

# GREATER DAYTON PREMIER MANAGEMENT

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## Request for Proposal RFP # 22-03 RAD Conversion Physical Needs Assessment

<b>Issue Date</b>	May 25, 2022
<b>Pre-Proposal Meeting</b>	N/A
<b>Questions from Contractors Due</b>	June 13, 2022 @ 5:00 pm
<b>Responses from GDPM to Be Posted By</b>	June 14, 2022
<b>Proposals Due</b>	June 24, 2022 @ 10:00 am
<b>Anticipated Award Announcement</b>	June 30, 2022

**Pre-Proposal Meeting:** there is no scheduled pre-proposal meeting

**Bid-Opening:** There is not be a scheduled public bid opening. On or near the Anticipated Award Announcement date, GDPM will post the award announcement on it's website at the following link:

<https://www.gdpm.org/business-opportunities/requests-for-proposals/>

### How to Submit Bids:

#### PROPOSALS MUST BE SUBMITTED ELECTRONICALLY TO:

[ebid@dmha.org](mailto:ebid@dmha.org)

THE SUBJECT LINE MUST STATE: **RFP 22-03 RAD Conversion Physical Needs Assessment**

*PLEASE REFER TO THE ENCLOSED INSTRUCTIONS FOR THE PROPOSAL PACKET FORMAT.*

**Questions about this Bid Shall be Submitted Electronically to:** [ebid@dmha.org](mailto:ebid@dmha.org)

Greater Dayton Premier Management reserves the right to reject any or all proposals, or waive any informality in the bidding. No proposals shall be withdrawn for a period of one hundred twenty (120) days of submission.

All awardees shall be required to meet Affirmative Action requirements and Equal Opportunity requirements and must insure that all employees and applicants for employment are not discriminated against because of race, color, religion, national origin, disability, age, ancestry, creed, or military status.

# Greater Dayton Premier Management

## RFP 22-03

### RAD Capital Needs Assessments

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**The below items are part of the Bidder's Packet.** *Most of these items must either be completed or signed or both and submitted with your sealed bid. Please submit forms in order.*

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# Greater Dayton Premier Management

Enhancing Neighborhoods • Strengthening Communities • Changing Lives

## RFP 22-03

### RAD Conversion Capital Needs Assessment

Greater Dayton Premier Management (GDPM) is an Ohio political subdivision and is Montgomery County’s largest landlord serving approximately 16,000 individuals annually. GDPM received approval from the U.S. Department of Housing and Urban Development to convert 2,600+ affordable housing units from the public housing program to the Rental Assistance Demonstration (RAD) Project Based Voucher (PBV) Program. Under the RAD Program, HUD requires housing authorities to conduct a Capital Needs Assessment (CNA) of its properties in order to determine both short term and long-term needs.

As required by the HUD Multifamily Accelerated Processing (MAP) Guide, the CNA must be completed by a qualified third-party professional. This includes, but isn’t necessarily limited to, conducting physical inspections, determining anticipated expected useful life of components, publishing an accompanying narrative report and completion of a Capital Needs Assessment Electronic Tool. GDPM intends to use the CNA as its primary tool for determining project scopes, development budgets, Annual Deposits to the Replacement Reserves and Initial Deposits to the Replacement Reserve.

The Capital Needs Assessment Electronic Tool (CNA e-Tool) automates and standardizes the initiation, preparation, submission, review, and approval of a capital needs assessment. Version 3.0 is a cloud-based application that the awarded Contractor will be required to use. The following link provides information on the CNA e-Tool requirements including how to get registered with HUD [https://www.hud.gov/program\\_offices/housing/mfh/cna](https://www.hud.gov/program_offices/housing/mfh/cna).

GDPM seeks proposals from qualified individuals and/or firms to provide RAD Physical Needs Assessments for the following properties:

<b>Development Name</b>	<b># of units</b>
Imperial	12
Northeast Montgomery County	126
Fitch-Hawthorn Village	19
Wolf Creek	35
Winston Woods	30
Huffman Parnell	12
Malden Hollencamp	21
<b>Total</b>	<b>255</b>

## **PART I: PROJECT DESCRIPTION<sup>1</sup>:**

Contractor will be required to perform a detailed physical inspection to determine both short-term rehabilitation needs to be included as a Scope of Work that will be completed as part of the RAD conversion and long-term capital needs to be addressed through a Reserve for Replacement Account.

The CNA eTool is required as part of any RAD Financing Plan or application for FHA Firm Commitment. The CNA eTool contains two major components – the narrative (the description of each component and its condition and may include an energy audit) and the financial model (the 20-year schedule and associated determination of the Initial Deposit to Replacement Reserve, or IDRR, and the Annual Deposit to Replacement Reserve (ADRR).

- I. **Introduction:** The scope of work listed below was drafted with the specific intention to not only meet the RAD Program requirements, but that it also be compliant with the requirements, as they may be modified from time to time, of HUD Multifamily Accelerated Processing (MAP) and the American Society of Heating, Refrigerating, and Air Conditioning Engineers, Inc. (ASHRAE) Procedures for Commercial Building Energy Audits, Second Edition 2011, Level II guidelines.
  
- II. **Qualifications:** The contractor must:
  - a. Have training and experience to evaluate building systems, health, and safety conditions, and physical and structural conditions, and to provide cost estimates for maintaining, rehabilitating, or improving deficiencies, using both traditional and Green principles. Must also have environmental expertise, as inspection will include environmental issues as well. Must have any required licenses.
  - b. Have the designation of Leadership in Energy and Environmental Design Accredited Professional (LEED AP), in either the United States Green Building Council's LEED New Construction and Major Renovation or the LEED Existing Building Maintenance and Operations examination tracks, or an equivalent designation.
  - c. Have completed 10-hours of education in the last calendar year in the areas of Green Building, Sustainability, Energy Efficiency, or Indoor Air Quality.

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<sup>1</sup>\*for the purposes of this RFQ, a RAD Physical Needs Assessment (PNA), Capital Needs Assessment (CNA), RAD Physical Condition Assessment and needs assessment contain the same meaning and may be used interchangeably.

- d. Have knowledge of the requirements for the “green building” standard, if any, identified by the owner, which may include: Enterprise Green Communities, LEED-H, LEED-H Midrise, LEED-NC, ENERGY STAR New Homes, ENERGY STAR Multifamily High Rise, EarthCraft House, EarthCraft Multifamily, Earth Advantage New Homes, Greenpoint Rated New Home, Greenpoint Rated Existing Home (Whole House or Whole Building label), and the National Green Building Standard (NGBS) or other industry- recognized green building standard deemed acceptable by HUD in its sole discretion.
- e. Have acceptably completed written evaluation reports for similar types of multifamily rental housing projects in similar physical condition and age in the subject market or in similar areas, preferably including two (2) or more buildings that were receiving Section 8 or public housing assistance when the report was prepared.
- f. Have an acceptable record of performance with HUD. Not be under suspension or debarment by HUD, or involved as a defendant in criminal or civil action with HUD.
- g. Have produced reports that are well regarded in the marketplace in terms of content, timeliness and responsiveness. The contractor should have this personal experience, not just the company.
- h. Have the capacity to complete the project inspection and prepare the report in a time frame acceptable to the Lender/Owner.

**III. Statement of Work:** The contractor shall Perform a Capital Needs Assessment (CNA) for each asset and report the findings in accordance with the following:

- a. The report shall be prepared according to the Fannie Mae document: “Physical Needs Assessment Guidance to the Property Evaluator” (Exhibit 1), except as modified herein. This standard is meant to meet or exceed ASTM E 2018-08, Annex 1.1 concerning multifamily properties as well as Appendix XI.1 concerning qualifications, XI.2 concerning verification of measurements and quantities based on as-built drawings when available or field counts or measurements when necessary, XI.3 concerning service company research. Appendix XI.5 concerning the recommended table of contents is also recommended. Further, this report must be “MAP-compliant,” fully meeting or exceeding the current requirements of HUD Multifamily Accelerated Processing.
- b. The report shall include color photographs and a detailed narrative describing the property’s exterior and interior physical elements and condition, including architectural and structural components, and mechanical systems.
- c. The Contractor shall conduct and document site inspections of enough dwelling units to be able to formulate an accurate estimate of repair, replacement and

major maintenance needs and all office, community space, and common areas. In no event shall the inspection be of less than 25% of occupied units, and 100% of all vacant units and common areas.

- d. Units shall be randomly sampled while taking into consideration occupied and unoccupied units and the unit size mix, i.e. one bedrooms, two-bedrooms, etc. If a significant number of units are found to be in poor condition, additional units may need to be inspected.
- e. The inspection must document individual building write ups for all multi-building complexes,
- f. For older structures the Contractor should consider forensic investigations of primary building systems, including but not limited to structural, building envelope, conveyance, mechanical, electrical and plumbing systems, where visual or non-invasive examination alone may not be sufficient to support a conclusion about the condition or remaining useful life of system components.
- g. While recognizing that age and condition of structures are not always related, a guideline for use of forensic methods is structures 30 or more years of age. It is the responsibility of the Contractor to ensure that the Contractor employs investigative methods appropriate to the age, condition, physical composition of the property and the local environment.
- h. When undertaken, a forensic examination should result in a written report, attached to the CNA, which report should include at a minimum the following:
  - A statement of the examiner's particular experience, education, technical or trade certifications or other qualifications establishing the examiner's expertise relevant to the matter examined.
  - A description of the physical component(s) or system examined including the portions, quantities, and/or locations examined and the relevant products and materials found installed.
  - A description of the trade or industry recognized techniques, tests or analytical methods of examination used.
  - A summary of the estimated age, condition, and serviceability of the products, materials or system examined.
  - The examiner's recommendation of any repairs and/or replacements.
  - The examiner's estimate of the remaining useful life of the system or component assuming any recommended repairs or replacements are completed.

- i. The report shall include:
  - a. **Critical items:** Identify in detail, and report immediately any repair item(s) that represents a critical repair.
  - b. **Repair/Rehab items (Short Term Physical Needs):** Identify and estimate the cost of the repairs, replacements, and significant deferred and other maintenance items that will need to be addressed within 12 months of closing (do not include items that are not broken but may need replacement in the near future). The items evaluated (both recommended and not recommended) are explained in the narrative report and the recommended items are documented in the HUD CNA eTool. That data input automatically generates the rehab escrow needs that appear in the 20 Year Schedule worksheet.
  - c. **Market Comparable Improvements:** The inspector may include repairs or improvements that are necessary for marketability in the list of Repair/Rehab needs. The repairs/ improvements identified should be those necessary for the project to retain its original market position as an affordable project in a decent, safe and sanitary condition (recognizing any evolution of standards appropriate for such a project). The project should be able to compete in the non-subsidized market on the basis of rents rather than amenities. Where a range of options exists, the least costly options for repair or rehabilitation should be chosen, when both capital and operating costs are taken into consideration.
  - d. **Long-term Physical Needs/ Reserve Items:** Identify and provide an estimate of the major maintenance and replacement items that are required to maintain the project's physical integrity over the next twenty (20) years. After inputting information into the eTool, the Contractor will generate a 20 Year Schedule worksheet. Review that worksheet to ensure the data input generated the correct result.
  - e. **Reserve Costs.** The Contractor shall estimate the Initial Deposit to the Reserve for Replacement Account and the Annual Deposit to the Reserve for Replacement Account based on the cost of "Near Term" replacement and major maintenance needs of the Project.
  - f. **Environmental Concerns:**
    1. This applies to all existing properties constructed prior to 1978 which have not been demonstrated to be LBP- and/or asbestos-free. For projects that contain LBP and/or asbestos, the Contractor is responsible for engaging the services of a qualified LBP and/or asbestos abatement contractor(s) to prepare a scope of work for the abatement of LBP and/or asbestos. Where the scope of abatement work consists of permanent enclosure or encapsulation, but not removal, of LBP and/or asbestos, the qualified abatement contractor(s) must also prepare, separate from the scope of abatement work, an Operations and Maintenance (O&M) Plan for LBP and/or asbestos. The O&M Plan contains

ongoing maintenance activities for LBP and/or asbestos, to be followed for as long as the LBP and/or asbestos remains in place. All abatement work and ongoing maintenance activities for LBP and/or asbestos shall conform to the following Regulatory requirements: For LBP, 24 CFR Part 35; For asbestos, 40 CFR Part 61.

2. The report shall provide a description of directly observed potential on-site environmental hazards and include a completed Environmental Restrictions Checklist.
3. The report must meet HUD's requirements, as they may be modified from time to time, for the detection and remediation of radon. These requirements were initially described in HUD Mortgagee Letter 2013-07, issued January 31, 2013.

**g. Green Building Principles:** An objective of the report is to identify all opportunities to improve energy efficiency, maximize water efficiency, use re-used and recycled materials where practical, safeguard the indoor air quality of the property, be of less harm to the environment generally, and remove/ re-use replaced materials and construction debris appropriately. The Contractor is required to evaluate all components in the building, all building systems, and all components on the property, and the property itself, to identify all opportunities to achieve the stated objective. The Contractor is expected to consider the most promising types of improvements being used generally in applicable green buildings, to identify all alternatives considered, to provide a justification for the green alternative recommended and a brief explanation of why the non- selected alternatives are less appropriate for the subject property. Each line item must identify the:

1. costs of the traditional repair/replacement to meet local building code, as applicable, and the alternative using green building principles;
2. cost estimate for both the traditional and green approaches; and
3. expected benefits of the green alternative, both financial and non- financial.

- h.** The report shall identify any physical deficiencies as a result of, a visual survey; a review of any pertinent documentation; and interviews with the property owner, management staff, tenants, interested local community groups and government officials, where appropriate.
- i.** The report shall include the Contractor's professional opinion as to whether tenant relocation is necessary to complete the recommended scope of work for rehabilitation.
- j.** The CNA must also include the following subcomponents:



1. Acknowledgements (who prepared report, the preparer's qualifications or a certification that the preparer meets the HUD qualifications, when report was prepared, who received report, and when report was reviewed).
  2. Appendices (color photographs, site plans, maps, etc.).
- (viii) In addition, the contractor shall:
- a. Recommend any additional professional reports needed, for example, to determine the presence or degree of structural defects, or to complete additional investigation into an environmental issue, such as radon testing that was not envisioned at the time of engagement.
  - b. If requested, the Contractor will review the requirements of a particular "green building standard" and include in the CNA its professional opinion on whether the rehabilitation recommended in the CNA will meet the requirements of the particular "green building standard".
- (i) If the services of a subcontractor were secured to inspect the property and complete the report, the contractor shall review the inspection for quality, consistency, and agreed upon format and conformance with these requirements.
  - (ii) If requested, attend a formal kick-off meeting to clarify the requirements and scope of the work to be performed.

#### **IV. Deliverables**

- a. A draft narrative report and CNA (with completion of these worksheets: Component Replacement Summary, Utility Types and Rates, Cap Needs Input, 20 Year Schedule, Detailed 20 Year Schedule, Rehab Escrow Needs, Utility Savings, and the Reserves 20 Year Schedule) shall be submitted electronically, for review prior to completion of the final report.
- b. The final narrative report shall be completed and also be submitted electronically
- c. Completion of the HUD CNA eTool.
- d. Updating eTool and narrative as needed.
- e. Completing inspections of at least 25% of the total units within each development.
- f. Completion of all CNA items shall be in accordance with all HUD RAD Program Guidelines.

- V. Fee:** Fees will be based upon a fixed amount for each development. Contractor shall provide hourly rates for any anticipated additional services, i.e. re-inspection of units, providing updated reports.

**VI.** The Contractor is expected to provide all labor and materials necessary for the Scope of Services contained in Part I of this RFP.

**VII. Timeframes for Deliverables**

Contractor shall comply with the following timeframes:

Deliverables	Timeframes/Milestones
Physical Needs Assessment (PNA) – Draft Version	Within ninety (90) days after the effective date of the Notice To Proceed (NTP)
Physical Needs Assessment (PNA) – Final Version	Within thirty (30) days after receipt of comments on the “Draft Version” of the PNA

## **Part II. Evaluation and Selection**

**Basis for award:** The contract will be awarded to the firm whose proposal GDPM determines to be the most advantageous, with price and other technical factors considered.

Technical factors include:

1. Experience. Firm's experience in performing physical needs assessments and/or energy audits. Emphasis should be placed on experience with public housing agencies, performing physical needs assessments and energy audits.
2. Qualifications. Identify the qualifications of the principals and staff performing work. Staff members performing the PNA or the EA must meet the qualifications listed under Part III.
3. Approach/Work Plan. Firms must identify how they plan to undertake the activities under the Scope of Services provided in Part II, and the proposed timeline.

Relative weight of technical evaluation factors:

<b><u>Factors</u></b>	<b><u>Points</u></b>
1. Experience.	30
2. Qualifications.	20
3. Approach/Work Plan.	20
4. Section 3/MBE.	10
5. Pricing.	20
<b>Total Points</b>	<b>100</b>

Price will be considered in conjunction with technical factors by the GDPM to determine the proposal that is most advantageous and offers the best value to GDPM.

### **Part III. Submission Requirements**

Submission Requirements: To be considered, Proposer's bid packet must be fully completed. Please read all the Instructions carefully and contact GDPM if you have any questions. A complete proposal packet will contain the following completed items:

1. Request for Proposal Proposer Information Form
2. Statement of Qualifications:
  - a. An introduction to you/your firm
  - b. A listing of proposed project personnel with experience
3. Provide related experience, specially include experience as related to the evaluation criteria.
4. Completed Fee Proposal.
5. Completed Non-Collusive Affidavit & Full Disclosure
6. Completed Section 3 Form
7. Completed W-9, if not already provided.

Only email submissions will be accepted. The email shall be addressed to [ebid@dmha.org](mailto:ebid@dmha.org). The subject line of the email shall state the Proposer's name and include the words "RFP 22-03 RAD Conversion Physical Needs Assessments". No late submittals will be accepted. Electronic signatures are accepted.

### **PART IV. OTHER RELEVANT INFORMATION**

- a. **Davis Bacon/Prevailing Wages:** Prevailing wage requirements of the Davis-Bacon and related Acts (DBRA) apply to laborers and mechanics on federal construction and most federally assisted construction projects in excess of \$2,000. If Davis Bacon applies, the Proposer shall follow all requirements including, but not limited to, submitting required documentation to evidence compliance.
- b. **Section 3:** The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide training, employment, contracting and other economic opportunities to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low- and very low-income persons. GDPM provides preferences to business that are registered as Section 3. For more information on Section 3 or how to register to become a Section 3 business please

visit: <https://www.hud.gov/section3> or contact GDPM's Procurement Department at [procurement@dmha.org](mailto:procurement@dmha.org).

For this solicitation, Section 3 Proposers and/or acceptable Section 3 Strategy Plans will receive up to 15 preference points.

c. **Contract Documents:** The contract executed pursuant to this RFP shall include:

- i. GDPM Professional Services General Terms & Conditions
- ii. This RFP in its entirety
- iii. Required HUD Forms:
  1. Form HUD 5369-A Instructing to Offerors – Non-Construction;
  2. Form HUD 5370-C General Conditions for Non-Construction Contracts, Section I

Please carefully read and review the relevant terms and conditions including, but not limited to, the GDPM insurance requirements, prior to submitting your proposal. GDPM's Professional Services General Terms and Conditions is available for review at <https://www.gdpm.org/development-construction/documents/>.

d. **Additional Information May Be Required:**

If you are new to doing business with GDPM or it's been more than five years since you've worked on a GDPM related project, prior to Contract Award GDPM may require additional information including, but not necessarily limited to, references and evidence of capacity to perform. GDPM will request this information only if Proposer is selected for the award. Proposer will then have 72 hours to provide the requested information. If Proposer fails to provide the requested information, the information is inadequate or the information proves disqualifying in GDPM's discretion, GDPM will cancel the award and select the next lowest bidder for the Contract Award.

e. **Reservation of Rights:**

GDPM reserves the right to reject a proposal, if, in its sole discretion, that bidder is determined not to be the best-qualified or to be deficient in experience, technical proficiency or unable to provide qualified manpower to meet the specifications. GDPM reserves the rights to reject any or all proposals, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed by GDPM to be in its best interests. GDPM reserves the right not to award a contract pursuant to this RFP. GDPM reserves the right to change, modify, amend, revise or alter any of the instructions, terms, conditions, and/or specifications identified in the RFP documents

within any attachment or drawing, or within any addenda issued. All addenda will be posted to GDPM's website at <https://www.gdpm.org/business-opportunities/requests-for-proposals/>.

**f. Questions regarding this Solicitation:**

If you have any questions or if you'd like to receive notifications concerning this solicitation, please send a request with your name and email address to [ebid@dmha.org](mailto:ebid@dmha.org).

- g. Term:** The initial term of this contract is two years with an option to renew for an additional two years.

## Fee Proposal

Please provide a fixed fee/amount not to exceed to provide the CNA and Energy Audit for each development project listed below. For additional services provided, GDPM will pay the selected contractor based on an hourly fee. Please provide hourly rates for the items listed below.

<b>Development Name</b>	<b># of units</b>	<b>Fixed Price CNA/eTool Component</b>
Imperial	12	
Northeast Montgomery County	126	
Fitch-Hawthorn Village	19	
Wolf Creek	35	
Winston Woods	30	
Huffman Parnell	12	
Malden Hollencamp	21	
<b>Total</b>	<b>255</b>	

Please submit an hourly rates or flat fees for the following:

Re-Inspections - \$ \_\_\_\_\_

Hourly Rate for Additional Services: \$ \_\_\_\_\_





## Non-Collusive Affidavit and Full Disclosure Statement

**Non-Collusive Affidavit:** The undersigned party hereby certifies that this proposal/bid is genuine and not collusive or sham; that said offeror has not colluded, conspired, connived or agreed, directly or indirectly, with any offeror or person to put in a sham bid or to refrain from bidding, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication, or conference, with any person, to fix the bid price or any other offeror, or to fix any overhead, profit or cost element of said bid price, or of that of any other offeror, or to secure any advantage against the Greater Dayton Premier Management or any person interested in the proposed contract; and that all statements in said proposal or bid are true.

**Disclosure:** The undersigned certifies that I, nor any member of my immediate family does not now, and has not for the preceding two years, had any interest, whatsoever, whether direct, or indirect, in GDPM or any of its members or officials including but not limited to any interest which yields or has the potential of yielding directly or indirectly a monetary or other material gain or benefit with any employees, officers and commissioners of GDPM and members of their immediate family, or any interest arising from blood or marriage or from close business association, notwithstanding whether any financial interest is involved with any employees, officers and commissioners of GDPM members of their families or employment or services rendered as a member, official or officer of GDPM.

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
(Company Name)



By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

**Note:** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

## Backup Withholding

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

## What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

## Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

## Specific Instructions

### Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

**Note: ITIN applicant:** Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or “doing business as” (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity’s name as shown on the entity’s tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a “disregarded entity.” See Regulations section 301.7701-2(c)(2)(iii). Enter the owner’s name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner’s name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on line 2, “Business name/disregarded entity name.” If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

### Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

### Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

### Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

#### Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys’ fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947



The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 <sup>1</sup>	Generally, exempt payees 1 through 5 <sup>2</sup>
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

**Note:** You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

## Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

## Line 6

Enter your city, state, and ZIP code.

## Part I. Taxpayer Identification Number (TIN)

**Enter your TIN in the appropriate box.** If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

**Note:** See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.SSA.gov](http://www.SSA.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/Businesses](http://www.irs.gov/Businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. Go to [www.irs.gov/Forms](http://www.irs.gov/Forms) to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to [www.irs.gov/OrderForms](http://www.irs.gov/OrderForms) to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note:** Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

## Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

**1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.**

You must give your correct TIN, but you do not have to sign the certification.

**2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.**

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

**3. Real estate transactions.**

You must sign the certification. You may cross out item 2 of the certification.

**4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

**5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.**

You must give your correct TIN, but you do not have to sign the certification.

**What Name and Number To Give the Requester**

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
6. Sole proprietorship or disregarded entity owned by an individual	The owner <sup>3</sup>
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

<sup>1</sup> List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

<sup>2</sup> Circle the minor's name and furnish the minor's SSN.

<sup>3</sup> You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

<sup>4</sup> List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

\*Note: The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

**Secure Your Tax Records From Identity Theft**

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.**

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at [spam@uce.gov](mailto:spam@uce.gov) or report them at [www.ftc.gov/complaint](http://www.ftc.gov/complaint). You can contact the FTC at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see [www.IdentityTheft.gov](http://www.IdentityTheft.gov) and Pub. 5027.

Visit [www.irs.gov/IdentityTheft](http://www.irs.gov/IdentityTheft) to learn more about identity theft and how to reduce your risk.

## Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



# SECTION 3 BUSINESS CONCERN APPLICATION

Are you a Section 3 business?                      Yes                      No

\*If you select 'No' to the above question you do not have to complete this form\*

---

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood economic improvement, and individual self sufficiency. The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low-or very-low income residents in connection with projects and activities in their neighborhoods.

**Name of Business:**

**Contact Name:**

**Contact Person's Title:**

**Street Address:**

**Street Address Line 2:**

**City:**

**State:**

**Zip Code:**

**Phone Number:**

**Other Phone:**

**E-mail Address:**

**Type of Business:**

(please attach supporting documentations)

**Services Your  
Business Provides:**



# GDPM SECTION 3 BUSINESS CONCERN

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I certify that \_\_\_\_\_ (company's name) is applying to become a bona fide Section 3 business concern, and that it will meet the following definition of a Section 3 business concern:

Check at least one of the following:      Category 1      Category 2      Category 3      Category 4

**Category 1**

Business concerns that are 51 percent or more owned by residents of GDPM housing or developments for which the Section 3 covered assistance is expended, or whose full-time, permanent workforce includes 30 percent of GDPM Residents as employees.

**Category 2**

Business concerns that are 51 percent or more owned by residents of other housing developments or developments managed by the GDPM that is expending the Section 3 covered assistance, or whose full-time, permanent workforce includes 30 percent of these persons as employees.

**Category 3**

HUD YouthBuild programs being carried out in the metropolitan area (or non-metropolitan county) in which the Section 3 covered assistance is expended.

**Category 4**

Business concerns that are 51 percent or more owned by section 3 residents, or whose permanent, full-time workforce includes no less than 30 percent of employees who meet the low-income guidelines and live in the GDPM covered assistance area; or businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the total dollar award of all subcontracts to be awarded to Section 3 business concerns.

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**Note:** If you certify above that your business is a Section 3 Business, and you qualify for award of the contract based on the preference given to section 3 businesses and described in the solicitation, GDPM may request additional documentation and information as needed. If you have any questions about this form, please our Procurement Department at (937) 910-7500, or by send an e-mail to [procurement@gdpm.org](mailto:procurement@gdpm.org).

*“I hereby certify the information provided by me to be true and correct, and understand any falsification of any of the information could subject me to punishment under the law.”*

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Signature of Chief Executive Officer

---

Date



Dayton Metropolitan Housing Authority dba  
 Greater Dayton Premier Management  
 400 Wayne Ave., Dayton, Ohio 45410  
 Telephone (937) 910-7500  
 Fax (937) 910-7628  
 Email [procurement@gdpm.org](mailto:procurement@gdpm.org)



## Supplemental Instructions to Contractors for Section 3 Compliance (sec3-008)

Section 3 is a part of the U.S. Department of Housing and Urban Development (HUD) Act of 1968. This Act and HUD Regulation **24 CFR Part 135** ensures that employment and other economic opportunities generated by certain HUD financial assistance shall be directed to public housing residents, individuals of low to very low income, and to business concerns that provide economic opportunities to these individuals. Current contract is under regulation of 24 CFR part 135.

### GDPM Section 3 Goals

All contractors and subcontractors shall take necessary actions **to the greatest extent feasible** to meet the following goals. **GDPM expects a responsive Contractor to show its commitment to and compliance with Section 3 goals on each project as outlined within the below requirements and documentation.**

#### Section 3 Employment Goals

Contractors and any Tier Subcontractors	New Hires and Trainees	Minimum 30% of workforce
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#### Section 3 Contracting Goals

Contractors Any Tier Subcontractors ( <b>construction</b> )	Subcontract Awards	Minimum 10% of the total dollar amount of contract
Contractors and Any Tier Subcontractors ( <b>non-construction; professional services</b> )	Subcontract Awards	Minimum 3% of the total dollar amount of contract

### GDPM Award Process and Contractor Commitment to Section 3 Goals

*Procurement under the competitive proposals method of procurement (Request for Proposals (RFP)).*

A Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals. One of the evaluation factors shall address both the preference for Section 3 business concerns and the acceptability of the strategy for meeting the greatest extent feasible requirement (Section 3 strategy), as disclosed in proposals submitted by all business concerns (Section 3 and non-Section 3 business concerns). This factor shall provide for a range of 15 to 25 percent of the total number of available points to be set aside for the evaluation of these two components. The contract award shall be made to the responsible firm (either Section 3 or non-Section 3 business concern), whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.

*Procurement by sealed bids (Invitations for Bids).*

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

- (A) is within the maximum total contract price established in the contracting party's budget for the specific project for which bids are being taken, and
- (B) is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible

	x=lesser of:
When the lowest responsive bid is less than \$100,000.	10% of that bid or \$9,000.
When the lowest responsive bid is:	
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.

If no responsive bid by a Section 3 business concern meets the requirements above, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

## **Bid/Proposal Phase**

### **Bidder/offoror not claiming a section 3 preference:**

1. Bidder/offoror not claiming a Section 3 preference during the bid/proposal phase shall submit the following forms with their bid/offer. Failure to complete, execute, and submit all forms will render the bidder/offer non-responsive and their bid/offer will not be considered.

- Form sec3-001b, List of Current (pre-bid) Employees
- Form sec3-001e, Section 3 Strategy Commitment and Compliance Assessment

2. **Bidder/offoror claiming a Section 3 Business Concern preference:**

A bidder/offoror claiming a Section 3 Business Concern preference must submit Section 3 required certification. To qualify, the party wishing to claim a Section 3 preference shall complete the following forms and submit them either prior to or with the bid/offer for which qualification is sought:

### **For all individuals, sole proprietorships, partnerships, corporations, or joint ventures with a 51% ownership claiming a Section 3 preference**

- Form sec3-001a, Section 3 Business Concern Application and all required supporting documentation
- Form sec3-001b, Section 3 Employee List and all required supporting documentation
- Form sec3-001e, Section 3 Strategy Commitment and Compliance Assessment

### **For businesses claiming 30% of their current full-time workforce qualify as section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents**

- Form sec3-001a, Section 3 Business Concern Application
- Form sec3-001b, Section 3 Employee List and all required supporting documentation
- Form sec3-001c, Section 3 Contractor or Subcontractor Payroll Report completed for each F/T employee who has been employed at least one month. This includes all employees of the company
- Form sec3-001e, Section 3 Strategy Commitment and Compliance Assessment
- Form sec3-002a, Section 3 Resident Preference Claim Form and all required supporting documentation (to be completed for each Section 3 resident claimed in meeting the 30% threshold)
- Form sec3-002b, Section 3 Resident or Employee Household Income Certification (to be completed for each Section 3 resident claimed in meeting the 30% threshold)

### **For businesses claiming 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) above**

- Form sec3-001a, Section 3 Business Concern Application and all required supporting documentation for each individual, sole proprietorship, partnership, corporation, or joint venture claimed on the subcontractor list
- Form sec3-001b, Section 3 Employee List and all required supporting documentation
- Form sec3-001d, Section 3 Contractor or Subcontractor Payroll Report (this list must demonstrate that 25% of the total dollar amount of all subcontracts to be awarded to Section 3 business concerns)

- Form sec3-001e, Section 3 Strategy Commitment and Compliance Assessment
- Form sec3-002a, Section 3 Resident Preference Claim Form and all required supporting documentation (to be completed for each Section 3 owner/employee claiming Section 3 resident status as a subcontractor)
- Form sec3-002b, Section 3 Resident or Employee Household Income Certification (to be completed for each Section 3 owner/employee claiming Section 3 resident status as a subcontractor)

**For a Section 3 joint venture** as an association of business concerns, one of which qualifies as a Section 3 business concern, formed by written joint venture agreement to engage in and carry out a specific business venture. As a part of joint venture, Section 3 business concern must be:

1. Responsible for a clearly defined portion of the work to be performed and hold management responsibilities in the joint venture; and
2. Performing at least 25 percent of the work and is contractually entitled to compensation proportionate to its work.

If there is any question about the validity of a joint venture, GDPM shall request a copy of the joint venture agreement and verify its legitimacy.

- Form sec3-001a, Section 3 Business Concern Application and all required supporting documentation
- Form sec3-001b, Section 3 Employee List and all required supporting documentation
- Form sec3-001e, Section 3 Strategy Commitment and Compliance Assessment

### **Completing the Section 3 Strategy Commitment**

In completing the Section 3 Strategy Commitment, the bidders/offoror's efforts shall be directed towards identifying methods to achieve success under this program, as opposed to documenting the reasons why success was not achieved. Some examples of good faith efforts include, but are not limited to the following:

Hiring:

Target recruitment of GDPM residents for training and employment by taking steps such as:

- Prominently placing a notice of commitments under Section 3 at the project site or other places where applications for training and employment are taken
- Contacting local job training centers, employment service agencies, and community organizations
- Developing on-the-job training opportunities or participating in job training programs
- Contacting GDPM, GDPM resident councils, GDPM resident management corporations, and GDPM residents
- Contacting GDPM for a list of agencies that may be able to provide assistance regarding opportunities for training, which can be utilized on this contract
- Advertising in the local media
- Keeping a list of Section 3 area residents who apply on their own or by referral for available positions
- Sending to labor organizations or representatives of workers with whom the recipient, contractor, or subcontractor has a collective bargaining agreement or other understanding, a notice about contractual commitments under Section 3
- Selecting Section 3 area residents, particularly GDPM residents, for training and employment positions

- Providing an ongoing monitoring of the program by the contractor and its subcontractors to ensure compliance and to identify problems or difficulties in meeting the requirements, and implement strategies to overcome the problems. Where problems or difficulties in meeting the goals are encountered, taking aggressive efforts to rectify the matter. Such action shall include, but not be limited to, convening a meeting with GDPM to advise it of the problems and proposed solutions. GDPM will offer its assistance whenever possible.

Contracting:

Target recruitment of Section 3 business concerns by taking such steps as:

- Contacting Section 3 business concerns in GDPM's directory
- Prominently placing a notice of commitment relative to Section 3 contracting at the project site and other appropriate places
- Contacting GDPM for a list of certified firms
- Contacting other organizations which might be helpful in identifying Section 3 business concerns
- Advertising in the local media
- Dividing total work into smaller sub-tasks (i.e. by floor)
- Using multiple firms for the same type of work (i.e. two drywall subcontractors or several plumbing suppliers)
- If necessary to meet the program objectives, exercising flexibility in utilizing Section 3 business concerns in other or additional areas than initially proposed
- Providing ongoing monitoring of the program by the contractor and its subcontractors to ensure compliance and to identify problems or difficulties in meeting the requirements, and implement strategies to overcome the problems. Where problems or difficulties in meeting the goals are encountered, take aggressive efforts to rectify the matter. Such action shall include, but not be limited to convening a meeting with GDPM to advise it of the problems and proposed solutions. GDPM will offer its assistance whenever possible.

#### Pre-Award Phase

Subsequent to the submission of bids/proposals, but prior to contract award, contractors may be requested to provide additional information regarding the submissions required in the Bid/Proposal Phase. Such requests may be made in instances where the contractor does not show sufficient detail in its required Section 3 Strategy Commitment, where the contractor's required submissions do not reflect achievement of the minimum stated goals, where the contractor has not identified the name of the Section 3 subcontractor(s) in the required submissions, or where it is deemed necessary by GDPM's Contracting Officer.

#### Contract Award Phase

As a condition of contract award, the contractor shall be required to enter into a Section 3 Memorandum of Understanding delineating the "greatest extent feasible" efforts required of the contractor during the term of the contract. Form sec3-009, Section 3 Memorandum of Understanding shall be used.

#### Contract Performance Phase

GDPM shall monitor and evaluate the contractor's Section 3 compliance towards achieving the numerical goals relative to Section 3 employment, training, and contracting on a **monthly basis** throughout the contract period. The contractor shall be responsible for providing the following reports to GDPM, which shall be submitted no later than 4:30 p.m., on the first business day of each month throughout the contract period:

- Form sec3-010, Contractor's Section 3 Employment and Training Compliance Report

The contractor shall also ensure that for each Section 3 resident hired, form sec3-002a, Section 3 Resident Preference Claim and form sec3-002b, Section 3 Resident or Employee Household Income Certification are completed and submitted to GDPM. These forms shall be completed by the resident and submitted to GDPM by the contractor with the monthly reports listed above.

The contractor shall be responsible for monitoring the compliance of any tier subcontractors. In doing so, the contractor shall require monthly reports from its lower tier subcontractors in the formats provided.

#### Determination of Compliance

Contractors and their subcontractors may demonstrate compliance with Section 3 by meeting the commitments stated on the Form sec3-001e, Section 3 Strategy Commitment and Compliance Assessment and by meeting the employment and contracting numerical goals set forth above. Contractors who do not meet their commitment **shall have the burden of demonstrating through the submission of supporting documentation why it was not feasible to meet the numerical goals.** It is expected that contractors who put forth a good faith effort will be successful in meeting the goals relative to Section 3 employment and contracting.

#### Effects of Non-Compliance

Contractors that do not meet the numerical goals set forth herein have the burden of demonstrating why it was not feasible to meet the goals. GDPM shall consider documentation provided by the contractor evidencing impediments encountered despite actions taken to comply. Such evidence shall be subject to the satisfaction of GDPM. The documentation may be subject to the examination of GDPM's Board of Commissioners prior to the award of any future contract awards. **Contractors found not to be in compliance with the provisions of Section 3 may be deemed ineligible for future contract awards with GDPM or at least be subject to business suspension from doing business with GDPM for one to three years.**

For complete set of forms please visit: <http://www.gdpm.org/doing-business-with-gdpm/section-3-overview/section-3.html>

For any questions on Section 3, please e-mail [procurement@gdpm.org](mailto:procurement@gdpm.org) or mail

Section 3 Procurement Office  
400 Wayne Avenue  
Dayton Oh 45410-1106

Telephone: 937-910-7617  
Fax: 937-910-7628

## **Is your Proposal Packet Complete?**



**Are the following forms completed, signed and in your Proposal Packet?**

- 1. Request for Proposal Contractor Information Sheet**
- 2. Statement of Qualifications**
- 3. Statement of Strategy**
- 4. Fee Proposal**
- 5. Non-Collusive Affidavit & Full Disclosure Form**
- 6. Section 3 Form**
- 7. W-9 (if not already registered with GDPM)**