

## **Section 3 and Equal Opportunity Clauses for Contracts/Subcontracts**

### Section 3 Clauses

Every applicant, recipient, contracting party, contractor, and subcontractor must incorporate, or cause to be incorporated, in all contracts for work in connection with a Section 3 covered project, the following provisions:

- 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. 1701 u (Section 3). Section 3 requires that to the greatest extent feasible opportunities from training and employment be given to lower income residents of the project area and contracts for work in connection with the project to be awarded to business concerns that are located in, or owned in substantial part by persons residing in the area of the project.*
- b. The parties to the contract will comply with the provisions of Section 3. The parties to the contract certify and agree that they are under no contractual or other disability which would prevent from complying with these requirements.*
- c. The Contractor will send to each labor organization or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, if any, a notice advising the labor organization or workers' representative of his/her commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment training.*
- d. The Contractor will include this Section 3 clause in every subcontract for work in connection with the project and will at the direction of the applicant for or recipient of*

*Federal financial assistance, take appropriate action pursuant to the subcontract upon finding that the subcontractor is in violation of these regulations.*

- e. Compliance with the provisions of Section 3 and the regulations set forth in 24 CFR Part 135, is a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors and assigns.*

#### All Federally Assisted Construction Contracts and Subcontracts

The following clauses must be included in all construction contracts and subcontracts in excess of \$10,000 awarded as the result of Federal grant funding:

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.*
- b. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.*
- c. The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or worker's representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.*
- d. The Contractor will comply with all provisions of Executive Order 111246 of September 24, 1965; and the rules, regulations and relevant orders of the Secretary of Labor.*

- e. *The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and 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.*
  
- f. *In the event of the Contractor's noncompliance with nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulations, or order of the Secretary of Labor, or as otherwise provided by law.*
  
- g. *The Contractor will include the portion of the sentence immediately preceding paragraph (a) and the provisions of paragraphs (a) through (f) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Contracting Agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Contracting Agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.*