



1101 Texas Ave \* College Station, TX 77842 \* (979) 764-3823

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**ADDENDUM No. 2  
ITB No. 11-17**

Date: December 2, 2010  
To: All Interested Parties  
From: Lisa Davis, C.P.M., Buyer  
Re: **RFP No. 11-17, Utility and Street Rehabilitation of Tauber and Stasney Streets**

The following additions, deletions and/or changes to ITB No. 11-17 are hereby made a part of the bid documents for the above referenced project as fully and as completely as though the same were included therein.

**Additions/Deletions and/or Changes**

- 1. Clarification regarding photocells for electric improvements:** The fixtures cat # is for a twist lock photo control receptacle for each fixture (it's inside the base of the decorative fixture), it's a HADCO fixture, no substitutes. They must have individual photo control for our ROAM monitoring system to work properly. The City of College Station will supply the ROAM photo cell to the contractor to install in each fixture.
- 2.** The itemized bid proposal sheets have been revised and are attached per Addendum 2.
- 3.** Information to clarify the model of the benches is attached per Addendum 2.

**Questions**

***Q: What federal regulation is this project subject to? Please provide detail is possible.***

Documents addressing the Federal Labors Standards Provisions and Section 3 are attached per Addendum 2.

Please acknowledge receipt of this addendum with signature and date and return with completed bid. Failure to do so may cause your bid to be considered non-responsive.

***Receipt of this Addendum No. 2 is hereby acknowledged***

\_\_\_\_\_  
***Authorized Signature***

\_\_\_\_\_  
***Date***

\_\_\_\_\_  
***Company Name***

**BID PROPOSAL FOR TAUBER STASNEY STREET REHABILITATION**

ITEM NO.	APPROX. QUANTITY	UNIT	ITEM DESCRIPTION	UNIT PRICE IN FIGURES	AMOUNT
<b>MOBILIZATION</b>					
1	1	LS	Mobilization and ROW Preparation (includes removal and adjustment of existing mailboxes, street signs, and irrigation systems)		
2	1	LS	Construction Staking		
3	1	LS	Stormwater Pollution Prevention Plan (includes installation and maintenance of erosion control structures throughout the entire project.)		
4	1	LS	Proposed Northgate Parking Meter System	<b>\$100,000.00</b>	<b>\$100,000.00</b>
Subtotal:					
<b>DEMOLITION</b>					
5	1336	LF	Removal and disposal of 6" Curb		
6	21158	SF	Removal of concrete pavement (includes sidewalks, driveway and associated curbs)		
7	97055	SF	Removal of asphalt pavement (including base material) and driveways		
8	465	SF	Removal of gravel driveway		
9	2485	LF	Remove Ex. Waterline Pipe		
10	2	EA	Remove Ex. Inlets		
Subtotal:					
<b>STREET IMPROVEMENTS</b>					
11	1	LS	Earthwork - Cut/Fill (±3,200 CY)		
12	303	LF	Concrete Curb (all types)		
13	12925	SY	7" Lime Stabilization Subgrade (includes subgrade preparation and incorporation of lime into subgrade)		
14	11605	SY	6" Concrete Pavement (includes connection to existing concrete pavement.) (includes commercial and residential driveways)		
15	8	EA	Extend Roof Drains		
Subtotal:					
<b>DRAINAGE IMPROVEMENTS</b>					
16	1305	LF	18" RCP, CL III, in accordance with Spec 33 40 02 (includes installation, embedment, backfill and clean-up)		
17	6	EA	Junction Box		
18	1	EA	Convert Existing Inlet to Junction Box		
19	3	EA	Grate Inlet		
20	3	EA	10' Recessed Inlet Box		
21	7	EA	5' Recessed Inlet Box		
22	5	EA	Connect to Existing Storm System		
Subtotal:					

\*\*\*REVISED PER ADDENDUM 2\*\*\*

**BID PROPOSAL FOR TAUBER STASNEY STREET REHABILITATION**

ITEM NO.	APPROX. QUANTITY	UNIT	ITEM DESCRIPTION	UNIT PRICE IN FIGURES	AMOUNT
<b>WATER IMPROVEMENTS</b>					
23	2738	LF	8" AWWA C909-07, Class 305 PVC Pipe - Structural (includes installation, testing and clean-up)		
24	30	LF	6" AWWA C909-07, Class 305 PVC Pipe - Structural (includes installation, testing and clean-up)		
25	40	LF	2" Sch. 40 PVC (includes installation, testing and clean-up)		
26	1	EA	8" x 6" D.I. Tee (includes installation and clean-up)		
27	2	EA	8" Gate Valve (includes installation and clean-up)		
28	1	EA	6" Gate Valve (includes installation and clean-up)		
29	1	EA	2" Gate Valve (includes installation and clean-up)		
30	12	EA	8" D.I. 45° Bend (includes installation and clean-up)		
31	1	EA	8" Cap (includes installation and clean-up)		
32	4	EA	Fire Hydrant Assembly (includes installation and clean-up)		
33	6	EA	Connect to Existing water line (includes installation and clean-up)		
34	85	SF	Remove/Replace Existing Concrete Pavement		
35	20	SF	Remove/Replace Existing Stamped Concrete Pavement		
36	7	EA	1" Type K Copper Water Service (includes installation and clean-up)		
37	12	EA	1.5" Type K Copper Water Service (includes installation and clean-up)		
38	5	EA	2" PVC Water Service (includes installation and clean-up)		
				Subtotal:	
<b>SEWER IMPROVEMENTS</b>					
39	1202	LF	6" ASTM D3034, SDR 26 PVC Pipe (includes pipe, embedment material, installation, testing and clean-up)		
40	809	LF	5' - 8' Trenching and Backfill - Structural (includes backfill and clean-up)		
41	393	LF	8' - 10' Trenching and Backfill - Structural (includes backfill and clean-up)		
42	1202	LF	Trench Safety		
43	13	EA	4' Diameter Manhole (0 - 6' ft. deep, includes installation, testing and clean-up)		
44	14	VF	Additional Depth for 4' Diameter Manhole		
45	5	EA	Connect to Ex. Sewer Line		
46	418	LF	Abandon and Pressure Grout fill Ex. Sewer Line		
47	160	SF	Remove/Replace Existing Concrete Pavement		
48	1	LS	Remove Existing Vegetation along Sewer Line Route		
49	1	LS	Sewer Service #1.1 (includes connecting to yard piping and cleanup)		

**BID PROPOSAL FOR TAUBER STASNEY STREET REHABILITATION**

ITEM NO.	APPROX. QUANTITY	UNIT	ITEM DESCRIPTION	UNIT PRICE IN FIGURES	AMOUNT
50	1	LS	Sewer Service #1.2 (includes connecting to yard piping and cleanup)		
51	1	LS	Sewer Service #1.3 (includes connecting to yard piping and cleanup)		
52	1	LS	Sewer Service #2.1 (includes connecting to yard piping and cleanup)		
53	1	LS	Sewer Service #4.1 (includes connecting to yard piping and cleanup)		
54	1	LS	Sewer Service #5.1 (includes connecting to yard piping and cleanup)		
55	1	LS	Sewer Service #5.2 (includes connecting to yard piping and cleanup)		
56	1	LS	Sewer Service #5.3 (includes connecting to yard piping and cleanup)		
Subtotal:					
<b>SIDEWALK IMPROVEMENTS</b>					
57	28898	SF	5" Conc. Sidewalk Underlayment		
58	1038	SF	4" Conc. Sidewalk		
59	27887	SF	Brick Pavers w/1" Sand Level Course		
60	21	EA	Sidewalk Ramp		
Subtotal:					
<b>TRAFFIC STRIPING AND MARKINGS</b>					
61	1	LS	Traffic Control Plan (includes installation and maintenance)		
62	75	EA	4" Wide White Solid Stripe for Parallel Parking Space Marking		
63	6	EA	Reset Existing Stop Signs		
Subtotal:					
<b>FIBER OPTIC IMPROVEMENTS</b>					
64	4	EA	Pull Boxes		
65	710	LF	4" PVC Sch. 40 w/ 4-1" Innerducts		
Subtotal:					
<b>FUTURE PARKING SYSTEM IMPROVEMENTS</b>					
66	11	EA	Pull Boxes (Quazite PG2424)		
67	2398	LF	2" PVC Sch. 40 PVC		
Subtotal:					

**BID PROPOSAL FOR TAUBER STASNEY STREET REHABILITATION**

ITEM NO.	APPROX. QUANTITY	UNIT	ITEM DESCRIPTION	UNIT PRICE IN FIGURES	AMOUNT
<b>IRRIGATION IMPROVEMENTS</b>					
68	5	EA	Meter Boxes		
69	5	EA	Controller Assembly (includes irrigation controller, water tap, manual control valve, strainer, double check valve assembly, irrigation control valve)		
70	5	EA	Rain Sensor (includes installation)		
71	815	EA	1" Electrical Conduit w/16 ga. Wire for Rain Sensor		
72	94	EA	Irrigation Head (1 gpm bubbler head)		
73	1695	LF	1/2" Sch. 40 PVC inside 3" Sch. 40 PVC Sleeve		
74	925	LF	3/4" Sch. 40 PVC inside 3" Sch. 40 PVC Sleeve		
75	285	LF	1" Sch. 40 PVC inside 3" Sch. 40 PVC Sleeve		
76	75	LF	1.25" Sch. 40 PVC inside 3" Sch. 40 PVC Sleeve		
77	50	LF	1.5" Sch. 40 PVC inside 3" Sch. 40 PVC Sleeve		
Subtotal:					
<b>MISCELLANEOUS IMPROVEMENTS</b>					
78	1	LS	Tree Protection		
79	7695	SF	Pulverize Existing Pavement, Haul in Top Soil, and Install Grass Seed		
80	1052	CY	Bedding Mix for Street Trees (includes removing existing soil, installing moisture barrier)		
81	2912	LF	4" PVC Underdrain (includes geotextile fabric wrap, installation, and cleanup)		
82	94	EA	Tree Grate (includes frame, installation)		
83	94	EA	3" Caliper Cedar Elm Tree		
84	53	EA	Bench		
85	207	LF	18" Height Concrete Retaining Wall		
86	1	EA	Emergency Phone (includes installation and phone/electrical conduits)		
Subtotal:					
<b>ALTERNATE #1</b>					
1A	295	LF	Pipe Bursting of Existing 6" S/L to 8" S/L from Church Avenue to University Drive		
Subtotal Additions					
<b>ALTERNATE #2</b>					
2A	321	EA	Pipe Bursting of Existing 6" S/L to 8" S/L from Cherry Street to Aggie Inns Apartments		
Subtotal Additions					

**BID PROPOSAL FOR TAUBER STASNEY STREET REHABILITATION**

ITEM NO.	APPROX. QUANTITY	UNIT	ITEM DESCRIPTION	UNIT PRICE IN FIGURES	AMOUNT
<b>ELECTRIC IMPROVEMENTS</b>					
87	14	EA	CSM52-3: Consists of Labor necessary to install one (1) pole identification unit. Material to be supplied by City. See Unit Drawing for installation guide.		
88	6	EA	CSUM6-6: Consists of Labor and Materials necessary to install one (1) 5/8" x 8', copper clad ground rod, complete with suitable clamp. See Unit Drawing for installation guide.		
89	14	EA	DL-CF-A: Consists of Labor and Materials necessary to install one (1) streetlight foundation. See Unit Drawing for installation guide.		
90	14	EA	DSL-14: Consists of Labor and Materials necessary to install one (1) 14' decorative streetlight. Bronze streetlight fixture to be HADCO #R33BAEE1HGRD100HE with 100 Watt Metal Halide bulb Eye Brand Catalog # EYEMF100X/U/MED and a photocell. 14' Bronze streetlight pole to be HADCO #P1791-14H. Use RAYCHEM connectors #GELCAP-CCS-SL-2/0 0 and HOMAC Flood Seal Fuse Holder #SLK-M with BUSS Fuse #FNM-20. Note: The City will supply the photocell only.		
N/A	N/A	LF	Trench Detail "?: Consists of Labor and Materials necessary to install one (1) lineal foot of trenching in soil, measured parallel to the surface of the ground, including the excavation, backfilling and compacting. This unit includes all materials and labor required in the repair and/or replacement of streets, roads, drives, fences, lawns, shrubbery, water mains, pipes, pipelines, and contents, underground power and telephone facilities, buried sewage and drainage facilities, and any other property damaged by the trenching, except as specifically provided for in other units. This unit does not include underground cable or conduit facilities installed in the trench, when required. Caution tape is to be installed one (1) foot below ground level, and the last six (6) inches of trench backfill, plus 4-6" of mounding backfill for settling allowance, shall be sandy loam topsoil. See MEI-6532 for number and size of conduits which will be installed in the trench. "?" designates type of trench visually described on drawing.	N/A	N/A
91	1640	LF	Trench Detail "A": See above description.		
92	280	LF	Trench Detail "C": See above description.		
93	45	LF	Trench Detail "D": See above description.		
94	645	LF	Trench Detail "E": See above description.		
95	205	LF	Trench Detail "F": See above description.		
96	75	LF	Trench Detail "G": See above description.		
97	750	LF	Trench Detail "H": See above description.		
98	20	LF	Trench Detail "J": See above description.		
99	195	LF	Trench Detail "K": See above description.		
100	415	LF	Trench Detail "L": See above description.		
101	350	LF	UD#12-2 Cu: Consists of Labor and Materials necessary to install one (1) lineal foot of two (2) runs of #12 THWN Copper wire in conduit. Wire to be installed in Streetlight Poles.		
102	2955	LF	UD#6-2 Cu: Consists of Labor and Materials necessary to install one (1) lineal foot of two (2) runs of #6 THWN Copper wire in conduit.		
103	3	EA	UM-MH (5'x7'x7'): Consists of Labor and Materials necessary to install one (1) 5' L x 7' W x 7' D (interior dimensions) quickset manhole. See Unit Drawing for installation guide (if necessary).		

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ITEM NO.	APPROX. QUANTITY	UNIT	ITEM DESCRIPTION	UNIT PRICE IN FIGURES	AMOUNT
104	2575	LF	UM50-P-1: Consists of Labor and Materials necessary to install one (1) lineal foot of one (1) one (1) inch, electrical grade schedule 40 PVC conduit, installed in place in a trench. This unit includes all PVC fittings, PVC 90 degree long sweep conduit elbows, connection materials, etc. required for installation of the conduit. This unit also includes the installation of a flat polyester pull rope for installation of the cable or conductor.		
105	7225	LF	UM50-P-4: Consists of Labor and Materials necessary to install one (1) lineal foot of one (1) four (4) inch, electrical grade schedule 40 PVC conduit, installed in place in a trench. This unit includes all PVC fittings, PVC 90 degree long sweep conduit elbows, connection materials, etc. required for installation of the conduit. This unit also includes the installation of a flat polyester pull rope for installation of the cable or conductor.		
106	4545	LF	UM50-P-6: Consists of Labor and Materials necessary to install one (1) lineal foot of one (1) six (6) inch, electrical grade schedule 40 PVC conduit, installed in place in a trench. This unit includes all PVC fittings, PVC 90 degree long sweep conduit elbows, connection materials, etc. required for installation of the conduit. This unit also includes the installation of a flat polyester pull rope for installation of the cable or conductor.		
				Subtotal:	
<p>Note: The complete installation shall conform to all industry and trade standards. Contractor shall supply and install all miscellaneous materials not specifically listed.</p>					

**Sidewalk Benches:** Steelsites Series model #RB-28 (6-foot) by Victor Stanley Inc., or equivalent, subject to approval by the Administrator.



1/4 x 1-1/2 (6.4 x 38.1mm) steel seat members.

Finished end sections are 1/2 x 2 (12.7 x 50.8 mm) solid steel bar, welded and ground.

Minimum six foot (6') length

Electrostatically powder-coated with polyester powder coatings.

## 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 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than 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 I(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 I(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). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. (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 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 of 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 only 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 he or she 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 subpara-

graph (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 sub paragraph (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 only 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, 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 subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.



## Section 3 Requirements

### FOR RECIPIENTS OF HUD COMMUNITY PLANNING & DEVELOPMENT FUNDING

#### Why HUD Enforces Section 3?

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

The Section 3 regulation recognizes that HUD funding typically results in projects/activities that generate new employment, training and contracting opportunities. These economic opportunities not only provide “bricks and mortar”, but can also positively impact the lives of local residents who live in the neighborhoods being redeveloped.

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

Further, as a condition of receiving HUD Community Planning and Development assistance, recipients certify that they will comply with the requirements of Section 3 annually pursuant to 24 CFR 570.607(b). Accordingly, the Department has the legal responsibility to monitor recipients for compliance and can impose penalties upon those that fail to meet these obligations.

#### Applicability of Section 3 to Community Planning & Development Assistance

The requirements of Section 3 apply to recipients of HUD Community Planning and Development funding exceeding **\$200,000**.

All projects/activities involving **housing construction, demolition, rehabilitation, or other public construction—i.e., roads, sewers, community centers, etc.** that are completed with covered funding, are subject to the requirements of Section 3.

[Note: the requirements of Section 3 do not apply on a per-project-basis. Rather, the requirements apply to **all** covered construction and rehabilitation activities that are funded with covered assistance.

Contractors or subcontractors that receive contracts in excess of **\$100,000** for Section 3 covered projects/activities are required to comply with the Section 3 regulations in the same manner as the direct recipient that provided funding to them.

If the recipient agency receives Section 3 covered funding and invests these funds into covered projects/activities, but no individual contract exceeds \$100,000, responsibility for complying with Section 3 only applies to the recipient.

Accordingly, recipient must attempt to reach the Section 3 minimum numerical goals found at 24 CFR Part 135.30 by: 1) Awarding 10 percent of the total dollar amount of all covered construction contracts to Section 3 businesses; and 2) Hiring Section 3 residents for 30 percent of new employment opportunities.

## Section 3 Covered Community Planning and Development funding

- Community Development Block Grants (CDBG)
- Home Investment Partnership Assistance
- Housing Opportunities for Persons with Aids (HOPWA)
- Economic Development Initiative (EDI)
- Brownfield Economic Development Initiative (BEDI)
- Emergency Shelter Grants
- Homeless Assistance
- University Partnership Grants
- Neighborhood Stimulus Program (NSP)
- Certain Grants Awarded Under HUD Notices of Funding Availability (NOFAs)

\*NOTE: The requirements of Section 3 only apply to the portion(s) of covered funding that were used for project/activities involving housing construction, rehabilitation, demolition, or other public construction.

Section 3 applies to the **entire** covered project or activity regardless of whether the activity was fully or partially funded with covered assistance.

## Section 3 Covered Recipient Agencies

“Recipient” refers to any entity that receives Section 3 covered financial assistance directly from HUD or from another recipient and includes, but is not limited to any of the following:

- States; Units of Local Government; Native American Tribes; or other Public Bodies
- Public or Private Nonprofit Organizations
- Private Agencies or Institutions
- Mortgagors; Developers; Limited Dividend Sponsors; Builders; Property Managers; Community Housing Development Organizations
- Successors, assignees or transferees of any such entity listed above
- Recipients do **NOT** include any ultimate beneficiary under the HUD program that Section 3 applies and does **NOT** refer to contractors.

## Triggering the Requirements of Section 3

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

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

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

## Recipient Responsibilities Pursuant to Section 3

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

1. Implementing procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance;
2. Notifying potential contractors working on Section 3 covered projects of their responsibilities;
3. Incorporating the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38];
4. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;
5. Assisting and actively cooperating with the Department in making contractors and subcontractors comply;
6. Refraining from entering into contracts with contractors that are in violation of Section 3 regulations;
7. Documenting actions taken to comply with Section 3; and
8. Submitting Section 3 Annual Summary Reports (form HUD-60002) in accordance with 24 CFR Part 135.90.

In addition to the responsibilities described above, **State and County agencies or consortia** that distribute covered funds to units of local government, nonprofit organizations, or other subrecipients, must attempt to reach the minimum numerical goals set forth at 24 CFR Part 135.30, regardless of the number of subrecipients that receive covered funding. State or County agencies must also do the following:

1. Inform subrecipients about the requirements of Section 3;
2. Assist subrecipients and their contractors with achieving compliance;
3. Monitor subrecipients' performance with respect to meeting the requirements of Section 3; and
4. Report to HUD on the cumulative Section 3 activities taking place within their jurisdiction on an annual basis.

## Section 3 Residents and Business Concerns

### Section 3 Residents Are:

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

### Section 3 Business Concerns Are One of the Following:

1. Businesses that are 51 percent or more owned by Section 3 residents;
2. Businesses whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the firm were Section 3 residents; or
3. Businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above.

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

Recipients can use their discretion for determining the type of verification that is required by prospective Section 3 residents and business concerns. Some examples include: proof of residency in a public housing authority; proof of federal subsidies for housing, food stamps, or unemployment benefits; and payroll data or other relevant business information.

## Section 3 Summary Reports (Form HUD-60002)

Annually, each direct recipient of Community Planning and Development funding is required to submit form HUD-60002 to HUD's Economic Opportunity Division in Washington, DC. , preferably online from the following website: [www.hud.gov/section3](http://www.hud.gov/section3).

**Due Date:** Recipients of covered Housing and Community Development assistance are required to submit Form HUD-60002 at the same time as annual performance reports (e.g., CAPERS reports)

The Section 3 Summary Report shall follow the same program, fiscal, or calendar year as the annual performance report and should correspond to the covered projects and activities that were administered during the reporting period.

**NOTE:** Section 3 reports must be submitted by all agencies that receive Community Planning and Development funding in excess of \$200,000 whether the requirements were triggered or not.

## Determining What Should Be Reported on Form HUD-60002

Section 3 Annual Summary Reports are intended to measure each recipient's efforts to comply with the statutory and regulatory requirements of Section 3 in its own operations **AND** those of its covered contractors, subcontractors, and subrecipients. Each submission of form HUD-60002 should indicate the following:

- The total dollar amount of HUD funding that was received by the recipient for covered projects/activities during the specified reporting period.
- The total number of new employees that were hired by the recipient and/or its covered contractors, subcontractors, and subrecipients, as a result of performing or completing covered project/activities.
- The number of new employees that were hired by the recipient (or its covered contractors, subcontractors, and subrecipients), as a result of covered projects/activities, that met the definition of a Section 3 resident.
- The total number of man hours worked on covered projects (optional).
- The aggregate number of hours worked by Section 3 residents on covered projects (optional).
- The total number of Section 3 residents that participated in training opportunities that were made available by the recipient agency, its contractors, subrecipients, or other local community resource agencies.
- The total dollar amount of construction and/or non-construction contracts (or subcontracts) that were awarded with covered funding.
- The dollar amount of the recipient's construction or non-construction contracts (or subcontracts) that were awarded to Section 3 business concerns.
- Detailed narrative descriptions of the specific actions that were taken by the recipient (or its covered contractors, subcontractors, subrecipients, or others) to comply with the requirements of Section 3 and/or meet the minimum numerical goals for employment and contracting opportunities.

## Section 3 Reporting and Compliance Determinations

Absent evidence to the contrary, the Department considers recipients of covered funding to be in compliance with Section 3 if they meet the minimum numerical goals set forth at 24 CFR Part 135.30. Specifically:

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

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

Recipients that submit Section 3 reports containing **all zeros**, without a sufficient explanation to justify their submission, are in **noncompliance** with the requirements of Section 3.

Failure to comply with the requirements of Section 3 may result in sanctions, including: debarment, suspension, or limited denial of participation in HUD programs pursuant to 24 CFR Part 24.

Recipients that are subject to annual A-133 Audits may also receive an audit finding for failure to submit form HUD-60002 to HUD.

## Important Notes for Submitting Form HUD-60002

- Recipients must submit a separate form HUD-60002 for each type of covered funding (*e.g.*, separate reports must be submitted for CDBG and HOME funding).
- Use the online Section 3 Summary Reporting System at: [www.hud.gov/section3](http://www.hud.gov/section3) to ensure that form HUD- 60002 is received by the Economic Opportunity Division in HUD Headquarters in a timely manner.
- The “reporting period” option in the online Section 3 Summary Reporting System (box #7) lists quarters but the Section 3 reporting is an annual requirement. Accordingly, recipients should select **Quarter 4** to document the total amount of covered activities/projects that were completed during the entire reporting period.
- If the recipient (or its covered contractors, subcontractors and subrecipients) did not hire any new employees during the reporting period, and/or if no covered construction or non-construction contracts were awarded, the recipient must indicate this in Part III of form HUD-60002 and certify that this information is true and accurate by penalty of law.

## Where Are Reports Submitted

Form HUD-60002 must be submitted to HUD's Economic Opportunity Division, in Washington, DC. Recipients are strongly encouraged to submit form HUD-60002 online at: [www.hud.gov/section3](http://www.hud.gov/section3).

Recipients can also download a hard copy of form HUD 60002 from the website listed above. Hard copies shall be submitted via fax or mail to:

U.S. Department of Housing and Urban Development  
Attn: Economic Opportunity Division  
451 Seventh Street, SW  
Room 5235  
Washington, DC 20410  
202-708-1286 (fax)

## Additional Section 3 Guidance and Technical Assistance

The Economic Opportunity Division is committed to providing recipient's guidance and technical assistance for compliance with the requirements of Section 3.

For additional information, please visit the Section 3 website at: [www.hud.gov/section3](http://www.hud.gov/section3). This webpage provides the following tools and information:

- Section 3 Statute—12 U.S.C. 1701u
- Section 3 Regulation—24 CFR Part 135
- Frequently Asked Questions
- Section 3 Model Programs
- Guidance on Section 3 and Economic Stimulus Funding
- Guidance on Section 3 and the Neighborhood Stimulus Program (NSP)
- Sample Section 3 Certification Forms (residents and business concerns)
- Link to HUD's Local Income Eligibility Calculator
- Link to Section 3 Annual Reporting System(form HUD-60002)
- Downloadable Forms
- Contact Information for Economic Opportunity Division staff
- Email inquiries on Section 3 can be sent to [section3@hud.gov](mailto:section3@hud.gov)