

Exhibit D

Section 3 Policy

The McKinney Housing Authority shall attach to each contract, or cause to be included into each contract, the following Section 3 Requirements, based on the Housing and Urban Development act of 1968, as amended, 12 U.S.C. 1701u (Section 3). Such language may be incorporated into existing contracts by attaching a contract rider, executed, and signed by both contractor and the Housing Authority.

- 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 implements 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 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 worker's representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is

executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the subcontractor'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.

Section 3 Requirements for All Contractors and Vendors

MHA is committed to providing quality housing and economic opportunities for our residents and the neighborhoods we serve. One of the major vehicles for this is Section 3 of the HUD Act of 1968, which requires that HUD funds provide low-income individuals with a springboard for economic empowerment through direct participation in construction and other activities that are designed to physically improve and revitalize the communities in which they live.

HUD considers public housing authorities to be in compliance with Section 3 if they meet the following minimum numerical goals:

- 30% of the aggregate number of new hires shall be Section 3 residents;
- 10% of the total dollar amount of all covered construction contracts shall be awarded to Section 3 business concerns; and
- 3% of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 business concerns.

Section 3 requirements apply to **all** contractors and vendors who receive awards from public housing authorities

M/WBE PARTICIPATION

M/WBE PARTICIPATION: The Offeror agrees to use his/her best efforts to subcontract with minority business enterprises and/or women business enterprises (herein called M/ WBE) certified as such or recognized by McKinney Housing Authority as a certified M/ WBE. Offeror shall make a good faith effort to subcontract a sufficient dollar amount with M/WBEs to ensure that a minimum of 20 percent of the final contract dollars are expended on one or more M/WBE. All adjustments that cause the contract

price to increase will also increase the total amount that the Offeror must make a good faith effort to expend on M/WBEs.

USING BEST EFFORTS TO FULFILL M/WBE REQUIREMENT: In the event McKinney Housing Authority has a reasonable belief that Offeror will not use his/her its best efforts to meet the 20 percent M/WBE participation goal, McKinney Housing Authority reserves the right to pull work from the contract. Best efforts may be established by a showing that Offeror has contacted and solicited bids/quotes from subcontractors and worked with the Housing Authority to seek assistance in identifying M/WBEs.

NOTIFICATION OF M/WBE PARTICIPATION: Offeror agrees to promptly complete and return all M/WBE Confirmation of Participation and M/WBE Confirmation of Payment forms utilized by McKinney Housing Authority to confirm M/WBE subcontracting by submitting copies of checks made payable to the respective M/WBE subcontractor(s) signed by the offeror.

RESPONDENT

DATE

Note: This form must bear a signature.