- the effective date of the valuation;
- date of the appraisal;
- a property analysis should be completed for any acquisition that involves real property other than vacant land (i.e. dwellings, storage sheds, buildings, fences, etc.) if this is not part of the appraisal. The analysis should consist of a list and description of all such items and include a photograph of each item. This analysis should be completed before the offer to purchase; and
- signature and certification of the appraiser. (Refer to Section 6.10.4.)

To the extent permitted by law, the appraiser shall disregard any change in the fair market value of the property caused by the potential project or by the likelihood that the property would be acquired for the project.

If the owner of a real property improvement will retain and remove it from the project site, the amount offered for the real property cannot be less than the difference between the amount determined to be the owner's entire interest in the real property and the salvage value of the improvement.

A boundary survey should be obtained only when the property lines are questionable.

Compensation for conducting an appraisal shall *not* be based on the amount of valuation.

6.10.3 Review Appraisal

Review appraisals are required for any and all appraisals associated with URA. A review appraisal is *not* a second appraisal, but rather a review of the original appraisal, and must also be conducted by a qualified appraiser. A review appraisal process must be established and meet the following standards:

- the review appraiser must review all appraisals conducted of the property to ensure that they meet applicable appraisal requirements;

- the review appraiser must seek any necessary corrections or revisions before accepting the appraisal(s); and
- if the review appraiser is unable to approve an appraisal, he/she may develop documentation in accordance with the recipient's appraisal standards to support an approved or recommended value.

The review appraisal must include the following:

- the signature and certification (refer to Section 6.10.4) of the review appraiser;
- an identification of the appraisal(s) reviewed;
- a certification of the recommended or approved value of the property;
- the basis for the recommendation or approval; and
- any damages or benefits to any remaining property.

6.10.4 Appraiser Qualifications

The following items apply to both appraisers and review appraisers:

- Recipients shall establish the minimum qualifications for appraisers. These must be consistent with the level of difficulty of the appraisal and be in compliance with state law. The recipient must review the experience, education, training and other qualifications of an appraiser and review appraiser and hire only those qualified.
- State law requires appraisers be either certified or licensed by the Arizona Board of Appraisers. A certificate/license number should be required as part of the bidding process. "Certified General" appraisers are legally eligible to appraise non-residential properties. "Certified Residential" appraisers can conduct only residential appraisals of one (1) to four (4) family units (no dollar limit). "Licensed Residential" appraisers can appraise only those residential properties (one (1) to four (4) family units) under \$1,000,000. Contact the Department of Financial Institutions, Real Estate Appraisal Division at (602) 771-2800 for additional information or visit their website at <https://boa.az.gov/>.
- No appraiser or review appraiser can have any interest, direct or indirect, in the property being appraised that would in any way conflict with the preparation or review of the appraisal.

6.10.5 Waiver of Appraisal

In a voluntary transaction, after providing the owner with Form ACQ-7 Voluntary Sale By Owner, a recipient can notify the owner that the property may be donated and/or the appraisal may be waived. If the property owner decides to donate the property or waive the appraisal, this must be documented on form ACQ-8 Voluntary Donation and Appraisal Waiver By Owner.

In a non-voluntary transaction, a recipient may waive an appraisal (documented with Form ACQ-9 Recipient Determination to Waive Appraisal) if the acquisition does not present a complicated valuation problem and the fair market value is likely to be less than \$10,000 based on available data.

6.11 Just Compensation

Just compensation cannot be less than the fair market value of the property (the amount documented in the review appraisal). The amount can, however, include the value of allowable damages or benefits to any remaining property. If the just compensation amount is greater than that indicated in the review appraisal, the recipient must document the basis for this determination.

Once just compensation has been determined, a recipient should complete form ACQ-10 to document such. The initial purchase offer is then presented to the owner along with a form ACQ-11, Summary Statement of the Basis for Offer of Just Compensation.

If a new appraisal is needed after an offer is presented because of a material change in the character or condition of the property or a significant delay since the original appraisal, the recipient may have the appraisal updated or obtain a new appraisal. A new form ACQ-11 should then be completed and a new purchase offer presented to the owner.

6.12 Offer to Purchase

6.12.1 Real Property Owner

The first written purchase offer begins the negotiation process. A recipient may submit a purchase offer contingent upon ADOH approval of the ERR but should not enter into final negotiations for the purchase until the E-13 Release of Funds has been received. Form ACQ-11 must accompany the offer but the purchase offer may be less than the appraised value.

The sales contract included with the purchase offer must contain the following:

- an identification of the parcel(s);
- the amount offered;
- the terms of the offer;
- time period for the owner to respond (usually thirty (30) days);
- an opportunity for the owner to present additional information relating to the value of the property and suggested modifications in the terms and conditions of the purchase;
- a place for the owner to sign to accept the offer;
- information regarding reimbursement for reasonable expenses incidental to title transfer; and
- information about the recipient's grievance process.

Once the offer has been presented, the recipient should also make reasonable efforts to contact the owner or owner's representative to discuss the basis for the offer, acquisition policies and procedures and payment of incidental expenses.

NOTE: If more than one (1) parcel of property is to be acquired in the same area, all owners must be treated similarly.

A recipient or sub-recipient may not, based on its knowledge, make a payment that would duplicate another payment the owner received under federal, state or local law.

6.12.2 Uneconomic Remnant

If the acquisition of only a portion of a property would leave the owner with an interest of little or no value or utility to the owner as determined by the recipient (uneconomic remnant), the recipient must offer to purchase the uneconomic remnant along with the rest of the property.

6.12.3 Incidental Expenses

Incidental expenses are those that are reasonable, necessary and documented on the HUD-1 Settlement Statement/RESPA and may include:

- recording fees;

- transfer taxes;
- documentary stamps;
- boundary surveys;
- title insurance;
- penalty costs and other charges for prepayment of mortgage; and
- pro rata portion of prepaid property taxes.

6.12.4 Tenant Owned Improvements

The recipient must offer to acquire an equal interest in all buildings, structures or other improvements to be removed or that will be adversely affected by the planned use of the property. If the tenant who occupies the property has paid for and thus owns any of the improvements, he/she must also receive a written purchase offer for his/her interest in such improvements. The value of such improvements should be included in the appraisal. Payment to the tenant is allowable only when:

- the tenant transfers and releases all interest in, rights and title to the improvements;
- the owner of the real property on which the improvement is located disclaims all interest in the improvement; and
- the payment does not result in any duplication of payment.

6.13 Negotiations

After successful negotiations, the recipient should contact the escrow company that prepared the preliminary title report. The escrow company will then contact the owner, provide escrow sales counseling, obtain the required sales contract signatures and deliver payment to the owner at closing. The recipient will deposit the required funds into an escrow account for processing.

A recipient may submit a Request For Payment to ADOH for the amount of the sale as soon as there is an indication that the owner will accept the offer (i.e. the recipient must be able to document that it requested the funds in “good faith” which does not have to be a signed acceptance of the offer). However, if the sale falls through, the recipient may have to return the funds to ADOH.

When negotiations fail, the following three (3) alternatives should be considered:

6.13.1 Administrative Settlement

An administrative settlement is an alternative to judicial resolution or a difference of opinion regarding the value of the property. An offer may be extended to purchase the land for a price exceeding the amount offered as just compensation in the initial purchase offer. However, there must be written justification explaining the basis for the settlement.

To proceed with an administrative settlement, the recipient must have written approval from the chief elected official or chief administrative officer documenting it as reasonable, prudent and in the public interest. This justification must document the available information to support the settlement amount (appraisal, recent court awards, estimated trial costs, valuation problems, etc.). *All documentation to support an administrative settlement must be provided to ADOH for approval before such an offer is made.*

NOTE: *There can be no coercive actions of any kind such as pressuring the appraiser to revise the appraisal, advancing the time of condemnation or any other action that could be interpreted as coercive.*

6.13.2 Abandon the Project

If this alternative is selected, the recipient must notify the owner in writing that it is abandoning the project at that site and will not pursue the acquisition of that particular parcel of land. Notification is to be mailed to the owner within ten (10) days of the determination, certified mail, return receipt. The notification must be signed by the same person who signed prior notices and must be approved by the recipient's legal counsel.

6.13.3 Condemnation

The last alternative is to file a condemnation suit under applicable eminent domain laws provided that the recipient has not already agreed to a voluntary acquisition by signing form ACQ-2. When this happens, ADOH must be notified that such action will take place and of course, the project should be turned over to the recipient's legal counsel. A recipient must begin formal condemnation proceedings and not intentionally make it necessary for the owner to institute legal proceedings to prove the taking of real property.

The property owner shall be reimbursed for reasonable expenses, including attorney, appraiser and engineer, which are incurred because of a condemnation proceeding if the court finds in favor of the

owner, the recipient abandons the condemnation suit or a settlement is reached that includes reimbursement of such expenses.

6.14 Definitions

Appraisal: A written statement that is independently and impartially prepared by a qualified appraiser and sets forth an opinion of defined value of adequately described property as of a specific date and is supported by presentation and analysis of relevant market information.

Displacement: A move that is permanent and involuntary.

Donation: An action taken by a land owner after being fully informed of his/her rights under the URA (documented in writing), in which the owner agrees to donate the land to the recipient/sub-recipient. The owner may or may not choose to waive an appraisal of the property. A donation is *not* considered a voluntary transaction.

Owner: A person who has purchased or holds any of the following interests in real property:

- fee title;
- life estate;
- land contract;
- ninety-nine (99) year lease;
- a standard lease including options for extension for at least fifty (50) years from the date of acquisition;
- an interest in a cooperative housing project which includes the right to occupy a dwelling;
- a contract to purchase any of the interests or estates listed.

Person: For *relocation* purposes, person is defined as: an individual, family, business, farm and non-profit or similar organization to include landowners as well as tenants. For *acquisition* purposes, person is defined as: any individual, family, partnership, corporation or association.

Salvage Value: The probable sale price of an item, if offered for sale on the condition that it will be removed from the property at the buyer's expense.

Tenant: A person who has the legal, temporary use and/or occupancy of real property owned by another.

Uneconomic Remnant: A parcel of real property in which the owner is left with an interest after the partial acquisition of the owner's property and which the acquiring agency has determined has little or no value or utility to the owner.

Sample URA Forms

Sample URA Forms are on the following pages.

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

DETERMINATION OF NO RELOCATION
(This Form required in ALL transactions)

The proposed acquisition of the property parcel(s) described below will *not* result in any relocation for the reasons stated:

- The parcel(s) has/have no structures; the land is vacant; or
- The parcel(s) has/have structures described below but they are vacant and there are no tenants.

The statement above is based on the following:

- On site visit conducted on *(date)* _____ by _____.
Describe structures, if applicable:

- Review of documents identified below on *(date)* _____ by _____.
Documents:

- Other (describe to include date and person(s) involved)

Attach picture(s) of property and provide address and legal description of property:

Signature

Date

Printed Name

Title

Recipient Legal Counsel:

Signature

Date

Printed Name

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

VOLUNTARY ACQUISITION BY RECIPIENT
(Use ACQ-2 OR ACQ-3 in Voluntary Transactions Only)

As verified by my signature below, I hereby state that:

1. the acquisition of the parcel(s) of property described below was not predetermined or indicated as such in any documents including documents related to federal funds;
2. the acquisition of the parcel(s) of property described below are not part of an intended, planned or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits;
3. the recipient shall *not* acquire the property described below in the event negotiations fail to result in an amicable agreement;
4. the owner(s) of the property described below have been informed of 3. above as evidenced by the attached form ACQ-7;
5. the owner(s) will be informed of what is believed to be the fair market value of the property;
6. I have the authority to sign this document.

Address and legal description of property:

Signature

Date

Printed Name

Title

Recipient Legal Counsel:

Signature

Date

Printed Name

ACQ-2 (04/2016)

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

**VOLUNTARY ACQUISITION BY SUB-RECIPIENT
(Use ACQ-2 OR ACQ-3 in Voluntary Transactions Only)**

As verified by my signature below, I hereby state that:

1. the sub-recipient identified below has been designated by the recipient identified above to receive funds under contract # _____ to acquire property; and
2. the sub-recipient does not have the legal authority to acquire property by eminent domain; and
3. prior to making an offer, the sub-recipient shall inform the property owner(s) that the property shall not be acquired if negotiations fail to result in an amicable agreement;
4. the owner(s) of the property described below have been informed of 3. above as evidenced by the attached form ACQ-7;
5. the owner(s) will be informed of what is believed to be the fair market value of the property;
6. I have the authority to sign this document on behalf of the sub-recipient.

Address and legal description of property:

Legal Name of Sub-recipient Entity: _____

Address:

Phone: _____ Fax: _____ E-mail:

Signature

Date

Printed Name

Title

Recipient Legal Counsel:

Signature

Date

Printed Name

ACQ-3 (04/2016)

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

VOLUNTARY ACQUISITION OF GOVERNMENT PROPERTY
(Use in Voluntary Transaction, if applicable)

As verified by my signature below, I hereby state that:

1. the recipient identified above does *not* have the legal authority to acquire the property described below through condemnation; and
2. the parcel(s) described below are owned by the named federal or state agency:

(property owner - federal or state agency)

3. I have the authority to sign this document on behalf of the recipient.

Address and legal description of property:

Signature

Date

Printed Name

Title

Recipient Legal Counsel:

Signature

Date

Printed Name

ACQ-4 (04/2016)

OWNER NOTIFICATION LETTER
(Required for Non-Voluntary Transactions)

Date _____

Name _____
Address _____
City, State, Zip _____

Contract # _____

Dear [Name]:

This letter serves as notification that [recipient] is interested in acquiring your property (or a portion of your property) as described in the attached legal description. This proposed acquisition is related to [name of project], a project which is funded in whole or in part with federal [HUD Community Development Block Grant (CDBG), OR HOME Investment Partnership OR Department of Energy] funds from the State of Arizona Department of Housing.

Because these are federal funds, the proposed acquisition of your property is governed by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing federal regulations. The acquisition process and your rights as an owner are described in the enclosed publication, When a Public Agency Acquires Your Property.

As an initial step in the acquisition process, the [recipient] has hired [name of appraiser], a qualified appraiser to inspect your property in order to prepare an appraisal report, which will form one (1) basis for the purchase offer to be made to you for your property. [Name of appraiser] is currently scheduled to inspect your property on [date/time]. You are entitled by law to accompany the appraiser if you wish. Note that the appraiser will *not* make a purchase offer at this time.

After you have read the enclosed materials, you may choose to donate all or a portion of your property to [recipient] for the proposed project. You may also waive the appraisal.

Please complete the enclosed form, *Owner Notification*, and if applicable, the form, *Voluntary Donation and Appraisal Waiver*, and return to me in the enclosed stamped, self-addressed envelope. Should you have any questions, please do not hesitate to call me at [phone number] or e-mail to [e-mail address].

Sincerely,

[Name and Title]

Enclosures

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

OWNER NOTIFICATION FORM
(Required for Non-Voluntary Transactions)

1. Publication Receipt

I/we received the publication, When a Public Agency Acquires Your Property Yes No

2. Appraiser (check one [1])

- a. I/we do plan to accompany the appraiser when the property is inspected on [date/time] _____.
- b. I/we do *not* plan to accompany the appraiser when the property is inspected. I/we waive my/our right to accompany the appraiser at another time or to designate a representative to accompany the appraiser.
- c. I/we cannot accompany the appraiser at the scheduled time and ask that the inspection be rescheduled for (please provide at least three (3) dates/times):

Date	Time
_____	_____
_____	_____
_____	_____

- d. I/we cannot accompany the appraiser during the property inspection scheduled for [date/time] _____ but designate _____ as my/our representative.

3. Donation and Appraisal Waiver

I/we have completed the enclosed Property Donation Form in which we also waive the right to an appraisal.
 Yes No

4. Signature

Printed Name of Legal Property Owner(s)	Signature	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Please return in the enclosed stamped, self-addressed envelope to: [recipient]

WHEN A PUBLIC AGENCY ACQUIRES YOUR PROPERTY

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

www.hud.gov/relocation

Introduction

This booklet describes important features of the **Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970**, as amended (URA) and provides general information about public acquisition of real property (real estate) that should be useful to you.

Most acquisitions of real property by a public agency for a Federal project or a project in which Federal funds are used are covered by the URA. If you are notified that your property will be acquired for such a project, it is important that you learn your rights under this important law.

This booklet may not answer all of your questions. If you have more questions about the acquisition of your property, contact the Agency responsible for the project. (Check the back of this booklet for the name of the person to contact at the Agency.) Ask your questions before you sell your property. Afterwards, it may be too late.

General Questions

What Right Has Any Public Agency To Acquire My Property?

The Federal Government and every State government have certain powers which are necessary for them to operate effectively. For example, they have the power to levy taxes and the power to maintain order. Another government power is the power to acquire private property for public purposes. This is known as the power of eminent domain.

The rights of each of us are protected, however, by the Fifth and Fourteenth Amendments of the U.S. Constitution and by State constitutions and eminent domain laws which guarantee that if a public agency takes private property it must pay "just compensation" to the owner. The URA provides additional protections, as explained in this booklet.

Who Made The Decision To Buy My Property?

The decision to acquire a property for a public project usually involves many persons and many determinations. The final determination to proceed with the project is made only after a thorough review which may include public hearings to obtain the views of interested citizens.

If you have any questions about the project or the selection of your property for acquisition, you should ask a representative of the Agency which is responsible for the project.

How Will The Agency Determine How Much To Offer Me For My Property?

Before making you an offer, the Agency will obtain at least one appraisal of your property by a competent real property appraiser who is familiar with local property values. The appraiser will inspect your property and prepare a report that includes his or her professional opinion of its current fair market value. After the appraiser has completed his work, a review appraiser will examine the appraisal report to assure that the estimate is fair and the work conforms with professional appraisal standards.

The Agency must offer you “just compensation” for your property. This amount cannot be less than the appraised fair market value of the property. “Just compensation” for your property does not take into account your relocation needs. If you are eligible for relocation assistance, it will be additional.

What Is Fair Market Value?

Fair market value is sometimes defined as that amount of money which would probably be paid for a property in a sale between a willing seller, who does not have to sell, and a willing buyer, who does not have to buy. In some areas a different term or definition may be used.

The fair market value of a property is generally considered to be “just compensation.” Fair market value does not take into account intangible elements such as sentimental value, good will, business profits, or any special value that your property may have for you or for the Agency.

How Does An Appraiser Determine The Fair Market Value Of My Property?

Each parcel of real property is different and therefore no single formula can be devised to appraise all properties. Among the factors an appraiser typically considers in estimating the value of real property are:

- How it compares with similar properties in the area that have been sold recently.
- How much rental income it could produce.
- How much it would cost to reproduce the buildings and other structures, less any depreciation.

Will I Have A Chance To Talk To The Appraiser?

Yes. You will be contacted and given the opportunity to accompany the appraiser on his or her inspection of your property. You may then inform the appraiser of any special features which you believe may add to the value of your property. It is in your best interest to provide the appraiser with all the useful information you can in order to insure that nothing of allowable value will be overlooked. If you are unable to meet with the appraiser, you may wish to have a person who is familiar with your property represent you.

How Soon Will I Receive A Written Purchase Offer?

Generally, this will depend on the amount of work required to appraise your property. In the case of a typical single-family house, it is usually possible to make a written purchase offer within 45 to 60 days of the date an appraiser is selected to appraise the property.

Promptly after the appraisal has been reviewed (and any necessary corrections obtained), the Agency will determine just compensation and give you a written purchase offer in that amount along with a “summary statement,” explaining the basis for the offer. No negotiations are to take place before you receive the written purchase offer and summary statement.

What Is In The Summary Statement Of The Basis For The Offer Of Just Compensation?

The summary statement of the basis for the offer of just compensation will include:

- An accurate description of the property and the interest in the property to be acquired.
- A statement of the amount offered as just compensation. (If only part of the property is to be acquired, the compensation for the part to be acquired and the compensation for damages, if any, to the remaining part will be separately stated.)
- A list of the buildings and other improvements covered by the offer. (If there is a separately held interest in the property not owned by you and not covered by the offer (e.g., a tenant-owned improvement), it will be so identified.)

Must I Accept The Agency's Offer?

No. You are entitled to present your evidence as to the amount you believe is the fair market value of your property and to make suggestions for changing the terms and conditions of the offer. The Agency will consider your evidence and suggestions. When fully justified by the available evidence of value, the offer price will be increased.

May Someone Represent Me During Negotiations?

Yes. If you would like an attorney or anyone else to represent you during negotiations, please inform the Agency. However, the URA does not require the Agency to pay the costs of such representation.

If I Reach Agreement With The Agency, How Soon Will I Be Paid?

If you reach a satisfactory agreement to sell your property and your ownership (title to the property) is clear, payment will be made at a mutually acceptable time. Generally, this should be possible within 30 to 60 days after you sign a purchase contract. If the title evidence

obtained by the Agency indicates that further action is necessary to show that your ownership is clear, you may be able to hasten the payment by helping the Agency obtain the necessary proof. (Title evidence is basically a legal record of the ownership of the property. It identifies the owners of record and lists the restrictive deed covenants and recorded mortgages, liens, and other instruments affecting your ownership of the property.)

What Happens If I Don't Agree To The Agency's Purchase Offer?

If you are unable to reach an agreement through negotiations, the Agency may file a suit in court to acquire your property through an eminent domain proceeding. Eminent domain proceedings are often called condemnations. If your property is to be acquired by condemnation, the Agency will file the condemnation suit without unreasonable delay.

An Agency may also decide not to buy your property, if it cannot reach agreement on a price, and find another property to buy instead.

What Happens After The Agency Condemns My Property?

You will be notified of the action. Condemnation procedures vary, and the Agency will explain the procedures which apply in your case.

Generally, when an Agency files a condemnation suit, it must deposit with the court (or in an escrow account) an amount not less than its appraisal of the fair market value of the property. You should be able to withdraw this amount, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Withdrawal of your share of the money will not affect your right to seek additional compensation for your property.

During the condemnation proceeding, you will be provided an opportunity to introduce your evidence as to the value of your property. Of course, the Agency will have the same right. After hearing the evidence of all parties, the court will determine the amount of just compensation. If that amount exceeds the amount deposited by the Agency, you will be paid the difference, plus any interest that may be provided by law.

To help you in presenting your case in a condemnation proceeding, you may wish to employ an attorney and an appraiser. However, in most cases the costs of these professional services and other costs which an owner incurs in presenting his or her case to the court must be paid by the owner.

What Can I Do If I Am Not Satisfied With The Court's Determination?

If you are not satisfied with the court judgment, you may file an appeal with the appropriate appellate court for the area in which your property is located. If you are considering an appeal, you should check on the applicable time limit for filing the appeal and consult with your attorney on whether you have a basis for the appeal. The Agency may also file an appeal if it believes the amount of the judgment is too high.

Will I Have To Pay Any Closing Costs?

You will be responsible for the payment of the balance on any mortgage and other liens on your property. Also, if your ownership is not clear, you may have to pay the cost of clearing it. But the Agency is responsible for all reasonable and necessary costs for:

- Typical legal and other services required to complete the sale, recording fees, revenue stamps, transfer taxes and any similar expenses which are incidental to transferring ownership to the Agency.
- Penalty costs and other charges related to prepayment of any recorded mortgage on the property that was entered into in good faith.
- Real property taxes covering the period beginning on the date the Agency acquires your property.

Whenever possible, the Agency will make arrangements to pay these costs directly. If you must incur any of these expenses yourself, you will be repaid--usually at the time of closing. If you later discover other costs for which you should be repaid, you should request repayment from the Agency immediately. The Agency will assist you in filing a claim. Finally, if you believe that you were not properly repaid, you may appeal the decision to the Agency.

May I Keep Any Of The Buildings Or Other Improvements On My Property?

Very often, many or all of the improvements on the property are not required by the Agency. This might include such items as a fireplace mantel, your favorite shrubbery, or even an entire house. If you wish to keep any improvements, please let the Agency know as soon as possible.

If you do arrange to keep any improvement, the Agency will deduct only its salvage value from the purchase price you would otherwise receive. (The salvage value of an item is its probable selling price if offered for sale on the condition that the buyer will remove it at his or her own expense.) Of course, if you arrange to keep any real property improvement, you will not be eligible to receive a relocation payment for the cost of moving it to a new location.

Can The Agency Take Only A Part Of My Property?

Yes. But if the purchase of only a part of your property reduces the value of the remaining part(s), you will be paid for the loss in value. Also, if any remaining part would have little or no utility or value to you, the Agency will offer to buy that remaining part from you.

Occasionally, a public project will increase the value of the part which is not acquired by the Agency. Under some eminent domain laws, the amount of such increase in value is deducted from the purchase payment the owner would otherwise receive.

Will I Have To Pay Rent To The Agency After My Property Is Acquired?

If you remain on the property after the acquisition, you may be required to pay a fair rent to the Agency. Such rent will not exceed that charged for the use of comparable properties in the area.

How Soon Must I Move?

If possible, a mutually agreeable date for the move will be worked out. Unless there is an urgent need for your property (e.g., your occupancy would present a health or safety emergency), you will not be required to move without at least 90 days advance written notice.

If you reach a voluntary agreement to sell your property, you will not be required to move before you receive the agreed purchase price. If the property is acquired by condemnation, you cannot be required to move before the estimated fair market value of the property has been deposited with the court so that you can withdraw your share.

If you are being displaced from your home, you will not be required to move before a comparable replacement home is available to you.

Will I Receive Relocation Assistance?

Title II of the URA requires that certain relocation payments and other assistance must be provided to families, individuals, businesses, farms, and nonprofit organizations when they are displaced or their personal property must be moved as a result of a project that is covered by the URA.

The Agency will furnish you a full explanation of any relocation assistance to which you may be entitled. If you have any questions about such assistance, please contact the Agency. In order for the Agency to fulfill its relocation obligations to you, you must keep the Agency informed of your plans.

My Property Is Worth More Now. Must I Pay Capital Gains Tax On The Increase?

Internal Revenue Service (IRS) Publication 544 explains how the Federal income tax would apply to a gain or loss resulting from the sale or condemnation of real property, or its sale under the threat of condemnation, for public purposes. If you have any questions about the IRS rules, you should discuss your particular circumstances with your personal tax advisor or your local IRS office.

I'm A Veteran. How About My VA Loan?

After your VA home mortgage loan has been repaid, you will be permitted to obtain another VA loan to purchase another property. Check on such arrangements with your nearest Veterans Administration Office.

Is It Possible To Donate Property?

Yes. You may donate your property or sell it to the Agency for less than its fair market value. The Agency must obtain an appraisal of the property and offer just compensation for it, unless you release the Agency from these obligations.

Additional Information

If you have any questions after reading this booklet, contact the Agency and discuss your concerns with the Agency representative.

Agency:

Address:

Office Hours:

Telephone Number:

Person to Contact:

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

**VOLUNTARY SALE BY OWNER
(Required for Voluntary Transactions)**

As verified by my(our) signature(s) below, I(we) hereby state that:

1. I/we are the owner(s) of record of the parcel(s) of property described below;
2. I/we understand that if a mutually satisfactory agreement cannot be reached regarding the sale of the parcel(s) of property described below, _____ will not acquire the property as confirmed by the attached form ACQ-2 or ACQ-3;
3. I/we understand that _____ will inform me/us in writing of the fair market value of the property described below;
4. I/we do hereby state that there is no obligation on my/our part to agree to a sale of the property described below; and
5. I/we are signing this document of our own free will and have been subjected to no coercion by _____ in relation to this potential acquisition or this document.

Address and legal description of property:

Printed Name of Legal Property Owner(s)	Signature	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Notary:

Subscribed and sworn to before me this _____ day of _____, 20_____.

Signature: _____ My commission expires: _____

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

VOLUNTARY DONATION AND APPRAISAL WAIVER BY OWNER
(Use in Voluntary and Non-Voluntary Transactions when applicable)

As verified by signature(s) below, I/we hereby state that:

1. I/we am/are the legal owner(s) of the property described below that the recipient identified above is proposing to acquire; and
2. I/we acknowledge that I/we have been fully informed of our rights as a property owner(s) under the Uniform Relocation Assistance and Real Property Policies Act of 1970, as amended and implementing regulations.
[Delete 2. if a Voluntary Transaction.]
3. I/we understand that I/we cannot be required to donate the property; and
4. I/we was/were not subjected to any pressure, coercion or intimidation by anyone; and
5. I/we voluntarily and of my/our own free will, donate the property described below to the recipient as identified above.
6. I/we waive our right to have an appraisal of the property. Yes No

Address and legal description of property:

Printed Name of Legal Property Owner(s)	Signature	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Notary:

Subscribed and sworn to before me this _____ day of _____, 20_____.

Signature: _____ My commission expires:

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

RECIPIENT DETERMINATION TO WAIVE APPRAISAL
(Use in Non-Voluntary Transactions when applicable)

As verified by my signature I hereby state that:

1. the parcel(s) of property described below present an uncomplicated valuation problem;
2. I have the legal authority to make this determination; and
3. the fair market value of the property is estimated at \$2,500 or less based on a review of the following data:

I, therefore, have determined that an appraisal is not required, and that this action is in full compliance with Program requirements as they relate to the URA. I am aware that a basis for the purchase offer must still be documented.

Address and legal description of property:

Signature

Date

Printed Name

Title

Recipient Legal Counsel:

Signature

Date

Printed Name

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

**ESTABLISHMENT OF JUST COMPENSATION
(Required for Non-Voluntary Transactions)**

As verified by my signature below I hereby state that:

1. I have the authority to establish just compensation for property acquisitions related to projects funded through the above cited contract; and
2. I have determined that the just compensation for the parcel(s) of property described below is:
\$ _____
3. The basis for this amount is not less than the fair market value of the property as stated in the approved appraisal and considering the value of allowable damages or benefits to any remaining property, as described below: Damages/Benefits:
4. This amount includes real property improvements identified as the property of a tenant which must be removed or will be adversely affected by the proposed use of the property, and includes any building, structure or other improvement of a tenant owner who has the right or obligation to remove the improvement at the expiration of the lease term. Yes No

If Yes, this amount is based on (check all that apply):

- a. the amount the improvements contribute to the fair market value
- b. the depreciated replacement cost of the improvements installed
- c. the salvage value of the improvements

5. To the extent permissible by law, the amount of just compensation disregards any increase or decrease in the fair market value of the property caused by the proposed project other than that due to physical deterioration within the reasonable control of the property owner.

Address and legal description of property:

Signature

Date

Printed Name

Title

Recipient Legal Counsel:

Signature

Date

Printed Name

ACQ-10 (04/2016)

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

**SUMMARY STATEMENT
OF THE BASIS FOR OFFER OF JUST COMPENSATION**
(Required for Non-Voluntary Transactions and Must Accompany
Written Purchase Offer to Property Owner)

As verified by my signature below I hereby state that:

1. I have the authority to issue this Summary Statement.
2. This Summary Statement forms the basis for the offer by the recipient identified above to [owner(s)] _____ for the parcel(s) of property described below.
3. The amount offered is as follows: \$ _____
4. The interest in the real property described below is (check only one [1]):
 - Fee Simple Title
 - Life Estate or Life Use Title
 - Permanent Easement
 - Lease of fifty (50) years or more including extension options
5. The amount offered includes the following improvements (buildings, structures and removable building equipment and trade fixtures considered to be part of the real property). If none, so state. If some are tenant-owned improvements, state that the offer does not include these.
6. The offer indicated above is not less than the fair market value as defined by Arizona law and as determined by the appraiser(s); disregards any increase or decrease in the fair market value caused by the proposed project, other than that due to physical deterioration within the reasonable control of the owner.
7. The offer does does not include an uneconomic remnant.
8. The offer *does not include expenses incidental to the transfer of the title* to the recipient, which *will be reimbursed* by the recipient to the owner for reasonable costs and with proper documentation. Incidental expenses include: recording fees, transfer taxes, documentary stamps, evidence of title, boundary surveys, legal description of the real property, penalty costs and other charges for prepayment of any pre-existing recorded mortgage, the pro rata portion of any prepaid real property taxes.

9. The offer is based on the following principal appraisal technique(s):

10. The offer reflects the fact that the recipient is is not acquiring only a portion of the total property and that partial acquisition has the effect of increasing/decreasing the value of the remaining portion of the property as documented in the appraisal report and described below:

Address and legal description of property:

Signature

Date

Printed Name

Title

Recipient Legal Counsel:

Signature

Date

Printed Name

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

SALE BY OWNER FOR LESS THAN JUST COMPENSATION
(Use in Non-Voluntary Transactions when applicable)

As verified by my/our signature(s) hereby state that:

1. I/we am/are the legal owner(s) of the property described below that the recipient identified above is proposing to acquire; and
2. I/we acknowledge that I/we have been fully informed of our rights as a property owner(s) under the Uniform Relocation Assistance and Real Property Policies Act of 1970, as amended and implementing regulations, which apply to the proposed acquisition of the property described below; and
3. I/we understand that I/we cannot be required to sell the property for an amount less than the amount determined to be just compensation; and
4. I/we was/were not subjected to any pressure, coercion or intimidation by anyone; and
5. I/we did receive a written purchase offer from the recipient with an accompanying Summary Statement of the Basis for Just Compensation; and
6. I/we voluntarily and of my/our own free will agree to sell the property (or a portion thereof) to the recipient identified above for \$ _____ which is less than the established just compensation of \$ _____.

Address and legal description of property:

Printed Name of Legal Property Owner(s)	Signature	Date
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Notary:

Subscribed and sworn to before me this _____ day of _____, 20_____.

Signature: _____ My commission expires:

7.0 Sample Forms for Sub-recipients, Operators and Lessees

- Sub-recipient Funding Agreement (includes the following documents)
 - ✓ Attachment I: Activity Description - Scope of Work
 - ✓ Attachment II: Budget
 - ✓ Attachment III: Certifications and Other Uniform Administrative Requirements
 - ✓ Attachment IV: Records to be Maintained
 - ✓ Contractual Provisions to be included in Agreements with Religious Organizations
 - ✓ Centers/Facilities Agreement
- Use Policy Requirements
- Sample Use Policy (includes Attachment I: Fee Schedule)

This Agreement can be modified to fit specific circumstances. For example, monthly reports may not be necessary as indicated in this example or payment request procedures may be different than provided in this example. Community Development Block Grant (CDBG) is used as a sample funding source throughout this document. If your project is funded with a source other than CDBG, be sure to change the language in the example. Please ensure however, that all items identified in the Desk Monitoring Form (Section 11) are included in the Agreement. *A draft of this Agreement must be provided to ADOH for review and approval. This and all Agreements should be reviewed by legal counsel.*

SUB-RECIPIENT FUNDING AGREEMENT

This AGREEMENT entered into as of this _____ day of _____, 20____ by and between _____, Arizona, (hereinafter referred to as "Recipient") and _____, (hereinafter referred to as "Sub-recipient").

WITNESSETH THAT:

WHEREAS, Pursuant to Title I of the Housing and Community Development Acts of 1974, as amended, Recipient has applied for and received a Community Development Block Grant (hereinafter CDBG) for certain CDBG activities, from the State of Arizona Department of Housing (ADOH), CDBG Program (hereinafter "ADOH"); and

WHEREAS, the Recipient wishes to engage the Sub-recipient to assist the Recipient in utilizing such funds;

WHEREAS, included in said application, is the following activity eligible under the CDBG Program:

A. Statement of Work

1. Contract #: _____
2. Name of Activity(ies): _____
3. Scope of Work: ATTACHMENT I
4. Budget: Agreement Total: \$_____ see ATTACHMENT II for details.

B. National Objectives

The Sub-recipient certifies that each activity carried out with funds provided under this AGREEMENT will meet one (1) of the CDBG Program's National Objectives: 1) benefit to low/moderate income persons; 2) aid in the prevention or elimination of slums or blight; and 3) meeting community development needs having a particular urgency.

C. Performance Monitoring

The Recipient will monitor the performance of the Sub-recipient against goals and performance standards required herein. Substandard performance as determined by the Recipient will constitute noncompliance with this AGREEMENT. If action to correct such substandard performance is not taken by the Sub-recipient within a reasonable period of time after being notified by the Recipient, contract suspension or termination procedures will be initiated.

D. Notices

Communication and details concerning this contract shall be directed to the following contract representatives:

RECIPIENT

Name:

Title:

Address:

Telephone:

E-mail Address:

SUB-RECIPIENT

Name:

Title:

Address:

Telephone:

E-mail Address:

E. Special Conditions

(This section of the AGREEMENT can be used by Recipient to include special conditions specific to the particular activity or individual Sub-recipient.)

F. Grantor Recognition

The Sub-recipient shall ensure recognition of the role of the Recipient and ADOH in providing services through this contract. All activities, facilities and items utilized pursuant to this contract shall be prominently labeled as to the funding source. In addition, the Sub-recipient will include a reference to the support provided herein in all publications made possible with funds made available under this contract.

- No reports, maps or other documents produced in whole or in part under this AGREEMENT shall be the subject of any application for copyright by or on behalf of the Sub-recipient or by

any employee of the Sub-recipient. The Sub-recipient shall advise ADOH or its designee at the time of delivery of any copyrighted or subject to copyright work furnished under this AGREEMENT or any adversely held copyrighted or subject to copyright material incorporated in any such work and of any invasion of the right of privacy therein contained.

- ADOH may duplicate, use and disclose in any manner and for any purpose whatsoever, within the limits established by federal and state laws and regulations, all information relating to this AGREEMENT.

G. Independent Contractor

Nothing contained in this AGREEMENT is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Sub-recipient shall at all times remain an “independent contractor” with respect to the services to be performed under this AGREEMENT. The Recipient shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance as the sub-recipient is an independent contractor.

H. General Conditions

1. Responsibility for Grant Administration: The Recipient is responsible for ensuring the administration of federal funds in accordance with all program requirements. The use of Sub-recipients or contractors does not relieve the Recipient of this responsibility.

The Recipient is also responsible for determining the adequacy of performance under all Sub-recipient AGREEMENTS and procurement contracts and for taking appropriate action when performance problems arise.

2. Payment: It is expressly agreed and understood by the Recipient that the total amount to be paid to the Sub-recipient under this contract by the Recipient shall not exceed \$_____. Drawdowns for the payment of eligible expenses shall be made against the line item budgets, after prior approval of the Recipient.
3. General Compliance: The Sub-recipient agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the Housing and Urban Development (HUD) regulations concerning the CDBG program). The Sub-recipient also agrees to comply with all other applicable federal, state and local laws, regulations and policies governing the funds provided under this contract. The Sub-recipient further agrees to utilize funds available under this AGREEMENT to supplement rather than supplant funds otherwise available.

4. Time of Performance: This AGREEMENT shall take effect on the _____ day of _____, 20____, through and including the _____ day of _____, 20____.
5. Insurance and Bonding: The Sub-recipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage and, as a minimum, shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the Recipient.

The Sub-recipient shall provide, by self-insurance or other means, and maintain and/or cause its sub-contractors to provide and maintain appropriate insurance. In no event shall the total coverage be less than the coverage specified below:

[INSERT RECIPIENT INSURANCE REQUIREMENTS HERE]

Failure on the part of the Sub-recipient to procure and maintain the required liability insurance and provide proof thereof to the Recipient within ten (10) days following the commencement of a new policy, shall constitute a material breach of the AGREEMENT, upon which the Recipient may immediately terminate the AGREEMENT. Within ten (10) days of signing the AGREEMENT, the Sub-recipient shall furnish the Recipient with copies of the Certificate of Insurance drawn in conformity with the above insurance requirements. The Recipient reserves the right to request and receive certified copies of any or all of the above policies and/or endorsements.

The Sub-recipient shall provide Worker’s Compensation Insurance coverage for all of its employees involved in the performance of this contract.

6. Reversion of Assets: Upon expiration of this AGREEMENT, the Sub-recipient shall ensure that any real property under the Sub-recipient's control that was acquired in whole or in part with federal funds in excess of \$5,000 is either:
- a. Used to meet one (1) of the National Objectives, until five (5) years after expiration of the AGREEMENT or such longer period of time as determined appropriate by the Recipient and ADOH. However, any change in “use” or “National Objective” from that described in the Scope of Work shall require prior written approval of the Recipient and ADOH; or
 - b. If disposed of, the manner shall result in the Recipient being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-federal funds for acquisition of or improvement to the property (reimbursement is not required after the period of time specified in paragraph 6.a. above).

7. Subcontracting: None of the services covered by this AGREEMENT shall be subcontracted without prior written approval by the Recipient which shall request pre approval from ADOH.
8. Compliance with Regulations: The Sub-recipient will comply with the applicable uniform administrative requirements as described in Attachment III, Certification and Other Uniform Administrative Requirements, which are attached hereto and made a part hereof as if fully rewritten.
9. Indemnification: The Sub-recipient agrees to save and hold harmless the following entities: the Recipient and/or any of its agents, officials and employees; ADOH; the State of Arizona and its agents, officials and employees; from any and all claims, demands, suits, actions, proceedings, loss, costs and/or damages of every kind and description including any attorney's fees and/or litigation expenses which may be brought or made against or incurred by the Recipient and/or ADOH on account of loss of or damage to any property or for injuries to or death of any person caused by, arising out of, or contributed to, in whole or in part, by reason of any alleged act, omission or professional error, fault, mistake or negligence of the Sub-recipient, its employees, agents or representatives or sub-contractors, their employees, agents or representatives in connection with or incident to the performance of this AGREEMENT or arising out of the Worker's Compensation claims, Unemployment Compensation claims or Unemployment Disability Compensation claims of employees of the Sub-recipient and/or its contractors or claims under similar such laws or obligations. The Sub-recipient's obligations under this paragraph shall not extend to any liability caused by the sole negligence of the Recipient or its employees.
10. Maintenance and Availability of Records: In connection with the AGREEMENT, the Sub-recipient shall maintain all accounting, client records, papers, maps, photographs, other documentary materials and any evidence pertaining to costs incurred as more fully described in Attachment IV: Records to be Maintained, which is attached hereto and made a part hereof as if fully rewritten.
 - a. Such records shall be furnished and available for inspection by the Recipient, ADOH, HUD, the Comptroller General of the United States or any authorized representatives of these entities.
 - b. Such records shall be available at the Sub-recipient's offices at all reasonable times during the contract period. If it is a claim, investigation or litigation that is pending after what is assumed to be final payment, that in effect cancels the final payment date. The retention period will not begin until final settlement of the claim, investigation or litigation.

11. Contract Amendments/Revisions: Any changes to the Scope of Work or dollar amount of this AGREEMENT require prior written approval from ADOH.
12. Arbitration: In the event of any controversy which may arise out of this AGREEMENT, the parties agree to abide by arbitration as set forth in the Arizona Revised Statutes.
13. Suspension and Termination: With notification to ADOH, the Recipient may terminate this AGREEMENT and such additional supplemental AGREEMENTS hereafter executed, in whole or in part, and may recover any federal funds at its discretion if the Sub-recipient:
 - a. Violates any provision of this AGREEMENT; or
 - b. Violates any provision of the Housing and Community Development Act of 1974, as amended; or
 - c. Violates any applicable regulations or terms and conditions of approval of application(s) that the Secretary of HUD has issued or shall subsequently issue during the period of this AGREEMENT; or
 - d. Fails to complete performance in a timely manner.

The Recipient may also terminate this AGREEMENT and such additional supplemental AGREEMENTS hereafter executed, in whole or in part, by giving the Sub-recipient thirty (30) days written notice, in the event that ADOH shall:

- a. Withdraw funds allocated to the Recipient under its application for program activities substantially preventing performance of the program in the Recipient's community; or
- b. Terminate the Recipient's funding allocation pursuant to an Act of Congress; or
- c. Fails to approve a grant application filed by the Recipient.

The Recipient may also terminate this AGREEMENT per ARS 38-511, Conflict of Interest.

14. Audits: The Sub-recipient shall comply with the audit requirements set forth in Office of Management and Budget 2 CFR 200 Subpart F.

IN WITNESS WHEREOF, the Recipient and the Sub-recipient have executed this AGREEMENT, after *prior approval* of ADOH, as of the last date written below.

RECIPIENT:

By *(Chief Elected Official)*

Title

Date

Attest *(City/County) Clerk*

Title

Approved as to Form and Legal Sufficiency

(City/County) Attorney

SUB-RECIPIENT:

By

Title

Date

Attest

Title

Fed ID#:

Typed Name

**ATTACHMENT I: Activity Description - Scope of Work
(for Sub-recipient Funding Agreement)**

Section I

The description section shall detail the activities to be carried out. It shall define the who, what, where and how of the activities. It shall specifically describe and quantify the services or products to be provided as a result of the expenditure of federal funds. This section normally consists of two (2) sections; one (1) identified as Recipient tasks and responsibilities and the other as Sub-recipient tasks and responsibilities. Where appropriate, it shall specify how the project will ensure that the intended beneficiaries are served and the number proposed to be served (i.e. units to be rehabilitated or inspected, homeless or abused persons to be served or number of low and moderate income (LM) jobs to be created or retained with the name of the company).

Section II - Service Area (SA)

The specific geographic area in which the primary beneficiaries reside. For purposes of projects defined to benefit LM persons, include the number of persons expected to be assisted and the percentage of LM as compare to the total area population.

For projects addressing slum and blight conditions, the predetermined Redevelopment Area shall be defined. The manner in which the activity will address one (1) or more of the blight conditions shall also be clearly defined.

For Housing Rehabilitation projects, the number, ethnicity, gender, disability status, single-head of household of all applicants and/or beneficiaries to be served per period shall be stated.

Section III - Work Schedule

The schedule plays an essential role in the grant management system. The schedule shall provide projected milestones and deadlines for accomplishment of tasks or the delivery of services. Thus, dates or number of weeks/months and quantifiable products must be indicated. These projected milestones and deadlines are a basis for measuring actual progress during the term of the AGREEMENT. For instance, the schedule for a public service activity may specify delivery of a certain number of staff hours per quarter or delivery of services to a certain number of persons per quarter.

Section IV - Responsibilities of Both Parties

The Recipient shall clearly outline the responsibilities of each part in the AGREEMENT. This includes specifying responsibility for documenting activities with special requirements such as

required determinations for Economic Development project, income certifications or written agreements with beneficiaries, where applicable. The Recipient shall clearly specify anticipated reports that must be submitted to assist the Sub-recipient in meeting its requirements for record keeping requirements. The following list provides a sample of such responsibilities.

- The Recipient shall be responsible for:
 - ✓ Consultations with the Sub-recipient regarding project elements.
 - ✓ Ensuring compliant procurement of a construction contractor.
 - ✓ Ensuring compliant installation of all project elements.
 - ✓ Maintaining all grant related documents as required by ADOH as outlined in Attachment IV.
 - ✓ Request and receipt of funds from ADOH.

- The Sub-recipient shall be responsible for:
 - ✓ Providing the engineering for the project.
 - ✓ Any required future maintenance and/or upgrades at the project site.
 - ✓ Maintaining liability insurance.
 - ✓ Providing any and all reports required by the Recipient and/or ADOH.

ATTACHMENT II: Budget
(for Sub-recipient Funding Agreement)

The budget shall provide a detailed presentation of projected resources and expenses. The budget shall permit periodic comparisons of the planned use of funds with actual expenditures as shown in performance reports submitted regularly to the Recipient. The budget shall include:

- Amounts by Activity
- Amounts by Line Items

This section shall detail what line items of the budget will be paid with federal funds vs. other funds and must be pre-approved by the Recipient and ADOH. Examples of ADOH budget forms appear on the following pages.

GENERAL ADMINISTRATION SUMMARY					
1. Sub-recipient:					
ITEM		a. ADOH Funds \$	b. Non-ADOH Funds \$*	c. Total \$	
2. Salaries, Wages, Fringe Benefits	% or Hours				
2.1 Position #1 Title:					
2.2 Position #2 Title:					
2.3 Position #3 Title:					
2.4 Position #4 Title:					
3. Professional Services (Contractual):					
3.1 For:					
3.2 For:					
3.3 For:					
4. Travel					
5. Office Supplies and Equipment					
6. Advertising/Publications					
7. Indirect Costs (% documented by cost allocation plan)					
8. Other Operating Expenses (specify):					
8.1 Item 1:					
8.2 Item 2:					
8.3 Item 3:					
8.4 Item 4:					
9. TOTALS					

10. a. Indicate who will be in charge of the financial record keeping (name and title):

b. Provide the street address for the location of the financial records:

ACTIVITY BUDGET			
1. Sub-recipient:		2. Activity Name:	
	ADOH Funds \$	Non-ADOH Funds \$	TOTAL \$
3. Environmental Review Record			
4. Design/Engineering/Inspection Procure <input type="checkbox"/> In-House <input type="checkbox"/>			
5. Construction Contract Work (include materials and DB wage rates)			
6. Fixed Asset Equipment			
7. Land Acquisition (includes easements) <i>(must comply with the Uniform Relocation Act)</i>			
8. Rehabilitation Services (if this exceeds twenty percent (20%) of total activity costs, attach a rationale) Procure <input type="checkbox"/> In-House <input type="checkbox"/>			
9. Other (specify or attached as page ____)			
10. For City/Town, County or Other Construction			
10.1 Purchase of materials			
10.2.a Employees (documentation attached as page ____ regarding number of employees, wages, number of hours, etc.)			
10.2.b Offenders			
10.2.c Volunteers			
10.3 Equipment (Use vs. Purchase) (documentation attached regarding rental rates, number of hours to be used, type of equipment, etc.)			
10.4 Other (attach as page ____)			
11. TOTALS			

ATTACHMENT III: Certifications and Other Uniform Administrative Requirements (for Sub-recipient Funding Agreement)

A. Uniform Administrative Requirements

By virtue of signing the AGREEMENT, the Sub-recipient agrees to comply with all applicable uniform administrative requirements as discussed in this AGREEMENT, ADOH Program Handbooks, 2 CFR 200, and the Single Audit Act of 1984, as applicable.

B. Equal Opportunity

The Sub-recipient agrees to comply with:

- Title VI of the Civil Rights Act of 1964 (Pub. L. 88- 352), and the regulations issued pursuant thereto (24 CFR Part 1).
- Title VIII of the Civil Rights Act of 1968 (Pub. L. 90- 284), as amended.
- Section 109 of the Housing and Community Development Act of 1974.
- Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with Federal assistance.
- Executive Order 11246, and the regulations issued pursuant thereto (41 CFR Chapter 60).
- Section 3 of the Housing and Urban Development Act of 1968, as amended.
- Federal Fair Housing Act of 1988, P.L. 100-430.
- The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1973, 42 U.S.C. 6101-07 and the prohibitions against discrimination against persons with disabilities under Sections 503 and 504 of the Rehabilitation Act of 1973, (P.L. 93-112), as amended, and the regulations at 24 CFR Part 8.
- The American Disabilities Act and Section 504 of the Rehabilitation Act, as amended.
- The requirements of the Architectural Barriers Act of 1966 at 42 U.S.C. 4151-415.

C. Non-Discrimination

The Sub-recipient agrees not to discriminate in any manner against any individual who may seek services on the basis of race, creed, gender, sexual orientation, gender identity, color, religion, mental or physical disability, familial status or national origin.

The Sub-recipient agrees that it will not discriminate against any qualified employee or applicant for employment because of race, creed, gender, color, religion, mental or physical disability,

familial status or national origin. The Sub-recipient shall take affirmative action to ensure that employees are treated during employment without regard to their race, creed, gender, sexual orientation, gender identity, color, religion, mental or physical disability, familial status or national origin. The Sub-recipient agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

D. Interest of Officials and Conflict of Interest

No member of or delegate to the Congress of the United States shall be admitted to any share or part of this AGREEMENT or to any benefit to arise from the same. No member, officer or employee of the Sub-recipient or its designees or agents, no member of the governing body of the locality in which the program is situated during his tenure or for one (1) year thereafter, shall have any interest, direct or indirect, in any contract or sub-contract, or the proceeds thereof, for work to be performed in connection with the program assisted under this AGREEMENT. The Sub-recipient will comply with applicable conflict of interest provisions, incorporate such in all contracts and establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family business, or other ties.

E. Hatch Act

It will comply with the provisions of the Hatch Act which limit the political activity of employees.

F. E-Verify

It will comply with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.")

A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and recipient may be subject to penalties up to and including termination of this agreement.

The ADOH retains the legal right to inspect the papers of any employee who works on this agreement to ensure that Recipient or Recipient's sub-contractor is complying with the warranty under paragraph (a).

G. Labor Standards Provisions

It will administer and enforce the labor standards requirements of the Davis-Bacon Act, as amended at 40 U.S.C. 3141-3144, 3146 and 3147 and the Contract Work Hours and Safety Standards Act at 40 U.S.C. Chapter 37.

H. Compliance with Environmental Requirements

The Sub-recipient agrees to comply with any conditions resulting from the Recipient's compliance with the provisions of the National Environmental Policy Act of 1969 and the other provisions of law specified at 24 CFR 58 insofar as the provisions of such Act apply to activities set forth in Attachment I: Activity Description - Scope of Work.

It will comply with the provisions of Executive Order 11990, relating to evaluation of flood hazards and Executive Order 11288 relating to the prevention, control and abatement of water pollution and the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234).

This AGREEMENT is also subject to the requirements of the Clean Air Act, as amended; 42 U.S.C. 7415; the Federal Water Pollution Control Act, as amended; 33 U.S.C. 1251 et seq.; P.L. 89-665; the Archaeological and Historic Preservation Act of 1974 (P.L. 93-291); Executive Order 11593; the procedures prescribed by the Advisory Council on Historic Preservation in 36 CFR Part 800; and the regulations of the Environmental Protection Agency (EPA) with respect thereto, at 40 CFR, as amended from time to time.

I. Lead-Based Paint

This AGREEMENT is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831 et seq.) and the Lead-Based Paint Regulations (24 CFR Part 35 and 24 CFR 570.487). The use of lead-based paint is prohibited whenever federal funds are used, directly or indirectly, for the construction, rehabilitation or modernization of residential structures. Immediate lead-based paint hazards existing in residential structures assisted with federal funds must be eliminated and purchasers and tenants of assisted structures constructed prior to 1978 must be notified of the hazards of lead-based paint poisoning.

J. Property Disposition

Real or personal property purchased, in whole or in part with federal funds, shall not be disposed through sale, use or location without the written permission of the Recipient. The proceeds from the disposition of real property shall be considered Program Income.

K. Lobbying

The Sub-recipient will ensure that, to the best of its knowledge and belief of the undersigned:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the Sub-recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress, in connection with the awarding of any federal contract, the making of any federal grants, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal or amendment of any federal contract.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of a federal contract, grant, loan or cooperative agreement, the Sub-recipient shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
3. The Sub-recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants and contracts under grants, loans and cooperative agreements) and all shall certify and disclose accordingly.

"This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure."

L. Acquisition/Relocation

The Sub-recipient shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulation.

ATTACHMENT IV: Records to be Maintained
(for Sub-recipient Funding Agreement)

Each Sub-recipient shall establish and maintain sufficient records to enable the Recipient and ADOH to determine whether the Sub-recipient has met the requirements of this AGREEMENT. At a minimum, the following records are needed and should be maintained for *three (3) years following the ADOH closeout date with HUD, which will be provided to the Recipient* by ADOH. It is the responsibility of the Recipient to notify the Sub-recipient as to the date of the contract close-out.

All files shall be clearly labeled with the following information:

- ADOH Contract Number
- Name of Recipient
- Activity Number

and shall contain the **information and documents as indicated in ADOH Handbooks, which includes the following, as applicable:**

1. Application and Agreement with the Recipient and any amendments.
2. General Correspondence regarding the Agreement.
3. Financial Management and Audits.
4. A file documenting the Sub-recipients actions to comply with Section 504.
5. Civil Rights/EEO. The Civil Rights Certification and documentation on the ethnicity, gender, disability status, single-head of household of all applicants for and recipients of benefits and/or services.
6. Procurement and Contracting. A separate file for each professional service procured or for each major item of equipment or materials purchased, with smaller items aggregated.
7. Construction Contract. A separate file for each bid developed.
8. Labor Standards. A separate file for each prime contractor.
9. Acquisition/Relocation. A general file with overall policies and procedures and a separate file for each parcel acquired or family displaced.
10. Housing Rehabilitation. A general file with overall policies and procedures and a separate file for each applicant/family or multi family unit.
11. Required records for Homeownership Assistance and Economic Development activities will be defined as applicable.

Contractual Provisions to be Included in FUNDING AGREEMENTS with Religious Organizations

In addition to, and not in substitution for, other provisions of this AGREEMENT regarding the provision of services with federal funds, pursuant to Title I of the Housing and Community Development Act of 1974, as amended, the Sub-recipient:

1. Represents that it is, or may be deemed to be, a religious or denominational institution or organization or an organization operated for religious purposes which is supervised or controlled by or in connection with a religious or denominational institution or organization;
2. Agrees that, in connection with every activity funded in whole or in part with federal funds:
 - a. It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;
 - b. It will not discriminate against any person applying for federally funded services or benefits on the basis of religion and will not limit such services or benefits or give preference to persons on the basis of religion;
 - c. It will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing and exert no other religious influence in the provision of the federally funded activity(ies);
 - d. The portion of a facility used in connection with an activity(ies) in whole or in part under this AGREEMENT shall contain no sectarian or religious symbols or decorations; and
 - e. The funds received under this AGREEMENT shall not be used to construct, rehabilitate or restore any facility which is owned by the Sub-recipient and in which the federally funded activity(ies) are to be provided. Provided that, minor repairs may be made if such repairs:
 - are directly related to the grant activity(ies);
 - are located in a structure used exclusively for non-religious purposes; and
 - constitute in dollar terms only a minor portion of the total expenditure for the federally funded grant activity(ies).

NOTE: *Italicized* words and statements must be replaced with information specific to the Agreement. Community Development Block Grant (CDBG) is used as a sample funding source throughout this document. If your project is funded with a source other than CDBG, be sure to change the language in the example. A Use Policy must also be approved by ADOH and may be submitted as part of this Agreement or as a separate document.

EXAMPLE: CENTERS/FACILITIES AGREEMENT

FUNDING AGREEMENT

between

TOWN OF OZ

and

OZ MUNCHKIN CENTER

THIS IS AN AGREEMENT by and between the *Town of Oz*, hereafter referred to as *TOWN* and the *Oz Munchkin Center*, a non-profit corporation organized under the laws of the State of Arizona, 9999 Tin Man Hollow, Oz, Arizona, hereafter referred to as *CENTER*, their successors and assigns.

All notice or demand upon any party to this Agreement shall be in writing and shall be delivered in person or sent by certified mail, return receipt requested, addressed as follows:

I.B. Lion

Oz Munchkin Center

9999 Tin Man Hollow

Oz, AZ 99994

Ann T. Emm

Town of Oz

4777 Hurricane Alley

Oz, AZ 99994

I. Commitment of the Grant Funds

TOWN hereby commits \$300,000 in CDBG funds to the CENTER located 9999 Tin Man Hollow, Oz, Arizona 99994, to purchase a building suitable for provision of Head Start services.

II. Term of Agreement

The term of this Agreement shall commence on the date the last party executes the Agreement and shall continue for a term of five (5) years. The CDBG funds shall be considered a grant for as long as *CENTER* remains a non-profit organization and continues operation of services according to the

terms of this agreement. The *CENTER* must be used solely for the purpose stated in Section III. for a minimum of five (5) years after grant close-out.

III. Use of Facility

The *CENTER* shall be used only to provide services offered by the *Head Start Program* and purposes incidental thereto. The *CENTER* shall not use or suffer or permit any person or group of persons to use the facility for any unlawful purpose or in any manner or use in violation of any covenants or restrictions of any law or ordinance of any governmental, political or military order or regulations. The *CENTER* shall not regularly be used for sectarian or partisan purposes. The *CENTER* shall abide by all civil rights laws and executive orders as required by the Community Development and Housing Act, as amended, and OMB Circulars and other requirements as set forth by the State of Arizona Department of Housing (ADOH). A Use Policy is included (check one [1]) in this agreement, or as a separate document.

IV. Reversion of Facility

The *CENTER* must be used only for the stated purpose for a minimum of five (5) years after grant close-out. If the purpose/use will be changed, *CENTER* will pay the *TOWN* the fair market value of the improvements.

V. Fees

All fees charged by the *CENTER* shall be affordable to low and moderate income persons. The *TOWN* reserves the right to review such fees and to require adjustments if the fees are determined unaffordable to low and moderate income persons.

VI. Responsibilities of Both Parties

The TOWN shall be responsible for:

- *Request and receipt of CDBG funds from the State of Arizona Department of Housing (ADOH) for construction of the facility.*
- *Consultations with the CENTER regarding project elements.*
- *Procurement and construction of the building.*
- *Maintaining all grant related documents as required by ADOH.*

The CENTER shall be responsible for:

- *All maintenance, repairs and utility costs.*

- *Maintaining in force a sub-lease Agreement with the Head Start Program that also defines the program's responsibilities.*

VII. Ownership of Facility

The *CENTER* is owned by *Oz Munchkin Center, a non-profit corporation*, with operation of the facility the responsibility of the *Head Start Program*.

VIII. Insurance

The *CENTER* shall provide, by self-insurance or other means and maintain and/or cause its sub-contractors to provide and maintain, appropriate insurance. In no event shall the total coverage be less than the minimum insurance coverage specified below:

Insert Recipient Requirements

[Recipients should check with legal counsel to see if this paragraph is applicable.] The *CENTER* shall name the *TOWN*, its agents, officials and employees as additional insureds and shall specify that the insurance afforded by the *CENTER* shall be primary insurance and that any insurance coverage carried or self-insurance by the *TOWN*, any Department or any employee shall be excess coverage and not contributory insurance to that provided by the *CENTER*. Said policy shall contain a severability of interest provision. *TOWN* reserves the right to continue payment of premium for which reimbursement shall be deducted from amounts due or subsequently due *CENTER*.

Failure on the part of the *CENTER* to procure and maintain the required liability insurance and provide proof thereof to the *TOWN* within ten (10) days following the commencement of a new policy shall constitute a material breach of the Agreement upon which the *TOWN* may immediately terminate the Agreement. Within ten (10) days on signing this Agreement, the *CENTER* shall furnish the *TOWN* with copies of the Certificate of Insurance drawn in conformity with the above insurance requirements. The *TOWN* reserves the right to request and receive certified copies of any or all of the above policies and/or endorsements.

CENTER agrees to comply with statutory requirements for both workers' compensation and unemployment insurance coverage during the term of this Agreement. A Certificate of Insurance for Workers' Compensation coverage naming *TOWN* as additional insured shall be provided within ten (10) days of signing this Agreement.

IX. Termination of Contract

- Any party to this Agreement may terminate said Agreement without cause by giving the other parties thirty (30) days written notice of intent to terminate. In the event the *CENTER* elects to terminate without cause, the *CENTER* may be liable to repay to the *TOWN* funds equal to the current fair market value of the building.
- If any party violates the terms or conditions of this Agreement, the other parties may give thirty (30) days written notice of such violation or default. If the *CENTER* is the defaulting party and fails to commence to cure the default within thirty (30) days of written notice, the *TOWN* may declare the Agreement terminated. At such time the *CENTER* shall have no rights under this Agreement and may be liable to repay to the *TOWN* funds equal to the current fair market value of the building.
- The Agreement may be terminated per ARS 38-511, Conflict of Interest.

X. Assignment and Subletting

The *CENTER* shall not be permitted to assign, sublet or otherwise transfer in any manner any of its rights under this Agreement without the express written consent of the *TOWN*.

XI. Indemnification

The *CENTER* agrees to save and hold harmless the *TOWN* and ADOH or any of its departments, agencies, officers or employees from all cost, damage and liability incurred by any of the above and from any other damage, cost or liability to any person or property whatsoever, which is caused by an activity, condition or event arising out of the performance or non-performance of any provision of this Agreement. The above cost incurred by the *TOWN* or any of its departments, agencies, officers or employees shall include, in the event of legal action, court costs, expenses of litigation and reasonable attorney fees. When any above cost, damage or liability occurs as aforesaid, *CENTER* assumes the burden of proof that the activity, condition or event did not cause such cost, damage or liability.

XII. Attorney's Fees

In any action between the parties to this Agreement, their heirs, executors, administrators or permitted assigns, for a default, breach or for the enforcement of any of the terms and conditions of this Agreement, any reasonable attorney's fees to be fixed by the courts having jurisdiction of the action shall be added to and made a part of the allowable cost in such action in favor of the successful party.

XIII. Arbitration

In the event of any controversy which may arise out of this Agreement, the parties hereto agree to abide by required arbitration as set forth in Arizona Revised Statutes.

XIV. Records and Audits

The *CENTER* shall retain any and all accounts and records for at least three (3) years after the grant close-out between HUD and ADOH or the resolution of all audit findings, whichever is later.

Legible copies of any and all records maintained by *CENTER* shall be made available, upon request, to the *TOWN*, ADOH, the Office of the Inspector General (HUD) and any other body authorized in writing by the *TOWN*.

XV. Non-Discrimination

The *CENTER* agrees not to discriminate in any manner against any individual who may seek services on the basis of race, creed, gender, sexual orientation, gender identity, color, religion, mental or physical disability, familial status or national origin.

The *CENTER* agrees that it will not discriminate against any qualified employee or applicant for employment because of race, creed, gender, sexual orientation, gender identity, color, religion, mental or physical disability, familial status or national origin. The *CENTER* shall take affirmative action to ensure that employees are treated during employment without regard to their race, creed, gender, sexual orientation, gender identity, color, religion, mental or physical disability, familial status or national origin. The *CENTER* agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

XVI. E-Verify

It will comply with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.")

A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and recipient may be subject to penalties up to and including termination of this agreement.

The ADOH retains the legal right to inspect the papers of any employee who works on this agreement to ensure that Recipient or Recipient's sub-contractor is complying with the warranty under paragraph (a).

XVII. Miscellaneous Provisions

In case one (1) or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained therein.

IN WITNESS WHEREOF this instrument has been executed on the date under each signature.

OZ MUNCHKIN CENTER

TOWN OF OZ

President

Mayor

Date

Date

Use Policy Requirements

Recipients must submit a Use Policy for every community facility (senior centers, health care facilities, child care facilities, etc.) funded in whole or in part with ADOH funds. This requirement is applicable regardless of whether the facility is owned and operated and maintained by the recipient or another entity. The Use Policy must be approved by ADOH before it is finalized and must include the items listed below:

1. Recipient name and address.
2. Facility name and address.
3. Primary purpose and use.
 - a. Facility was constructed/rehabbed/land purchased with funds from ADOH Contract #_____.
 - b. There is a Legally Binding Commitment to use the facility for at least five years from closeout for the intended use.
 - c. Describe the primary use of the facility and who the primary beneficiaries are.

NOTE REGARDING PROJECTS USING CDBG FUNDS: Unless otherwise defined by ADOH based on recipient's specific activity, "Primary Use" means that at least fifty-one percent (51%) of those using the facility must be LM (unless CDBG funds are used only for the portion of the facility that serves LM persons).

- d. Include a schedule showing when the facility will be used for its primary purpose and when it will be available for other uses, if applicable.

NOTE: The facility must be open at least twenty (20) hours a week for its primary purpose or if more than twenty (20) hours, at least eighty percent (80%) of the hours it is open are devoted to its primary use.

4. Prohibited uses.
 - a. Regular religious activities: No permanent display of religious symbols and no regular use for religious services, activities or proselytizing.
 - b. Regular partisan politics: No regularly scheduled events or meetings by a partisan group. (Open forums where all partisan parties are invited may be permissible.)
 - c. Regular general conduct of government.
 - d. Illegal activities.
 - e. Assignability (i.e. no group can rent under its name and assign the use to another group).

- f. Non-smoking or no or limited use of alcoholic beverages could be listed here or any other use that the community wants to prohibit up front.
5. Use by others.
 - a. Scheduling: How to reserve the facility.
 - b. Non-discrimination by the community among potential users.
 - c. Non-discrimination by renters. No group renting may discriminate on the basis of race, creed, gender, sexual orientation, gender identity, color, religion, mental or physical disability, familial status or national origin.
 - d. ADA access.
 - e. Fee schedule to include:
 - deposits and when and how such are paid;
 - how fees can be waived;
 - how fees are changed (by board approval or by manager if increases no greater than _____).
 - f. Damages and who pays.
 - g. Emergency use.
 6. Adoption: By name of body and date.

NOTE: The recipient/facility will need to develop a rental or use agreement form that specifies rental/ use dates, deposit requirements, damage policy, etc. and is signed by both parties.

NOTE: The information in [] should be replaced with information specific to the facility and its policies. Community Development Block Grant (CDBG) is used as a sample funding source throughout this document. If your project is funded with a source other than CDBG, be sure to change the language in the example.

EXAMPLE: USE POLICY

Facility Name & Address: _____

Recipient Name & Address: _____

The **[construction/rehab/purchase]** of the **[Senior Center]** was funded by a Community Development Block Grant from the State of Arizona Department of Housing ADOH) and **[Recipient]**, under ADOH contract **[#199-15]**. There is, therefore, a legally binding commitment that the facility be used primarily for the purpose for which the grant was awarded for at least five (5) years after grant closeout.

Primary Use

Primary use of the **[Senior Center is to provide programs and services beneficial to the senior citizens of (city/town/county) to include an on-site and home delivery meals program, educational and recreational classes.]** *Primary* is defined as at least fifty-one percent (51%) of the persons served are low to moderate income per HUD CDBG guidelines.

The **[Senior Center]** will be open at least twenty (20) hours per week. The facility will be used for its primary purpose at least eighty percent (80%) of the time it is open or available for use. A schedule is attached.

Prohibited Activities

There shall be NO:

- a. Regular religious activities: No regular use of the facility for religious services or proselytizing and no permanent display of religious symbols.
- b. Regular partisan politics: No regular use of the facility for regularly scheduled events or meetings by a partisan group. Open forums where all partisan parties are invited may be allowed.

- c. Regular general conduct of government: No regular use of the facility for city/town/county staff meetings, retreats, work sessions or other duties associated with the general conduct of government.
- d. Illegal activities: Any illegal activities shall be reported to the proper authorities.
- e. Assignability: Renter may not assign it use of the facility without the written consent of [_____].
- f. **[May include here if smoking and alcoholic beverages are not allowed. If they are, state under what conditions such is allowable and what is not permissible.]**

Non-Discrimination and Accessibility

There shall be no discrimination by the **[Senior Center]** or any user/renter on the basis of race, creed, gender, sexual orientation, gender identity, color, religion, mental or physical disability, familial status or national origin. The facility shall remain as accessible as possible to persons with disabilities.

Use by Others

Incidental use of the building is limited to **[hours and days of the week]**. The **[Senior Center]** shall always have priority for use outside of its scheduled hours.

Requests for rental/use of the facility shall be **[on a first come, first served basis. All requests should be in writing and directed to: _____.]** **[The facility may be used as an emergency shelter in case of community disaster.]**

Fees and Deposits

Fees shall be determined by the **[board]** and revised as deemed necessary with **[board approval]**. Fees and deposits may be charged for the incidental use of the facility to offset utility, maintenance and other operations costs. Deposits are due **[thirty (30) days in advance of rental date]**. Rental fees are due **[ten (10) days in advance of use]**. Fees may be waived or reduced at the discretion of the **[board]**. A request to do so must be made in writing and presented to **[the board]** at least **[__ days before its regularly scheduled meeting]**. A Fee Schedule is included and a part of this Use Policy as Attachment I.

Adopted by the Board of [_____] on **[date]**.

Signed: _____
[Board Chair]

ATTACHMENT I: Fee Schedule

Hourly Use: \$

Daily Use: \$

[Refundable] Damage Deposit: \$

Kitchen Use: \$

Other: **[List]**

_____	\$
_____	\$
_____	\$

8.0 Sample Forms for Administrative Procurement - The RFP Process

- Public Notice for Newspaper Advertisement
- Request for Proposal (includes the following documents)
 - ✓ Request for Proposal Summary - Selection Process and Protest Procedure
 - ✓ Evaluation Criteria
 - ✓ Certifications
 - ✓ Certifications Signature Form
- Reference Check (for evaluating proposals)
- Individual Score Sheet (complete one [1] for each proposal reviewed)
- Score Sheet Compilation (to tally all reviews)
- Contract
- Award Letter
- Non-Award Letter

EXAMPLE: PUBLIC NOTICE

This Notice can be used as the advertisement for RFPs in newspapers of general circulation or modified for use as a cover letter. *All italicized words and statements must be replaced with information specific to the recipient and the bid.* Community Development Block Grant (CDBG) is used as a sample funding source throughout this document. If your project is funded with a source other than CDBG, be sure to change the language in the example.

PUBLIC NOTICE TOWN OF OZ INVITATION FOR PROPOSALS FOR ADMINISTRATIVE SERVICES

The *Town of Oz* has been awarded [*has submitted an application for*] a federal Community Development Block Grant (ADOH #199-15) through the State of Arizona Department of Housing (ADOH) and funded by the U.S. Department of Housing and Urban Development (HUD) and is seeking to contract with a qualified administrative consultant to provide the necessary program management services.

Administrative services will include overall project management for the *Town*. Said project is to provide for:

Construction of a 4,000 square foot building to be used as a Senior Center and located at 5005 South Yellow Brick Road, Oz, Arizona.

A copy of the complete Request for Proposal may be obtained from *Glenda Johns, Town Clerk, 479 East Main Street, Oz, AZ 99994; phone number: (602) 555-9944; fax: (602) 555-9955; TTY: (602) 555-0001; e-mail: glenda.johns@oz.az.us.*

This project shall be accomplished in accordance with all federal program and state statutory requirements to include Executive Orders, Administrative Rules and Regulations. The successful proposer will be required to lend all possible assistance in the preparation, investigation and documentation necessary for compliance with all applicable Davis-Bacon, federal Labor Standards and other requirements of the CDBG Program. The successful proposer should be prepared to comply with all local, state and federal safety and environmental requirements.

The *Town's* Selection Committee will choose one (1) or more firms/individuals from those submitting proposals and make a recommendation concerning award to the *Town* Council.

Sealed proposals will be received in the office of the Town Clerk, Oz Town Hall, 479 East Main Street, Oz, AZ 99994 until 1:00 p.m. on January 31, 2015, at which time all proposals received will be opened. Failure of the proposer to complete all of the bid documents may result in rejection of the proposal. All bids should be identified as “*Sealed Proposal - Administrative Services*”.

If information of a material matter is provided in response to any correspondence or question, or if a clarification is issued by the *Town*, a copy of the questions and answers will be provided to all prospective proposers who have requested a copy of the request for proposal. This response shall serve as an addendum to the advertised call for proposals.

Correspondence, questions and/or clarifications of the proposal procedure or project should be directed to: *Glenda Johns, Town Clerk, 479 East Main Street, Oz, AZ 99994; phone number: (602) 555-9944; fax: (602) 555-9955; TTY: (602) 555-0001; e-mail: glenda.johns@oz.az.us.*

The *Town* may conduct interviews and/or negotiations as part of the selection process. The *Town of Oz* reserves the right to accept the lowest, responsible proposal; to consider alternatives; to reject any or all proposals; and to waive irregularities of information in any proposal. Proposals received after the specified time of closing will be returned unopened. The *Town of Oz* also reserves the right to hold any or all proposals for a period of thirty (30) days after the date of opening. Proposers will not be allowed to withdraw submitted proposals during the thirty (30) day period.

The *Town of Oz* is an Affirmative Action/Equal Opportunity Employer.

EXAMPLE: REQUEST FOR PROPOSAL

ALL italicized words and statements must be replaced with information specific to the recipient and the RFP. Community Development Block Grant (CDBG) is used as a sample funding source throughout this document. If your project is funded with a source other than CDBG, be sure to change the language in the example.

Town of Oz **Request for Proposals for Administrative Services** **Contract #199-15**

The *Town of Oz* is hereby requesting proposals from qualified administrative consultants. The *Town of Oz* has been awarded [*has applied for*] a Community Development Block Grant (CDBG) through the State of Arizona Department of Housing (ADOH) and funded by the U.S. Department of Housing and Urban Development (HUD) for the purpose of *removal of architectural barriers and construction of a senior center*.

The *Town* is seeking to contract with a competent administrative services firm or individual that has experience with municipal and federally funded construction projects to include Community Development Block Grants (CDBG).

I. Project Description

The following is a brief description of the activities for which administrative services are required:

Design and construction of a 4,000 square foot single story masonry building with wood framed roof to be used as a Senior Center. The facility will include two (2) handicapped accessible restrooms, a kitchen, storage area and main multi-purpose room. This activity will require completion of an ERR, procurement of an architect and contractor and compliance with labor standards requirements. \$300,000 is budgeted for this activity.

II. Scope of Work

The administrative consultant or firm is to provide contract related management services to the *Town* that include, but are not limited to, the following:

- Financial management (including activity ledgers and payment requests from ADOH);
- Materials and services procurement;

- Recordkeeping (as required by ADOH);
- Environmental Review Record;
- Equal employment opportunity requirements;
- Labor standards monitoring;
- Contract close-out

III. Proposal Requirements

Submit one (1) original and (1) copy of the following:

1. Cover Letter: One (1) page introduction including the proposed contract price and assurance that minimum insurance requirements will be met. Contract price shall include all work to effectively conduct and complete all services listed in the scope of work and all necessary costs including, but not limited to, travel, mailing and phone expenses, labor, materials, taxes, profit, insurance and other overhead expenses. Please note that there will be no reimbursables on this project.
2. Executive Summary: A one (1) or two (2) page summary including:
 - a. qualifications of the individual or firm;
 - b. project manager and his/her experience.
3. Statement of Qualifications: Describe the competence and experience of the firm or individual including:
 - a. Experience in working with federally funded projects,
 - b. Contract/construction management experience to include federal contracts;
 - c. Experience in financial management;
 - d. Experience in conducting environmental reviews;
 - e. Experience with labor standards compliance requirements;
 - f. List of fees for additional services.
4. Previous Experience: One (1) or two (2) pages containing:
 - a. A list of past clients including local governments and similar projects. Information should include, at a minimum, the following in order to expedite reference checks during the scoring process:
 - Name of project and location;
 - Owner/client's name;

- Owner/client's address;
 - Contact name;
 - Phone number;
 - Contract award date;
 - Contract completion date;
 - Dollar amount of the project.
5. Response to the Scope of Work: Describe the tasks to be completed under each item listed in **II. Scope of Work**.
 6. Proposed Cost: Include your proposed cost for providing administrative services. Include the number of hours to be dedicated to the contract and the dollar value per hour.
 7. Certifications
 - a. The remaining certifications are required and must be submitted with your proposal.
 - b. All certifications must be original signatures by the owner, general partner or an appropriate officer of the firm.

Sealed proposals will be received in the office of the Town Clerk, Oz Town Hall, 479 East Main Street, Oz, AZ 99994 until 1:00 p.m. on January 31, 2016, at which time all proposals received will be opened and the amount of the total bid read aloud. Failure of the proposer to complete all of the bid documents may result in rejection of the proposal. All bids should be identified as "Sealed Proposal - Administrative Services".

Correspondence, questions, and/or clarifications of the proposal procedure should be directed to: Glenda Johns, Town Clerk, 479 East Main Street, Oz, AZ 99994; e-mail: glenda.johns@oz.az.us until 1:00 p.m. on January 31, 2016.

TOWN OF OZ
Request for Proposal for Administrative Services
Contract #199-15
SELECTION PROCESS AND PROTEST PROCEDURE

1. Following proposal opening at the time and location specified in the notice inviting proposals, the original copy of the proposal shall be retained by the *Town Clerk*. A copy of each proposal shall be delivered to the Selection Committee.
2. The Selection Committee may invite two (2) or more proposers to attend an interview. Proposers will be contacted to schedule a time for the interview. Such interviews will be held in the *Town of Oz* at a location to be determined.
3. The Selection Committee will evaluate and rank firms accordingly.
4. Final rankings will be forwarded to the *Town Council* for consideration.
5. The firm selected will be asked to negotiate a final scope of work and to develop a contract.
6. Should negotiations fail to result in the development of a contract, the next highest ranking firm will be offered the opportunity to continue the process. This method may continue until an agreement is reached and a contract negotiated.
7. The cost incurred by proposers in preparing the proposal, or incurred in any manner in responding to the document, may not be charged to the *Town of Oz*.
8. The Selection Committee will be appointed by the *Town Council*.
9. All proposers will be notified of the results within thirty (30) days after the close of the request for proposal period.

PROTEST PROCEDURE

Bid protests shall be submitted in writing to: *Town Clerk, 479 East Main Street, Oz, AZ 99994; phone number: 6(02) 555-9944; TTY: (602) 555-0001* within seventy-two (72) hours of notification award. Protests must contain at a minimum, the name, address and telephone number of the protester; the signature of the protester or its representative and evidence of authority to sign; a detailed statement

of the legal and factual grounds of the protest including copies of relevant data; and the form of relief requested. Within three (3) business days of receipt, and after consultation with legal counsel, ADOH or others, the *Town* will respond to the protest. The *Town of Oz* reserves the right to reject any or all bids; to waive irregularities of information in any bid; to re-advertise the bid; and/or to take any steps determined prudent in order to resolve the protest.

(NOTE: This form provides guidance on sample criteria to be included in the RFP. Criteria can be modified to suit city/town/county requirements.)

TOWN OF OZ
Request for Proposal for Administrative Services
Contract #199-15
ADMINISTRATIVE SERVICES EVALUATION CRITERIA

Proposals received in reply to this request will be evaluated using the following criteria and scored based on a maximum of 120 points. Points will then be weighed with the total amount of the proposal. Price will not be the sole selection criteria; rather, qualifications will be evaluated and the most qualified competitor will be selected, subject to negotiation of fair and reasonable compensation.

Qualifications	Total Points
1. Qualifications of the individual or firm.	15
2. Applicant's previous experience with federally funded projects and federal Labor Standards/Davis-Bacon.	10
3. Demonstrated ability to meet project deadlines. Proposed work schedule. Time frame for delivery of service.	15
4. Demonstrated ability of key personnel and experience in contract/construction management.	10
5. Applicant's previous experience with financial management.	10
6. Applicant's previous experience with <i>Housing Rehab, Acquisition, Economic Development projects (include as applicable)</i> .	10
7. Applicant's previous experience with the Environmental Review process.	10
8. Similar projects completed within the past three (3) years.	15
9. References of past clients.	15
10. Financial responsibility and stability.	10

CERTIFICATIONS

CIVIL RIGHTS

The undersigned is fully aware that this contract is wholly or partially federally funded, and further, agrees to abide by the:

Civil Rights Act of 1964, Title VI, as amended, that provides no person on the basis of Race, Color or National Origin shall be excluded from participation, denied program benefits or subjected to discrimination.

And, Civil Rights Act of 1968, Title VIII, as amended, will not discriminate in housing on the basis of Race, Color, Religion, Sex or National Origin.

And, Rehabilitation Act of 1973, Section 503, as amended, which prohibits discrimination against individuals with disabilities and requires government contractors to take affirmative action to employ and advance in employment qualified individuals with disabilities.

And, Housing and Community Development Act of 1974, Section 109, as amended, that no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of Race, Color, National Origin, Sex, Age, Religion and Disability under any program or activity funded in whole or part under Title I (CDBG) of the Act.

And, Age Discrimination Act of 1975, as amended, that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funds.

And, Americans with Disabilities Act of 1990, as amended, that no covered entity shall discriminate against a qualified individual on the basis of disability in regard to job application procedures, the hiring, advancement or discharge of employees, employee compensation, job training and other terms, conditions and privileges of employment.

And, Executive Order 11063, that no person shall, on the basis of Race, Color, Religion, Sex or National Origin, be discriminated against in housing and related facilities provided with federal assistance or lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.

And, Executive Order 11246, as amended, that no person shall be discriminated against, on the basis of Race, Color, Religion, Sex, Sexual Orientation, Gender Identity or National Origin, in any phase of employment during the performance of federal or federally assisted construction contracts awarded to contractors or subcontractors who do over \$10,000 in government business in one (1) year.

EQUAL EMPLOYMENT OPPORTUNITY

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

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, 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, sexual orientation, gender identity 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 by the contracting officer setting forth the provisions of this nondiscrimination clause.
2. The contractor will, in all solicitations or advancements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity or national origin.
3. The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
4. 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 agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
6. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
7. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, 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 No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
8. The contractor will include the provisions of paragraphs (1) through (8) 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 No. 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 may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States." [Sec. 202 amended by EO 11375 of Oct. 13, 1967, 32 FR 14303, 3 CFR, 1966-1970 Comp., p. 684, EO 12086 of Oct. 5, 1978, 43 FR 46501, 3 CFR, 1978 Comp., p. 230, EO 13665 of April 8, 2014, 79 FR 20749, EO 13672 of July 21, 2014, 79 FR 42971].

EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES - SECTION 503

(if contract \$10,000 or over)

1. The Contractor will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or

applicant for employment is qualified. The Contractor agrees to take affirmative action to employ and advance in employment individuals with disabilities, and to treat qualified individuals without discrimination on the basis of their physical or mental disability in all employment practices including the following:

- a. Recruitment, advertising and job application procedures;
 - b. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
 - c. Rates of pay or any other form of compensation and changes in compensation;
 - d. Job assignments, job classifications, organizational structures, position descriptions, lines of progression and seniority lists;
 - e. Leaves of absence, sick leave or any other leave;
 - f. Selection and financial support for training including apprenticeship, professional meetings, conferences and other activities and selection for leaves of absence to pursue training;
 - g. Activities sponsored by the contractor including social or recreational programs; and
 - h. Any other term, condition or privilege of employment.
2. The Contractor agrees to comply with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.
 3. In the event of the Contractor's non-compliance with the requirements of this clause, actions for non-compliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.
 4. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The Contractor must ensure that applicants or employees with disabilities are provided the notice in a form that is accessible and understandable to the individual applicant or employee (i.e. providing Braille or large print versions of the notice or posting a copy of the notice at a lower height for easy viewing by a person using a wheelchair). With respect to employees who do not work at a physical location of the Contractor, a Contractor will satisfy its posting obligations by posting such notices in an electronic format, provided that the Contractor provides computers, or access to computers, that can access the electronic posting to such employees or the Contractor has actual knowledge that such employees otherwise are able to access the electronically posted notices.

Electronic notices for employees must be posted in a conspicuous location and format on the company's intranet or sent by electronic mail to employees. An electronic posting must be used by the Contractor to notify job applicants of their rights if the Contractor utilizes an electronic application process. Such electronic applicant notice must be conspicuously stored with, or as part of, the electronic application.

5. The Contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding that the Contractor is bound by the terms of Section 503 of Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment and shall not discriminate against individuals with physical or mental disabilities.
6. The Contractor must include the provisions of this clause in every subcontract or purchase order in excess of \$10,000 unless exempted by rules, regulations or orders of the Secretary issued pursuant to Section 503 of the Act, as amended, 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 Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for non-compliance.
7. The Contractor must, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment and will not be discriminated against on the basis of disability.

PROCUREMENT OF RECOVERED MATERIALS

The undersigned is fully aware that this contract is wholly or partially federally funded and further by submission of this bid certifies that they will adhere to the requirements and specifications as outlined by the EPA at 40 CFR Part 247, Comprehensive Procurement Guideline for Products Containing Recovered Materials.

ACCESS TO RECORDS AND RECORDS RETENTION

The undersigned certifies, to the best of his or her knowledge and belief that:

1. The individual, sole proprietor, partnership, corporation and/or association agrees to permit the *Recipient, Consultants, State of Arizona Department of Housing (ADOH), U. S. Department of Housing and Urban Development (HUD) and the Office of the Inspector General and/or their designated representatives* to have access to all records for review, monitoring and audit during normal working hours.

2. The individual, sole proprietor, partnership, corporation and/or association agrees to retain all records for at least three (3) years following the grant contract closeout between HUD and ADOH or the resolution of all audit findings, whichever is later.

CONFLICT OF INTEREST

The undersigned is fully aware that this contract is wholly or partially federally funded and further, by submission of the bid or proposal that the individual or firm, certifies that:

1. There is no substantial interest, as defined by Arizona Revised Statute §§38-503 through 505, with any public official, employee, agency, commission or committee with the *Recipient* or *Consultants*.
2. Any substantial interest, as defined by Arizona Revised Statute §§38-503 through 505, with any public official, employee, agency, commission or committee (including members of their immediate family) with the *Recipient* or *Consultants* that develops at any time during this contract will be immediately disclosed to the *Recipient* and *Consultants*.

ANTI-LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this Certification be included in the award documents for all sub-awards to all tiers (including subcontracts, sub-grants and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

CERTIFICATIONS SIGNATURE FORM

Return this page with proposal.

These Certifications (Civil Rights, Equal Employment Opportunity, Equal Opportunity for Workers with Disabilities - Section 503, Procurement of Recovered Materials, Access to Records and Records Retention, Conflict of Interest, Anti-Lobbying) are a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of these Certifications is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required Certifications shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

(Typed Name of Official)

(Signature of Official)

(Typed Name of Firm)

(Date)

EXAMPLE: REFERENCE CHECK

**TOWN OF OZ
RFP FOR ADMINISTRATIVE SERVICES
Contract #199-15**

RFP #: _____ Firm: _____

Text for checking references:

I am *Glenda Johns* with the *Town of Oz*. I am working with the *Town of Oz* to review proposals received from *administrative consulting* firms for services on a federally funded project. Your firm (You) were listed as a reference for "name of firm". I understand they worked with you on the "name of project". If you have a moment, I would like to ask you four (4) questions. Please answer each with satisfactory, unsatisfactory or no rating. After answering the questions, I will ask you if you would like to make any comments.

		<i>Satisfactory</i>	<i>Unsatisfactory</i>	<i>No Rating</i>
1.	How would you rate the overall performance of " <u>name of firm</u> "?			
2.	Was the project federally funded and was it covered by federal labor standards? If so, how was their performance concerning labor standards?			
3.	Did they meet project deadlines?			
4.	How would you rate the demonstrated ability of key personnel?			

Do you have any comments?

—

—

Reference # _____: Company:

Contact Name:

Phone Number: _____

Project Name:

Completed By

Date

EXAMPLE: INDIVIDUAL SCORE SHEET

TOWN OF OZ
RFP FOR ADMINISTRATIVE SERVICES
Contract #199-15

RFP #: _____ Firm: _____

1. Qualifications of the individual or firm. *(Maximum 15 points)* SCORE: _____
2. Applicant's previous experience with federally funded projects and federal Labor Standards/Davis-Bacon. *(Maximum 10 points)* SCORE: _____
3. Demonstrated ability to meet project deadlines; proposed work schedule; time frame for delivery of service. *(Maximum 15 points)* SCORE: _____
4. Demonstrated ability of key personnel, and experience in contract/construction management. *(Maximum 10 points)* SCORE: _____
5. Previous experience with financial management. *(Maximum 10 points)* SCORE: _____
6. Previous experience with *Housing Rehab, Acquisition ED projects.* *(Maximum 10 points)* SCORE: _____
7. Previous experience with the Environmental Review process. *(Maximum 10 points)* SCORE: _____
8. Similar projects completed within past three (3) years. *(Maximum 15 points)* SCORE: _____
9. References of past clients. *(Maximum 15 points)* SCORE: _____
10. Financial responsibility and stability. *(Maximum 10 points)* SCORE: _____

TOTAL SCORE: _____

Proposed Cost: _____

Reviewer:

Printed Name

Date

Signature

EXAMPLE: SCORE SHEET COMPILATION

TOWN OF OZ
RFP ADMINISTRATIVE SERVICES REVIEW
Contract #199-15

Qualifications	Points Possible	#1	#2	#3
1. Qualifications of the individual or firm.	15			
2. Applicant's previous experience with federally funded projects and federal Labor Standards/David Bacon.	10			
3. Demonstrated ability to meet project deadline. Proposed work schedule. Time frame for delivery of service.	15			
4. Demonstrated ability of key personnel and experience in contract/construction management.	10			
5. Previous experience with financial management.	10			
6. Previous experience with <i>Housing Rehab, Acquisition, Economic Development</i> projects (include as applicable).	10			
7. Previous experience with the Environmental Review process.	10			
8. Similar projects completed within past three (3) years.	15			
9. References of past clients.	15			
10. Financial responsibility and stability.	10			
Total Points				
<i>Proposal Amount</i>				

Evaluation Committee Recommendation to the *City Council*: _____

Amount of the Proposed Award: _____

EXAMPLE: ADMINISTRATIVE SERVICES CONTRACT

This contract is provided as an EXAMPLE and must be modified to meet city/town/county's specific needs. Community Development Block Grant (CDBG) is used as a sample funding source throughout this document. If your project is funded with a source other than CDBG, be sure to change the language in the example. Please note however, that the "Terms and Conditions" under Section E. are ADOH requirements and should not be deleted.

**ADMINISTRATIVE SERVICES CONTRACT
COMMUNITY DEVELOPMENT BLOCK GRANTS
TOWN OF OZ, CONTRACT #_____**

THIS CONTRACT, made and entered into as of the _____ day of _____, 20____, by and between the *Toto Consulting, 4459 South North Street, Oz, AZ 99994*, hereinafter called the CONSULTANT, and the *Town of Oz, 479 East Main Street, Oz, AZ 99994*, hereinafter called the RECIPIENT.

WITNESSETH:

WHEREAS, the RECIPIENT is in receipt of a Community Development Block Grant from the State of Arizona Department of Housing (ADOH), Contract #_____; and

WHEREAS, the RECIPIENT desires assistance in administering said grant; and

WHEREAS, the CONSULTANT is agreeable to providing such assistance;

NOW, THEREFORE, the parties do mutually agree as follows:

A. Purpose

The purpose of this contract is to authorize the CONSULTANT to provide administrative services to the RECIPIENT for a State of Arizona Department of Housing (ADOH) Community Development Block Grant (CDBG), Contract #_____. Services to be provided are detailed in the Scope of Work but will generally include services under ADOH's Program requirements.

B. Scope of Work

NOTE: THIS SECTION SHOULD BE TAILORED TO A COMMUNITY'S SPECIFIC NEEDS.

CONSULTANT agrees to provide the following:

- Establish and maintain the recordkeeping system for the grant as prescribed by ADOH procedures.
- Complete the environmental review record.
- Respond to ADOH requests for information concerning this grant.
- Prepare various requests for proposals and administer the procurement and contracting of architects, engineers and/or other professional services as needed to design various components of grant activities; review and score the RFP responses and recommend awards for consideration by the RECIPIENT council based on documented objective information.
- Review architectural and/or engineering reports, plans and specifications.
- Execute the procurement and contracting process to identify contractor(s) as needed to complete grant activities in compliance with ADOH Program requirements. Supplemental to this activity will be the following:
 - ✓ In conjunction with the architect/engineer, prepare legal notices for publication and bid documents in order to solicit bids.
 - ✓ Conduct pre-bid conference.
 - ✓ Develop any sub-recipient contracts/agreements.
 - ✓ Negotiate final contract with contractors; obtain review and approval from RECIPIENT attorney; present for final approval to the RECIPIENT council.
 - ✓ In conjunction with the architect/engineer, conduct contractor pre-work conferences, and develop and maintain a current work schedule in conjunction with the construction contractor and RECIPIENT staff.
- Request and utilize the wage rate determinations (Davis-Bacon) from ADOH, maintaining compliance with ADOH program and Department of Labor requirements. The CONSULTANT shall supply information to the RECIPIENT as necessary for monitoring of compliance to include, but not be limited to, inclusion of Labor Standard Forms included in the bid package, on-site inspections, investigations and/or enforcement by the RECIPIENT.
- Monitor construction work through schedule, desk reviews and on-site visits, ensuring close coordination and communication between contractors and RECIPIENT staff and oversee labor standards compliance; be available for at least bi-weekly progress meetings to be held with RECIPIENT staff and applicable contractor(s).

- Review and approve, in conjunction with RECIPIENT staff, any and all changes of work contracts as may be required.
- Review and approve all receipts and invoices to be submitted to the RECIPIENT for payment; prepare payment request forms to be submitted to ADOH.
- Coordinate financial management; monitor fiscal files and ledgers for accuracy and verify expenses.
- Establish all required grant management files for monitoring in compliance with ADOH program management, provide original documents to the RECIPIENT and maintaining duplicate record keeping.
- Prepare final close-out report upon completion of grant activities in compliance with ADOH program management.
- Attend RECIPIENT Council meetings as needed relative to activities under this contract.
- Ensure compliance with all applicable regulations as specified by ADOH, including all applicable handbooks.

RECIPIENT agrees to the following:

- Ensure the availability of staff assistance as needed to assist with review and oversight of documents and construction.
- Ensure maintenance of original grant files, recordkeeping and financial records and ensure availability of accounting services as needed to process contract disbursement and reimbursement funds.
- Provide funds for the cost of publication of public notices and public hearings.
- Provide time on the RECIPIENT Council agenda for required public hearings and resolutions.
- Conduct an audit in compliance with the Single Audit Act and ADOH, and in conjunction with the RECIPIENT annual audit; forward the audit report to the ADOH within thirty (30) days of completion and resolve all audit findings, if applicable.

C. Term of Agreement

Activities under this contract shall commence on or about the _____ day of _____, 20____, and shall be completed on or about the _____ day of _____, 20____. The term of the contract may be extended upon mutual agreement.

D. Amount and Method of Compensation

The RECIPIENT shall pay the CONSULTANT a sum of \$10,000 based on approximately 133 hours at an hourly rate of \$75.00. This sum shall include all CONSULTANT staff time and travel expenses. The method of payment shall be as follows:

- Ten percent (10%) upon execution of this contract - \$1,000.
- Ten percent (10%) upon completion of the environmental review record - \$1,000.
- Ten percent (10%) upon contracting for architectural/engineering professional services for activity #2 removal of architectural barriers - \$1,000.
- Ten percent (10%) upon submission of draft bid documents to ADOH for review - \$1,000.
- Ten percent (10%) upon award of construction contract for activity #2 removal of architectural barriers - \$1,000.
- Fifteen percent (15%) upon review and approval of the first LS-4 Certified Payroll of Construction Contractor for activity #2 removal of architectural barriers - \$1,500.
- Ten percent (10%) upon receipt of the first draw from ADOH - \$1,000.
- Five percent (5%) upon receipt of second draw from ADOH - \$500.
- Five percent (5%) upon receipt of third draw from ADOH - \$500.
- Five percent (5%) upon receipt of fourth draw from ADOH - \$500.
- The final ten percent (10%) (\$1,000) shall be due upon resolution of any compliance issues as communicated by ADOH and preparation of final draw.

Payments shall be made on a net thirty (30) day basis upon proper submission of an invoice documenting the services performed by CONSULTANT.

E. Terms and Conditions

This contract is subject to the provisions and certifications submitted in the proposal dated _____ [insert date] and are incorporated by reference herein and shall be interpreted as if such were printed in full herein.

1. Pre-Award Activities

Toto Consulting is to provide administrative services which are exempt from environmental requirements. Pre-award activities completed by *Toto Consulting* shall be in compliance with all regulations governing the typical implementation of federally funded projects and the RECIPIENT shall incur no financial obligations to the CONSULTANT should such activities be deemed unacceptable by ADOH. Pre-award activities completed by *Toto Consulting* as a part of this contract will become obligations of the RECIPIENT only upon execution of the

contract with ADOH. If for any reason the RECIPIENT does not execute a contract for funding of this grant, the RECIPIENT will have no obligation to *Toto Consulting* under this contract.

2. Termination of Contract

- a. If, for any reason, the CONSULTANT shall fail to fulfill in a timely and proper manner its obligations under this contract, or if the CONSULTANT violates any of the covenants, agreements or stipulations of this contract, the RECIPIENT shall thereupon have the right to terminate the contract by giving written notice to the CONSULTANT of such termination and specifying the effective date thereof. In such event, all finished or unfinished documents, data, studies, drawings, maps, models, photographs and reports prepared by the CONSULTANT under this contract shall, at the option of the RECIPIENT, become RECIPIENT's property and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder. The CONSULTANT will not accept liability for loss of funding due to project delays.
- b. Notwithstanding the above, the CONSULTANT shall not be relieved of liability to the RECIPIENT for damages sustained by the RECIPIENT by virtue of any breach of the contract by the CONSULTANT and the RECIPIENT may withhold any payments to the CONSULTANT for the purpose of set-off until such time as the exact amount of damages due the RECIPIENT from the CONSULTANT is determined.
- c. This contract may be terminated per A.R.S. §38-511, Conflict of Interest.
- d. The RECIPIENT may terminate this contract at any time by giving at least ten (10) days written notice to the CONSULTANT. If the contract is terminated by the RECIPIENT as provided herein, the CONSULTANT will be paid as provided in this Addendum for the time expended and expenses incurred up to the termination date. If this contract is terminated due to the fault of the CONSULTANT, Section 2a. hereof relative to termination shall apply.

3. Changes

The RECIPIENT may request changes in the scope of the services of the CONSULTANT to be performed hereunder. Subject to ADOH Program limitations, such changes, including any increase or decrease in the amount of the CONSULTANT's compensation, which are mutually agreed upon by and between the RECIPIENT and the CONSULTANT, shall be incorporated in written amendments to this contract.

4. Personnel

- a. The CONSULTANT represents that he/she has, or will secure at his/her own expense, all personnel required to perform the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the RECIPIENT.
- b. All of the services required hereunder will be performed by the CONSULTANT or under his/her supervision and all personnel engaged in the work shall be fully qualified, authorized and permitted for such work under state and local law to perform such services.
- c. None of the work or services covered by this contract shall be subcontracted without the prior written approval of the RECIPIENT. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this contract.

5. Assignability

The CONSULTANT shall not assign any interest on this contract and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the RECIPIENT. Thereto; provided, however, that claims for money by the CONSULTANT from the RECIPIENT under this contract may be assigned to a bank, trust company or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the RECIPIENT.

6. Reports and Information

(This section is optional. If reporting is required, RECIPIENT must ensure that the CONSULTANT provides them as required.)

The CONSULTANT shall furnish the RECIPIENT quarterly reports describing the work or services undertaken pursuant to this contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this contract. Reports shall be due:

- *January 15th*
- *April 15th*
- *July 15th*
- *October 15th*

7. Records Maintenance and Retention

The CONSULTANT shall maintain accounts and records, including personnel, property and financial records, adequate to identify and account for all costs pertaining to the contract and such other records as may be deemed necessary by the RECIPIENT to assure proper accounting for all project funds, both federal and non-federal shares. These records will be retained for three (3) years after the grant contract Closeout between HUD and ADOH unless permission to destroy them is granted in writing by the RECIPIENT.

8. Findings Confidential

All of the reports, information, data, etc., prepared or assembled by the CONSULTANT under this contract are confidential and the CONSULTANT agrees that they shall not be made available to any individual or organization without the prior written approval of the RECIPIENT.

9. Copyright

No report, plan, drawing or other documents produced in whole or in part under this contract shall be the subject of an application for copyright by or on behalf of the CONSULTANT.

All reports, maps and other documents completed as part of this contract, other than documents exclusively for internal use by the RECIPIENT, or by ADOH, shall carry the following notation on the front cover or title page, together with the date (month and year) the document was prepared:

“Preparation of this (report, map, document, etc.) was aided through a Community Development Block Grant from the State of Arizona Department of Housing and as such is not copyrightable. It may be reprinted with customary source credit.”

10. Compliance with Local Laws

The CONSULTANT shall comply with all applicable state and local laws, ordinances and codes and the CONSULTANT shall hold the RECIPIENT harmless with respect to any damages arising from any tort done by the CONSULTANT or his representatives in performing any of the work embraced by this contract.

11. Interest of Members of a TOWN Governing Body

No member of the governing body of the TOWN and no other officer, employee or agent of the TOWN who exercises any functions or responsibilities in connection with the planning

and carrying out of the program, shall have any personal financial interest, direct or indirect, in this contract; and the CONSULTANT shall take appropriate steps to assure compliance.

12. Interest of Other Local Public Officials

No member of the governing body of the locality and no other public official of such locality who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this contract; and the CONSULTANT shall take appropriate steps to assure compliance.

13. CONSULTANT will comply with the requirements of the Americans with Disabilities Act (ADA).

IN WITNESS WHEREOF, the CONSULTANT and the RECIPIENT do hereby execute this contract as of the date first written above.

TOTO CONSULTING

TOWN OF OZ

Dorothy Gale

I.B. Wizard, Mayor

ATTEST:

Town Clerk

Approved as to Form

Legal Counsel

EXAMPLE: AWARD LETTER

June 30, 2016

*Ms. Dorothy Gale
Toto Consulting
2222 22nd Street
Oz, AZ 99994*

RE: NOTICE OF INTENT TO AWARD FOR ADMINISTRATIVE SERVICES FOR *THE TOWN OF OZ, STREET IMPROVEMENTS PROJECT (#199-15)*

Dear Ms. Gale:

You are hereby notified that the *Town of Oz* intends to award you the administrative services contract for the above cited project, in the bid amount of \$15,000.

To comply with ADOH program requirements, time must be allotted for all participating firms to comment on or protest the *Town's* decision. We do not however, anticipate any protests. Therefore, **the contract documents will be sent to you by July 15, 2016.**

You must deliver to the *Town of Oz* two (2) executed and complete contracts within *ten (10) days* of receiving the contract. All appropriate documents must be signed by the principals and corporate seals affixed as appropriate. The *Town* will return to you one (1) fully executed contract and one (1) will be retained by the *Town*. Failure to return the contracts within the time specified will entitle the *Town* to consider your proposal abandoned and annul this Notice of Intent to Award.

Sincerely,

The Town of Oz
(MAYOR OR TOWN MANAGER)

EXAMPLE: NON-AWARD LETTER

June 30, 2016

*Mike's Management Company
7777 East 77th Boulevard
Oz, AZ 99994*

**RE: NOTICE OF NON-AWARD FOR ADMINISTRATIVE SERVICES FOR THE TOWN OF OZ,
STREET IMPROVEMENT (CONTRACT #199-15)**

Dear Sir:

You are hereby notified that your proposal for the above-mentioned contract was considered. I regret to inform you that you have not been awarded the contract.

You have the right to protest the decision made by the *Town*, using the procedures indicated in the *Town's* proposal package. If your firm wishes to protest either informally or formally, the deadline is 4:00 p.m., Thursday, July 10, 2016. [If the protest procedure was NOT a part of the bid package, it must be included in the non-award letter.]

The *Town of Oz* would like to take this opportunity to thank you for submittal of your proposal.

Sincerely,

9.0 Sample Forms for Architectural and Engineering Services - The RFQ Process

- Selecting and Working with Your Engineer
- Public Notice for Newspaper Advertisement
- Request for Qualifications (includes the following documents)
 - ✓ Request for Qualifications Summary
 - ✓ Evaluation Criteria
 - ✓ Certifications
 - ✓ Certifications Signature Form
- Reference Check
- Individual Score Sheet (for evaluation qualifications)
- Score Sheet Compilation (to tally all reviews)
- Contract
- Award Letter
- Non-Award Letter

Selecting and Working with Your Engineer

Permission to reprint granted by Pacific Mountain Review, Vol.12, #3, 1994

Rural Community Assistance Corporation

by: George A. Chimiklis, Senior Environmental Specialist, Rural Community Assistance Corporation

So you need to hire an engineer. Whether it is a one (1) time deal or something you do frequently, you need a system. Few laymen really understand engineering and there is a resulting tendency to not scrutinize them correctly. This article by RCAC's George Chimiklis offers a ten (10) step approach to seeking and selecting an engineer. You will be glad you used the process if you find yourself needing engineering help.

Rural Community Assistance Corporation (RCAC) recently concluded a training on the community facilities development process for local officials and community leaders in southern New Mexico. I asked those attending for their comments on our day-long training. From the back of the room a man rose and identified himself as a consulting engineer.

"I listened closely to what you said on how to hire an engineer," he began. "And I can say this - I sure wish you had been around to train some of the communities I've worked with. It would have made my job so much easier if the local boards had known what they wanted before they hired me."

The situation this individual was referring to happens all too often in communities. A question comes up and the first response is: "Ask the consultant. That's why we hired him." A consultant, however, can only design and propose solutions based on available information. It is the community which will have to live with, and pay for, whatever solution is ultimately selected.

If there ever was a time of "cheap money" and government grants, for most communities, it is now over. Today, infrastructure projects (roads, water, wastewater systems and more) are too expensive to leave solely to technical experts. Community leaders and their employees must insist that any consultant work closely with them to insure the final project is a good match with the community's resources, priorities and ability to maintain over the expected life of the facility.

Ten (10) steps to successful consultant hiring

Communities which have hired consultants sometimes report bad experiences. The following recommendations are common sense approaches to help avoid those bad experiences in the future.

There are two (2) major components which guide the consultant hiring process: Preliminary Planning and the Selection Process. These two (2) components are divided into ten (10) steps.

Preliminary Planning

Step 1: Defining the problem as a problem

Sometimes a mistake is made by defining problems in terms of a particular solution or technology. For example, in five (5) small Colorado towns the problem was the same - excessive levels of radium in their wells. Had they defined their problem in terms of a solution, they might have stated: "Our town doesn't filter for radium so we need to add this to the system." Instead, two (2) separate solutions were chosen.

For three (3) communities, a central filtration system was developed and installed to remove the radium. For two (2) communities, however, a point-of-use system, filtration at the tap, was developed with a circuit rider visiting to periodically change filter cartridges.

Expressing the problem as a problem opens the process to thinking of alternative ways to solve it.

Step 2: Gather pertinent information

Often the best solution is a combination of several alternatives. Information on these alternatives is available from a variety of sources, including the regional Rural Community Assistance Programs (RCAPs), rural water circuit riders, National Drinking Water Clearinghouse at West Virginia University and regional offices of the United States Environmental Protection Agency.

Step 3: Brainstorm alternatives

Start by thinking of as many ways as possible to solve the problem. Use the following questions to help you think about solutions:

- What would be the best solution if money were no object?
- What would be the least expensive way to solve the problem?
- How many years will the solution last?
- Can we break the solution down into a series of affordable steps? Or is it better to do it all at once?

- If the solution is so technical we do not understand it, how will we be able to operate and maintain it?
- Can we do all or part of the work ourselves?

Also consider:

- How much would our customers and our neighbors be willing to pay for service?
- Can we afford to pay for the facility ourselves?
- If we need to borrow money, where can we borrow it?

It is very important to have a sense of what you can afford and what you are willing to pay for the facility before you hire an engineer. Like asking a stranger to buy a car for you, if you cannot give the engineer some idea of what you can afford, you may get a Cadillac solution when you can only afford a Chevrolet!

Once you have identified your problem, have some ideas about alternative solutions to consider and a sense of what you can afford, you are ready to start selecting a consulting engineer.

The Selection Process

Before beginning the search for an engineer, you may want to create a selection committee of three (3) people who will guide the selection process. If you think you will be seeking financing through a federal or state agency, contact that agency before you begin the selection process to learn that agency's requirements.

Step 4: Write out exactly what you want the engineer to do.

Generally, you will need an engineer to:

- Prepare a preliminary engineering report examining various approaches to solving your problem.
- Recommend the best solution - taking into account your stated financial limitations.
- Prepare a cost estimate.
- Possibly help you submit applications for financing.
- Do final design and construction drawings and provide construction inspection services once suitable financing is secured.

Step 5: Make a list of possible engineering firms

Make a list of at least five (5) engineering firms that might be able to meet your community's needs. Contact your state regulatory agency or the Rural Development Administration office in your state and ask for names of firms that have experience with problems of communities your size. If you are aware of nearby communities that have resolved a similar problem, ask for the names of their previous engineering firm(s). This is especially important if you are looking at some new or alternative technologies.

Step 6: Contact all the firms on your list

Let them know you are interested in contracting for engineering services and that you would like to receive a proposal from them outlining their qualifications. Again, if you plan to use state or federal money, check with the funding agency to see if they have any special requirements relating to securing engineering services.

A standard Request for Qualifications (RFQ) should be developed that can be publicized and sent to engineering firms. Sample RFQs can be obtained from several sources. Minimum information should include:

- The size of community to be served (usually defined as number of households or customers).
- The potential source of funding.
- Deadline for proposals.
- Address to send proposals and whom to contact (phone) to answer questions.

You should identify the information each proposal should include:

- Prior experience with this kind of project.
- References from each project, including name, address, contact person and phone numbers.
- Listing of firm's qualifications (by staff person).
- Options open to the community for funding the project.
- Experience with alternative systems appropriate for communities of your size.

Finally, you should identify how the selection will be made:

- Past experience with this kind of project.
- Favorable recommendations of previous employers.

- Experience in working with state and federal funding programs.
- Capability to meet time schedules and project budget requirements.
- Willingness to work with community leaders in developing list of potential solutions.
- Willingness to contract using the (funding) agency's standard contract and fee schedule.

Step 7: Select *five* (5) engineering firms submitting proposals

Have the selection committee members review the proposals independently against the selection criteria stated in your RFQ and select the top firms for reference checks. This will be your short list and should not exceed five (5) firms.

Step 8: Check references of your committee's top choices

Contact communities that are listed as references and do not be afraid to ask tough questions. Some examples are:

- Were you satisfied with the quality of work?
- Was the firm able to meet the deadlines and schedules agreed upon in your contract?
- Was the engineer willing and able to work closely with your community?
- Did the project stay within the budget or were there unexpected costs?
- Did you have any problems that would keep you from hiring the firm again?
- Did the engineering firm or consultant have other projects that caused time delays on your project?

Step 9: Set up interviews

Once you have pre-screened the proposals and checked references, you may be able to further narrow your list; if so, aim for three (3) firms. Set up face-to-face interviews with each remaining firm.

Allow enough time for each interview; about one (1) hour. Set limits for the engineer's presentation so your committee has plenty of time to ask questions. Require that the engineer who will be assigned to your project participate in the interview.

Use the interview to talk with each firm about your problem and strategy for solving it. Let them know what the financial limits of your community are and make sure they understand that you are concerned with the long-term operating costs, not just the initial capital costs.

Prepare a list of questions in advance and ask each firm the same questions. Some examples are:

- What experience does your firm have with a project like ours?
- Are you willing to look at innovative and/or alternative designs that are reliable?
- Are there specific itemized services you do not provide?
- Are you familiar with various funding agencies? Has your firm assisted with applications?
- What has your experience been in working with funding agencies?
- What is the success rate of those applications?
- Is the firm willing to enter into a fixed cost, “not to exceed” contract or in accord with the financing agency's fee schedule?
- Who, specifically, in your firm will be working directly with our board (or council)?
- What other projects are you currently working on that could take time away from our project?
- Is the engineer willing to attend public meetings and discuss the project with customers?

Each selection committee member should have a set of questions available for each interview with space provided after each question. This way, selection committee members can jot notes of that firm's response and be able to recall critical points if the interviews take place over several days. A simple (+), (0), (-) rating of the firm's response to each question will also help during the selection process; with (+) indicating fully satisfied with answer, (0) indicating neutral response and (-) indicating not fully satisfied with answer.

Step 10: Make your final selection

After all interviews have been conducted, have your selection committee evaluate all of the information that has been gathered. Discuss the pros and cons of each firm, comparing information obtained during interviews along with the original proposal and reference checks. Your goal is to select the firm you believe will do the best job of solving your community's problem. Do this by having each member of the selection committee rank the firms privately, adding up (+)s and circling the responses that were most convincing to them. Then discuss each firm with committee members, taking turns to discuss their rating and key points. For example, one (1) committee member may choose a firm because it was eager to support the project by attending public meetings to describe the

project to the community. Another may question whether this firm has too many current projects to give your community the assistance it needs. These concerns should balance after hearing all comments and a consensus should emerge. If the committee deadlocks on two (2) firms, two (2) or three (3) new questions can be developed as a “tie-breaker” with a follow-up interview.

As soon as possible, sit down and negotiate a contract and payment schedule with the selected firm. If you will be financing the project through state or federal sources, the financing agency can probably make this easy for you with a standard engineering contract and fee schedule you can use to complete this step.

If you are not able to negotiate a satisfactory contract, notify your top selection *in writing* that you are breaking off negotiations and begin negotiations with your second choice. Once you have reached a satisfactory agreement, notify all other firms that you have completed a contract with the firm you have selected.

At a minimum, contracts should set out a clear understanding of the engineering services to be provided, a timetable for completion of the engineering, a price for services and a payment schedule stating when you will pay. The reasonableness of the engineer's proposed fees can be checked with organizations like the Professional Engineers Council or your state Rural Development Administration (RDA) office. Tie your proposed payments to completion of tasks; such as completion and acceptance of preliminary engineering report or state approval of final design. If borrowing RDA funds, ask the engineer to accept payment for the preliminary design report when the project is funded.

Regardless of a community's size, there are a number of organizations available to help. With patience and some research, community officials can get the assistance they need to plan and successfully develop community facilities.

This article is an adaptation of training provided by Rural Community Assistance Corporation (RCAC) and other rural community assistance organizations, known as RCAPs.

EXAMPLE: PUBLIC NOTICE

This Notice can be used as the advertisement for RFQs in newspapers of general circulation. *All italicized words and statements must be replaced with information specific to the recipient and the bid.* Community Development Block Grant (CDBG) is used as a sample funding source throughout this document. If your project is funded with a source other than CDBG, be sure to change the language in the example.

PUBLIC NOTICE TOWN OF OZ REQUEST FOR QUALIFICATIONS FOR ARCHITECTURAL SERVICES

The *Town of Oz* has been awarded [*submitted an application for*] a federal Community Development Block Grant (#199-15) through the State of Arizona Department of Housing (ADOH) funded by the U.S. Department of Housing and Urban Development (HUD) for the purpose of *Removal of Architectural Barriers*. Accordingly, the *Town* is seeking to contract with a qualified project architect, duly registered in the State of Arizona by the Arizona Board of Technical Registration, to provide the necessary architectural design to:

Rehabilitate the Town Hall located at 479 East Main Street in Oz, AZ, which also houses the existing police station and public works office. Rehabilitation of the building will include the following ADA code updates: accessible restrooms, entrances, parking, loading zones, doorways, fixtures/hardware, drinking fountain, signage and other miscellaneous items as noted in the full scope of work.

The successful respondent will be responsible for performing all project related necessary architectural services to develop all preliminary and final construction plans and specifications and bid documents, including but not limited to, engineering, surveying, documentation of existing conditions, etc. Additionally, the architect will provide interim and final inspections in order to ensure construction according to specifications.

A copy of the complete Request for Qualifications may be obtained from *Dorothy Gale, Town of Oz, 1122 Main Street, Oz, AZ 99994; phone number: (520) 556-7755; fax: (520) 557-9944; TTY: (800) 555-7997; e-mail: dorothy.gale@oz.az.us.*

This project shall be accomplished in accordance with all federal program and state statutory requirements to include Executive Orders, Administrative Rules and Regulations. The successful respondent will be required to lend all possible assistance in the preparation, investigation and documentation necessary for compliance with requirements of the ADOH Program. The successful respondent should be prepared to comply with all local, state and federal safety and environmental requirements.

The *Town's* Selection Committee may choose one (1) or more firms/individuals from those submitting qualifications and conduct interviews and/or negotiations and make a recommendation concerning award to the *Town Council*.

Sealed qualifications will be received in the office of the *Town Clerk, Oz Town Hall, 479 East Main Street, Oz, AZ 99994 until 1:00 p.m. on March 31, 2015,* at which time all submittals received will be opened and the names read. Failure of the respondent to complete all of the submittal documents may result in rejection of the submittal. All submittals should be identified as "*Sealed Qualifications - Oz Removal of Architectural Barriers*".

If information of a material matter is provided in response to any correspondence or question or if a clarification is issued by the *Town*, a copy of the questions and answers will be provided to all prospective respondents who have requested a copy of the request for qualifications. This response shall serve as an addendum to the advertised call for qualifications.

Correspondence, questions and/or clarifications of the submittal procedure or project should be directed to: *Dorothy Gale, Town of Oz, 1122 Main Street, Oz, AZ 99994; phone number: (520) 556-7755; fax: (520) 557-9944; TTY: (800) 555-7997; e-mail: dorothy.gale@oz.az.us.*

The *Town of Oz* reserves the right to accept the most qualified submittal; to consider alternatives; to reject any or all submittals; and to waive irregularities of information in any submittal. Submittals received after the specified time of closing will be returned unopened. The *Town of Oz* also reserves the right to hold any or all submittals for a period of *thirty (30)* days after the date of opening. Respondents will not be allowed to withdraw submissions during the thirty (30) day period.

The *Town of Oz* is an Affirmative Action/Equal Opportunity Employer

EXAMPLE: REQUEST FOR QUALIFICATIONS

This example Request for Qualifications can be used for procurement of other professional services by modifying the references to architect and architectural services. *ALL italicized words and statements must be replaced* with information specific to the grantee and the RFQ. Community Development Block Grant (CDBG) is used as a sample funding source throughout this document. If your project is funded with a source other than CDBG, be sure to change the language in the example.

Town of Oz
Request for Qualifications for Architectural Services
Contract #199-15
Removal of Architectural Barriers

The *Town of Oz* is hereby requesting submittals from qualified architects duly registered in the State of Arizona by the by the Arizona Board of Technical Registration. The *Town of Oz* has been awarded [*or applied for*] a Community Development Block Grant (CDBG) through the State of Arizona Department of Housing (ADOH) funded by the U.S. Department of Housing and Urban Development (HUD) for the purpose of removal of architectural barriers.

The *Town* is seeking to contract with a competent architectural firm or individual that has experience with municipal and federally funded construction projects to include, but not be limited to, Community Development Block Grants.

Respondents should visit the site and take such other steps as may be reasonably necessary to ascertain the nature and location of the work and the general and local conditions which can affect the work or the cost thereof. Failure to do so will not relieve the Respondent from responsibility for estimating properly the difficulty or cost of successfully performing the work. The *Town of Oz* will not assume responsibility for any understanding or representations concerning conditions made by any of its officers or agents prior to the execution of the Contract unless included in the Request for Qualification, the specifications or related documents.

I. Project Description

The following is a description of the construction to be conducted:

Public Works:

- *Resurface and stripe a portion of the parking area to provide handicapped parking, accessible path and loading zone.*
- *Installation of a small ramp at the entrance threshold.*
- *Enlarge the restroom to provide the required maneuvering space and widen the doorway. Replace the water closet to gain the desired height and placement; replace the lavatory; dispensers and faucets with compliant fixtures.*
- *Enlarge the storage area to provide required maneuvering space and widen the doorway and install hazard warning signage.*
- *Install complaint door knobs and signage.*

Police Station:

- *Ramp the vertical change at the entrance.*
- *Install compliant doors including increasing maneuvering room for seven (7) doorways, widening three (3) doorways, installing twenty-five (25) knobs; raming thirteen (13) thresholds and raising the header on two (2) doorways.*
- *Bevel vertical change in two (2) rooms.*
- *Enlarge the restroom for the required maneuvering space; replace water closet to gain correct height and placement; install grab bars; replace the lavatory, dispenser and faucets with compliant fixtures; and lower the mirror.*
- *Install compliant signage.*

Town Hall:

- *Resurface and stripe a portion of the parking area to provide handicapped parking, accessible path and loading zone.*
- *Replace the existing ramp which is too steep and too narrow and install handrails.*
- *Install a compliant water fountain.*
- *Bevel vertical level change at the entrance.*
- *Install compliant doors including increasing maneuvering room for five (5) doorways; widening six (6) doorways; installing nineteen (19) knobs; and beveling eleven (11) thresholds.*
- *Replace hardware in storage area.*
- *Install audio amplification system in the council chambers.*

- *Enlarge the restroom for the required maneuvering space; replace water closet to gain correct height and placement; install grab bars; replace the lavatory, dispensers and faucets with compliant fixtures; and lower the mirror.*
- *Install compliant signage.*

II. Scope of Work

The Architect agrees to provide all of the materials and services required by this Contract, in a complete and acceptable form, as customarily provided according to professional standards for completion of the Contract which shall include:

- Provide all professional and basic services necessary to produce all preliminary and final design plans and specifications in accordance with all town, county, state and federal codes and requirements.
- Provide all engineering and/or surveying as required.
- *Assemble bid package including all ADOH requirements and bid specifications, submit the package for review by the TOWN and ADOH and make any necessary revisions to the bid package prior to publication of the notice to bid. Assist in preparation of the notice to bid.*
- *Produce and provide twenty (20) copies of the bid package and plans for distribution during the bidding process.*
- Respond to contractors' questions during the bid period.
- *Prepare construction contracts and documents for review and approval of the TOWN prior to execution.*
- Attend pre-bid and pre-construction conference in Oz and provide assistance to the TOWN in completing the "Pre-Construction Conference Report" form LS-6.
- Interpret plans and specifications for contractor.
- Review and make recommendations to the TOWN concerning contractor progress payments.
- Review and process contractor change orders and submit to the TOWN for approval.
- Provide all necessary interim and final inspections of contractor's work.
- Be available for advice and consultation to the TOWN during the life of the contract and during construction.
- Attend final walk through with the TOWN.
- Prepare record drawings of construction and submit two (2) full sets to the TOWN.
- If required, attend meetings of the *Town* Council.

III. Request for Qualification Requirements

Submit one (1) original and (1) copy of the following:

2. Cover Letter: One (1) page introduction including the assurance that minimum insurance requirements will be met.
3. Executive Summary: A one (1) or two (2) page summary including:
 - a. qualifications of the individual or firm;
 - b. project manager and his/her experience;
 - c. Project timeline, specifically including when the team can start the project, project progress and a completion date. The timeline of the successful proposer will be incorporated into the negotiated contract.
3. Statement of Qualifications: Describe the competence and experience of the firm or individual including:
 - a. Experience in working with federally funded projects.
 - b. Contract/construction management experience to include federal contracts.
4. Previous Experience: One (1) or two (2) pages containing:
 - a. A list of past clients including local governments and similar projects. Information should include, at a minimum, the following in order to expedite reference checks during the scoring process:
 - Name of project and location;
 - Owner/client's name;
 - Owner/client's address;
 - Contact name;
 - Phone number;
 - Contract award date;
 - Contract completion date.
5. Response to the Scope of Work: Describe the tasks to be completed under each item listed in **II. Scope of Work**.
6. Certifications
 - a. The remaining certifications are required and must be submitted with your submittal.

- b. All certifications must be original signatures by the appropriate officer of the firm or in the event of a sole proprietor or partnership, by the proprietor or general partner.

Sealed Requests for Qualifications will be received in the office of the *Town Clerk, Oz Town Hall, 479 East Main Street, Oz, AZ 99994 until 1:00 p.m. on March 31, 2015,* at which time all submittals received will be opened and the names read aloud. Failure of the respondent to complete all of the bid documents may result in rejection of the submittal. All submittals should be identified as “*Sealed Request for Qualification- Oz Removal of Architectural Barriers*”.

IV. Federal Fund Usage

Respondents are hereby notified that federal funds are being used to assist in the construction of this project and, accordingly, all construction contractors will be required to comply with all applicable federal laws, including but not limited to, the Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented by Department of Labor regulations (29 CFR, Part 3). In addition, all wages paid for the construction phase of this activity must be in compliance with the Davis-Bacon wage rate determination for this project. The *Town* will monitor for compliance with these regulations and Acts. The architect and all sub-contractors shall comply with any state or local EEO requirements where and if applicable, to this project.

Correspondence, questions, and/or clarifications of the proposal procedure should be directed to: *Dorothy Gale, Town of Oz, 1122 Main Street, Oz, AZ 99994; phone number: (520) 556-7755; fax: (520) 557-9944; TTY: (800) 555-7997; e-mail: dorothy.gale@oz.az.us.*

V. Selection Process

1. Following RFQ opening at the time and location specified in the advertisement, the original copy of the submittal shall be retained by the *Town Clerk*.
2. The submittals will be transmitted to the Selection Committee following review by the *Town Clerk*.
3. The Selection Committee may invite two (2) or more respondents to attend an interview. Respondents will be contacted to schedule a time and location for the interview.
4. The Selection Committee will evaluate and rank firms accordingly.
5. Final rankings will be forwarded to the *Town Council* for consideration.
6. The firm selected will be asked to negotiate a final scope of work and price and to develop a contract. Should negotiations fail to result in the development of a contract; the next highest ranking firm will be offered the opportunity to continue the process. This method may continue until an agreement is reached and a contract negotiated.

- 7 The cost incurred by respondents in preparing the RFQ or incurred in any manner in responding to the document, may not be charged to the *Town of Oz*.
- 8 The Selection Committee will be appointed by the *Town Council*.
9. All respondents will be notified of the results within *thirty (30)* days after the close of the RFQ period.

VI. Protest Procedure

Protests shall be submitted in writing to: *Town Clerk, Oz Town Hall, 479 East Main Street, Oz, AZ 99994; phone number: (602) 555-1331; TTY: (800) 555-3553* within seventy-two (72) hours of notification award. Protests must contain at a minimum, the name, address and telephone number of the protester; the signature of the protester or its representative and evidence of authority to sign; a detailed statement of the legal and factual grounds of the protest including copies of relevant data; and the form of relief requested. Within three (3) business days of receipt, and after consultation with legal counsel, ADOH or others, the *Town* will respond to the protest. The *Town of Oz* reserves the right to reject any or all RFQs; to waive irregularities of information in any RFQ; to re-advertise the RFQ; and/or to take any steps determined prudent in order to resolve the protest.

NOTE: This form provides guidance on sample criteria to be included in the RFQ. Criteria can be modified to suit city/town/county requirements.

TOWN OF OZ
Request for Qualification for *Architectural Services*
Contract #199-15
Removal of Architectural Barriers
ARCHITECT EVALUATION CRITERIA

The Selection Committee will screen and rank all submittals. Interviews may be conducted as part of the ranking process. Submittals received in reply to this request will be evaluated using the following criteria and scored based on a maximum of 105 points. Submittals will be evaluated and the most qualified competitor will be selected, subject to negotiations of fair and reasonable compensation.

NOTE: Legal counsel should verify compliance with Title 34 of the Arizona Revised Statutes

Qualifications	Total Points
1. Qualifications of the individual or firm.	15
2. Applicant's previous experience with federally funded projects and federal Labor Standards/Davis-Bacon.	15
3. Demonstrated ability to meet project deadlines. Proposed work schedule. Time frame for delivery of service.	15
4. Demonstrated ability of key personnel and construction management experience.	10
5. Similar projects completed within the past three (3) years.	20
6. References of past clients.	20
7. Financial responsibility and stability.	10

CERTIFICATIONS

CIVIL RIGHTS

The undersigned is fully aware that this contract is wholly or partially federally funded, and further, agrees to abide by the:

Civil Rights Act of 1964, Title VI, as amended, that provides no person on the basis of Race, Color or National Origin shall be excluded from participation, denied program benefits or subjected to discrimination.

And, Civil Rights Act of 1968, Title VIII, as amended, will not discriminate in housing on the basis of Race, Color, Religion, Sex or National Origin.

And, Rehabilitation Act of 1973, Section 503, as amended, which prohibits discrimination against individuals with disabilities and requires government contractors to take affirmative action to employ and advance in employment qualified individuals with disabilities.

And, Housing and Community Development Act of 1974, Section 109, as amended, that no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of Race, Color, National Origin, Sex, Age, Religion and Disability under any program or activity funded in whole or part under Title I (CDBG) of the Act.

And, Age Discrimination Act of 1975, as amended, that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funds.

And, Americans with Disabilities Act of 1990, as amended, that no covered entity shall discriminate against a qualified individual on the basis of disability in regard to job application procedures, the hiring, advancement or discharge of employees, employee compensation, job training and other terms, conditions and privileges of employment.

And, Executive Order 11063, that no person shall, on the basis of Race, Color, Religion, Sex or National Origin, be discriminated against in housing and related facilities provided with federal assistance or lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.

And, Executive Order 11246, as amended, that no person shall be discriminated against, on the basis of Race, Color, Religion, Sex, Sexual Orientation, Gender Identity or National Origin, in any phase of employment during the performance of federal or federally assisted construction contracts awarded to contractors or subcontractors who do over \$10,000 in government business in one (1) year.

EQUAL EMPLOYMENT OPPORTUNITY

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

9. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, 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, sexual orientation, gender identity 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 by the contracting officer setting forth the provisions of this nondiscrimination clause.
10. The contractor will, in all solicitations or advancements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity or national origin.
11. The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
12. 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 agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

13. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
14. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
15. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, 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 No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
16. The contractor will include the provisions of paragraphs (1) through (8) 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 No. 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 may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States." [Sec. 202 amended by EO 11375 of Oct. 13, 1967, 32 FR 14303, 3 CFR, 1966-1970 Comp., p. 684, EO 12086 of Oct. 5, 1978, 43 FR 46501, 3 CFR, 1978 Comp., p. 230, EO 13665 of April 8, 2014, 79 FR 20749, EO 13672 of July 21, 2014, 79 FR 42971].

EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES - SECTION 503

(if contract \$10,000 or over)

2. The Contractor will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or

applicant for employment is qualified. The Contractor agrees to take affirmative action to employ and advance in employment individuals with disabilities, and to treat qualified individuals without discrimination on the basis of their physical or mental disability in all employment practices including the following:

- a. Recruitment, advertising and job application procedures;
 - b. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
 - c. Rates of pay or any other form of compensation and changes in compensation;
 - d. Job assignments, job classifications, organizational structures, position descriptions, lines of progression and seniority lists;
 - e. Leaves of absence, sick leave or any other leave;
 - f. Selection and financial support for training including apprenticeship, professional meetings, conferences and other activities and selection for leaves of absence to pursue training;
 - g. Activities sponsored by the contractor including social or recreational programs; and
 - h. Any other term, condition or privilege of employment.
2. The Contractor agrees to comply with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.
 3. In the event of the Contractor's non-compliance with the requirements of this clause, actions for non-compliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.
 4. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The Contractor must ensure that applicants or employees with disabilities are provided the notice in a form that is accessible and understandable to the individual applicant or employee (i.e. providing Braille or large print versions of the notice or posting a copy of the notice at a lower height for easy viewing by a person using a wheelchair). With respect to employees who do not work at a physical location of the Contractor, a Contractor will satisfy its posting obligations by posting such notices in an electronic format, provided that the Contractor provides computers, or access to computers, that can access the electronic posting to such employees or the Contractor has actual knowledge that such employees otherwise are able to access the electronically posted notices.

Electronic notices for employees must be posted in a conspicuous location and format on the company's intranet or sent by electronic mail to employees. An electronic posting must be used by the Contractor to notify job applicants of their rights if the Contractor utilizes an electronic application process. Such electronic applicant notice must be conspicuously stored with, or as part of, the electronic application.

5. The Contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding that the Contractor is bound by the terms of Section 503 of Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment and shall not discriminate against individuals with physical or mental disabilities.
6. The Contractor must include the provisions of this clause in every subcontract or purchase order in excess of \$10,000 unless exempted by rules, regulations or orders of the Secretary issued pursuant to Section 503 of the Act, as amended, 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 Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for non-compliance.
7. The Contractor must, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment and will not be discriminated against on the basis of disability.

PROCUREMENT OF RECOVERED MATERIALS

The undersigned is fully aware that this contract is wholly or partially federally funded and further by submission of this bid certifies that they will adhere to the requirements and specifications as outlined by the EPA at 40 CFR Part 247, Comprehensive Procurement Guideline for Products Containing Recovered Materials.

ACCESS TO RECORDS AND RECORDS RETENTION

The undersigned certifies, to the best of his or her knowledge and belief that:

1. The individual, sole proprietor, partnership, corporation and/or association agrees to permit the *Recipient, Consultants, State of Arizona Department of Housing (ADOH), U. S. Department of Housing and Urban Development (HUD) and the Office of the Inspector General and/or their designated representatives* to have access to all records for review, monitoring and audit during normal working hours.

2. The individual, sole proprietor, partnership, corporation and/or association agrees to retain all records for at least three (3) years following the grant contract closeout between HUD and ADOH or the resolution of all audit findings, whichever is later.

CONFLICT OF INTEREST

The undersigned is fully aware that this contract is wholly or partially federally funded and further, by submission of the bid or proposal that the individual or firm, certifies that:

1. There is no substantial interest, as defined by Arizona Revised Statute §§38-503 through 505, with any public official, employee, agency, commission or committee with the *Recipient* or *Consultants*.
2. Any substantial interest, as defined by Arizona Revised Statute §§38-503 through 505, with any public official, employee, agency, commission or committee (including members of their immediate family) with the *Recipient* or *Consultants* that develops at any time during this contract will be immediately disclosed to the *Recipient* and *Consultants*.

ANTI-LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this Certification be included in the award documents for all sub-awards to all tiers (including subcontracts, sub-grants and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

CERTIFICATIONS SIGNATURE FORM

Return this page with proposal.

These Certifications (Civil Rights, Equal Employment Opportunity, Equal Opportunity for Workers with Disabilities - Section 503, Procurement of Recovered Materials, Access to Records and Records Retention, Conflict of Interest, Anti-Lobbying) are a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of these Certifications is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required Certifications shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

(Typed Name of Official)

(Signature of Official)

(Typed Name of Firm)

(Date)

EXAMPLE: REFERENCE CHECK

**TOWN OF OZ
RFQ ARCHITECTURAL SERVICES
Contract#199-15**

RFQ #: _____ Architectural Firm: _____

Text for checking references:

I am *Glenda Goodwich* with *Toto Consulting*. I am working with the *Town of Oz* to review submittals received from architectural firms for services on project to *design a senior center*. Your firm (You) were listed as a reference for "name of firm". I understand they worked with you on the "name of project". If you have a moment, I would like to ask you four (4) questions. Please answer each with satisfactory, unsatisfactory or no rating. After answering the questions, I will ask you if you would like to make any comments.

		<i>Satisfactory</i>	<i>Unsatisfactory</i>	<i>No Rating</i>
1.	How would you rate the overall performance of " <u>name of firm</u> "?			
2.	Was the project federally funded and was it covered by federal labor standards? If so, how was their performance concerning labor standards?			
3.	Did they meet project deadlines?			
4.	How would you rate the demonstrated ability of key personnel?			

Do you have any comments?

Reference # _____: Company:

Contact Name:

Phone Number: _____

Project Name:

Completed By

Date

EXAMPLE: INDIVIDUAL SCORE SHEET

TOWN OF OZ
RFQ ARCHITECTURAL SERVICES
Contract #199-15

RFQ #: _____ Architectural Firm: _____

- | | |
|---|--------------|
| 1. Qualifications of the individual or firm. <i>(Maximum 15 points)</i> | SCORE: _____ |
| 2. Applicant's previous experience with federally funded projects and federal Labor Standards/Davis-Bacon. <i>(Maximum 15 points)</i> | SCORE: _____ |
| 3. Demonstrated ability to meet project deadlines; proposed work schedule; time frame for delivery of service. <i>(Maximum 15 points)</i> | SCORE: _____ |
| 4. Demonstrated ability of key personnel, and experience in contract/construction management. <i>(Maximum 10 points)</i> | SCORE: _____ |
| 5. Similar projects completed within past three (3) years. <i>(Maximum 20 points)</i> | SCORE: _____ |
| 6. References of past clients. <i>(Maximum 20 points)</i> | SCORE: _____ |
| 7. Financial responsibility and stability. <i>(Maximum 10 points)</i> | SCORE: _____ |
| TOTAL SCORE: _____ | |

Reviewer:

Printed Name

Date

Signature

EXAMPLE: SCORE SHEET COMPILATION

TOWN OF OZ
RFQ ARCHITECTURAL REVIEW
Contract #199-15

Qualifications	Points Possible	#1	#2	#3
Registered with the AZ Board of Technical Registration				
1. Qualifications of the individual or firm.	15			
2. Applicant's previous experience with federally funded projects and federal Labor Standards/David Bacon.	15			
3. Demonstrated ability to meet project deadline. Proposed work schedule. Timeframe for delivery of service.	15			
4. Demonstrated ability of key personnel and construction management experience.	10			
5. Similar projects completed within past three (3) years.	20			
6. References of past clients.	20			
7. Financial responsibility and stability.	10			
Total Points				

Evaluation Committee Recommendation to the *City Council*: _____

EXAMPLE: ARCHITECTURAL SERVICES CONTRACT

This contract is provided as an EXAMPLE and must be modified to meet city/town/county's specific needs. Community Development Block Grant (CDBG) is used as a sample funding source throughout this document. If your project is funded with a source other than CDBG, be sure to change the language in the example. Please note however, that the "Terms and Conditions" under Section E. are CDBG Program requirements and should not be deleted.

TOWN OF OZ
CONTRACT FOR ARCHITECTURAL SERVICES
Contract #199-15
Removal of Architectural Barriers

THIS CONTRACT, entered into this _____ day of _____, 20____, by and between the Town of Oz, County of Tornado, State of Arizona (hereinafter called the "TOWN") acting herein by the Mayor hereunto duly authorized, and _____, (hereinafter called the "ARCHITECT") acting herein by _____, hereunto authorized.

WHEREAS, The TOWN is in need of certain architectural services for the purpose of *removing architectural barriers*; and desires to implement such improvements under the general direction of the State of Arizona Department of Housing (ADOH), Community Development Block Grant Program, (CDBG) *Contract #199-15*; and

WHEREAS the ARCHITECT has offered to perform the proposed work in accordance with the terms of this contract;

NOW, THEREFORE the parties do mutually agree as follows:

1. Scope of Services

The ARCHITECT promises and agrees to perform the work, as described in the Request for Qualification (RFQ) for *removal of architectural barriers*, in a good and competent manner as specifically indicated in the ARCHITECT's Submittal dated _____ and to the satisfaction of the TOWN or its designees. The terms of the above-referenced RFQ and the ARCHITECT's Submittal are incorporated herein by reference and such items are made a part of

this contract as if the same were set forth fully herein. In the event any incorporated term may be inconsistent with an express term of this contract, the latter shall prevail.

The ARCHITECT agrees to provide all of the materials and services required by this contract, in a complete and acceptable form, as customarily provided according to professional standards for completion of the contract which shall include:

- Provide all professional and basic services necessary to produce all preliminary and final design plans and specifications in accordance with all town, county, state and federal codes and requirements.
- *Assemble bid package including all ADOH requirements and bid specifications, submit the package for review by the TOWN and ADOH and make any necessary revisions to the bid package prior to publication of the notice to bid. Assist in preparation of the notice to bid.*
- Provide engineering and/or surveying as required.
- *Produce and provide twenty (20) copies of the bid package and plans for distribution during the bidding process.*
- Respond to contractors' questions during the bid period.
- *Prepare construction contracts and documents for review and approval of the TOWN prior to execution.*
- Attend pre-bid and pre-construction conference in Oz and provide assistance to the TOWN in completing "Pre-Construction Conference Report" LS-6.
- Interpret plans and specifications for contractor.
- Review and make recommendation to the TOWN concerning contractor progress payments.
- Review and process contractor change orders and submit to the TOWN for approval.
- Provide all necessary interim and final inspections of contractor's work.
- Be available for advice and consultation to the TOWN during the life of the contract and during construction.
- Attend final walk through with the TOWN.
- Prepare record drawings of construction and submit two (2) full sets to the TOWN.
- If required, attend meetings of the Town Council.

The TOWN shall be responsible for the items particularly described as follows:

- Prepare advertisement for contract bid, have advertisement published and promote project to contractors. Provide the ARCHITECT with the required ADOH forms for inclusion in the bid package.

- Maintain and update as needed the bid register during bidding process.
- Complete and submit to ADOH "Contractor Verification" form LS-2 and "Subcontractor Verification" form LS-3, if applicable.
- Complete and submit to ADOH "Pre-Construction Conference Report" form LS-6.
- Verify and submit to ADOH all fringe benefit plans and payroll deductions, including forms LS-15 and LS-17.
- Verify that all public and contractor employee notices are properly posted before and during construction.
- Complete and submit to ADOH "Construction Status Report" form LS-8.
- Conduct contractor employee interviews, complete and submit to ADOH "Employee Interview" and "On-Site Inspection Report" forms LS-9 and LS-10.
- Review, verify and submit to ADOH "Contractor Weekly Payroll and Statement of Compliance" forms LS-4 and LS-5 weekly during construction.
- Review, approve and process all necessary transactions for payment to the contractor.
- Provide necessary close-out information to ADOH.

2. Time of Performance

The services of the ARCHITECT shall commence on the _____ day of _____, 20____. In any event, all of the services required and performed hereunder to include preliminary and final design plans and specification and *preparation of the bid package* shall be completed no later than _____ from the Notice to Proceed with Architectural Services.

The schedule of work as submitted in the ARCHITECT's submittal dated _____ is fully incorporated herein and, unless otherwise specified, shall be determined to be the time schedule negotiated between the parties for design and preparation of final plans and specifications.

The contract period for the remaining phases shall be controlled by the statutory bidding and award process, plus the construction contract performance period, plus fourteen (14) days for project closeout. The date for final performance shall be extended by the number of days that governmental approval or review process prevent or delay performance, as jointly confirmed in writing by the parties' respective representatives. In addition to other claims and remedies provided herein, the ARCHITECT shall be liable for the sum of *one hundred dollars (\$100)* as liquidated damages for each day by which the time of completion of the contract exceeds the period specified above.

3. Compensation and Method of Payment

The maximum amount of compensation to be paid hereunder shall not exceed _____ and have a budget of \$200,000 inclusive of design fees.

Fixed limits of construction costs are hereby established as a condition of this Contract. Should the lowest bona fide bid or negotiated proposal exceed the fixed limit of construction costs, the *TOWN* shall:

- a. give written approval of an increase in such fixed limit; or
 - b. authorize rebidding or renegotiating of the project within a reasonable time; or
 - c. cooperate in revising the scope and quality as required to reduce the construction costs.
- Should the *TOWN* proceed under this clause, the ARCHITECT, without additional charge, shall modify the plans and specification, as necessary, to comply with the fixed limit.

Payment to the ARCHITECT shall be based on satisfactory completion of identified milestones as set forth in the ARCHITECT's Submittal. Additional services as required and requested by the *TOWN* which are not listed in the ARCHITECT's Submittal shall be charged in excess of the fee listed above, based on the schedule of charges included in the ARCHITECT's Submittal. Such additional services shall be requested in writing by the *TOWN* as approved by the Mayor and/or the Council as applicable.

Payment shall be made by the *TOWN* to the ARCHITECT on the basis of monthly invoices which must include a detailed itemization of all work and materials included, copies of receipts or billings as requested and is subject to review and certification of the *TOWN*'s authorized representative prior to payment.

4. Acceptance of Work

The *TOWN* or its designee shall have the right to reject all or any work products submitted under this contract which do not meet the required specification. In the event of any such rejection, the ARCHITECT agrees to promptly remedy any and all deficiencies. No compensation shall be due for any rejected work until such deficiencies have been corrected.

5. Notices

All notices, invoices and payments shall be made in writing and may be given by personal delivery or by mail. The designated recipient for such notices, invoices and payments are as follows:

To ARCHITECT: insert name, address, phone and fax
To TOWN: *Dorothy Gale*
Town of Oz
1122 Main Street | Oz, AZ 99994
Phone: (520) 556-7755 | Fax: (520) 557-9944 | TTY: (800) 555-7997
e-mail: dorothy.gale@oz.az.us

6. Insurance

The ARCHITECT shall maintain various insurance policies in force during the term of the contract and shall provide certificate(s) of such insurance naming the TOWN as additional insured upon execution of this contract, providing not less than the following coverage:

COMPLETE THE FOLLOWING INSURANCE REQUIREMENTS AFTER CONSULTATION WITH LEGAL COUNSEL.

- Workers' Compensation (statutory)
- Errors and Omissions
- Architect's Protective Personal Property
- Automobile Bodily Injury and Property Damage
- Valuable Papers

7. Agreement, Amendment and Arbitration

This contract shall be effective upon its approval by the parties, as indicated by the signatures of their representatives hereto. This contract, its attachments and those documents incorporated by reference represent the entire contract and understanding between the parties. No amendment shall be effective unless properly authorized and executed by the parties in the same manner as this contract was executed.

This contract shall be governed by the laws of the State of Arizona and suits pertaining to this contract may be brought only in courts in the State of Arizona.

The parties hereby agree to make a good faith effort to resolve any controversy or claim through informal negotiations. Any claim of controversy must first be presented in writing, with supporting documentation, to the agent of the other party. The recipient shall have seven (7) days to prepare and deliver a response. Thereafter, if the parties fail to resolve the claim or controversy following a reasonable period for such resolution of not less than ten (10) days, the aggrieved party may request that the dispute be submitted to arbitration pursuant to A.R.S. §12-1518.

Each and every provision of law and any clause required by law to be in the contract will be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the contract will forthwith be physically amended to make such insertion or correction.

8. Access to Information

It is agreed that all information, data reports, records and plans as are existing, available and necessary for carrying out the work outlined above have been furnished to the ARCHITECT by the TOWN and its agencies. ARCHITECT hereby acknowledges receipt of same.

9. Indemnification

ARCHITECT represents he has knowledge of all rules and regulations imposed by ADOH. ARCHITECT shall comply with the requirements of all applicable laws, rules and regulations and shall exonerate, indemnify and hold harmless the TOWN and its agency members from and for any violation caused by him and shall assume full responsibility for payment of federal, state and local taxes on contributions imposed or required under the Social Security, workmen's compensation and income tax laws for persons employed by the ARCHITECT. The ARCHITECT shall not be responsible for such contributions for the contractor or subcontractor.

10. Terms and Conditions

This contract is subject to the provisions entitled "Terms and Conditions" attached hereto and incorporated by reference herein as Exhibit A. This Addendum shall be interpreted as if Exhibit A were printed in full herein.

11. Certifications

This contract is subject to the provisions entitled "Certifications" which were submitted by the ARCHITECT in the Submittal dated _____ and are incorporated by reference herein as Exhibit B.

IN WITNESSETH HEREOF, the parties have hereunto set their hands and seals.

Approved as to Form:

The TOWN of Oz

Town Attorney

Mayor

ATTEST:

CONTRACTOR:

Town Clerk

President

Exhibit A

TERMS AND CONDITIONS

1. Termination of contract

- a. If for any reason, the ARCHITECT shall fail to fulfill in a timely and proper manner his/her obligations under this contract or if the ARCHITECT shall violate any of the covenants, agreements or stipulations of this contract, the TOWN shall thereupon have the right to terminate the contract by giving written notice to the ARCHITECT of such termination and specifying the effective date thereof.

Notwithstanding the above, the ARCHITECT shall not be relieved of liability to the TOWN for damages sustained by the TOWN by virtue of any breach of the contract by the ARCHITECT and the TOWN may withhold any payments to the ARCHITECT for the purpose of set-off until such time as the exact amount of damages due the TOWN from the ARCHITECT is determined.

Upon receipt of a termination notice, the ARCHITECT shall:

- promptly discontinue all services affected (unless the notice directs otherwise); and
- deliver or otherwise make available to the TOWN, at TOWN's cost, copies of data, design calculations, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by the ARCHITECT in performance of this contract.
- The TOWN may terminate this contract at any time by giving at least ten (10) days written notice to the ARCHITECT. If the contract is terminated by the TOWN as provided herein, the ARCHITECT will be paid as provided in this Addendum for the time expended and expenses incurred up to the termination date. If this contract is terminated due to the fault of the ARCHITECT, Paragraph 1 hereof relative to termination shall apply.
- This contract may be terminated per A.R.S. §38-511, Conflict of Interest.

2. Changes

The TOWN may request changes in the scope of the services of the ARCHITECT to be performed hereunder. Such changes, including any increase or decrease in the amount of the ARCHITECT's compensation, which are mutually agreed upon by and between the TOWN and the ARCHITECT, shall be incorporated in written amendments to this contract.

3. Personnel

- a. The ARCHITECT represents that he/she has, or will secure at his/her own expense, all personnel required for performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the *TOWN*.
- b. All of the services required hereunder will be performed by the ARCHITECT or under his/her supervision and all personnel engaged in the work shall be fully qualified, authorized and permitted for such work under state and local law to perform such services.
- c. None of the work or services covered by this contract shall be subcontracted without the prior written approval of the *TOWN*. Any work or services sub-contracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this contract.

4. Assignability

The ARCHITECT shall not assign any interest in this contract and shall not transfer any interest in the same (whether by assignment or novation), without the prior written consent of the *TOWN* thereto; provided, however, that claims for money by the ARCHITECT from the *TOWN* under this contract may be assigned to a bank, trust company or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the *TOWN*.

5. Reports and Information

The ARCHITECT, at such times and in such forms as the *TOWN* may require, shall furnish the *TOWN* such periodic reports as it may request pertaining to the work or services undertaken pursuant to this contract, the costs and obligations incurred or to be incurred in connection therewith and any other matters covered by this contract.

6. Records Maintenance and Retention

The ARCHITECT shall maintain accounts and records including personnel, property and financial records, adequate to identify and account for all costs pertaining to the contract and such other records as may be deemed necessary by the *TOWN* to assure proper accounting for all project funds, both federal and non-federal shares. These records will be retained for at least three (3) years following the grant contract closeout between ADOH and U.S. Department of Housing and Urban Development (HUD) unless permission to destroy them is granted in writing by the *TOWN*.

7. Findings Confidential

All of the reports, information, data, etc., prepared or assembled by the ARCHITECT under this contract are confidential and the ARCHITECT agrees that such shall be made available only to the TOWN, ADOH and to HUD unless authorized by the TOWN to release such information to other individuals or organizations.

8. Copyright

No report, plan, drawing or other documents produced in whole or in part under this contract shall be the subject of an application for copyright by or on behalf of the ARCHITECT.

9. Compliance with Local Laws

The ARCHITECT shall comply with all applicable laws, ordinances and codes of the state and local governments and the ARCHITECT shall save the TOWN harmless with respect to any damages arising from any tort done by the ARCHITECT or his/her representatives in performing any of the work embraced by this contract.

10. ARCHITECT will comply with the requirements of the Americans with Disabilities Act (ADA).

11. Interest of Members of a TOWN Governing Body

No member of the Governing body of the TOWN and no other officer, employee or agent of the TOWN who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this contract; and the ARCHITECT shall take appropriate steps to assure compliance.

12. Interest of Other Local Public Officials

No member of the governing body of the locality and no other public official of such locality who exercises any functions or responsibilities in connection with the planning and carrying out of the program shall have any personal financial interest, direct or indirect, in this contract; and the ARCHITECT shall take appropriate steps to assure compliance.

13. Handicapped Access

In designing all construction, ARCHITECT agrees to comply with requirements of the 2010 ADA Standards for Accessible Design. The ARCHITECT represents that he/she understands said standard specifications and same are incorporated herein by this reference.

14. Clean Air Act, Clean Water Act

The ARCHITECT shall comply with all provisions requiring compliance with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S.C.

1857(h), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738 and EPA regulations, 40 CFR Part 15 which prohibit the use of non-exempt federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. The provision requires reporting of violations to the USFPA Assistant Administrator for Enforcement.

15. Federal Labor Standards Provisions

This project to be designed by the ARCHITECT is subject to the Federal Labor Standards Provisions, Davis-Bacon Act of 1931, Contract Work Hours and Safety Standards Act of 1962, Copeland Act of 1934 and the Fair Labor Standards Act of 1939. The ARCHITECT shall incorporate information concerning federal Labor Standards in the bid documents.

[Enter name of Architect]

The TOWN of Oz

Printed Name

Printed Name

Signature

Signature

Date

Date

EXAMPLE: AWARD LETTER

June 30, 2015

*Mr. Christopher Scott
R&P Engineering Services
2222 22nd Street
Oz, AZ 99994*

RE: NOTICE OF INTENT TO AWARD FOR ENGINEERING SERVICES FOR *THE TOWN OF OZ, STREET IMPROVEMENTS PROJECT (Contract #199-15)*

Dear Mr. Scott:

You are hereby notified that the *Town of Oz* intends to award you the engineering contract for the above cited project, in the amount of \$22,000.

To comply with ADOH program requirements, time must be allotted for all participating firms to comment on or protest the *Town's* decision. We do not however, anticipate any protests. Therefore, **the contract documents will be sent to you by July 15, 2015.**

You must deliver to the *Town of Oz*, hereafter referred to as the TOWN, *three (3)* executed and complete contracts within *ten (10) days* of receiving the contract. All appropriate documents must be signed by the principals and corporate seals affixed as appropriate. The TOWN will return to you one fully executed contract. Failure to return the contracts within the time specified will entitle the TOWN to consider your proposal abandoned and annul this Notice of Intent to Award.

Sincerely,

The Town of Oz
(MAYOR OR TOWN MANAGER)

EXAMPLE: NON-AWARD LETTER

June 30, 2015

*Joshua Engineering Inc.
7777 East 77th Boulevard
Oz, AZ 99994*

**RE: NOTICE OF NON-AWARD FOR ENGINEERING SERVICES FOR THE TOWN OF OZ,
STREET IMPROVEMENT (CONTRACT #199-15)**

Dear Sir:

You are hereby notified that your submittal for the above-mentioned contract was considered and I regret to inform you that you have not been awarded the contract.

You have the right to protest the decision made by the *Town* using the procedures indicated in the *Town's* RFQ package. If your firm wishes to protest either informally or formally, the deadline is 4:00 p.m., Thursday, July 10, 2015. [If the protest procedure was NOT a part of the RFQ package, it must be included in the non-award letter.]

The *Town of Oz* would like to take this opportunity to thank you for your submittal.

Sincerely,

cc: Glenda Goodwich, Toto Consulting

10.0 Sample Forms for Construction Bids and Contracts

- Sample Bid Advertisement (long version - for newspaper publication)
- Sample Bid Advertisement (abbreviated version - for newspaper publication)
- Invitation to Bid (includes the following documents)
 - ✓ Bid Summary
 - ✓ Contractor's Qualification Statement
 - ✓ Bid Proposal Form
 - ✓ Proposal Checklist
 - ✓ Certifications
 - ✓ Certifications Signature Form
 - ✓ Section 3 Documents (S3B-1, S3B-2, S3B-3)
 - ✓ Sub-contractor and Materials Supplier List
 - ✓ Wage Rate Determination
- Contract (includes the following documents)
 - ✓ Exhibit A: Terms and Conditions
 - ✓ HUD 4010
 - ✓ LS-2, LS-3, LS-4, LS-5, Employee Notice, LS-15, LS-17
- Pre-Bid Conference Briefing
- Intent to Award Letter
- Non-Award Letter

EXAMPLE: BID ADVERTISEMENT (LONG VERSION)

This EXAMPLE Notice can be used as the advertisement for bids in newspapers of general circulation. *All italicized words and statements must be replaced with information specific to the recipient and the bid.* Community Development Block Grant (CDBG) is used as a sample funding source throughout this document. If your project is funded with a source other than CDBG, be sure to change the language in the example.

TOWN OF OZ
PUBLIC NOTICE
SENIOR CITIZEN CENTER CONSTRUCTION
479 East Main Street, Oz, AZ

The *Town of Oz* hereinafter referred to as *Town*, through a Community Development Block Grant (CDBG) from the State of Arizona Department of Housing (ADOH) will accept bids from qualified firms or individuals with *a minimum of a B-2 commercial license* as registered with the Arizona Registrar of Contractors to perform the following services:

Project Description

This federally funded project consists of construction of a *senior center* as follows:

A 4,000 square foot single story masonry with wood framed roof building located at 777 Yellow Brick Road to include two (2) handicapped accessible restrooms, a kitchen, storage area and main multi-purpose room.

Objective/Scope of Work

The contractor shall furnish all materials, labor, equipment, services, transportation and perform all the work for the *Town's* project known as the *Town Senior Center* for the *Town of Oz*, Arizona as called for in the Specifications and Drawings. The proposer should prepare a detailed time schedule for completion. The successful proposer will be required to lend all possible assistance in the preparation, investigation and documentation necessary for compliance with all applicable federal Labor Standards/Davis-Bacon and other requirements of ADOH. The successful proposer should be prepared to comply with all local, state and federal safety and environmental requirements. The project shall be accomplished in accordance with all federal program and state statutory requirements to include 2 CFR 200, Executive Orders and the Arizona Administrative Code.

Proposals

To be considered, *one (1) original and two (2) copies* of the proposal must be provided and in accordance with the Instructions to Bidders included in the bid package.

Sealed bids will be received in the office of the Town Clerk, Oz Town Hall, 479 East Main Street until 1:00 p.m., on Friday, February 28, 2015, at which time all bids received will be opened and the amount of the total bid and alternates read aloud. Failure of the proposer to complete all of the bid documents may result in rejection of the proposal. All bids should be identified as "*Sealed Proposal - Town Senior Center Project*".

A bid security in the form of a certified check, cashier's check or bid bond in the amount of five percent (5%) of the bid shall accompany each proposal. Bonding companies issuing acceptable bonds in conjunction with this project must hold a certification of authority to transact surety business in Arizona as issued by the Director of the Department of Insurance. All bid security shall be made payable, without condition, to the *Town of Oz*. Said bid security shall be considered liquidated damages and shall be forfeited to the *Town of Oz* in the event the proposal is accepted and the successful bidder fails to execute the contract and furnish the required bonds within ten (10) working days after the notice of bid award.

The *Town* will conduct a pre-bid conference and site inspection on *Thursday, January 23, 2015* beginning at *10:00 a.m.* Interested bidders should meet at the *Oz Town Hall, 479 East Main Street, Oz, AZ* which is accessible to persons with disabilities. Individuals with special accessibility needs may contact the *Town of Oz* ADA Coordinator at *(602) 555-2442* or TTY: *(800) 555-3553* at least seventy-two (72) hours prior to the meeting.

For additional information on plan and spec review locations and how to obtain plans and specifications, as well as additional bidding procedures contact: *Project Manager, Glenda Goodwich, Toto Consulting, Post Office Box A42, Oz, AZ 99994; phone number: (800) 555-4664; fax: (602) 555-6886; TTY: (602) 555-5775; or e-mail: glenda@oz.az.us.*

The *Town of Oz* reserves the right to accept the lowest, responsible bid; to consider alternatives; to reject any or all bids; and to waive irregularities of information in any bid. Bids received after the specified time of closing will be returned unopened. The *Town of Oz* also reserves the right to hold any or all bids for a period of thirty (30) days after the date of opening. Bidders will not be allowed to withdraw submitted bids during the thirty (30) day period.

The *Town of Oz* is an Affirmative Action/Equal Opportunity Employer

Dated this *5th day of January 2015*

Oz Town Council

/s/ I.B. Wizard, Mayor

EXAMPLE: BID ADVERTISEMENT (ABBREVIATED VERSION)

Because advertising costs can be prohibitive, an abbreviated Notice may be published. Community Development Block Grant (CDBG) is used as a sample funding source throughout this document. If your project is funded with a source other than CDBG, be sure to change the language in the example.

TOWN OF OZ
PUBLIC NOTICE
SENIOR CITIZEN CENTER CONSTRUCTION
479 East Main Street, Oz, AZ

The *Town of Oz* has been awarded a federal Community Development Block Grant (CDBG) from the State of Arizona Department of Housing (ADOH) and will accept bids from qualified firms or individuals with a *minimum of a B-2 commercial license* as registered with the Arizona Registrar of Contractors to perform the following services: *Construction of a 4,000 square foot single story masonry with wood framed roof building to include two (2) handicapped accessible restrooms, a kitchen, storage area and main multi-purpose room.*

For additional information on plan and spec review locations and how to obtain plans and specifications as well as additional bidding procedures contact: *Project Manager, Glenda Goodwich, Toto Consulting, Post Office Box A42, Oz, AZ 99994; phone number: (800) 555-4664; fax: (602) 555-6886; TTY: (602) 555-5775; or e-mail: glenda@oz.az.us.* The Town will conduct a pre-bid conference and site inspection on *Thursday, January 23, 2015* beginning at *10:00 a.m.* Interested bidders should meet at the *Oz Town Hall, 479 East Main Street, Oz, AZ.*

Sealed bids will be received in the office of the Town Clerk, Oz Town Hall, 479 East Main Street until 1:00 p.m., on Friday, February 28, 2015.

EXAMPLE: INVITATION TO BID

This Invitation to Bid can be used for construction procurement. *All italicized words and statements must be replaced with information specific to the grantee and the bid.* Community Development Block Grant (CDBG) is used as a sample funding source throughout this document. If your project is funded with a source other than CDBG, be sure to change the language in the example.

**TOWN OF OZ
INVITATION TO BID
SENIOR CITIZEN CENTER CONSTRUCTION
479 East Main Street, Oz, AZ**

The *Town of Oz* hereinafter referred to as *Town*, through a Community Development Block Grant (CDBG) from the State of Arizona Department of Housing (ADOH) will accept bids from qualified firms or individuals with *a minimum of a B-2 commercial license* as registered with the Arizona Registrar of Contractors to perform the following services:

Project Description

This federally funded project consists of construction of a *senior center* as follows:

A 4,000 square foot single story masonry with wood framed roof building located at 777 Yellow Brick Road to include two (2) handicapped accessible restrooms, a kitchen, storage area and main multi-purpose room.

Objective/Scope of Work

The contractor shall furnish all materials, labor, equipment, services, transportation and perform all the work for the *Town's* project known as the *Town Senior Center* for the *Town of Oz*, Arizona as called for in the Specifications and Drawings. The proposer should prepare a detailed time schedule for completion. The successful proposer will be required to lend all possible assistance in the preparation, investigation and documentation necessary for compliance with all applicable federal Labor Standards/Davis-Bacon and other requirements of ADOH. The successful proposer should be prepared to comply with all local, state and federal safety and environmental requirements. The project shall be accomplished in accordance with all federal program and state statutory requirements to include 2 CFR 200, Executive Orders and the Arizona Administrative Code.

Proposals

To be considered, *one (1) original and two (2) copies* of the proposal must be provided and in accordance with the Instructions to Bidders included in the bid package.

Sealed bids will be received in the office of the Town Clerk, Oz Town Hall, 479 East Main Street until 1:00 p.m., on Friday, February 28 2015, at which time all bids received will be opened and the amount of the total bid and alternates read aloud. Failure of the proposer to complete all of the bid documents may result in rejection of the proposal. All bids should be identified as “*Sealed Proposal - Town Senior Center Project*”.

A bid security in the form of a certified check, cashier's check or bid bond in the amount of five percent (5%) of the bid shall accompany each proposal. Bonding companies issuing acceptable bonds in conjunction with this project must hold a certification of authority to transact surety business in Arizona as issued by the Director of the Department of Insurance. All bid security shall be made payable, without condition, to the *Town of Oz*. Said bid security shall be considered liquidated damages and shall be forfeited to the *Town of Oz* in the event the proposal is accepted and the successful bidder fails to execute the contract and furnish the required bonds within ten (10) workings days after the notice of bid award.

The *Town* will conduct a pre-bid conference and site inspection on *Thursday, January 23, 2015*, beginning at *10:00 a.m.* Interested bidders should meet at the *Oz Town Hall, 479 East Main Street* which is accessible to persons with disabilities. Individuals with special accessibility needs, may contact the *Town of Oz ADA Coordinator* at *(602) 555-2442* or *TTY: (800) 555-3553*; or *e-mail: adacoord.oz.az.us* at least seventy-two (72) hours prior to the meeting.

The project shall be accomplished in accordance with all federal program and state statutory requirements to include Executive Orders, Administrative Rules and Regulations.

If information of a material matter is provided in response to any correspondence or question or if a clarification is issued by the architect or the *Town*, a copy of the question and answer will be provided to all prospective bidders who have requested a set of plans. This response shall serve as an addendum to the advertised call for bids and become part of the *Town's* approved plans.

Copies of the plans, specifications and contract documents may be obtained at the *Office of the Town Clerk, Oz Town Hall, 479 East Main Street, Oz, AZ 99994* and *Wonderfully Wicked Architectural Design, 1122 South Broadway, Kansas City, KS 99997*. *A refundable deposit of \$100.00 will be required for each set of contract documents, plans and specs. Deposit should be in the form of a check payable to the Town of Oz. Such deposit will be refunded upon return of the contract documents, plans and specs with a proposal; or return of the contract documents, plans and specs in good order within one (1) week of the bid opening date; said deposit to*

otherwise be forfeited to the to the Town of Oz. Limit of two (2) sets of documents per general contractor. Additional sets may be purchased at \$35.00 per set. To receive plans and specs by priority mail, include a separate check for \$13.00 payable to the Town of Oz. Mailing fees are not refundable.

Bidding documents may be examined at the *Town Hall, Town of Oz, the office of the Architect and at:*

Glenda's Plan Room
777 East Heaven
Skyward, AZ 88889

Dodger's
335 1st Street
Phoenix, AZ 77778

Dodger's
7754 West Olive Tree
Tucson, AZ 66667

Correspondence, questions and/or clarifications of the bidding procedure should be directed to: *Project Manager, Glenda Goodwich, Toto Consulting, Post Office Box A42, Oz, AZ 99994; phone number: (602) 555-5775; fax: (602) 555-6886; or e-mail: glenda@oz.az.us.*

Correspondence, questions and/or clarifications concerning the plans or specs should be directed to: *Project Architect, Tim Hart, Wonderfully Wicked Architectural Designs, 1122 South Broadway, Kansas City, KS 99997; phone number: (677) 731-2222; fax: (677) 731-2223; or e-mail: thart@wwad.com.*

The *Town of Oz* reserves the right to accept the lowest, responsible bid; to consider alternatives; to reject any or all bids; and to waive irregularities or information in any bid. Bids received after the specified time of closing will be returned unopened. The *Town of Oz* also reserves the right to hold any or all bids for a period of *thirty (30)* days after the date of opening. Bidders will not be allowed to withdraw submitted bids during the *thirty (30)* day period.

The *Town of Oz* is an Affirmative Action/Equal Opportunity Employer

Dated this *5th day of January 2015*
Oz Town Council
/s/ I.B. Wizard, Mayor

Instructions to Bidders

Submit one (1) original and two (2) copies of the bid which shall be sealed and filed at the time and place indicated in the Invitation to Bid. Bidders must adhere to the following:

1. Complete the Contractor's Qualification Statement, being certain to include the following information:
 - a. Include information concerning the firm's experience in the past five (5) years in the construction of public facilities, specifically identifying projects funded with federal dollars subject to federal Labor Standards/Davis-Bacon. List the most representative projects. Be certain to include information on how to contact the owner as these references may be verified during the scoring process.
 - b. Identify the project team (owner, construction supervisor, bookkeeper, etc.) and crew make-up by classification (carpenter, concrete finisher, laborer, etc.). Remember to submit short resumes of the key personnel.
 - c. Provide a list of current major project commitments by the firm.
 - d. Provide a minimum of three (3) credit references including company name, contact person, address and telephone number.
2. Utilizing the form provided, identify sub-contractors and material suppliers known when bid is submitted.
3. Provide a detailed timeframe for project completion.
4. Utilizing the form provided, submit the LS-2 Contractor's Certification Concerning Labor Standards and Prevailing Wage Requirements. This form is to be signed by the owner or corporate officer of the bidder.
5. Utilizing the form provided, submit the Certifications. This form is to be signed by the owner or corporate officer of the bidder.

Bid Security, Performance Bond and Payment Bond

The bid guarantee shall be in the form of a certified or cashier's check, upon a solvent bank or a surety bond for five (5%) percent of the amount of the bid.

The contractor will be required to provide a Performance Bond and Payment Bond equal to one hundred (100%) percent of the contract amount. No substitution or other form of bond will be allowed.

Such bonds shall be executed solely by a surety company or companies holding a certificate of authority to transact surety business in the State of Arizona as issued by the Director of the Arizona Department of Insurance. Such bonds are not to be limited as to the time in which action may be instituted against the surety company. The bond(s) shall be made payable and acceptable to the *Town of Oz* and shall be written or countersigned by an authorized representative of the surety who is either a resident of the State of Arizona or whose principal office is maintained in this State, as required by law, and the bond(s) shall have attached thereto a certified copy of Power of Attorney of the signing official.

Insurance

The contractor shall purchase and maintain during the contract time insurance as listed in the contract. The contractor will be required to provide evidence of such insurance prior to issuance of the Notice to Proceed in a form acceptable to the *Town of Oz*.

The Certificate of Insurance shall name as additional insured the *Town of Oz* and *Project Coordinators, Inc.* As required by law, the Certificate of Insurance shall be provided by an insurance carrier(s) authorized to do business in the State of Arizona or countersigned by an agent of the carrier authorized to do business in the State of Arizona.

Additionally, the contractor will be required to purchase and maintain Worker's Compensation Insurance, including occupational disease provisions, for all employees at the site of the project. In case any work is sublet, the contractor shall require such sub-contractor similarly to provide Workers' Compensation Insurance, including occupational disease provisions, for all the latter's employees unless such employees are covered by the protection afforded by the Contractor.

COMPLETE THE FOLLOWING INSURANCE REQUIREMENTS AFTER CONSULTATION WITH LEGAL COUNSEL.

- Workers' Compensation (statutory)
- Protective Bodily Injury
- Personal Property
- Automobile Bodily Injury and Property Damage

Award of the Contract

The *Town of Oz* reserves the right to reject any and all bids and to award the contract to other than the low bidder with good cause. The *Town* further reserves the right to waive any informality or irregularities in the bidding process. Additionally, the bidder recognizes the right of the *Town* to

reject a bid if the bidder failed to furnish the data required by the bidding documents or if the bid is in any way incomplete or irregular.

Each bidder shall be prepared to provide evidence of his/her experience, qualification and financial ability to carry out the terms of the contract.

All bids shall remain firm for a period of thirty (30) calendar days after the date of the bid opening. Proposals may not be modified after submittal. Bidders may withdraw proposals at any time prior to bid opening. No proposal may be modified or withdrawn after the bid opening except where the award of the contract has been delayed more than thirty-one (31) days.

The contractor to whom the contract is awarded will be required to execute the contract and obtain the Performance Bond and Payment Bond within ten (10) calendar days from the date of receipt of the Notice of Award. The Notice of Award shall be accompanied by the necessary contract documents. If the bidder fails to execute the contract, the *Town* may consider the bidder in default, in which case the bid bond accompanying the proposal shall become the property of the *Town*.

Notwithstanding any delay in the preparation and execution of the formal contract, each bidder shall be prepared to commence work within seven (7) days of receipt of the Notice to Proceed.

Protest Procedure

Bid protests shall be submitted in writing to: *Town Clerk, Town of Oz, 479 East Main Street, Oz, AZ 99994* within *seventy-two (72) hours* of bid award notification. Protests must contain at a minimum the name, address and telephone number of the protester, the signature of the protester or its representative and evidence of authority to sign; a detailed statement of the legal and factual grounds of the protest including copies of relevant data; and the form of relief requested. Within *three (3) business days* of receipt, and after consultation with legal counsel, ADOH, *Project Manager* or others, the *Town* will respond to the protest. The *Town of Oz* reserves the right to reject any or all bids; to waive irregularities of information in any bid; and/or to take any steps determined prudent in order to resolve the protest.

Contractors may use AIA Document A305 - Contractor's Qualification Statement or this form to fulfill the qualification requirements of the bid.

CONTRACTOR'S QUALIFICATION STATEMENT

The undersigned certifies under oath to the truth and correctness of all statements and of all answer to questions made hereinafter.

SUBMITTED TO:

ADDRESS:

SUBMITTED BY:

NAME:

DUNS NUMBER:

TAXPAYER/EMPLOYER ID NUMBER:

ADDRESS:

PRINCIPAL OFFICE:

Corporation

Partnership

Individual

Joint Venture

Other

1. How many years has your organization been in business as a general contractor?

2. How many years has your organization been in business under its present business name?

- a. Under what other or former names has your organization operated?
-
3. If a corporation, answer the following:
 - a. Date of incorporation
 - b. State of incorporation
 - c. President's name
 - d. Vice-president's name(s)
 - e. Secretary's name
 - f. Treasurer's name
-
4. If an individual or a partnership, answer the following:
 - a. Date of organization
 - b. Name and address of all partners (state whether general or limited partnership)
-
5. If other than a corporation or partnership, describe organization and name principals.
-
6. List states and categories in which your organization is legally qualified to do business. Indicate registration or license numbers. List states in which partnership or trade name is filed.

7. We normally perform the following work with our own forces.

8. Have you ever failed to complete any work awarded to you? If so, note when, where and why.

9. Within the last five (5) years, has any officer or partner of your organization ever been an officer or partner of another organization when it failed to complete a construction contract? If so, attach a separate sheet of explanation.

10. On a separate sheet, list major construction projects your organization has in process, giving the name of project, owner, architect, contract amount, percent complete and scheduled completion date.

11. On a separate sheet, list the major projects your organization has completed in the past five (5) years, giving the name of project, owner, architect, contract amount, date of completion and percentage of the cost of the work performed with your own forces.

12. On a separate sheet, list the construction experience of the key individuals of your organization.

13. Trade references.

14. Bank references.

15. Name of bonding company and name and address of agent.

16. Attach a financial statement, audited if available, including contractor's latest balance sheet and income statement showing the following items:
 - a. Current assets (i.e. cash, joint venture accounts, accounts receivable, notes receivable, accrued income, deposits, materials inventory and prepaid expenses).
 - b. Net fixed assets.
 - c. Other assets.
 - d. Current liabilities (i.e. accounts payable, notes payable, accrued expenses, provision for income taxes, advances, accrued salaries and accrued payroll taxes).
 - e. Other liabilities (i.e. capital, capital stock, authorized and outstanding shares par values, earned surplus and retained earnings).
 - f. Name of firm preparing financial statement and date thereof.
 - g. Is this financial statement for the identical organization named on Page One (1)?

 - h. If not, explain the relationship and financial responsibility of the organization whose financial statement is provided (i.e. parent-subsiary).

 - i. Will this organization act as guarantor of the contract for construction?

17. Dated at _____ this _____
day of _____, 20_____.

Name of organization: _____

By

Title

18. _____ being duly sworn deposes and says that he/she is
the _____ of _____
contractor(s) and that answers to the foregoing questions and all statements therein contained
are true and correct.

Subscribed and sworn before me this _____ day of _____, 20_____.

Notary Public

My commission expires: _____

BID PROPOSAL FORM

Supplementary Conditions may be provided by the project architect/engineer as part of the specifications.

TOWN OF OZ SENIOR CITIZEN CENTER CONSTRUCTION PROPOSAL FORM

PROJECT IDENTIFICATION: *Removal of Architectural Barriers*

CONTRACT IDENTIFICATION AND NUMBER: *199-15*

THIS BID IS SUBMITTED TO: *The Town of Oz*
479 East Main Street
Oz, AZ 99994

1. The undersigned bidder proposes and agrees, if this bid is accepted, to enter into an agreement with the *Town of Oz* in the form included in the contract documents to perform and furnish all work as specified or indicated in the contract documents for the contract price and within the contract time indicated in this bid and in accordance with the other terms and conditions of the contract documents.
2. Bidder accepts all of the terms and conditions of the Invitation to Bid and Instructions to Bidders, including without limitation, those dealing with the disposition of bid security. This bid will remain subject to acceptance for *thirty (30)* days after the day of bid opening. Bidder will sign and submit the contract with the bonds and other documents required by the bidding requirements within ten (10) days after the date of Notice of Award.
3. In submitting this bid, bidder represents, as more fully set forth in the contract, that:
 - a. Bidder has examined copies of all of the bidding documents and of the following Addenda (receipt of which is hereby acknowledged):

Date

Addendum Number

-
-
- b. Bidder has familiarized himself/herself with the nature and extent of the contract documents, work, site, locality and all local conditions and laws and regulations that in any manner may affect cost, progress, performance or furnishing of the work.
 - c. Bidder specifies that the firm will not discriminate against employees or applicants for employment pursuant to the Governor's Executive Order 2009-9 and all other applicable state and federal laws, regulations and Executive Orders.
 - d. Bidder has studied carefully all reports and drawings of subsurface conditions and drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the site. Bidder acknowledges that the *Town and Architect* do not assume responsibility for the accuracy or completeness of information and data shown or indicated in the bidding documents with respect to underground facilities at or contiguous to the site. Bidder has obtained and carefully studied (or assumes responsibility for having done so) all such additional or supplementary examinations, investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and underground facilities) at or contiguous to the site or otherwise which may affect cost, progress, performance or furnishing of the work or which relate to any aspect of the means, methods, techniques, sequences and procedures of construction to be employed by bidder and safety precautions and programs incident thereto. Bidder does not consider that any additional examinations, investigations, explorations, tests, studies or data are necessary for the determination of this bid for performance and furnishing of the work in accordance with the times, price and other terms and conditions of the contract documents.
 - e. Bidder has correlated the information known to the bidder, information and observations obtained from visits to the site, reports and drawings identified in the contract documents and all additional examinations, investigations, explorations, tests, studies and data with the contract documents.
 - f. Bidder has provided the *Architect* written notice of all conflicts, errors, ambiguities or discrepancies that bidder has discovered in the contract documents and the written resolution thereof by *Architect* is acceptable to bidder and the contract documents are generally sufficient to indicate and convey understanding of all terms and conditions for performing and furnishing the work for which this bid is submitted.
 - g. This bid is genuine and not made in the interest of or on behalf of any undisclosed person, firm or corporation and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; bidder has not directly or indirectly induced or solicited any other bidder to submit a false or sham bid; bidder has not solicited or induced

any person, firm or corporation to refrain from bidding; and bidder has not sought by collusion to obtain for himself/herself any advantage over any other bidder or over the *Town*.

4. Bidder will complete the work in accordance with the contract documents for the following price:

5. Bidder agrees that the work will be fully completed and ready for final payment within *ninety (90) calendar days* after the date when the contract time commences.

6. Bidder accepts the provisions of the contract as to liquidated damages of *\$500 per day* for each consecutive calendar day in the event of failure to complete the work within the times specified in the contract.

7. The following documents are attached to and made a condition of this bid:

- a. Required bid security in the form of _____
- b. Contractor Qualification Statement and supporting data
- c. Sub-contractor and Material Suppliers List
- d. Wage Rate Decision
- e. LS-2 Contractor's Certification Concerning Labor Standards and Prevailing Wage Requirements
- f. Certifications

8. Communications concerning this bid shall be addressed to:

Name: _____

Address: _____

Phone: _____

Submitted on (date): _____

State Contractor License No: _____

Contractor DUNS No: _____

If bidder is:

An Individual

By (Signature of Individual):
Typed or Printed Name of Individual:
(dba):
Business Address:
Phone Number:

A Partnership

By (Firm's Name):
Signature of General Partner:
Typed or Printed Name of General Partner:
Business Address:
Phone Number:

A Corporation

By (Corporation's Name):	(Affix Seal)
State of Incorporation:	
Signature of Authorized Signer:	
Typed or Printed Name of Authorized Signer:	
Business Address:	
Phone Number:	

PROPOSAL CHECK LIST

- Proposal Form

- Bid Bond, Certified Check or Cashier's Check

- Contractor's Qualification Statement with Supporting Documents
 - List of Most Representative Projects (Davis-Bacon identified)
 - Identification of Project Team and Crew Make-up
 - Resumes of Key Personnel
 - List of Current Major Project Commitments
 - Financial Statements
 - Credit References

- Sub-contractor and Material Suppliers List

- LS-2 – Contractor's Certification Concerning Labor Standards and Prevailing Wage Requirements

- Certifications

CERTIFICATIONS

CIVIL RIGHTS

The undersigned is fully aware that this contract is wholly or partially federally funded, and further, agrees to abide by the:

Civil Rights Act of 1964, Title VI, as amended, that provides no person on the basis of Race, Color or National Origin shall be excluded from participation, denied program benefits or subjected to discrimination.

And, Civil Rights Act of 1968, Title VIII, as amended, will not discriminate in housing on the basis of Race, Color, Religion, Sex or National Origin.

And, Rehabilitation Act of 1973, Section 503, as amended, which prohibits discrimination against individuals with disabilities and requires government contractors to take affirmative action to employ and advance in employment qualified individuals with disabilities.

And, Housing and Community Development Act of 1974, Section 109, as amended, that no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of Race, Color, National Origin, Sex, Age, Religion and Disability under any program or activity funded in whole or part under Title I (CDBG) of the Act.

And, Age Discrimination Act of 1975, as amended, that no person shall be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program or activity receiving federal funds.

And, Americans with Disabilities Act of 1990, as amended, that no covered entity shall discriminate against a qualified individual on the basis of disability in regard to job application procedures, the hiring, advancement or discharge of employees, employee compensation, job training and other terms, conditions and privileges of employment.

And, Executive Order 11063, that no person shall, on the basis of Race, Color, Religion, Sex or National Origin, be discriminated against in housing and related facilities provided with federal assistance or lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.

And, Executive Order 11246, as amended, that no person shall be discriminated against, on the basis of Race, Color, Religion, Sex, Sexual Orientation, Gender Identity or National Origin, in any phase of employment during the performance of federal or federally assisted construction contracts awarded to contractors or subcontractors who do over \$10,000 in government business in one (1) year.

EQUAL EMPLOYMENT OPPORTUNITY

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

17. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, 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, sexual orientation, gender identity 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 by the contracting officer setting forth the provisions of this nondiscrimination clause.
18. The contractor will, in all solicitations or advancements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity or national origin.
19. The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
20. 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 agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

21. The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
22. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
23. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, 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 No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
24. The contractor will include the provisions of paragraphs (1) through (8) 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 No. 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 may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States." [Sec. 202 amended by EO 11375 of Oct. 13, 1967, 32 FR 14303, 3 CFR, 1966-1970 Comp., p. 684, EO 12086 of Oct. 5, 1978, 43 FR 46501, 3 CFR, 1978 Comp., p. 230, EO 13665 of April 8, 2014, 79 FR 20749, EO 13672 of July 21, 2014, 79 FR 42971].

EQUAL OPPORTUNITY FOR WORKERS WITH DISABILITIES - SECTION 503

(if contract \$10,000 or over)

3. The Contractor will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or

applicant for employment is qualified. The Contractor agrees to take affirmative action to employ and advance in employment individuals with disabilities, and to treat qualified individuals without discrimination on the basis of their physical or mental disability in all employment practices including the following:

- a. Recruitment, advertising and job application procedures;
 - b. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
 - c. Rates of pay or any other form of compensation and changes in compensation;
 - d. Job assignments, job classifications, organizational structures, position descriptions, lines of progression and seniority lists;
 - e. Leaves of absence, sick leave or any other leave;
 - f. Selection and financial support for training including apprenticeship, professional meetings, conferences and other activities and selection for leaves of absence to pursue training;
 - g. Activities sponsored by the contractor including social or recreational programs; and
 - h. Any other term, condition or privilege of employment.
2. The Contractor agrees to comply with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.
 3. In the event of the Contractor's non-compliance with the requirements of this clause, actions for non-compliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.
 4. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities. The Contractor must ensure that applicants or employees with disabilities are provided the notice in a form that is accessible and understandable to the individual applicant or employee (i.e. providing Braille or large print versions of the notice or posting a copy of the notice at a lower height for easy viewing by a person using a wheelchair). With respect to employees who do not work at a physical location of the Contractor, a Contractor will satisfy its posting obligations by posting such notices in an electronic format, provided that the Contractor provides computers, or access to computers, that can access the electronic posting to such employees or the Contractor has actual knowledge that such employees otherwise are able to access the electronically posted notices.

Electronic notices for employees must be posted in a conspicuous location and format on the company's intranet or sent by electronic mail to employees. An electronic posting must be used by the Contractor to notify job applicants of their rights if the Contractor utilizes an electronic application process. Such electronic applicant notice must be conspicuously stored with, or as part of, the electronic application.

5. The Contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding that the Contractor is bound by the terms of Section 503 of Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment and shall not discriminate against individuals with physical or mental disabilities.
6. The Contractor must include the provisions of this clause in every subcontract or purchase order in excess of \$10,000 unless exempted by rules, regulations or orders of the Secretary issued pursuant to Section 503 of the Act, as amended, 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 Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for non-compliance.
7. The Contractor must, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment and will not be discriminated against on the basis of disability.

PROCUREMENT OF RECOVERED MATERIALS

The undersigned is fully aware that this contract is wholly or partially federally funded and further by submission of this bid certifies that they will adhere to the requirements and specifications as outlined by the EPA at 40 CFR Part 247, Comprehensive Procurement Guideline for Products Containing Recovered Materials.

ACCESS TO RECORDS AND RECORDS RETENTION

The undersigned certifies, to the best of his or her knowledge and belief that:

1. The individual, sole proprietor, partnership, corporation and/or association agrees to permit the *Recipient, Consultants, State of Arizona Department of Housing (ADOH), U. S. Department of Housing and Urban Development (HUD) and the Office of the Inspector General and/or their designated representatives* to have access to all records for review, monitoring and audit during normal working hours.

2. The individual, sole proprietor, partnership, corporation and/or association agrees to retain all records for at least three (3) years following the grant contract closeout between HUD and ADOH or the resolution of all audit findings, whichever is later.

CONFLICT OF INTEREST

The undersigned is fully aware that this contract is wholly or partially federally funded and further, by submission of the bid or proposal that the individual or firm, certifies that:

1. There is no substantial interest, as defined by Arizona Revised Statute §§38-503 through 505, with any public official, employee, agency, commission or committee with the *Recipient* or *Consultants*.
2. Any substantial interest, as defined by Arizona Revised Statute §§38-503 through 505, with any public official, employee, agency, commission or committee (including members of their immediate family) with the *Recipient* or *Consultants* that develops at any time during this contract will be immediately disclosed to the *Recipient* and *Consultants*.

ANTI-LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this Certification be included in the award documents for all sub-awards to all tiers (including subcontracts, sub-grants and contracts under grants, loans and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

CERTIFICATIONS SIGNATURE FORM

Return this page with proposal.

These Certifications (Civil Rights, Equal Employment Opportunity, Equal Opportunity for Workers with Disabilities - Section 503, Procurement of Recovered Materials, Access to Records and Records Retention, Conflict of Interest, Anti-Lobbying) are a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of these Certifications is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required Certifications shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

(Typed Name of Official)

(Signature of Official)

(Typed Name of Firm)

(Date)

This section should be included in all Section 3 covered contracts. Delete this section and the Section 3 forms if not applicable.

THIS PROJECT IS IN WHOLE OR IN PART FEDERALLY FUNDED AND THE SUCCESSFUL BIDDER WILL BE REQUIRED TO ADHERE TO SECTION 3 PROVISIONS

Toto Consulting will monitor compliance with such provisions and standards on behalf of the *Town of Oz*. The successful bidder will be required to complete the following forms in order to comply. A brief explanation of the form and when the form is to be submitted to *Toto Consulting* is listed below. Should you have any questions concerning Section 3 or the forms to be submitted, please feel free to contact *Toto Consulting, Glenda Goodwich* at phone number: (602) 555-1221; or e-mail: *glenda@oz.az.us*.

S3B-1 Section 3 Assurance (1 page)

This form is to be completed by the contractor and **submitted as a part of the bid package or within three (3) days of contract award.** Completion of this form provides assurance that the contractor will comply with Section 3 requirements.

S3B-2 Estimated Project Work Force Breakdown (1 page)

This form is to be completed by the contractor and **submitted as a part of the bid package or within three (3) days of contract award.** This form identifies additional positions needed to complete the Section 3 covered project.

S3B-3 Section 3 Business Self-Certification (1 page)

This form is to be completed by the contractor if applicable, and **submitted as a part of the bid package or within three (3) days of contract award.** The bidder completes this form to qualify as a Section 3 business concern.

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

**THIS DOCUMENT IS TO BE SUBMITTED BY THE BIDDER WITH THE BID DOCUMENTS
OR WITHIN THREE (3) DAYS OF CONTRACT AWARD**

SECTION 3 ASSURANCE

1. I, the undersigned, _____, as official representative of _____
(printed name) (contractor)
agree to comply with Section 3 requirements, to include recordkeeping and reporting, for the
_____. It is understood that failure to comply may result in the
(project)
following sanctions: cancellation, termination or suspension of this contract in whole or in part.

2. Prime Contractor

- a. The number of positions needed in this project: _____
Details of occupational categories provided in Attachment A ____ (yes)
- b. The number of these positions to be filled by regular, permanent employees: _____
- c. The number of positions projected to be filled by low income area residents: _____
Details of occupational categories provided in Attachment A ____ (yes)

3. Sub-contractors/Vendors

- a. The number of sub-contractors projected to be utilized for this project: _____
- b. The number of sub-contractors projected to be Section 3 businesses: _____
- c. The number of businesses/suppliers projected to be utilized: _____
Dollar amount: \$ _____
- d. The number of businesses/suppliers projected to be Section 3 businesses/suppliers: _____
Dollar amount: \$ _____

Authorized Signature

Date

Recipient: _____ Contract No.: _____
 Activity No.: _____ Activity Name: _____

**THIS DOCUMENT IS TO BE SUBMITTED BY THE BIDDER WITH THE BID DOCUMENTS
 OR WITHIN THREE (3) DAYS OF CONTRACT AWARD**

Attachment A

Section 3

ESTIMATED PROJECT WORK FORCE BREAKDOWN

1.	2.	3.	4.	5.	6.
Job Category	Total Estimated Positions Needed for Project	# of Positions Occupied by Permanent Employees	# of Positions Not Occupied	# of Positions to be Filled with Section 3 Residents	Approximate Hiring Date
Supervisor					
Professional					
Technical					
Office/Clerical					
Others					
TRADE:					
Journeyman					
Apprentices					
Trainees					
Others					
TRADE:					
Journeyman					
Apprentices					
Trainees					
Others					
TOTALS					

Section 3 Resident

Individual residing within the Section 3 Area whose family income does not exceed eight percent (80%) of the median income in the Metropolitan Statistical Area or the county if not within a MSA in which the Section 3 covered project is located. See attached income schedule.

 Person Completing Form / Date

 Company

 Project Name / Number

 Company Address

 Telephone Number / E-mail

S3B-2 (04/2016)

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

THIS DOCUMENT IS TO BE SUBMITTED BY THE BIDDER WITH THE BID DOCUMENTS
OR WITHIN THREE (3) DAYS OF CONTRACT AWARD, IF APPLICABLE

SECTION 3 BUSINESS SELF-CERTIFICATION

A. Basis for Self-Certification

The _____, located at _____
(name of business) (address)

hereby certifies that it is a Section 3 business, as defined by HUD, on the basis of the following:

(Check all applicable)

- 1) _____ Fifty-one percent (51%) or more ownership by Section 3 residents;
- 2) _____ At least thirty percent (30%) of the current permanent, full-time employees are Section 3 residents or were Section 3 residents at the time they were hired (within the past three (3) years);
- 3) _____ Is committed to sub-contracting more than twenty-five percent (25%) of the total dollars awarded by [recipient] to business concerns that meet the qualifications indicated in 1) or 2) above.

B. Certifications

I, the undersigned, hereby certify that:

- 1) I have the legal authority to make these certifications on behalf of _____;
(name of business)
- 2) Documentation exists to verify the basis for the Self-Certification indicated in A. above;
- 3) This documentation will be made available to the recipient, the State of Arizona Department of Housing, HUD or its designated representatives, during normal business hours, upon request;
- 4) This documentation will be maintained for at least five (5) years after completion of the requirements of the contract provided by the recipient;
- 5) The information provided in A. above is true and accurate to the best of my knowledge; and
- 6) I am aware that both I and the business identified above, are liable to civil and criminal penalties for willful falsification of any of the information provided in this document.

Signature

Date

Printed Name

Title

S3B-3 (04/2016)

**INCLUDE A COPY OF THE CURRENT
WAGE RATE DETERMINATION**

EXAMPLE: CONSTRUCTION CONTRACT

THIS AND ALL CONTRACTS SHOULD BE REVIEWED BY LEGAL COUNSEL BEFORE SIGNING.

CONTRACT AGREEMENT

THIS AGREEMENT, entered into this _____ day of _____, 20_____, by and between the *TOWN OF OZ, County of Tornado, State of Arizona* (hereinafter called the "TOWN") acting herein by the *Mayor of the Town of Oz*, hereunto duly authorized, and _____ (hereinafter called the "CONTRACTOR") acting herein _____ hereunto authorized.

WITNESSETH THAT:

The *TOWN* desires to engage the *CONTRACTOR* to render construction services for the *Removal of Architectural Barriers, Contract #199-15*

NOW, THEREFORE the parties do mutually agree as follows:

1. Work

CONTRACTOR shall complete all work as specified or indicated in the contract documents. The work is generally described as follows:

[INSERT SCOPE OF WORK]

2. Access to Information

It is agreed that all information, data reports, records and plans as are existing, available and necessary for carrying out of the work outlined above have been furnished to the CONTRACTOR by the TOWN and its agencies. CONTRACTOR hereby acknowledges receipt of same. No charge will be made to the CONTRACTOR for such information and the TOWN and its agencies will cooperate with the CONTRACTOR in every way possible to facilitate the performance of the work described in the AIA Contract and this addendum.

3. Project Manager - Administration

The TOWN has designated PCI as project manager. The project manager shall be empowered to perform all administrative functions as required for management of the project and verification of compliance with ADOH requirements.

4. Architect

The Project has been designed by *Wonderfully Wicked Architectural Designs* who is hereinafter called ARCHITECT and who is to act as the TOWN's representative, assume all duties and responsibilities and have the rights and authority assigned to ARCHITECT in the contract documents in connection with completion of the work in accordance with the contract documents.

5. Contract Times

The work will be completed and ready for final payment within *ninety (90)* calendar days of the date in the Notice to Proceed.

6. Liquidated Damages

TOWN and CONTRACTOR recognize that time is of the essence of this Agreement and that the TOWN will suffer financial loss if the work is not completed within the time specified. They also recognize the delays, expense and difficulties involved in proving the actual loss suffered by the TOWN if the work is not completed on time. Accordingly, instead of requiring any such proof, the TOWN and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty) CONTRACTOR shall pay the TOWN \$500.00 for each day that expires after the time specified for final completion until the work is complete and ready for final payment.

7. Compensation and Method of Payment

The maximum amount of compensation and reimbursement to be paid hereunder shall not exceed: [insert lump sum bid amount]. Originals of the Applications for Payment are to be submitted no later than *the first day of the month to:*

*The Town of Oz
Attention: Town Clerk
479 East Main Street
Oz, AZ 99994*

Additionally, no later than the first day of the month, a copy of the Application for Payment is to be faxed to: Dorothy Kansas, PROJECT MANAGER, Project Coordination, Inc. at fax number: (602) 555-6886; and Steve Crow, Wonderfully Wicked Architectural Designs at fax number: (602) 555-9911.

On a weekly basis, the ARCHITECT shall review and verify the percentage, progress and quality of work completed. On a weekly basis, PCI shall verify compliant completion of all necessary

documentation required by ADOH, including but not limited to, federal Labor Standards/Davis-Bacon.

The *TOWN* and CONTRACTOR mutually agree that the *TOWN* will make a progress payment based on a duly certified (by ARCHITECT and PROJECT MANAGER) and approved (by a duly authorized representative of the *TOWN*) estimate of the work covered by the corresponding Application for Payment, subject to those conditions stipulated below and in other parts of the contract documents.

The *TOWN* will make payments in the amount equal to ninety percent (90%) of work completed (i.e. *Town* will retain ten percent (10%) of each estimate as additional guarantee for complete performance of the work), less the aggregate of payments previously made and less such deductions as ARCHITECT or *TOWN* determines are appropriate to cover claims requiring a greater sum to be retained.

Except as qualified above, upon final completion and acceptance of the work or designated part of the work on which separate final completion and acceptance and contract price are specified and upon compliance with other terms and conditions of the contract documents, payment may be made in full, including retainage withheld less such deductions as ARCHITECT may recommend or the *TOWN* may withhold to cover claims requiring a greater sum to be retained and liquidated damages.

The *TOWN* may deduct from each progress payment and final payment an amount equal to the *TOWN*'s estimate of the liquidated damages then due or that would become due based on the *TOWN*'s estimate of late completion of the work if CONTRACTOR fails to submit and implement a written schedule recovery plan describing the cause of schedule slippage or delayed progress and the actions proposed to recover schedule.

8. Indemnification

CONTRACTOR shall comply with the requirements of all applicable laws, rules and regulations and shall exonerate, indemnify and hold harmless the *TOWN* and its agency members, *PCI*, the ARCHITECT and the State of Arizona Department of Housing (ADOH) from and for any violation caused by him and shall assume full responsibility for payment of federal, state and local taxes on contributions imposed or required under the Social Security, workmen's compensation and income tax laws.

9. Miscellaneous Provisions

- a. This Agreement shall be construed under and in accordance with the laws of the State of Arizona and all obligations of the parties created hereunder are performable in *Tornado County, Arizona*.
- b. This Agreement shall be binding upon and ensure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement.
- c. In any case one (1) or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable said holding shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- d. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.
- e. This Agreement may be amended only by mutual agreement of the parties hereto in writing to be attached to and incorporated into this Agreement.

10. Project Familiarity and Identification of Conflicts

In order to induce the *TOWN* to enter into this Agreement, *CONTRACTOR* makes the following representation:

- a. *CONTRACTOR* has familiarized himself/herself with the nature and extent of the contract documents, work, site, locality and all local conditions and laws and regulations that in any manner may affect cost, progress, performance or furnishing of the work.
- b. *CONTRACTOR* has given the *ARCHITECT* a written notice of all conflicts, errors or discrepancies discovered in the contract documents and the written resolution thereof by the *ARCHITECT* and *PCI* is acceptable to the *CONTRACTOR*.
- c. *CONTRACTOR* has examined and carefully studied the contract documents and other related data identified in the bidding documents including "technical data".
- d. *CONTRACTOR* is familiar with and satisfied as to all federal, state and local laws and regulations that may affect cost, progress, performance and furnishing of the work.

11. Insurance

Certificate(s) of Insurance naming the *TOWN and PCI* as co-insured verifying the minimum coverages as listed below shall be delivered as specified in the Notice of Award prior to issuance of the Notice to Proceed:

COMPLETE THE FOLLOWING INSURANCE REQUIREMENTS AFTER CONSULTATION WITH LEGAL COUNSEL.

- Workers' Compensation (statutory)
- Protective Bodily Injury
- Personal Property
- Automobile Bodily Injury and Property Damage

12. Timely Submission of Labor Standard Forms

All forms necessary for compliance with the Davis-Bacon Wage Act shall be delivered to *PCI* prior to issuance of the Notice to Proceed and on a weekly basis during construction.

13. Contract Documents

The contract documents which comprise the entire agreement between the TOWN and the CONTRACTOR concerning the work consist of the following.

[INSERT LIST OF ACTUAL BIDDING DOCUMENTS]

- *This Agreement pages _____ to _____*
- *Exhibit A: Terms & Conditions*
- *Certifications*
- *Performance, Payment and other Bonds*
- *Notice to Proceed*
- *General Conditions and Supplementary Conditions*
- *Specifications and drawings incorporated in the bidding documents*
- *Bidding documents including addenda acknowledged in CONTRACTOR bid.*

14. Terms and Conditions

This Agreement is subject to the provisions entitled "Terms and Conditions" attached hereto and incorporated by reference herein as Exhibit A. This Addendum shall be interpreted as if Exhibit A were printed in full herein.

15. Certifications

This Agreement is subject to the provisions entitled "Certifications" which were submitted by the CONTRACTOR in the bid dated [insert date] and are incorporated by reference herein and shall be interpreted as if the Certifications were printed in full herein.

IN WITNESSETH HEREOF, the parties have hereunto set their hands and seals.

Approved as to Form:

The TOWN of Oz

Town Attorney

Mayor

ATTEST:

CONTRACTOR:

Town Clerk

President

EXHIBIT A: TERMS AND CONDITIONS

1. Termination of Contract

- a. If, for any reason, the CONTRACTOR shall fail to fulfill in a timely and proper manner his/her obligations under this contract or if the CONTRACTOR shall violate any of the covenants, agreements or stipulations of this contract, the TOWN shall thereupon have the right to terminate the contract by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof. In such event, all finished or unfinished site or structural improvements, as well as all materials or equipment acquired or stored by the CONTRACTOR under this contract shall, at the option of the TOWN, become TOWN'S property and the CONTRACTOR shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the TOWN for damages sustained by the TOWN by virtue of any breach of the contract by the CONTRACTOR and the TOWN may withhold any payments to the CONTRACTOR for the purpose of set-off until such time as the exact amount of damages due the TOWN from the CONTRACTOR is determined.

- b. The TOWN may terminate this contract at any time by giving at least ten (10) days written notice to the CONTRACTOR. If the contract is terminated by the TOWN as provided herein, the CONTRACTOR will be paid as provided in this Addendum for the time expended and expenses incurred up to the termination date. If this contract is terminated due to the fault of the CONTRACTOR, Paragraph 1.a hereof relative to termination shall apply.
- c. This contract may be terminated per A.R.S. §38-511, Conflict of Interest.

2. Sanction, Penalties and Debarment

A breach of the contract provisions concerning violations of federal labor standards may be grounds for termination of the contract and result in sanctions, penalties including liquidated damages and/or debarment of the contractor.

3. Changes

The TOWN may request changes in the scope of the services of the CONTRACTOR to be performed hereunder. Such changes, including any increase or decrease in the amount of the CONTRACTOR'S compensation, which are mutually agreed upon by and between the TOWN and the CONTRACTOR, shall be incorporated in written amendments to this contract.

4. Personnel

- a. The CONTRACTOR represents that he/she has, or will secure at his own expense, all personnel required in performing the services under this contract. Such personnel shall not be employees of or have any contractual relationship with the *TOWN*.
- b. All of the services required hereunder will be performed by the CONTRACTOR or under his/her supervision and all personnel engaged in the work shall be fully qualified, authorized and permitted for such work under state and local law to perform such services.
- c. None of the work or services covered by this contract shall be sub-contracted without the prior written approval of the *TOWN*. Any work or services sub-contracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this contract.

5. Assignability

The CONTRACTOR shall not assign any interest on this contract and shall not transfer any interest in the same, whether by assignment or novation, without the prior written consent of the *TOWN* thereto: provided, however, that claims for money by the CONTRACTOR from the *TOWN* under this contract may be assigned to a bank, trust company or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the *TOWN*.

6. Reports and Information

The CONTRACTOR, at such times and in such forms as the *TOWN* may require, shall furnish the *TOWN* such periodic reports as it may request pertaining to the work or services undertaken pursuant to this contract, the costs and obligations incurred or to be incurred in connection therewith and any other matters covered by this contract.

7. Records Maintenance and Retention

The CONTRACTOR shall maintain accounts and records including personnel, property and financial records, adequate to identify and account for all costs pertaining to the contract and such other records as may be deemed necessary by the *TOWN* to assure proper accounting for all project funds, both federal and non-federal shares. These records will be retained for at least three (3) years following the grant contract closeout between ADOH and U.S. Department of Housing and Urban Development (HUD) unless permission to destroy them is granted in writing by the *TOWN*.

8. Findings Confidential

All of the reports, information, data, etc., prepared or assembled by the CONTRACTOR under this contract are confidential and the CONTRACTOR agrees that they shall not be made available to any individual or organization without the prior written approval of the TOWN, ADOH or HUD.

9. Copyright

No report, plan, drawing or other documents produced in whole or in part under this contract shall be the subject of an application for copyright by or on behalf of the CONTRACTOR.

10. Compliance with Local Laws

The CONTRACTOR shall comply with all applicable laws, ordinances and codes of the state and local governments and the CONTRACTOR shall save the TOWN harmless with respect to any damages arising from any tort done by the CONTRACTOR or representatives in performing any of the work embraced by this contract.

The Section 3 clause must be included in all Section 3 covered contracts. Delete this section if not applicable.

11. Section 3 Compliance with the Provision of Training, Employment and Business Opportunities

- a. *The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.*
- b. *The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.*
- c. *The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor 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; 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 sub-contract subject to compliance with regulations in 24 CFR part 135 and agrees to take appropriate action, as provided in an applicable provision of the sub-contractor in this Section 3 clause, upon a finding that the sub-contractor is in violation of the regulations in 24 CFR part 135. The contractor will not sub-contract with any sub-contractor where the contractor has notice or knowledge that the sub-contractor 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: 1) preference and opportunities for training and employment shall be given to Indians; and 2) preference in the award of contracts and sub-contracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible but not in derogation of compliance with Section 7(b).*

12. CONTRACTOR will comply with the requirements of the 2010 ADA Standards for Accessible Design.

13. Interest of Members of a TOWN Governing Body

No member of the governing body of the TOWN and no other officer, employee or agent of the TOWN who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct, or indirect, in this contract and the CONTRACTOR shall take appropriate steps to assure compliance.

14. Interest of Other Local Public Officials

No member of the governing body of the locality and no other public official of such locality who exercises any functions or responsibilities in connection with the planning and carrying out of the program, shall have any personal financial interest, direct or indirect, in this contract and the CONTRACTOR shall take appropriate steps to assure compliance.

15. Interest of CONTRACTOR and Employees

The CONTRACTOR covenants that he/she presently has no interest and shall not acquire interest, direct or indirect, in the study area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of his/her services hereunder. The CONTRACTOR further covenants that no person having any such interest shall be employed in the performance of this contract.

16. Access for Persons with Disabilities

In performing all construction CONTRACTOR agrees to comply with the 2010 ADA Standards for Accessible Design. CONTRACTOR represents that he understands said standard specifications and same are incorporated herein by this reference.

17. Clean Air Act, Clean Water Act

The CONTRACTOR shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 7606), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738 and EPA regulations which prohibit the use of non-exempt federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. The provision requires reporting of violations to the USEPA Assistant Administrator for Enforcement.

18. Mandatory Standards and Policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

19. Federal Labor Standards Provisions

This agreement is subject to the Federal Labor Standards Provisions, Davis-Bacon Act of 1931, contract Work Hours and Safety Standards Act of 1962, Copeland Act of 1934 and the Fair Labor Standards Act of 1939.

The CONTRACTOR agrees to comply with the Federal Labor Standards Provisions (HUD Form 4010) which is incorporated by reference herein. The CONTRACTOR shall supply information to the TOWN as necessary for monitoring of compliance to include, but not be limited to, submission of Labor Standard Forms included in the bid package, on-site inspections, investigations and/or

enforcement by the TOWN. The CONTRACTOR agrees to comply with Wage Rate Determination included in the bid package and incorporated by reference.

THIS PROJECT IS IN WHOLE OR IN PART FEDERALLY FUNDED AND THE SUCCESSFUL BIDDER WILL BE REQUIRED TO ADHERE TO FEDERAL LABOR STANDARD/DAVIS-BACON PROVISIONS.

Project Coordination, Inc. (PCI) will monitor compliance with such provisions and standards on behalf of the *Town of Oz*. The successful bidder will be required to complete the following forms in order to comply. A brief explanation of the form and when the form is to be submitted to *PCI* is listed below. Should you have any questions concerning Federal Labor Standards or the forms to be submitted, please feel free to call *PCI, Dorothy Kansas* at phone number: (602) 555-1221; or e-mail: *dorothy.kansas@oz.az.us*.

LS2 Contractor’s Certification Concerning Labor Standards and Prevailing Wage Requirements

A separate form is to be completed by the contractor and **submitted as a part of the bid package.**

LS3 Sub-contractor’s Certification Concerning Labor Standards and Prevailing Wage Requirements

This form is to be completed by **each** subcontractor and **submitted to PCI within ten (10) days of execution of the subcontract and a minimum of seven (7) days prior to the date the subcontractor is scheduled to start work on site.**

LS4 Weekly Payroll Report

This form is to be completed by **each** contractor and sub-contractor weekly for the contract duration. **Forms must be complete, correctly signed and submitted to PCI within seven (7) days of the end of the work week.**

Weekly Payroll Reports will be verified by *PCI* and ADOH to confirm payment of the required wages. The Weekly Payroll Reports must include all employees who have worked on the job site, including persons exempt from Davis-Bacon and Related Acts wage rate. Exempt persons are:

- a. Business Owners: This person must be listed in Section 5C of the LS2 or LS3 as an owner, partner or principal, owning at least a bona fide twenty percent (20%) equity interest in the business and must also be able to document the business via a tax ID number. This person must also be actively engaged in the business’s management and must not meet the Davis-Bacon definition of a “laborer or mechanic”. Relatives of the

owner who are not listed in Section 5C must be paid Davis-Bacon and Related Acts wages. A sub-contractor who cannot document that the business is bona fide must be listed as an employee on the prime contractor's Weekly Payroll Report.

- b. Apprentices: The contractor/sub-contractor must provide written evidence of the registration of the program with the DOL Employment and Training Administration (ETA), Office of Apprenticeship Training, Employer and Labor Services (OA) or a state apprenticeship agency recognized by the ETA/OA. For additional information concerning apprentices, please call *PCI*.
- c. Youth Employment: These individuals must be employed in a bona fide summer youth employment or opportunity program. For additional information concerning youth employment, please call *PCI*.
- d. Other: On-site but non-construction (non-hands on) superintendents, inspectors, engineers, watch persons, water carriers, messengers, clerical workers and working foremen who devote less than twenty percent (20%) of their time to construction work are exempt. If a foreman devotes more than twenty percent (20%) of his/her time to mechanic or laborer duties, they must be paid the applicable wage rate(s) for all hours worked.

LS5 Statement of Compliance

This form is the certification for the Payroll Form LS-4. A separate form is to be completed by **each** contractor and subcontractor weekly for the duration of the contract. **Forms must be complete and correct, signed by the appropriate person, and submitted to PCI WITH THE LS-4 within seven (7) days of the end of the work week.**

The LS-5 must list all deductions indicated on the LS-4 and must indicate whether the fringes were paid in cash or to an approved fringe benefit plan. The LS-5 must be signed in ink by the owner or officer as listed on the LS-2 or LS-3 or by an employee designated in writing by the owner/officer as authorized to sign.

LS7 Notice to All Employees

This notice must be **posted** on the job site prior to the start of construction and must **remain posted** during construction.

LS15 Authorization for Deductions

This form is to be completed by **each** contractor and sub-contractor and is to be **submitted to PCI one (1) week prior to the first payroll.** Please note that each employee who authorizes payroll deductions for items other than standard state and federal taxes must sign the form.

The following information or action is also required in order to comply with Federal Labor Standards.

Verification of Fringe Benefit Plan

If fringe benefits are not paid in cash, each contractor and sub-contractor must submit verification of each fringe benefit plan at least one (1) week prior to the first payroll by submitting the following information:

- a. A copy of the most recent remittance statement from the company holding the fringe benefit plan such as a bank, union, etc. The remittance statement must verify the employees covered by the plan and the amount paid into the plan for each employee by the contractor or subcontractor.

OR

- b. A letter addressed to *PCI* from each bank, union, etc. holding the fringe benefit plan. The letter must verify which employees are covered by the plan and the amount paid into the plan for each employee by the contractor or sub-contractor.

Pre-construction Conference

The purpose of the pre-construction conference is to provide a forum for *PCI*, the *Town of Oz*, architect, contractor and sub-contractors to discuss the technical nature of the construction project and all of the compliance requirements of the contract.

Contractor and sub-contractor representatives shall attend. It is very important that the person preparing the Weekly Payroll Sheets attend this conference as well.

Notice Provisions

The Federal Labor Standards Provisions as well as the General Wage Decision included in this bid package must be posted on site during construction as well as the Equal Opportunity Employment/Non-Discrimination Notice. All postings shall be clearly visible and easily accessible to employees.

During construction, *PCI* will monitor compliance with the federal Labor Standards/Davis-Bacon. This monitoring shall include, but not be limited to, contractor and sub-contractor employee interviews, on-site inspections, review of the weekly payroll, etc., as required. Copies of the LS forms to be completed during monitoring are available from *PCI*.

Federal Labor Standards Provisions

U.S. Department of Housing and Urban Development Office of Labor Relations

Applicability

The Project or 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 upon the site of the work, 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 I(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 a 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 of work actually performed, without regard to skill, except as provided in 29 CFR 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 CFR 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 therefor 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 reasonable 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 agree 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)(ii)(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 of 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, 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 records 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. 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 reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of 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 programs 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 week 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 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 at <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 subcontractor 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 properly 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 subparagraph A.3.(II)(b).

(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 or subcontractor shall make the records required under subparagraph A.3.(I) 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 5.12.

4. Apprentices and Trainees.

(I) **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, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services 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 event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, 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 at 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 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as 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 subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, 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 the contract clauses in this paragraph.

7. Contract 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 and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts 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 into 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 or 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 for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1 01 0, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration..... makes, utters 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. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds \$100,000. 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 the individual is employed on such work to work in excess of 40 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 40 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) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the 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 \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. 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 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. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which 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 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 paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

**LS-2: CONTRACTOR'S CERTIFICATION
CONCERNING LABOR STANDARDS AND PREVAILING WAGE REQUIREMENTS**

1. I, the undersigned, am submitting a bid to (**name of recipient**): _____
for the construction of the (**name of project**): _____ and hereby
acknowledge that the following items are included in the bid and will also be incorporated by
reference into the contract, should I be selected as the contractor for the project.
 - a. Labor Standards Provisions (HUD 4010);
 - b. Wage Decision # _____; Modification # _____; Bid Open Date _____; and
that
 - c. the correction of any infractions of the aforesaid conditions, including infractions by any
of my sub-contractors and any lower tier sub-contractors, is my responsibility.

2. I hereby certify that:
 - a. To the best of my knowledge, neither I nor any firm, partnership or association in which I
have a substantial interest, is designated as an ineligible contractor by the Comptroller General
of the United States pursuant to Section 5.6(b) of the Regulations of the Secretary of Labor,
Part 5 (29 CFR. Part 5) or pursuant to Section 3(a) of the Davis-Bacon Act, as amended [40
U.S.C. 276a-2(a)].
 - b. No part of the aforementioned contract is or will be sub-contracted to any sub-contractor, if
such sub-contractor or firm, corporation, partnership or association in which such sub-
contractor has a substantial interest is, to the best of my knowledge, designated as an
ineligible contractor pursuant to any of the aforementioned regulatory or statutory provisions.

3. I agree to obtain and forward to the aforementioned grantee a Sub-contractor's Certification
Concerning Labor Standards and Prevailing Wage Requirements executed by each and every sub-
contractor, preferably prior to or where circumstances do not allow within ten (10) days after the
execution of any sub-contract, including those executed by his/her sub-contractors and any lower
tier sub-contractors.

4. Further, I certify that:
 - a. The demographic and business information of the undersigned are:

Contractor Information									
Amount of Contract	Type of Trade Code*	Racial Code*	Hispanic (Y/N)	Women Owned (Y/N)	IRS Tax ID #	DUNS #	Section 3 (Y/N)	Construction Firm Legal Name Address, City, State, Zip	AZ License #
\$									

* See Demographic and Trade Code table below for information

Demographic and Trade Codes	
Race	Type of Trade Code
11 White	1 New Construction
12 African American	2 Education/Training
13 Asian	3 Other (i.e. rehabilitation, administration, professional, public services)
14 American Indian or Alaskan Native	
15 Native Hawaiian or other Pacific Islander	
16 American Indian or Alaskan Native and White	
17 Asian and White	
18 African American and White	
19 American Indian or Alaskan Native and White	
20 Other Multi-racial	

b. The undersigned is:

- a sole proprietorship;
 a partnership;
 a corporation organized in the State of _____; or
 another organization (describe) _____

c. The name, title and address of the owners, partners or officers of the undersigned are (list any other legal names/doing business as (dba)):

NAME

TITLE

ADDRESS

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

**LS-3: SUB-CONTRACTOR'S CERTIFICATION
CONCERNING LABOR STANDARDS AND PREVAILING WAGE REQUIREMENTS**

1. I, the undersigned, having submitted a bid or having executed a contract with:
(contractor or sub-contractor): _____
for (name of project): _____
for (nature of work): _____
in the amount of \$_____ certify that:
 - a. The Labor Standards Provisions (HUD 4010) are included in the aforementioned contract or bid;
 - b. Wage Decision # _____; Modification # _____ are included in the aforementioned contract or bid.

2. I hereby certify that:
 - a. To the best of my knowledge, neither I nor any firm, partnership or association in which I have a substantial interest, is designated as an ineligible contractor by the Comptroller General of the United States pursuant to Section 5.6(b) of the Regulations of the Secretary of Labor, Part 5 (29 CFR. Part 5) or pursuant to Section 3(a) of the Davis-Bacon Act, as amended [40 U.S.C. 276a-2(a)].
 - b. No part of the aforementioned contract has been or will be sub-contracted to any sub-contractor, if such sub-contractor or firm, corporation, partnership or association in which such sub-contractor has a substantial interest is, to the best of my knowledge, designated as an ineligible contractor pursuant to any of the aforementioned regulatory or statutory provisions.

3. Further, I certify that:
 - a. The demographic and business information of the undersigned are:

Contractor Information

Amount of Contract	Type of Trade Code*	Racial Code*	Hispanic (Y/N)	Women Owned (Y/N)	IRS Tax ID #	DUNS #	Section 3 (Y/N)	Construction Firm Legal Name Address, City, State, Zip	AZ License #
\$									

* See Demographic and Trade Code table below for information

Demographic and Trade Codes	
Race	Type of Trade Code
11 White	1 New Construction
12 African American	2 Education/Training
13 Asian	3 Other (i.e. rehabilitation, administration, professional, public services)
14 American Indian or Alaskan Native	
15 Native Hawaiian or other Pacific Islander	
16 American Indian or Alaskan Native and White	
17 Asian and White	
18 African American and White	
19 American Indian or Alaskan Native and White	
20 Other Multi-racial	

b. The undersigned is:

- a sole proprietorship;
- a partnership;
- a corporation organized in the State of _____; or
- another organization (describe) _____

c. The name, title and address of the owners, partners or officers of the undersigned are (list any other legal names/doing business as (dba)):

NAME

TITLE

ADDRESS

EMPLOYEE RIGHTS UNDER THE DAVIS-BACON ACT

FOR LABORERS AND MECHANICS EMPLOYED ON FEDERAL OR FEDERALLY ASSISTED CONSTRUCTION PROJECTS

THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

PREVAILING WAGES

You must be paid not less than the wage rate listed in the Davis-Bacon Wage Decision posted with this Notice for the work you perform.

OVERTIME

You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 in a work week. There are few exceptions.

ENFORCEMENT

Contract payments can be withheld to ensure workers receive wages and overtime pay due, and liquidated damages may apply if overtime pay requirements are not met. Davis-Bacon contract clauses allow contract termination and debarment of contractors from future federal contracts for up to three years. A contractor who falsifies certified payroll records or induces wage kickbacks may be subject to civil or criminal prosecution, fines and/or imprisonment.

APPRENTICES

Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

PROPER PAY

If you do not receive proper pay, or require further information on the applicable wages, contact the Contracting Officer listed below:

or contact the U.S. Department of Labor's Wage and Hour Division.



For additional information:

1-866-4-USWAGE

(1-866-487-9243) TTY: 1-877-889-5627



WWW.WAGEHOUR.DOL.GOV

Recipient: _____ Contract No.: _____
Activity No.: _____ Activity Name: _____

LS-15: AUTHORIZATION FOR DEDUCTIONS

The undersigned authorize deductions, as noted, to be made from his/her wages. It is understood that:

- the deduction(s) are in the interest of the employee;
- the deduction(s) are not a condition of employment;
- there is no direct or indirect financial benefit accruing to the employer;
- it is not otherwise forbidden by law; and
- if the deduction(s) are for fringe benefits, information regarding the fringe benefit plan has been provided to me in writing.

1.a. EMPLOYEE NAME	b. DATE(s)	c. AMOUNT	d. PURPOSE
(may cover all work performed for contract)			

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

Printed Name

Signature

(Additional page(s) attached: Yes No)

2. Name of Contractor/Sub-contractor: _____

Signature of Authorized Representative

Date

Typed Name

Phone Number

LS-15 (02/1998)

Recipient: _____ Contract No.: _____
 Activity No.: _____ Activity Name: _____

LS-17: CERTIFICATION FOR APPLICABLE FRINGE BENEFIT PAYMENTS

Project Name: _____

Name of Contractor/Sub-Contractor: _____

Provide the name, address and telephone number of each plan for fringe benefits provided. List for each classification if different.

1. Employee Classification:
Health and Welfare:
Pension:
Vacation:
Apprenticeship/Training:
Other:
2. Employee Classification:
Health and Welfare:
Pension:
Vacation:
Apprenticeship/Training:
Other:
3. Employee Classification:
Health and Welfare:
Pension:
Vacation:
Apprenticeship/Training:
Other:

I hereby certify that I make payments to the fringe benefit plans, funds or programs identified above.

 Signature *(must be owner/principal/officer as shown on LS-2/3)*

 Date

 Typed Name

 Title

LS-17 (02/1998)

EXAMPLE: PRE-BID CONFERENCE BRIEFING

Held August 31, 2015 for the Town of Oz, Contract #199-15, Activity #2, Senior Center

- This project is federally funded. Compliance requirements may be **more demanding** than other projects you may have done.
- *PCI* has been hired as administrative consultants for this project. *Dorothy Kansas* is the Coordinator and can be reached at (602) 999-9111.
- The bid document is required by the State of Arizona Department of Housing (ADOH) in order that all federal labor standards requirements are met.
- Although clearly indicated in the Bid Document, as a reminder, the following is a list of forms which are **required** to be completed and submitted with the contractor's bid:
 - ✓ Bid Schedule/Proposal
 - ✓ Non-Collusion Affidavit
 - ✓ List of Possible Sub-contractors (if applicable)
 - ✓ Bid Bond (five percent [5%])
 - ✓ LS-2 - Contractor's Certification
 - ✓ Recovered Materials Certification
 - ✓ Certification Signature Form
 - ✓ Section 3 (S3B-1, S3B-2 and S3B-3)
- The LS-2 is required at time of bid along with supporting documentation from the federal System of Awards Management (sam.gov) and the Arizona Registrar of Contractors for determination of eligibility. **A contract will not be awarded and federal funds will not be paid to any contractor found ineligible.**
- Upon receipt of Notice of Award, the contractor will be required to complete and submit an LS-3, Sub-contractor's Certification Form, for each sub-contractor who will be or might be working on this project. **The Notice to Proceed will not be issued until all have been verified by ADOH.**

Please note the following:

- Davis-Bacon Wages apply. The current wage rate decision for this project has been provided. PLEASE REVIEW THIS DECISION WHEN SUBMITTING YOUR BID AND TAKE INTO ACCOUNT ALL OF THE CLASSIFICATIONS WITHIN THE WAGE RATE DECISION!
- If there are classifications which not been identified, the prime contractor must prepare and submit to *PCI* a conformance request. It is the contractor's responsibility to propose a wage for each unidentified classification. Contact *PCI* for assistance with this process as it must meet detailed federal Department of Labor requirements. If the Department of Labor does not agree with your determination and comes back with a higher wage rate, you must make restitution to all employees under that classification. This process cannot occur until a contract has been awarded.
- Bid Opening Date/Time: *WEDNESDAY, September 17, 2015, 3:00 p.m.*
- Award decision expected by: *Regular Council Meeting, October 10, 2015*
- Protest Period: *[Describe]*
- Once construction begins, *Dorothy Kansas* will conduct on-site interviews with a sampling of prime contractor employees as well as a sampling of each subcontractor's employees. **Time spent on the interview will not be deducted from employees' wages.** The first interviews will be conducted within one (1) week of each contractor/sub-contractor beginning work. Subsequent interviews will take place on an as needed basis depending on project size, duration and number of employees on the jobsite. Information gathered from the interviews will be used to verify payrolls. **Except for mobilization costs, funds will not be released until the first payroll has been reviewed and approved by *PCI* and ADOH.**

EXAMPLE: INTENT TO AWARD LETTER

June 30, 2015

Mr. John Smith
Con Struction Contractors, Inc.
4444 44th Street
Oz, AZ 99994

RE: NOTICE OF INTENT TO AWARD FOR CONSTRUCTION SERVICES FOR THE TOWN OF OZ, STREET IMPROVEMENTS PROJECT (Contract #199-15)

Dear Mr. Smith:

You are hereby notified that the *Town of Oz* intends to award you the construction contract for the above cited project on the base bid amount of \$122,000.

To comply with ADOH requirements, time must be allotted for all participating firms to comment on or protest the *Town's* decision. However, we do not anticipate any protests. Therefore, **the contract documents will be sent to you by July 15, 2015.**

You must comply with the following conditions within *ten (10)* days of receiving the contract:

1. Deliver to the *Town of Oz*, hereafter referred to as the OWNER, *three (3)* executed and complete contracts. All appropriate documents must be signed by the principals and corporate seals affixed as appropriate.
2. One (1) Performance Bond in the amount of the contract.
3. One (1) Labor and Material Payment Bond in the amount of the contract.
4. One (1) Certificate of Insurance. This must meet the minimum requirements to include Worker's Compensation. Please ensure that the *Town of Oz* is designated as additional insured.

Failure to comply with these conditions within the time specified will entitle the OWNER to consider your proposal abandoned and annul this Notice of Intent to Award.

After you comply with the above-referenced conditions, the OWNER will return to you one (1) fully executed contract. One (1) will be retained by the *Town* and one (1) will be forwarded to *PCI*.

A pre-construction conference will be scheduled at our mutual convenience. We ask that your payroll personnel attend this meeting for an additional briefing on payroll requirements.

Sincerely,

The Town of Oz
(MAYOR OR TOWN MANAGER)

EXAMPLE: NON-AWARD LETTER

June 30, 15

*Con Struction Contractors, Inc.
7777 East 77th Boulevard
Oz, AZ 99994*

**RE: NOTICE OF NON-AWARD FOR CONSTRUCTION SERVICES FOR THE TOWN OF OZ,
STREET IMPROVEMENTS PROJECT (Contract #199-15)**

Dear Sir:

You are hereby notified that your bid for the above-mentioned contract was considered. I regret to inform you that you have not been awarded the contract.

You have the right to protest the decision made by the *Town*. If your firm wishes to protest either informally or formally, the deadline is 4:00 p.m., *Thursday, July 17, 2015*. (*If the protest procedure was not included in the bid package, it must be included here.*)

The *Town of Oz* would like to take this opportunity to thank you for submittal of your proposal.

Sincerely,

cc: Dorothy Kansas, PCI

11.0 Recipient File Checklists and ADOH Monitoring Forms

- Form P-1 (Procurement Form for Small Purchases)
- Acquisition File Checklist
- Sub-recipient File Checklist
- Procurement and Agreements File Checklist
- Sealed Bid Procurement (Non-Construction) File Checklist
- Construction Contract File Checklist
- Section 3 File Checklist
- Centers/Facilities File Checklist
- Property Acquisition/URA Desk Monitoring Form
- Sub-recipient Agreement Desk Monitoring Form
- Professional Services Procurement Desk Monitoring Form
- Professional Services Contract Desk Monitoring Form
- Bid Documents / Construction Procurement Desk Monitoring Form
- Equipment / Material Procurement Desk Monitoring Form
- Centers/Facilities Desk Monitoring Form
- Acquisition On-site Monitoring Form
- Procurement and Contracting On-site Monitoring Form
- Construction Contract On-site Monitoring Form
- Section 3 On-site Monitoring Form

PROCUREMENT FORM FOR SMALL PURCHASES

Project: _____ Activity No.: _____ Contract No.: _____

Name _____ of _____ Person _____ Making _____ Calls: _____

Item No. Quantity Specifications/Description

Inquiry #1 Date: _____ Contact Name: _____ Phone Number: _____

Company Name: _____ Address: _____

Comments: _____
Price #1: _____

Inquiry #2 Date: _____ Contact Name: _____ Phone Number: _____

Company Name: _____ Address: _____

Comments: _____
Price #2: _____

Inquiry #3 Date: _____ Contact Name: _____ Phone Number: _____

Company Name: _____ Address: _____

Comments: _____
Price #3: _____

Purchase Awarded To: _____ Award Amount: \$ _____

Basis for Award: _____

Authorized By: _____ Date: _____
(signature)

P-1 (05/2016)

ACQUISITION FILE CHECKLIST

Contract #: _____

Activity Name: _____

Owner Name: _____ Phone: _____

Address: _____

Parcel Number: _____ Census Tract: _____

Type of Acquisition: Fee: _____ Easement: _____

Appraised Value: \$ _____ Review Value: \$ _____

Just Compensation Value: \$ _____ Purchase Price: \$ _____

Indicate below the date on which items were provided to the property owner or received by the recipient as applicable. *All items must be completed.* Pay particular attention to those items in **bold**.

Date/NA	Item
_____	Effective date of ADOH contract with Recipient
_____	ERR Release of Funds (ROF) E-13
_____	ACQ-5: Owner Notification Letter provided to owner (copy to ADOH)
_____	ACQ-6: Owner Notification Form provided to owner (copy to ADOH)
_____	HUD Brochure provided to owner
_____	Purchase Offer presented to owner (copy to ADOH)
_____	Date owner accepted offer
_____	Date final firm contract entered into by all parties (copy of contract to ADOH)
_____	Date condemnation proceeding instituted (if applicable)
_____	If condemnation, date estimated just compensation deposited with court
_____	Date acquisition recorded with title

Date/NA	Item	Date/NA	Item
_____	Preliminary Title Report	_____	Appraisal Report
_____	Parcel Survey	_____	Procurement of Review Appraisal
_____	ACQ-1: Determination of No Relocation (copy to ADOH)	_____	Review Appraisal
_____	ACQ-2: Voluntary Acquisition by Recipient (copy to ADOH)	_____	Property Analysis
_____	ACQ-3: Voluntary Acquisition by Recipient or Sub-recipient (copy to ADOH)	_____	ACQ-10: Establishment of Just Compensation (copy to ADOH)
_____	ACQ-4: Voluntary Acquisition of Government Property (copy to ADOH)	_____	ACQ-11: Summary Statement of the Basis of a Just Compensation (copy to ADOH)
_____	ACQ-7: Voluntary Sale by Owner (copy to ADOH)	_____	ACQ-12: Sale by Owner for Less than Just Compensation (copy to ADOH)
_____	ACQ-8: Voluntary Donation and Appraisal Waiver by Owner (copy to ADOH)	_____	Documentation of Receipt of Statement
_____	ACQ-9: Recipient Determination to Waive Appraisal (copy to ADOH)	_____	Purchase Agreement
_____	Boundary Survey	_____	Payment to Owner
_____	Procurement of Appraiser	_____	Title Insurance Policy
_____	Contract/Agreement for Appraisal Service	_____	Settlement Statement
_____	Appraiser Qualifications Documentation	_____	Notice of Intent Not to Acquire
		_____	Documentation of Receipt of Notice
		_____	Complaint Process Documentation
		_____	Other (specify)

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SUB-RECIPIENT FILE CHECKLIST

Contract #: _____ **Project Name:** _____

Name of Sub-recipient: _____ Contact Person:

Address: _____

Phone Number: _____ Agreement Date: _____

Check/Date	Item
------------	------

_____	Log of Telephone Contacts
-------	----------------------------------

_____	Miscellaneous Correspondence
-------	-------------------------------------

_____	Agreement
-------	------------------

_____	Amendments
-------	-------------------

<i>Number</i>	<i>Date</i>
_____	_____
_____	_____

_____	Reports
-------	----------------

<i>Due</i>	<i>Received</i>	<i>Due</i>	<i>Received</i>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

_____	Monitoring (by the recipient)
-------	--------------------------------------

<i>Date</i>	<i>Date of Letter</i>	<i>Date of Reply</i>
_____	_____	_____

_____ **Disbursement Log (plus backup documentation)**

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PROCUREMENT AND AGREEMENTS FILE CHECKLIST

(A separate file must be maintained for each item procured: i.e. engineering, administration, small purchases, etc.)

Contract #: _____ Project Name: _____

Item Procured:

Check/Date/NA	Item
_____	Procurement policy, manual, ordinance or written policy (or note to file where such can be found)
_____	Copy of affidavit of publication and newspaper ad
_____	Copies of letters mailed to prospective bidders
_____	Notes of quotes obtained via telephone or in writing (if small purchase policy followed - use Form P-1)
_____	Copy of Requests for Proposals and/or Qualifications
_____	List of all bidders to whom RFP/RFQ mailed
_____	Bid Abstract (Process Summary), including the following: <ul style="list-style-type: none"> a) Date, time and location of the bid opening b) Persons present c) Number of bids received and opened d) Information from each bidder e) Award decision (if applicable)
_____	Copies of Proposals/Qualifications received
_____	RFP/RFQ evaluation sheet(s)
_____	Documentation of negotiations (for RFQ process only)
_____	Notice of award and non-award to include information about the protest procedure
_____	If any protests, documentation of process followed and resolution
_____	Contract or Professional Services Agreement
_____	Contractor Name: _____ Date Signed: _____
_____	Documentation that contract monitored by recipient for compliance (i.e. letters, minutes of meetings, notes to file, receipt of materials)
_____	Amendments/change orders to the contract/purchase order and approval of each
_____	Final product (such as architectural study, engineering design, economic development plan) or location of such

SEALED BID PROCUREMENT (NON-CONSTRUCTION) FILE CHECKLIST
(a separate file must be maintained for each item procured: i.e. ambulance, extrication equipment, etc.)

Contract #: _____ Project Name: _____

Item Procured:

Check/Date	Item
_____	Copy of Invitation to Bid, including at least one (1) of the following: a) Affidavit of publication from a newspaper of general circulation b) Evidence of advertisement in a local plan room (this is unlikely for this type of procurement) c) Written solicitation to those on a pre-qualified bidders list
_____	Final Bid package (or note to file where bid package is located)
_____	Bid abstract (Process Summary), including the following: a) Date, time and location of the bid opening b) Persons present c) Number of bids received and opened d) Information from each bidder e) Award decision
_____	Copy of each bid received
_____	Notification of award or non-award to all bidders
_____	Signed contract (or indication of location)
_____	Change order(s)/amendments and evidence of approval of each
_____	Warranty documentation

Name of Supplier:

Date Contract Signed: _____

CONSTRUCTION CONTRACT FILE CHECKLIST

Contract #: _____ Project Name: _____

Check/Date	Item
_____	Copy of Invitation to Bid, including at least one (1) of the following: a) Affidavit of publication from a newspaper of general circulation b) Evidence of advertisement in a local plan room c) Written solicitation to those on a pre-qualified bidders list
_____	Final Bid package (or note to file where bid package is located)
_____	Bid abstract (Process Summary), including the following: a) Date, time and location of the bid opening b) Persons present c) Number of bids received and opened d) Information from each bidder e) Award decision
_____	Copy of each bid received
_____	Awarded contractor's documentation including the following: a) SAM.gov verification b) DUNS number c) Arizona Registrar of Contractors verification d) Bonding (Performance and Payment Bonds) e) Insurance f) Signed certifications
_____	Notification of award or non-award to all bidders
_____	Signed contract (or indication of location)
_____	Change order(s)/amendments and evidence of approval of each
_____	Inspection/monitoring records

Name of Prime Contractor: _____

Date Contract Signed: _____

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SECTION 3 FILE CHECKLIST

Contract #: _____ **Activity #/Name:** _____

Check/Date	Item
_____	Contract (include a copy of the Section 3 covered contract and bid package in this file, the page from the bid/contract that relates to Section 3 or indicate where a copy can be found: i.e. construction contract file)
_____	List of qualified Section 3 businesses/vendors
_____	Documentation of Section 3 business eligibility determination
_____	List of qualified Section 3 residents
_____	Documentation of Section 3 residents' eligibility determination
_____	Outreach to Section 3 businesses and residents through flyers, meetings, PHA's. May use Public Notice (S3P) forms and Section 3 Notice Documentation (S3R-1).
_____	Other actions taken to address Section 3 (list below): _____ _____ _____
_____	Section 3 Notice Documentation (S3R-1)
_____	Section 3 Business Utilization Report (S3R-2) or indicate if in Financial Management File (as submitted with Request for Payment)
_____	Section 3 Applicant and New Hire Employment Report (S3R-3) or indicate if in Financial Management File (as submitted with Request for Payment)
_____	Related Correspondence
_____	Complaints

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CENTERS/FACILITIES FILE CHECKLIST

Contract #: _____ **Project Name:** _____

Name of Center/Facility: _____

Address: _____

Check/Date	Item
_____	Land ownership documentation
_____	Center/facility ownership documentation (i.e. deed of trust)
_____	Lease or operating/maintenance agreement
_____	Fee schedule
_____	Documentation of actual fee collection and use/expenditure
_____	Operating and maintenance budget
_____	Use policy
_____	Records of actual use/rental, etc.
_____	Complaints regarding use and policy and resolution of such

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Recipient: _____ Funding Agreement #: _____

PROPERTY ACQUISITION / UNIFORM RELOCATION ACT Desk Monitoring Form

Owner's Name: _____ Acquisition Type: Parcel Easement

Property Address: _____

Legal Description: _____
(If metes and bounds description, attach copy of legal description or see copy of Deed, if provided)

Transaction Type: Voluntary Non-voluntary

A. Appraisal Documents for Non-voluntary Transactions	Yes	No	N/A
1. Copy of first appraisal - correct and complete (see Section 6 of the Procurement Handbook)			
Appraised Value: \$ _____ (Can be waived by owner or not applicable if property value is less than \$10,000 pursuant to 49 CFR Part 24)			
2. Copy of review appraiser's assessment of first appraisal to support value and to include the five (5) items contained in Section 6.10.3 of the Procurement Handbook.			
a. Signature and certification of review appraiser			
b. ID of appraisal(s) reviewed			
c. Certificate of recommended value of property			
d. Basis for recommendation or appraisal			
e. Any damages or benefits to any remaining property			
3. Property owner given HUD brochure, "When a Public Agency Acquires Your Property" - required (obtain copy of letter to owner)			
4. Evidence that at least three (3) qualified appraisers were solicited for quotes			
5. Selected appraiser's qualifications adequate			

B. Title / Transfer of Ownership Documents	Yes	No	N/A
1. Copy of executed real estate Purchase and Sale Contract - to be accompanied by a copy of the ACQ-11: Summary Statement of the Basis for Offer of Just Compensation			
2. Sales prices reflects at least value state in appraisal report			
3. Copy of HUD-1 Settlement Statement reflecting transaction closed and sale price			
4. Copy of Deed transferring ownership			
5. Title Insurance Policy purchase at closing (see HUD-1 Settlement Statement)			

C. URA Documents	Yes	No	N/A
1. ACQ-1: Determination of No Relocation - required for voluntary and non-voluntary acquisitions			
2. ACQ-2 or 3: Voluntary Acquisition by Recipient or Voluntary Acquisition by Recipient or Sub-recipient			
3. ACQ-4: Voluntary Acquisition of Government Property (if applicable)			
4. ACQ-5: Owner Notification Letter - required for non-voluntary acquisitions			
5. ACQ-6: Owner Notification Form - required for non-voluntary acquisitions			
6. ACQ-7: Voluntary Sale by Owner - required for voluntary acquisitions			
7. ACQ-8: Voluntary Donation and Appraisal Waiver by Owner (if applicable) - required for either voluntary or non-voluntary acquisitions			
8. ACQ-9: Recipient Determination to Waive Appraisal (if applicable) - required for non-voluntary acquisitions			
9. ACQ-10: Establishment of Just Compensation - required for non-voluntary acquisitions			
10. ACQ-11: Summary Statement of the Basis for Offer of Just Compensation - required for non-voluntary acquisitions and to accompany Purchase and Sales Contract			
11. ACQ-12: Sale by Owner for Less Than Just Compensation (if applicable) - required for non-voluntary acquisitions			

NOTE: If relocation is necessary, other requirements / procedures will apply.

ADOH Staff: _____	Date: _____
Contact Person: _____	Phone: _____
Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No	Contingent Upon: _____
Recipient notified on (date): _____ by: <input type="checkbox"/> copy of this form <input type="checkbox"/> e-mail	

Comments:

SUB-RECIPIENT AGREEMENT

Desk Monitoring Form

Recipient: _____ Funding Agreement #: _____

Activity Name: _____ Sub-recipient: _____

Agreement should include:	Page	Section	Comment
1. Names of parties			
2. Effective date			
3. Statement of Work			
a. Scope of Work (including Service Area)			
b. Budget			
4. National Objective requirements			
5. Performance monitoring			
6. Contact persons for recipient and sub-recipient			
7. Special conditions (if applicable)			
8. No copyrights allowed			
9. Sub-recipient is "Independent Contractor"			
10. Responsibilities for Grant Administration			
11. Contract amount			
12. Payment terms			
13. Term of agreement			
14. Insurance and bonding			
15. Reversion of assets			
16. Sub-contractors			
17. Indemnification			
18. Records maintenance and availability			
19. Contract Amendments			
20. Arbitration			
21. Contract termination			
22. Audits			

Agreement (continued)	Page	Section	Comments
23. Budget			
a. Amounts by activity			
b. Amounts by line items			
24. Certifications and Uniform Administrative Requirements			
a. Uniform Administrative Requirements			
b. Equal Opportunity			
c. Non-Discrimination			
d. Conflict of Interest			
e. Hatch Act			
f. Labor Standards			
g. Compliance with environmental requirements			
h. Lead based paint			
i. Property disposition			
j. Lobbying			
k. Acquisition/Relocation			
25. Itemized list of records to be maintained			
26. Additional provisions if agreement with religious organization or N/A			
27. Other			

ADOH Staff: _____ Date: _____

Contact Person: _____ Phone: _____

Approved: Yes Contingent Upon: _____
 No

Recipient notified on (date): _____ by: copy of this form e-mail

Comments:

Recipient: _____ Funding Agreement #: _____

Activity Name: _____ Type of service for bid: _____

REQUIRED ITEMS	Page	Section	Comment
1. Name of local government			_____
2. Scope of work or purpose			_____
3. Clear evaluation criteria (i.e. quantitative, in order of importance)			_____
4. Section 3 statement, if applicable			_____
5. Who will evaluate (evaluation sheet not required as part of RFP but must be used)			_____
6. Federally funded statement			_____
7. Factors considered do not include cost (Architecture or Engineering only)			_____
8. Deadline for receipt of proposals			_____
9. Timeline for award decision			_____
10. Other requirements (license, special knowledge)			_____

FOLLOWING MUST BE IN RFP OR CONTRACT	Page	Section	Comment
11. Records retention			_____
12. Access to records			_____
13. Non-discrimination/Civil Rights/503			_____
14. Anti-Lobbying certification			_____
15. Conflict of Interest statement			_____

FOLLOWING ITEMS ARE RECOMMENDED	Page	Section	Comment
16. Ability to reject bids			_____
17. Statement regarding negotiations			_____
18. Possible interviews			_____
19. Copyright statement, if applicable			_____

Approval of this Request for Proposal (RFP) does not constitute approval of the technical component of the scope of work, the specifications or the design of the project. ADOH approval verifies only that the RFP includes the applicable requirements as listed on this form.

ADOH Staff: _____ Date: _____

Contact Person: _____ Phone: _____

Approved: Yes Contingent Upon: _____
 No

Recipient notified on (date): _____ by: copy of this form e-mail

Comments:

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Recipient: _____ Funding Agreement #: _____

Activity Name: _____ Contractor: _____

REQUIRED ITEMS	Page	Section	Comment
1. Names of parties			
2. Effective date			
3. Term of contract			
4. Statement that project federally funded			
5. Project schedule (i.e. milestones)			
6. Payment amount			
7. Payment method			
8. Method of termination			
9. Copyright/section from contract, if applicable			
10. Sanctions/penalties (refer to A.R.S. §38-511)			
11. Specs			
12. Other significant items			

The following Section 3 items should be included in the contract, if applicable (contract \$100,000 or greater):

13. Section 3 Clause			
14. S3R-2 - Business Utilization Report			
15. S3R-3 - Applicant & New Hire Employment			

If the following items were included in desk monitoring of RFP, indicate date desk monitoring was completed. If not in RFP, must be in contract.

	Page	Section	Comment
16. Scope of work			
17. Records retention			
18. Access to records			
19. Non-discrimination			
20. Anti-lobbying provisions			
21. Conflict of interest			

Approval of this contract does not constitute approval of the technical component of the scope of work, the construction specifications or the design of the project. ADOH approval verifies only that the contract includes the applicable requirements as listed on this form.

ADOH Staff: _____ Date: _____

Contact Person: _____ Phone: _____

Approved: Yes Contingent Upon: _____
 No

Recipient notified on (date): _____ by: copy of this form e-mail

Comments:

Rev. 05/2016

Recipient: _____ Funding Agreement #: _____

Bid Document Includes:	Page	Section	Comment
1. Statement that project federally funded			
2. Correct wage rate #			
3. HUD 4010			
4. LS-2 and LS-3			
5. LS-4 and LS-5			
6. Specs either included or referred to in Table of Contents			
7. Scope of work			
8. Contractor's license required (AZ ROC)			
9. Contractor's DUNS #			
10. Eligibility verification in Sam.gov			
If under \$100,000, local bonding procedures followed			
11. Bid bond (five percent [5%])			
12. Performance bond (one hundred percent [100%])			
13. Payment bond (one hundred percent [100%])			
14. Records retention			
15. Access to records			
16. Work schedule / timing			
17. Amount of payment			
18. Method of payment			
19. Sanctions / penalties			
20. Method of termination			
21. Protest procedure or note to recipient to include in non-award letters			

Bid Document (continued)

Section
Page n
Comment

22. Certifications

- a. Civil Rights
- b. Equal Employment Opportunity
- c. Equal Opportunity for Workers with Disabilities (Section 503)
- d. Procurement of Recovered Materials
- e. Access to Records and Records Retention
- f. Conflict of Interest
- g. Anti-Lobbying

23. Other significant items

The following Section 3 items should be included in the Bid Document, if applicable (contract \$100,000 or greater):

- 24. Section 3 Clause
- 25. S3B-1 - Section 3 Assurance
- 26. S3B-2 - Estimated Project Work Force
- 27. S3B-3 - Business Self-Certification

Approval of this bid document does not constitute approval of the technical component of the scope of work, the construction specifications or the design of the project. ADOH approval verifies only that the bid includes the applicable requirements as listed on this form.

ADOH Staff: _____ Date: _____

Contact Person: _____ Phone: _____

Approved: Yes Contingent Upon: _____
 No

Recipient notified on (date): _____ by: copy of this form e-mail

Comments:

EQUIPMENT/MATERIALS PROCUREMENT
 (\$150,000 or more/sealed bid)

Desk Monitoring Form

Recipient: _____ Funding Agreement #: _____

Bid Includes the following:	Yes	No	Comments
1. Specs (include warranties)	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Section stating that any or all bids may be rejected	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Non-Discrimination	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. Other significant items			_____
5. Date sealed bids are due: _____	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. Bid opening date: _____	<input type="checkbox"/>	<input type="checkbox"/>	_____

ADOH Staff: _____ Date: _____

Contact Person: _____ Phone: _____

Approved: Yes Contingent Upon: _____
 No

Recipient notified on (date): _____ by: copy of this form e-mail

Comments:

Recipient: _____ Funding Agreement #: _____

The facility is owned by: _____

The facility is operated by: _____

Agreement	Page	Section	N/A	Comments
1. There is a deed of trust, lease and/ or operating-maintenance agreement for the facility. Lease term must include the life of the contract and at least five (5) years.			<input type="checkbox"/>	
2. The above document includes the following required components:				
a. Facility purpose			<input type="checkbox"/>	
b. Name of operator/owner			<input type="checkbox"/>	
c. Non-discrimination			<input type="checkbox"/>	
d. Insurance			<input type="checkbox"/>	
e. Termination procedures			<input type="checkbox"/>	
f. No sublet, assign, transfer			<input type="checkbox"/>	
g. Maintenance and operating requirements			<input type="checkbox"/>	
h. Reversion of facility if use change			<input type="checkbox"/>	
i. Method of reserving and using facility			<input type="checkbox"/>	
j. Use compliant with Faith Based Initiative (24 CFR 5)			<input type="checkbox"/>	
k. Other:			<input type="checkbox"/>	
3. Fee Schedule				
a. Does not prohibit LM persons from utilizing the facility			<input type="checkbox"/>	
b. Is there Program Income from the use of this facility?			<input type="checkbox"/>	
c. Other:			<input type="checkbox"/>	
4. Operating and Maintenance Budget			<input type="checkbox"/>	

ADOH Staff: _____ Date: _____
Contact Person: _____ Phone: _____
Approved: Yes Contingent Upon: _____
 No
Recipient notified on (date): _____ by: copy of this form e-mail

Comments:

Rev. 05/2016

Recipient: _____ Funding Agreement #: _____

Complete an Acquisition Checklist for at least one (1) of the acquisition files as part of the file review.

1. Address of acquired property: _____	
2. Property Use:	
<input type="checkbox"/> Single Family Residential	<input type="checkbox"/> Commercial
<input type="checkbox"/> Multifamily Residential	<input type="checkbox"/> Industrial
<input type="checkbox"/> Non-profit organization	
<input type="checkbox"/> Other _____	
3. Owner Name(s) (indicate if occupant): _____	Tenant(s): _____

4. Significant Dollar Amounts:

Item	First Appraisal	Review Appraisal	Just Compensation Determination	Initial Written Offer	Acquisition Price
Date					
Amount					

5. Review the progress of the acquisition by checking the dates on the Acquisition Checklist in recipient files to determine if the owner was caused an unnecessary hardship.

Acquisition Checklist complete and dates reasonable: Yes No

ADOH Staff: _____ Date: _____

Comments:

B. On-site Review

1. Professional Services / RFPs / RFQs and Contracts

List services procured:

Act #	Type of Service	Advertisement Date	RFP Deadline	# Responses Received

- a. Bidders list maintained and rotated (if applicable)
- b. Affidavit of Publication or Evidence of Solicitation
- c. RFP evaluation sheet used
- d. Evaluation process followed and documented
- e. Negotiations documented
- f. All bidders notified of award, non-award and protest procedure
- g. Appeals process followed (if applicable)

Yes	No	N/A	Comments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

If some items have not been desk monitored, use Procurement Desk Monitoring Form.

Form attached: Yes No N/A

- a. List the provider of each **service** for which a contract was executed

Act. #	Service	Provider

- b. Contract for each item
- c. Contract is for either fixed price or as reimbursement (i.e. hourly)
- d. Change order/amendments allowable (if applicable)

Yes	No	N/A	Comments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

If some items not desk monitored, use Procurement Desk Monitoring Form.

Form attached: Yes No N/A

5. Sealed Bid Procurement (equipment, materials, books, vehicles, cement, etc.)

List items procured:

Item	Advertisement Date	Bid Deadline	No. Response Received

	Yes	No	N/A	Comments
a. Advertised in a newspaper or Plan Room or used a Bidder's List	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
b. Procedure followed and deadline adhered to	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
c. Bid abstract includes:				
✓ Date, time and location of bid opening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
✓ List of those present	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
✓ Information regarding each bid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
✓ Number of bids received	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
✓ Award decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
d. Documentation of low bid award or rationale if award based on other criteria	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
e. All bidders notified of award/non-award and protest procedure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

If some items not desk monitored, use Procurement Desk Monitoring Form.

Form attached: Yes No N/A

ADOH Staff: _____	Date: _____
-------------------	-------------

Comments:

Pre-visit File Check

Recipient: _____ Funding Agreement #: _____

1. Activity Name: _____
2. Date bid was desk monitored and approved: _____
3. Follow up actions to be documented on-site, if any: _____

On-site Visit

1. Bid Notice

Bid Notice is in one (1) of the three (3) approved formats: Newspaper Ad Complete items a - e
 Plan Room Complete items f - j
 Bidder's List Complete items k - n

	Yes	No	N/A	Comments
a. Date published: _____				_____
b. Paper(s): _____				_____
c. Publication appropriate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
d. Affidavit of Publication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
e. Notice includes:				
✓ bid receipt deadline	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
✓ date, time and location of bid opening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
✓ sealed bid declaration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
f. Date published: _____				_____
g. Name of Plan Room(s): _____				_____
h. Publication appropriate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
i. Copy of advertisement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
j. Notice includes:				
✓ bid receipt deadline	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
✓ date, time and location of bid opening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
✓ sealed bid declaration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
k. At least three (3) contractors on list	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
l. Solicitation in writing (e-mail, letter, fax)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
m. If bid not mailed to all on list, policy outlining rotation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

n. Copy of full Bidder's List _____

2. Bid Abstract and Award				
	Yes	No	N/A	Comments
a. Date, time and location	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. List of those present	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
c. Number of bids received	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
d. Information regarding each bid	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
e. Award decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
f. Low bid award or documentation of reason for selection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
g. Notification of award/non-award to all bidders (includes protest procedures if not in bid document)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

3. Signed Contract				
	Yes	No	N/A	Comments
a. Date signed: _____				_____
b. Payment bond provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
c. Performance bond provided	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
d. Licensed contractor:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
✓ AZ Registrar of Contractors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
✓ Sam.gov registration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
✓ Contractor DUNS #: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
e. Bid incorporated into contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

4. Change Orders (if applicable)				
	Yes	No	N/A	Comments
Approved and appropriate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
If project involved historic properties, SHPO approval for all change orders was documented	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

5. Architect / Engineer Approvals				
	Yes	No	N/A	Comments
Documentation of work in progress/approvals from architect/engineer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

ADOH Staff: _____ Date: _____

Comments:

Recipient: _____ Funding Agreement #: _____

A. Pre-visit File Check

1. List those activities that are Section 3 covered:

Activity Name

2. Does the final RFP include?

a. Section 3 Business Utilization Report (S3R-2): Yes No

b. Section 3 Applicant and New Hire Employment Report (S3R-3): Yes No

B. On-site Review

	Yes	No	N/A	Comments
1. General Section 3 file maintained by federal fiscal year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
a. List of qualified S-3 businesses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. List of qualified S-3 residents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
c. Eligibility documentation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
d. Public notice (S3P forms) and Notice Documentation (S3R-1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
e. Documentation of other actions taken	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
f. Complaints	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Contract File				
a. Notice Documentation (S3R-1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
b. Business Utilization Report (S3R-2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
c. Applicant and New Hire Employment Report (S3R-3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
d. Complaints	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
e. Note to file documenting no new hires	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

ADOH Staff: _____ Date: _____

Comments:

