

**CHICAGO HOUSING AUTHORITY (CHA)**  
**Department of Procurement and Contracts- Compliance Division**

**SCHEDULE B - SECTION 3 UTILIZATION PLAN**  
**(To Be Completed by Prime Contractor)**

PRIME/GENERAL CONTRACTOR'S NAME: \_\_\_\_\_

RFP/IFB/RFQ/CONTRACT or PO NUMBER: \_\_\_\_\_ DATE FORM COMPLETED: \_\_\_\_\_

PROJECT TITLE: \_\_\_\_\_

CONTACT NAME/TITLE: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_ CONTRACT AMOUNT: \_\_\_\_\_

**PLEASE READ CAREFULLY AND SIGN THE ACKNOWLEDGMENT ON PAGE 4  
 PRIOR TO COMPLETING AND SUBMITTING SCHEDULE B**

**Overview:**

The contractor hereby agrees to comply with all the provisions of Section 3 as set forth in 24 CFR 135 and the CHA's Section 3 Policy. The Contractor hereby submits Schedule B to identify employment, subcontracting, and other opportunities for Chicago Housing Authority residents and low income Chicago area residents during the term of the contract between the Contractor and CHA. Any changes to this Utilization Plan must be approved by the Contract Compliance Specialist, via an amended Schedule B and Section 3 Change Form, when requested.

Type of Contract	Contract Amount	Section 3 Requirements		
		Hiring	Contracting	Other Economic Opportunities
<b>Construction</b>	All Contract Values	30% <i>Of all <b>new</b> hires</i>	10% <i>Of total contract value subcontracted</i>	See instructions
<b>Other Contracts</b> <i>(Including Professional Service)</i>	All Contract Values	30% <i>Of all <b>new</b> hires</i>	3% <i>Of total contract value subcontracted</i>	See instructions

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**Instructions:**

**Part I: Hiring**

- Per 24 CFR 135.30, Section 3 requires at least 30% of the contractor's new hires be Section 3 residents.
- The prime contractor is **required** to fill out the **Table I.b Hiring Chart- ENTIRE WORKFORCE for both Prime and all Subcontractors** in **Part I: Hiring**. This chart includes Section 3 hires, **AS WELL AS** all other non-section 3 hires for the scope of work.
- **Table I.a SAMPLE Hiring Chart Entire Workforce for both Prime and all Subcontractors** is provided to you as a sample.
- **Table I.b Hiring Chart Entire Workforce for both Prime and all Subcontractors** will require you to indicate the total workforce that you and your subcontractors already have in place and those you need to hire. You will need to list their (1) Job Titles, (2) Total Employees Needed at each Job Title, (3) Total Number of Employees Currently Employed at each Job Title, (4) Total New Hires Needed for each Job Title, (5) Total Section 3 Hires for each Job Title, (6) Anticipated Hiring Date Section 3 Hires for Each Job Title, (7) Total Columns (1) through (5) individually, and (8) Total New Section 3 Hires Required and (9) Percentage of New Hires that are Section 3.
- By filling out the hiring chart, the Contractor affirms that the jobs identified for Section 3 residents shall be for meaningful employment.
- A Prime Contractor may satisfy the CHA Resident Hiring Requirements through the hiring of Section 3 residents through his/her subcontractors.
- The Hiring Chart must be completed in its entirety, including a response for each column, in addition to proper calculations in each field where totals are required.
- If any proposed Section 3 positions cannot be filled, a Section 3 Change Form is required under the Section 3 Policy.
- Prime Contractors and Subcontractors are required to use CHA's Section 3 Job Opportunities website to fill all Section 3 positions.

**Part II: Contracting**

- Per 24 CFR 135.30, Section 3 requires Construction contracts to subcontract at least 10% of the work to Section 3 Business Concerns and 3% of the work for all Other Contracts.
- **The definition of 'Section 3 Business Concern' under HUD Regulations is:**
  - (1) 51 percent or more owned by section 3 residents; or
  - (2) 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 business concern were section 3 residents; or
  - (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of "section 3 business concern."
- Section 3 subcontracting refers to direct participation (only subcontracts for work that is included in the scope of the project).
- Contractors shall direct their efforts to award Section 3 covered contracts, to the greatest extent feasible, to Section 3 Business Concerns in the order of priority provided in 24 CFR 135.36.
- The Prime Contractor is required to fill out the contracting information in Table II: Contracting Commitments, Table II.a: Section 3 Business Concern Contracts, Table II.b.: Contracting Shortfall (if necessary), and/or Table II.c: Outreach Efforts (if necessary) of Part II.
- **Table II: Contracting Commitments** requires you to indicate the Total Dollar Value being subcontracted to Section 3 Business Concerns **and** the percentage of the total contract value, to which the total of all Section 3 Business Concern subcontracts is equivalent.

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- **Table II.a. Section 3 Business Concern Contracts** requires you to identify each Section 3 Business Concern that will hold a subcontract under this Contract. The Company's Name, Contract Value, and Scope of Work to be Performed must be identified in order for the plan to be considered complete. A corresponding Schedule C must be submitted with the Schedule B.
- **Table II.b. Contracting Shortfall or Table II.c. Outreach Efforts** must be completed when the Prime Contractor is unable to meet the full minimum subcontracting requirements under 24 CFR 135.
  - When there is no plan or need to subcontract, please outline the reason(s) why in Table II.b. Contracting Shortfall
  - If the prime contractor is unable to contract to a Section 3 Business Concern, all outreach efforts must be documented in Table II.c. Outreach Efforts You must document all of the companies that have been contacted for subcontracting opportunities. If there are limited companies available who perform the necessary duties under this scope of work, please indicate in the 'reasons for not subcontracting'.
  - This is required before Other Economic Opportunities are proposed.
- **PRIME CONTRACTOR MUST USE CHA'S SECTION 3 JOB OPPORTUNITIES WEBSITE TO IDENTIFY AND HIRE ANY AND ALL SECTION 3 EMPLOYEES. CHA WILL NOT CONSIDER OR AUTHORIZE ANY ALTERNATE PROPOSALS TO IDENTIFY SUCH EMPLOYEES.**

**Part III: Other Economic Opportunities**

- In the event that a Prime Contractor has demonstrated no plan or need to hire and/or subcontract or is unable to meet the hiring and/or subcontracting requirements in Part I and Part II, the Prime Contractor is required to provide other economic opportunities by completing the **Table III: Other Economic Opportunities Plan(s)**.
- **PLEASE NOTE THAT THE INABILITY TO MEET THE HIRING AND/OR SUBCONTRACTING REQUIREMENT MUST BE DOCUMENTED COMPLETELY IN PART I: HIRING AND PART II: CONTRACTING BEFORE COMPLETING PART III: OTHER ECONOMIC OPPORTUNITIES.**
- Other Economic Opportunities could include indirect subcontracting with a Section 3 Business Concern (subcontracting for work not included in the scope of work), training programs, mentorship program participation, or other economic opportunities directed towards section 3 residents and businesses. Any Other Economic Opportunities must be proposed on pages 10 through 12 in Part III: OTHER ECONOMIC OPPORTUNITIES.
- If the other forms of Other Economic Opportunities are not feasible, the Prime Contract may propose a contribution to the Section 3 Fund. Guidance on how to contribute to the Section 3 Fund is outlined below:
  - **Hiring Requirements Contribution:** If a Prime Contractor chooses to contribute to the Section 3 Fund as its Other Economic Opportunity, because they cannot meet the full hiring requirements (30% of new hires), and cannot provide other economic opportunities outlined above, then the contractor must pay 5% of the total dollar amount of the contract for building, trade work or 1.5% for all other contracts will be paid to the Section 3 fund. **NOTE: The amount shall not exceed \$100,000 for any one contract.**
  - **Contracting Requirements Contribution:** If a Prime Contractor chooses to contribute to the Section 3 Fund as its Other Economic Opportunity, because they cannot meet the full Section 3 Business Concern subcontracting requirements, and cannot provide other economic opportunities outlined above, the difference between 10% of the covered contract (building, trade work) or 3% (non-construction) and the actual amount provided to Section 3 Business Concerns must be paid to the Section 3 Fund. **NOTE: The amount shall not exceed \$500,000 for any one contract.**
  - A Prime Contractor may also pay the entire 10% of the covered contract (building, trade work) or 3% (non-construction) if they have documented the infeasibility of offering any Other Economic Opportunities. **NOTE: The amount shall not exceed \$500,000 for any one contract.**

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- Charts have been provided for each category accepted under Other Economic Opportunities. You must outline the actual proposed opportunity, how you will measure the success of this opportunity, and the anticipated results. You will only need to complete the tables that apply to your Section 3 Plan.
- Please reference the Section 3 Policy for more details.
- **NOTE: The Chicago Housing Authority (CHA) observes a \$13 per hour Minimum Wage Requirement on solicitations advertised by the CHA on or after January 2, 2015. A copy of the CHA Minimum Wage Requirement may be downloaded from the CHA website at: [http://www.thecha.org/assets/1/22/CHA\\_Minimum\\_Wage\\_Requirement.pdf](http://www.thecha.org/assets/1/22/CHA_Minimum_Wage_Requirement.pdf). Please note that Federal wage determinations (either Davis-Bacon or HUD-Determined Wage Rates) preempt any conflicting State prevailing wage rate or the Minimum Wage Requirement when the State prevailing wage rate or the Minimum Wage Requirement is higher than the Federally-imposed wage rate (24 CFR 965).**

**PLEASE NOTE:**

**(a). COUNTING M/W/DBE AND SECTION 3 BUSINESS CONCERN (S3BC) CREDIT: A business who is self-identified as a Section 3 Business Concern and also certified as an M/W/DBE may be used towards subcontracting goals for both the M/W/DBE and Section 3 requirements, once the initial goals for Section 3 and M/W/DBE have been satisfied separately.**

**Example:** If the minimum M/W/DBE participation percentage requirement is 40, and the minimum Section 3 contracting participation percentage requirement is 10, and Vendor A is self-certified as a Section 3 Business Concern and also certified as M/W/DBE, and a prime elects to use Vendor A in both categories, the overall minimum total M/W/DBE and Section 3 participation percentage must be 50%; i.e. 40% M/W/DBE + 10% S3BC, in order to satisfy the contracting requirements in both categories.

**(b). SECTION 3 BUSINESS CONTRACTING TIER ORDER: Prime contractors on CHA/HUD funded contracts must ensure that Section 3 Business Concerns (S3BCs) are contracted in a tier preference order as required by CHA/HUD policies and regulations. This means that S3BCs that reside at or within the project site should be considered for contracting opportunities first. It is the duty of the prime contractor to conduct appropriate outreach activities that specifically target resident owned S3BCs at the project location in a bid to find and subcontract with them.**

**(c). SUBSTITUTION/REMOVAL OF SUBCONTRACTOR: A prime contractor that needs to remove or substitute a subcontractor on its approved utilization plan must submit a written request for the removal or substitution of the subcontractor concerned. Only when DPC Compliance approves such a request in writing can the removal or substitution of the subcontractor be done by the prime contractor. Under no circumstance should a prime contractor unilaterally remove or substitute a subcontractor on its CHA/HUD funded contract without prior approval by DPC Compliance.**

**This page (page 4) must be signed by a Principal of the Contractor. The last page (page 12) must be signed and notarized. This document is subject to change, by the CHA, at any time.**

**Prime Contractor Acknowledgement of Section 3 Requirements:**

\_\_\_\_\_  
**Signature of Principal of Contractor**

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

\_\_\_\_\_  
**Print Name**





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**Part II: CONTRACTING**

**Table II: Contracting Commitments**

In the section below, outline the total dollar value and percentage of the total contract value that will be subcontracted with Section 3 Business Concerns.

<b>Total Dollar Value of Section 3 Business Concern Contracts:</b>	<b>\$</b>
<b>Total Percentage of Section 3 Business Concern Contracts:</b>	<b>%</b>

**Table II.a.- Section 3 Business Concern Contracts:** In the table on the next page, outline the Section 3 Business Concerns that will be working on this contract. *(Note: Each subcontractor listed below must submit a corresponding Schedule C)*

<b>Contracts to Section 3 Business Concerns</b>
<p>COMPANY NAME: _____</p> <p>ADDRESS: _____</p> <p>CONTACT PERSON: _____ TELEPHONE: _____</p> <p>E-MAIL ADDRESS: _____</p> <p>ORIGINAL CONTRACT DOLLAR VALUE: _____</p> <p>AMENDED CONTRACT DOLLAR VALUE: _____</p> <p><i>NOTE: Amended Dollar Value only used when changes are made and approved by Compliance during a contract.</i></p> <p>WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____</p> <p><b>**Anticipated Performance Timeframe (When will the contractor be onsite performing the work and for how long):</b></p> <p>Anticipated Start Date: _____ Anticipated End Date: _____</p>
<p>COMPANY NAME: _____</p> <p>ADDRESS: _____</p> <p>CONTACT PERSON: _____ TELEPHONE: _____</p> <p>E-MAIL ADDRESS: _____</p> <p>ORIGINAL CONTRACT DOLLAR VALUE: _____</p> <p>AMENDED CONTRACT DOLLAR VALUE: _____</p> <p><i>NOTE: Amended Dollar Value only used when changes are made and approved by Compliance during a contract.</i></p> <p>WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____</p> <p><b>**Anticipated Performance Timeframe (When will the contractor be onsite performing the work and for how long):</b></p> <p>Anticipated Start Date: _____ Anticipated End Date: _____</p>

*(If more space is needed, you can use page 8 multiple times)*

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Contracts to Section 3 Business Concerns (continued)

COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

ORIGINAL CONTRACT DOLLAR VALUE: \_\_\_\_\_

AMENDED CONTRACT DOLLAR VALUE: \_\_\_\_\_

*NOTE: Amended Dollar Value only used when changes are made and approved by Compliance during a contract.*

WORK TO BE PERFORMED/MATERIALS SUPPLIED: \_\_\_\_\_

**\*\*Anticipated Performance Timeframe (When will the contractor be onsite performing the work and for how long):**

Anticipated Start Date: \_\_\_\_\_ Anticipated End Date: \_\_\_\_\_

COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

ORIGINAL CONTRACT DOLLAR VALUE: \_\_\_\_\_

AMENDED CONTRACT DOLLAR VALUE: \_\_\_\_\_

*NOTE: Amended Dollar Value only used when changes are made and approved by Compliance during a contract.*

WORK TO BE PERFORMED/MATERIALS SUPPLIED: \_\_\_\_\_

**\*\*Anticipated Performance Timeframe (When will the contractor be onsite performing the work and for how long):**

Anticipated Start Date: \_\_\_\_\_ Anticipated End Date: \_\_\_\_\_

COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

ORIGINAL CONTRACT DOLLAR VALUE: \_\_\_\_\_

AMENDED CONTRACT DOLLAR VALUE: \_\_\_\_\_

*NOTE: Amended Dollar Value only used when changes are made and approved by Compliance during a contract.*

WORK TO BE PERFORMED/MATERIALS SUPPLIED: \_\_\_\_\_

**\*\*Anticipated Performance Timeframe (When will the contractor be onsite performing the work and for how long):**

Anticipated Start Date: \_\_\_\_\_ Anticipated End Date: \_\_\_\_\_

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**Table II.b: Contracting Shortfall**

If the Prime Contractor cannot meet the minimum contracting requirements, outlined on pages 2 through 4, provide the reasoning below. You must include the scope of work and why you cannot meet the requirements. For additional space, please attach a document on your company's letterhead.

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**Table II.c: Outreach Efforts**

If the Prime Contractor is unable to find subcontractors, after exhausting all good faith efforts, to perform under this scope of work, list the Companies that were contacted for subcontracting opportunities for this contract.

Outreach Efforts	
<b>Business Name:</b>	
<b>Primary Contact:</b>	
<b>Phone Number:</b>	
<b>E-Mail Address:</b>	
<b>Reason for not subcontracting:</b>	
<b>Business Name:</b>	
<b>Primary Contact:</b>	
<b>Phone Number:</b>	
<b>E-Mail Address:</b>	
<b>Reason for not subcontracting:</b>	

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**Part III: OTHER ECONOMIC OPPORTUNITIES** *(NOTE: Beginning on January 2, 2015, the Chicago Housing Authority (CHA) observes a \$13 per hour Minimum Wage Requirement. This policy affects paid mentorship and internship programs, among others).*

**Table III: Other Economic Opportunities Plan(s)**

**THIS SECTION MUST BE COMPLETED IF YOUR PLAN DOES NOT MEET THE MINIMUM HIRING (30% OF NEW HIRES) AND/OR CONTRACTING (10%/3%) REQUIREMENTS.**

In the space provided below, please outline your plan to provide other economic opportunities to a Section 3 or low-income person (if more space is needed, please provide an attachment to this Schedule B). Examples of plans may include internship programs, mentorship programs, and teaming agreements. Please note that any indirect subcontracting should also be described in the section below. Refer to the instruction page for more information.

<b>Indirect Participation (subcontracting to a Section 3 business for work outside the scope)</b>	
<i>Note: An indirect subcontractor should still submit a Schedule C to correspond with this information.</i>	
COMPANY NAME: _____	
ORIGINAL CONTRACT DOLLAR VALUE: _____	
WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____	
Anticipated Start Date: _____	Anticipated End Date: _____
COMPANY NAME: _____	
ORIGINAL CONTRACT DOLLAR VALUE: _____	
WORK TO BE PERFORMED/MATERIALS SUPPLIED: _____	
Anticipated Start Date: _____	Anticipated End Date: _____

<b>Mentorship Program Participation</b>	
<b>Describe in detail the work that will be performed by the Section 3 Resident or Business Concern</b>	
<b>Quantifiable Goals</b>	
<b>Anticipated Results</b>	

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<b>Training Program</b>	
<b>Describe in detail the work that will be performed by the Section 3 Resident or Business Concern</b>	
<b>Quantifiable Goals</b>	
<b>Anticipated Results</b>	

<b>Internship Program</b>	
<b>Describe in detail the work that will be performed by the Section 3 Resident or Business Concern</b>	
<b>Quantifiable Goals</b>	
<b>Anticipated Results</b>	

<b>Other Results-Oriented Economic Opportunities (Please Describe)</b>	
<small>Note: Any part-time hires can be represented here.</small>	
<b>Describe in detail the work that will be performed by the Section 3 Resident or Business Concern</b>	
<b>Quantifiable Goals</b>	
<b>Anticipated Results</b>	

