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**CITY OF ROCKVILLE ADMINISTERED CDBG FUNDED SUB-GRANTEE  
AGREEMENT**

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**THIS CITY OF ROCKVILLE ADMINISTERED CDBG FUNDED SUB-GRANTEE AGREEMENT** (this “**Contract**”) is entered into as of **the 24th day of April, 2025**, by and between THE MAYOR AND COUNCIL OF ROCKVILLE, a body corporate and municipal corporation of the State of Maryland (hereinafter referred to as "City"), with offices at City Hall, 111 Maryland Avenue, Rockville, Maryland 20850 and **Rockville Housing Enterprises**, (hereinafter referred to as "GRANTEE") with offices at **1300 Piccard Drive, Suite 203, Rockville, MD 20850**.

**RECITALS**

WHEREAS, the City has received Community Development Block Grant (“CDBG”) funds from Montgomery County, Maryland pursuant to the terms of Contract Number **1171287** the terms of which are incorporated into this Contract and which is further identified as "EXHIBIT A;" and

WHEREAS, the Grantee has requested **Seventy-Five Thousand Dollars (\$75,000.00)** of CDBG funds to **Rockville Housing Enterprises**, in accordance with the provisions and deliverables of EXHIBIT A, **Attachment I-D**; and

WHEREAS, the City has requested that such funds be included in its Year **50** CDBG allocations; and

WHEREAS, the City's request for funds was approved by the Montgomery County Government and is identified in Exhibit A as **Attachment I-D**; and

NOW THEREFORE in consideration of the mutual promises and covenants herein contained, and the recitals which are incorporated in and made parts of this Contract, the parties do agree as follows:

1. Grantee covenants and agrees to provide necessary personnel, facilities, supplies, material, and/or services to undertake the scope of services, budget, timeline and results as contained in **Attachment I-D**. In providing such personnel, facilities, supplies, materials and/or services, Grantee shall comply with all applicable terms and requirements set forth in Exhibit A and all laws, regulations, and/or policies imposed from time to time by the U. S. Department of Housing and Urban Development, Montgomery County, Maryland, and/or the City of Rockville.
2. Grantee covenants and agrees that grant funds are to be used only for activities

described in the **Attachment I-D**. Any changes or modifications to the described activities must receive prior written approval from the City of Rockville Department of Housing and Community Development.

3. Grantee covenants and agrees to submit quarterly project progress reports and project benefit reports as indicated in Exhibit A as well as such reports as may be required from time to time by the U.S. Department of Housing and Urban Development ("HUD"), Montgomery County, Maryland and/or the City of Rockville.
4. Grantee covenants and agrees that project activities shall benefit 100% low-moderate income residents of the City of Rockville. Grantee will document income according to the requirements of Exhibit A and **Attachment I-D**. To the extent possible, said documentation shall include names and addresses of persons assisted. Grantee further agrees to maintain adequate eligibility records required by **Attachment I-D**. Grantee further agrees that rehabilitated units will be occupied by low-moderate income households no less than five years following closeout of the CDBG Yr 50 (FY25) grant.
5. Grantee shall submit supporting documentation for CDBG eligible activities necessary to accomplish the activities described in **Attachment I-D**.
6. Reimbursement for project costs will be made only upon submission of documented requisitions. Submitted documentation shall include, but not be limited to, copies of payroll and personnel expense checks, and personnel time sheets, copies of paid invoices, checks.

7. **Contract Term**

Grantee shall commence the work described herein on or about **April, 2025** and shall complete the work by **April, 2026, within 12 months of this Contract's execution**. Any extensions beyond the term specified herein shall be at the sole discretion of the City and shall require the concurrence of Montgomery County.

8. **Audit and Inspection**

Grantee agrees that the City or its designee shall, until the expiration of three (3) years after final payment under this Contract, have access to and the right to examine any books, documents, and records of Grantee pertaining to expenditure of funds described in this Contract. Grantee shall retain records pertaining to this Contract for at least five (5) years or such longer time as may be required by the

City and shall contact the City before disposing of the records.

**9. Termination**

**A. For Convenience of the City**

This Contract may be terminated, in whole or in part, whenever the City Manager shall determine that termination of this Contract is in the best interest of the City. In such event, the City shall be liable only for payment in accordance with the provision of this Contract for work or services performed or furnished in accordance with this Contract, prior to the effective date of termination. Termination hereunder shall be effective by a written notice of termination delivered in person or by mail to Grantee at the aforementioned address.

**B. For Default of Contract**

This Contract may be terminated by the City, in whole or in part, whenever, in the opinion of the City Manager, Grantee has defaulted in the timely performance of this Contract, failed to make satisfactory progress in the prosecution of the work hereunder, or endangered such performance, and has failed to cure such default within ten (10) days after receipt of written notification from the City specifying the default. The findings of fact and decisions made regarding termination for default by the City Manager shall be final and conclusive.

**10. Assignment and Subcontracting**

Grantee shall not assign or transfer neither this Contract nor any right in or claim thereunder except as expressly authorized in writing by the City Manager.

**11. Disputes**

Except as otherwise provided in this Contract, any dispute concerning a question of fact arising under this Contract, which is not disposed of by agreement, shall be decided by the City Manager, who shall notify Grantee in writing of his or her determination. Grantee shall be afforded an opportunity to be heard and offer evidence in support of its claim. Pending final decision of the dispute hereunder, Grantee shall proceed diligently with performance of this Contract. The decision of the City Manager shall be final and conclusive.

12. **Governing Law**

This Contract shall be governed by the laws of the State of Maryland, and nothing hereunder shall be interpreted to preclude the parties from seeking, after the completion or termination of this Contract, any and all remedies provided by law.

13. **Non-Discrimination in Employment**

Grantee will not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, national origin, marital status, sexual preference, age, or handicap. Grantee will take affirmative action toward the employment of minority applicants and shall treat employees without regard to their race, color, creed, religion, sex, sexual preference, national origin, marital status, age, or handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates or pay or other forms of compensation; and selection for training, including apprenticeship. Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Equal Opportunity clause.

Grantee will, in all solicitations or advertisements for employees placed by or on behalf of Grantee, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, sexual preference, national origin, marital status, age, or handicap.

In the event of Grantee's failure to comply with the Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended, in whole or in part.

14. **Independent Contractor**

Grantee shall perform this Contract as an independent contractor and shall not be considered an agent of the City, nor shall any of the employees or agents of grantee be considered sub-agents of the City.

15. **Licenses and Responsibilities**

Grantee shall, at Grantee's expense, be responsible for obtaining all necessary licenses and for complying with any applicable federal, state, and municipal laws, codes, and regulations in connection with the performance of services specified herein.

**16. Indemnification and Hold Harmless**

It is agreed that Grantee shall indemnify and hold harmless the City, its officers, agents and employees from any and all suits, actions, claims, damages, and costs of every nature and description to which the City may be subjected by reason of injury to person or property resulting from Grantee's conduct, negligence or that of its agents, employees or subcontractors in the performance of its duties under this Contract. Grantee shall be responsible for all damage to persons or property, which occurs or is a result of its conduct and shall take proper safety and health precautions to protect all employees and members of the general public. Grantee shall be responsible for claims of liability, loss or damage which may be attributable in whole or in part to its' negligence or misconduct, excepting however such claims or damages as may be attributable to the direct or willful negligence of the City, its officers, agents or employees.

**17. Entire Agreement**

This Contract contains the entire agreement between the parties hereto, and they shall not be bound by any terms, conditions, statements, warranties, or representations, oral or written, not herein contained.

**18. Conflicts**

If any conflicts exist between this Contract and Exhibit A, this Contract shall prevail. If any conflicts exist among the documents included in Exhibit A, the order of priority is: the terms contained in the letter dated **March 20<sup>th</sup>**, 2025, General conditions of Contract between County and Contractor (Attachment III), the Scope of Services (**Attachment I-D**), CDBG Special Conditions (Attachment VI), this Contract, the Requirements for Services Contract Addendum to the General Conditions of Contract Between County and Contractor (Attachment IV), the CDBG Eligibility Documentation (Attachment V), the Federal Labor Standards Provisions (Attachment VII), and the Environmental Review Record (Attachment VIII)

**19. References to Contractors in Exhibit A**

Any references to contractor in Exhibit A shall apply to Grantee.

**20. Insurance**

Prior to the execution of this Contract by the City, the Grantee must obtain at their own cost and expense and keep in full force and effect during the term of the Contract including all extensions, the following lines of insurance with an insurance company licensed to do business in the State of Maryland evidenced by a certificate of insurance and/or copies of the insurance policies. The Grantee's insurance shall be primary.

The Grantee must submit to the City a certificate of insurance and all requested Insurance Endorsements prior to the award of any Grant Funds. The Grantee will be required to maintain for the life of the Contract, including extensions, and to furnish the City evidence of insurance as follows:

#### **MANDATORY REQUIREMENTS FOR INSURANCE**

The Grantee's insurance coverage shall be primary insurance as respects the City, its elected and appointed officials, officers, consultants, agents and employees and any insurance or self-insurance maintained by the City, shall be excess of the Grantee's insurance and shall not be called upon to contribute with it. The Grantee shall waive any rights of recovery against the City and shall be responsible for maintaining proper insurance compliance amongst any and all of its servants, agents, employees or beneficiaries with the explicit understanding that no relationship and no authority exists between the City and those entities.

#### **CERTIFICATE REQUIREMENTS WITH FORMS**

<b>Type of Insurance</b>	<b>Amounts of Insurance</b>	<b>Endorsements and Provisions</b>
<b><i>Commercial General Liability</i></b>  a. Bodily Injury b. Property Damage c. Contractual Liability d. Premise/Operations e. Independent Contractors f. Products/Completed Operations g. Personal Injury	\$1,000,000 each occurrence and \$1,000,000 in the aggregate	City to be listed as additional insured and provided 30 day notice of cancellation or material change in coverage. ISO Form CG 20 10 07 04 Form required.
<b><i>Workers Compensation Employers' Liability</i></b>	Bodily Injury by Accident: \$100,000 each accident Bodily Injury by Disease: \$500,000 policy limits	Waiver of Subrogation: ISO Form WC 00 03 13 Waiver of Our Rights to Recover From Others Endorsement – signed and dated.

	Bodily Injury by Disease: \$100,000 each employee	
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The Description area of the Certificate of Insurance shall read as follows:

*The Mayor and Council, City of Rockville*  
City Hall  
CDBG Grant YR. 50  
111 Maryland Avenue  
Rockville, MD 20850

#### **Policy Cancellation**

No change, cancellation or non-renewed shall be made in any insurance coverage without a thirty (30) day written notice to the City's Safety & Risk Management Division. Grantee shall furnish a new certificate prior to any change or cancellation date. The failure of the Grantee to deliver a new and valid certificate will result in suspension of all payments and cessation of on-site work activities until a new certificate is furnished.

#### **Additional Insured**

The Mayor and Council of Rockville, which includes its elected and appointed officials, officers, consultants, agents and employees must be named as an additional insured on the Grantee's Commercial General Liability and Excess/Umbrella Insurance for liability arising out of Grantee's products, goods, and services provided under this Contract. Endorsements reflecting the Mayor and Council of Rockville as an additional insured are required to be submitted with the insurance certificate.

(Signatures of Following Page)

IN WITNESS WHEREOF, the parties have executed this Contract by causing the same to be signed as of the day and year first above written.

ATTEST:

THE MAYOR AND COUNCIL  
OF ROCKVILLE

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Sara Taylor-Ferrell,  
City Clerk/Dir of Council Operations

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Jeff Mihelich, City Manager

ATTEST:

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Christele Etienbla, Deputy Director  
Rockville Housing Enterprises



Approved as to legal sufficiency:

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Robert E. Dawson, City Attorney



DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Marc Elrich  
County Executive

Scott Bruton  
Director

March 20, 2025

Mr. Jeff Mihelich, City Manager  
City of Rockville  
111 Maryland Avenue  
Rockville, Maryland 20850-2364

RE: The City of Rockville; Year 50 (County FY25) CDBG Funded Projects  
Project Nos. BG8102, BG8104, BG8101, BG8105 and BG8068  
Grant Agreement No. 1171287

Dear Mr. Mihelich:

This letter is to notify you that the County has agreed to provide The Mayor and Council of Rockville, a body corporate and municipal corporation of the State of Maryland (“the City”, “Contractor”, or “Grantee”) with County FY25 (FFY24) Community Development Block Grant (CDBG) funding in an amount not to exceed **Two Hundred Sixty-Three Thousand Dollars and no cents (\$263,000)** to implement the five activities described below. The projects described herein are to be undertaken and administered by the City and are to benefit Montgomery County residents. This Grant Agreement represents a sub-award of federal funds (see Attachment VI-E) and, therefore, includes certain compliance requirements. This funding is subject to the terms and conditions of this letter and Attachments I-A, I-B, I-C, I-D, I-E, I-F, II, III, IV, V, VI, VII, and VIII. The Contractor is a public entity as defined by the Montgomery County Code, Section 11B-41. Under Section 11B-41 of the Code, the County may enter a contract without competition with a public entity if the contract is in the best interests of the County. This letter and the enclosed attachments as listed above constitute the County’s Grant Agreement with you (the “Contract”). Note: reference to “Contractor” in the Attachments to this Contract refers to the City.

In the event of a conflict among the documents comprising this Contract, for purposes of resolving conflicts the order of priority is as follows: the terms contained in this letter including the General Conditions of Contract between County and Contractor (Attachment III), the Scope of Services (Attachments I-A, I-B, I-C, I-D, I-E, I-F), the Budget and Timeline (Attachment II), Special Conditions (Attachment VI), the County Wage Requirements for Services Contracts (Attachment IV), the CDBG Eligibility Documentation (Attachment V), the Federal Labor Standards Provisions (Attachment VII) and the Environmental Review Record (Attachment VIII).

In consideration of the services to be provided to eligible clients, the County will pay an amount not to exceed \$263,000 for the approved programs and projects identified on page 2. The City agrees to reimburse the County for all expenses incurred, which are determined to be ineligible for funding and for which the federal government requires reimbursement. Reasonable

Division of Finance and Administration

Asset Management

Grants Administration

Licensing and Registration

Management Services

1401 Rockville Pike, 4th Floor • Rockville, Maryland 20852 • 240-777-0311 • 240-777-3699 FAX • [www.montgomerycountymd.gov/dhca](http://www.montgomerycountymd.gov/dhca)



Mr. Jeff Mihelich  
City of Rockville  
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CDBG Projects Year 50 (CFY25 / FFY24)  
Project Nos. BG8102, BG8104, BG8101, BG8105 and BG8068  
Grant Agreement/Contract 1171287

compensation for goods and/or services may be made quarterly upon submission of an invoice for work satisfactorily completed, as determined by the County.

The approved programs and projects are as follows:

Activity	Contractor		Amount
I-A	BG8102/25	Community Reach of Montgomery County, Inc.	\$22,185
I-B	BG8104/25	Housing Unlimited, Inc.	\$70,870
I-C	BG8101/25	Interfaith Works, Inc.	\$19,945
I-D	BG8105/25	Rockville Housing Enterprises (RHE)	\$75,000
I-E	BG8068/25	Rockville Single Family Rehabilitation Program	\$75,000
Total			\$263,000

For all projects listed above: This Contract will expire when the work has been completed or 12 months from the effective date of this Contract, whichever comes first. The Contract will not become effective until the date signed by the Director of the Office of Procurement ("Director"). Work under this Contract must not begin until you receive the County's written notice to proceed. The terms of this Contract are subject to the appropriation and availability of funds including, but not limited to, any federal, state, or local grant program or other funding mechanism.

The City's satisfactory performance does not guarantee either an extension or renewal of the Contract. The Director of the Office of Procurement has the authority to extend or renew the term of this Contract if it is determined by DHCA that a renewal or extension is in the best interest of the County. Any extension or renewal of this Contract must be executed by an amendment and is contingent upon the Grantee being on the Grantee list. Any funds not committed and/or expended consistent with such extension plans will be subject to immediate recapture and reallocation by the County to other projects. Recapture of CDBG funds by the County may impact future annual CDBG allocations for the City.

All subcontracts awarded by the City for the approved programs and projects enumerated on page 2 must be reviewed and approved by DHCA prior to execution by the City. The County will reimburse the City for satisfactorily completed work and services, as reasonably determined by DHCA, upon periodic receipt of invoices from the City. Expenses for all projects and programs under this Contract must be incurred during the Contract term.

**All invoices must be received by DHCA no later than 30 days after the expiration of the quarter in which the costs are incurred, except for those expenses incurred during the April through June quarter, which must be received no later than July 9. Invoices received by DHCA after the applicable period has expired will not be approved for payment, and the dollar value of this Contract will be reduced accordingly.**

Funds must be drawn down according to the draw schedule found as Attachment I-F of this Contract. Should the rate of draw down fall below the amount indicated for any quarter, the City must provide the County with a written explanation and a plan for ensuring that all funds are drawn down within the term of this Contract with the invoice.

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The City must verify and document that a minimum of 70% of all clients assisted with CDBG funds are income eligible. If CDBG funds are not used to assist all clients, CDBG assisted clients must be tracked and reported separately. Adequate CDBG income documentation consists of copies of federal tax returns or documentation of receipt of other government income-determined benefits (Housing Choice Voucher or other rental assistance, SSI, SSDI, FARMS, TANF, Medical Assistance, etc.). "No-income" attestation forms are not acceptable for activities within this Contract.

Activities funded through this Contract are subject to all applicable non-discrimination laws, including laws concerning discrimination against any person based on race, color, religious creed, ancestry, national origin, sex, marital status, disability, the presence of children, source of income, sexual orientation, or age. Failure to comply with these non-discrimination requirements may result in termination of this Contract, restitution of funds to the County, and all other remedies available to the County. The City must bind its subcontractors to these non-discrimination requirements.

Please sign the following page of this Contract and return the entire Contract to me (please note that this cover letter is a part of this Contract). One fully executed copy, a Purchase Order, and a Notice to Proceed will then be returned to you for your files.

Sincerely,

A handwritten signature in cursive script that reads "Pofen Salem".

Pofen Salem, Chief  
Division of Finance and Administration

Mr. Jeff Mihelich  
City of Rockville  
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**MAYOR AND COUNCIL  
OF ROCKVILLE**

**MONTGOMERY COUNTY,  
MARYLAND**

Jeff Mihelich  
Jeff Mihelich, City Manager

Date: 3/25/2025

Federal I.D. No. 52-6001573  
UEI: XZGJXFPKJ9E7

Reviewed for Legal Sufficiency by  
The Office of the City Attorney

Robert Dawson  
Robert E. Dawson, City Attorney

Karen D. S. /for  
Avinash G. Shetty, Director  
Office of Procurement

Date: April 24, 2025

Recommended by:

Scott Bruton  
Scott Bruton, Director  
Department of Housing and Community Affairs

Date: April 2, 2025

Approved as to Form

Jerrilyn E. Brooks  
Assistant County Attorney

Date: March 26, 2025

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**ATTACHMENT I-D**  
**SCOPE OF SERVICES – ROCKVILLE HOUSING ENTERPRISES**

Rockville Housing Enterprises (RHE) must complete air conditioning unit replacement (the Project) at 15 units at its public housing site, the David Scull Courts community (1200-1320 First Street). Because RHE is a Public Housing Agency, Davis-Bacon and Section 3 requirements apply to all phases of the Project including bidding, contractor selection, construction and close out activities. A previous environmental review for this project has already been completed and is on file at DHCA. However, additional environmental review may be necessary, and the City must contact DHCA to determine the requirements.

The subcontract between the City and RHE must be reviewed and approved by DHCA prior to execution. Community Development Block Grant (CDBG) regulations require clients served by programs funded with CDBG monies meet income eligibility criteria. RHE must verify and document that all clients assisted with CDBG funds through this activity are income eligible. Adequate CDBG income documentation consists of copies of federal tax returns or documentation of receipt of other government income-determined benefits (Housing Choice Voucher or other rental assistance, SSI, SSDI, FARMS, TANF, Medical Assistance, etc.)

**REPORTING**

The City must submit DHCA Federally Funded Loan Set Up Form and the Request for Environmental Review Form once at the same time at the beginning of the Project. Payments will not be made if any required reports have not been submitted.

**ACTIVITIES**

RHE must complete air conditioning replacement at 15 public housing units in the David Scull Courts community in compliance with federal, state and local requirements. The City must contact DHCA with any questions regarding the requirements below. Activities include, but are not limited to:

- Verify and document all property residents are CDBG income eligible;
- Solicit competitive bids including all federal requirements including, but not limited to, Davis-Bacon, MBE/MFD, Section 3, environmental review etc.;
- Provide the City with the scope of work and bid documents prior to soliciting bids;
- Award and administer the contract in a manner to ensure compliance with federal requirements;
- Ensure all contractors have a valid WSSC Plumbing license;
- Award contract to the lowest responsive and responsible bidder;
- Enter into and administer a contract which maintains a minimum of 10% retainage until the last payment for each unit, including verification of:
  - Quality and amount of work in place;
  - Lien releases; and
  - Compliance with Davis-Bacon, Section 3, MBE, environmental review and all other federal requirements.

Mr. Jeff Mihelich  
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- Ensure all Davis-Bacon payrolls are provided to Rockville within seven days of the payroll reporting period for all weeks in which work is done;
- Ensure all required permits are obtained and approved;
- Inspect all work in place prior to approving payments; and
- Submit DHCA Federally Funded Loan Set Up Form and semi-annual narrative summaries.

### **DELIVERABLES**

The Contractor must provide documentation acceptable to DHCA of having achieved the following quantified levels of activity through the ACTIVITIES section above. The Contractor must provide DHCA with a final one-page narrative accomplishment summary, including a paragraph indicating whether the described levels of accomplishments have been reached and if not, the reason(s) why. This narrative report must be provided with the final invoice. No invoices will be paid to a Contractor with outstanding overdue reports.

<b>ACTIVITY</b>	<b>DELIVERABLES</b>	<b>DOCUMENTATION</b>
Income eligibility	Verify and document income eligibility of all client households	Documentation in client file
Air conditioning unit replacements	Replacement at 15 of the requested 30 units	Before and after photos, copies of scopes of work, summary of total final cost per unit
Beneficiary Reporting	DHCA Federally Funded Loan Set Up Form to the City	Reports
Contractor Reporting	Timely Davis Bacon, Section 3, MBE and other required federal compliance documentation	Reports

### **BUDGET**

All funding provided under this Contract must be used for the specific expenses enumerated below. All funding, if any, remaining undistributed at the end of the Contract will be recaptured by DHCA and reallocated to other eligible projects. The City must provide any additional funding that may be required from other sources to ensure full delivery of the services described herein.

All services under this Contract must be performed during the active term of the Contract. The City must provide DHCA with the final invoice no later than 30 days following the end of the Contract term, unless the expiration is between June 15 and June 30, in which case requests for payment must be received no later than July 9. The City must submit regular invoices to DHCA documenting the expenses for which reimbursement is requested. Under no circumstances may invoices be submitted less frequently than quarterly.

All invoiced costs must be supported by a copy of the original vendor invoice. All payment requests must include the following clause signed by the authorized signatory of the Contract:

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*"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise."*

Replacement of air conditioning units at 15 units	\$75,000
Total CDBG Funds	\$75,000

All invoices must be accompanied by copies of original vendor invoices. The bidding material and Project Contract(s) must include all federal requirements and the City is responsible for RHE's compliance with all requirements. In the event HUD determines RHE has not achieved compliance, the City will be directly responsible for paying all restitution, penalties and/or fees determined by HUD or its designee. RHE must provide the City with all contractor invoices with all requests for payment for the Project with all requests for payments, copies of Davis Bacon payrolls, other compliance documentation, and copies of lien releases before any invoice may be approved.

#### **TIMELINE**

The activities under this Contract must be performed during the term of the Contract, which begins on the date it is executed by the Director of the Office of Procurement. Time is of the essence. No activities that occur before the execution of this Contract or after the expiration date of this Contract will be paid.

END OF ATTACHMENT I-D



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City of Rockville  
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**ATTACHMENT I-E**  
**SCOPE OF SERVICES - ROCKVILLE SINGLE FAMILY REHABILITATION**  
**PROGRAM**

The City's Single Family Rehab Program must provide technical assistance and deferred loan subsidies and/or reduced interest loans to an estimated three to four (3 to 4) low- and moderate-income households within the City of Rockville to make necessary home improvements ("Single Family Program").

Community Development Block Grant (CDBG) regulations require clients served by programs funded with CDBG monies meet income eligibility criteria. The City must verify and document that all clients assisted with CDBG funds for the Single-Family Program are income eligible. If CDBG funds are not used to assist all clients, CDBG assisted clients must be tracked and reported separately. Adequate CDBG income documentation consists of copies of federal tax returns or documentation of receipt of other government income-determined benefits (Housing Choice Voucher or other rental assistance, SSI, SSDI, FARMS, TANF, Medical Assistance, etc.).

**REPORTING**

The Contractor must submit DHCA Federally Funded Loan Set Up Form and the Request for Environmental Review Form once at the same time at the beginning of the project. Payments will not be made if any required reports have not been submitted.

**ACTIVITIES**

The Contractor must provide fully qualified staff to operate the Single-family Program to serve an estimated three to four households that qualify as low- to moderate-income and who lack sufficient resources to maintain their homes in accordance with applicable codes. The funds must be used to correct existing and incipient housing deficiencies and health and safety hazards. Typical repair needs are for new furnaces, roofs, broken or inefficient appliances and plumbing fixtures, dangerous tree removal, or repairs resulting from water damage or the age of the home. Almost half of the recipients are elderly and cannot physically or financially maintain their homes as a safe environment. All projects must be undertaken in full compliance with all federal, state, and local program requirements including ensuring all participants are appropriately licensed to perform activities, including lead paint and other environmental compliance activities. All homes constructed prior to 1978 must be tested for the presence of lead paint by a certified contractor and these test results must be addressed in scope of work write ups and included in each case file. The City must contact DHCA with any questions regarding the requirements below. NOTE: Activities under the Single-Family Rehabilitation Program are not subject to Davis-Bacon requirements. These activities must include, but are not limited to:

- Conduct outreach as necessary to ensure adequate response by eligible clients;
- Evaluate and document verification of all applicants for eligibility and include copies of verification in file;
- Request historic clearance from Maryland Historic Trust;
- Forward Historic Trust approval to DHCA so that environmental review may be completed (no work may begin until DHCA has advised the City that the environmental review has been approved);

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- Work with DHCA staff to ensure that a programmatic environmental review is conducted that meets all federal and local requirements;
- Submit proposed projects to authorized City representative for approval and authorization;
- Create an individual case file for each applicant;
- Conduct a home inspection of the applicant's property and develop a detailed scope of work addressing existing and incipient code violations, energy improvements and accessibility modifications where indicated;
- Assist the applicant in soliciting competitive bids for the work;
  - Assist the applicant in drafting and executing a contract with the selected contractor which maintains a minimum of 10% retainage until the last payment for each item completed under the contract's scope of work;
- Inspect the work as it is performed and assist the applicant in approving draw payments when appropriate;
- Conduct a final inspection of the property when completed and verify all work was completed properly;
- Ensure all lien releases and permit approvals are provided before approving the final payments. Provide technical assistance, mediation and problem resolution assistance throughout the process as needed; and
- Submit DHCA Federally Funded Loan Set Up Form and final narrative summary report.

### **OUTCOMES / DELIVERABLES**

<b>ACTIVITY</b>	<b>DELIVERABLES</b>	<b>DOCUMENTATION</b>
Outreach	Adequate to achieve projected completions	Copy of waiting list of eligible clients
Write-ups	Estimated 3-4	Owner/applicant write up acceptance letters
Contracts executed	Estimated 3-4	Copy of contracts
Projects Completed – provide the services in the “Activities” section above.	Estimated 3-4 projects completed during the contract term.	List of properties receiving maintenance, income eligibility and brief list of repairs at each and total cost.
Reporting	DHCA Federally Funded Loan Set Up Form, final narrative summary report, and any other federal compliance documentation requested	Reports

### **BUDGET**

All funding provided under this Contract must be used for the specific expenses enumerated below. All funding, if any, remaining undistributed at the end of the Contract will be recaptured by DHCA and reallocated to other eligible projects. The Contractor must provide any additional funding that may be required from other sources to ensure full delivery of the services described herein.

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All services under this Contract must be performed during the active term of the Contract. The Contractor must provide DHCA with the final invoice no later than 30 days following the end of the Contractor term, unless the expiration is between June 15 and June 30, in which case requests for payment must be received no later than July 9. (NOTE: No entertainment related costs may be paid with CDBG funds). The Contractor must submit regular invoices to DHCA documenting the expenses for which reimbursement is requested. Under no circumstances may invoices be submitted less frequently than quarterly.

All invoiced costs must be supported by a copy of the original vendor invoice. All payment requests must include the following clause signed by the authorized signatory of the Contract:

*"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise."*

Reimbursement of construction costs. An estimated four households at an estimated cost of \$18,750 +/- per unit	\$75,000
Total CDBG Funds	\$75,000

All invoices must be accompanied by copies of original vendor invoices. The bidding material and Home Repair contract(s) must include all federal requirements, and the City is responsible for Rockville Single Family Rehab Program's compliance with all requirements. In the event HUD determines Rockville Single Family Rehab Program has not achieved compliance, the City will be directly responsible for paying all restitution, penalties, and/or fees determined by HUD or its designee. Rockville Single Family Rehab Program must provide the City with all contractor invoices with all requests for payment for the Home Repair and copies of lien releases before any invoice may be approved. Note: no administrative costs are included under this Contract.

### **TIMELINE**

The activities under this Contract must be performed during the term of the Contract, which begins on the date it is executed by the Director of the Office of Procurement. Time is of the essence. No activities that occur before the Notice to Proceed is issued, or after the expiration date of the Contract will be paid.

END OF ATTACHMENT I-E

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### **ATTACHMENT I-F**

### **DRAW SCHEDULE**

	<b>Project</b>	<b>TOTAL</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>
<b>I-A</b>	Community Reach of Montgomery County, Inc.	22,185	5,546.25	5,546.25	5,546.25	5,546.25
<b>I-B</b>	Housing Unlimited, Inc.	70,870	17,717.50	17,717.50	17,717.50	17,717.50
<b>I-C</b>	Interfaith Works, Inc.	19,945	4,986.25	4,986.25	4,986.25	4,986.25
<b>I-D</b>	Rockville Housing Enterprises (RHE)	75,000	18,750	18,750	18,750	18,750
<b>I-E</b>	Rockville Single Family Rehabilitation Program	75,000	18,750	18,750	18,750	18,750
<b>Totals</b>		<b>263,000</b>	<b>65,750</b>	<b>65,750</b>	<b>65,750</b>	<b>65,750</b>

Funds must be drawn in accordance with the above draw schedule.

All funds must be drawn down in substantial compliance with this schedule. Drawing funds within a shorter time span is encouraged, provided all required work has been performed. Should the rate of drawdown fall below the amount indicated for any quarter, within 14 days of the end of the quarter, the City must provide the County with a written explanation and a plan for ensuring that all work required under this Contract will be accomplished and all funds drawn down within the term of this Contract.

END OF ATTACHMENT I-F

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## **ATTACHMENT II**

### **BUDGET AND TIMELINE**

All funding provided under this contract must be used for reimbursement of the construction contractor for the above-described activities. All CDBG funding, if any, remaining undistributed at the expiration of this Contract will be recaptured by DHCA. The City must provide all additional funding as required from other sources to ensure full delivery of the services described. The City agrees to reimburse DHCA for all expenses incurred which are determined to be ineligible for CDBG funding and for which the federal government requires reimbursement.

All CDBG expenses funded for this project(s) must be incurred within the term of this Contract. All invoices must be received by DHCA no later than 30 calendar days past the expiration of the Contract term, unless the expiration is between June 15 and June 30, in which case invoices must be received no later than July 9.

All invoices must include the following signed statement:

*“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.”*

Activity	Contractor	Amount
I-A	BG8102/25 Community Reach of Montgomery County, Inc.	\$22,185
I-B	BG8104/25 Housing Unlimited, Inc.	\$70,870
I-C	BG8101/25 Interfaith Works, Inc.	\$19,945
I-D	BG8105/25 Rockville Housing Enterprises (RHE)	\$75,000
I-E	BG8068/25 Rockville Single Family Rehabilitation Program	\$75,000
Total		\$263,000

\*All costs invoiced must be supported by copies of original vendor invoices(s).

### **TIMELINE**

All activities must be performed during the term of the Contract. Time is of the essence. No activities that occur before the Notice to Proceed is issued, or after the expiration date of the Contract will be reimbursed.

### **CONTACTS**

The City's contact person for these projects will be (Note: Notice to either will be deemed notice to both parties):

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Ryan Trout, Director  
Housing and Community Development  
City of Rockville  
111 Maryland Avenue  
Rockville, MD 20850  
(240) 314-8302  
[rtrout@rockvillemd.gov](mailto:rtrout@rockvillemd.gov)

Charles R. Dunn, CDBG Grant Administrator  
Housing and Community Development  
City of Rockville  
111 Maryland Avenue  
Rockville, MD 20850  
(240) 314-8260  
[cdunn@rockvillemd.gov](mailto:cdunn@rockvillemd.gov)

The DHCA project monitor for these projects will be:

Katherine Canales, Senior Planning Specialist  
Grants  
Department of Housing & Community Affairs  
1401 Rockville Pike, 4<sup>th</sup> Floor  
Rockville, MD 20852  
(240) 777-3631  
[Katherine.Canales@montgomerycountymd.gov](mailto:Katherine.Canales@montgomerycountymd.gov)

## GENERAL CONDITIONS OF CONTRACT BETWEEN COUNTY & CONTRACTOR

### 1. ACCOUNTING SYSTEM AND AUDIT, ACCURATE INFORMATION

The contractor certifies that all information the contractor has provided or will provide to the County is true and correct and can be relied upon by the County in awarding, modifying, making payments, or taking any other action with respect to this contract including resolving claims and disputes. Any false or misleading information is a ground for the County to terminate this contract for cause and to pursue any other appropriate remedy. The contractor certifies that the contractor's accounting system conforms with generally accepted accounting principles, is sufficient to comply with the contract's budgetary and financial obligations, and is sufficient to produce reliable financial information.

The County may examine the contractor's and any first tier subcontractor's records to determine and verify compliance with the contract and to resolve or decide any claim or dispute arising under this contract. The contractor and any first tier subcontractor must grant the County access to these records at all reasonable times during the contract term and for 3 years after final payment. If the contract is supported to any extent with federal or state funds, the appropriate federal or state authorities may also examine these records. The contractor must include the preceding language of this paragraph in all first tier subcontracts.

### 2. AMERICANS WITH DISABILITIES ACT

The contractor agrees to comply with the nondiscrimination requirements of Titles II and III, and other provisions, of the Americans with Disabilities Act of 1990, Pub. Law 101-336, and ADA Amendments Act of 2008, Pub. Law 110-325, as amended, currently found at 42 U.S.C., § 12101, et seq., and 47 U.S.C., ch. 5.

### 3. APPLICABLE LAWS

This contract must be construed in accordance with the laws and regulations of Maryland and Montgomery County. The Montgomery County Procurement Regulations are incorporated by reference into, and made a part of, this contract. In the case of any inconsistency between this contract and the Procurement Regulations, the Procurement Regulations govern. The contractor must, without additional cost to the County, pay any necessary fees and charges, obtain any necessary licenses and permits, and comply with applicable federal, state and local laws, codes and regulations. Through signature of this contract, the contractor certifies that the contractor has filed an initial statement with the Maryland State Board of Elections in compliance with MD Code Ann., Election Law, §14-104(b)(1), or is not required to file an initial statement as per MD Code Ann., Election Law, §14-104(c)(2).

For purposes of litigation involving this contract, except for contract Disputes discussed in paragraph 8 below, exclusive venue and jurisdiction must be in the Circuit Court for Montgomery County, Maryland or in the District Court of Maryland for Montgomery County.

The County's prevailing wage law, as found at §11B-33C of the County Code, applies to certain construction and mechanical systems service contracts. To the extent applicable, the County's prevailing wage requirements are enumerated within this solicitation/contract in the "Prevailing Wage Requirements for Construction Contract Addendum to the General Conditions of Contract between County and Contractor." If applicable to this contract, the Addendum will be attached to the contract, and will be incorporated herein by reference, and made a part thereof.

Furthermore, certain non-profit and governmental entities may purchase supplies and services, similar in scope of work and compensation amounts provided for in a County contract, using their own contract and procurement laws and regulations, pursuant to the Md. State Finance and Procurement Article, Section 13-101, et. seq.

Contractor and all of its subcontractors must comply with the provisions of County Code §11B-35A and must not retaliate against a covered employee who discloses an illegal or improper action described in §11B-35A. Furthermore, an aggrieved covered employee under §11B-35A is a third-party beneficiary under this Contract, who may by civil action recover compensatory damages including interest and reasonable attorney's fees, against the contractor or one of its subcontractors for retaliation in violation of that Section.

The contractor agrees to comply with the requirements of the Displaced Service Workers Protection Act, which appears in County Code, Chapter 27, Human Rights and Civil Liberties, Article X, Displaced Service Workers Protection Act, §§ 27-64 through 27-66.

Montgomery County's Earned Sick and Safe Leave Law, found at Sections 27-76 through 27-82 of the County Code, became effective October 1, 2016. An employer doing business in the County, as defined under the statute, must comply with this law. This includes an employer vendor awarded a County contract. A vendor may obtain information regarding this law at <http://www.montgomerycountymd.gov/humanrights/>

### 4. ASSIGNMENTS AND SUBCONTRACTS

The contractor must not assign or transfer this contract, any interest herein or any claim hereunder, except as expressly authorized in writing by the Director, Office of Procurement. Unless performance is separately and expressly waived in writing by the Director, Office of Procurement, an assignment does not release the contractor from responsibility for performance of this contract. Unless otherwise provided in the contract, the contractor may not contract with any other party for furnishing any of the materials or services herein contracted for without the written approval of the Director, Office of Procurement. Any subcontract for any work hereunder must comport with the terms of this Contract and County law, and must include any other terms and conditions that the County deems necessary to protect its interests. The contractor must not employ any subcontractor that is a debarred or suspended person under County Code §11B-37. The contractor is fully responsible to the County for the acts and omissions of itself, its subcontractors and any persons either directly or indirectly employed by them. Nothing contained in the contract documents shall create any contractual relation between any subcontractor and the County, and nothing in the contract documents is intended to make any subcontractor a beneficiary of the contract between the County and the contractor.

### 5. CHANGES

The Director, Office of Procurement, may unilaterally change the work, materials and services to be performed. The change must be in writing and within the general scope of the contract. The contract will be modified to reflect any time or money adjustment the contractor is entitled to receive. Contractor must bring to the Contract Administrator, in writing, any claim about an adjustment in time or money resulting from a change, within 30 days from the date the Director, Office of Procurement, issued the change in work, or the claim is waived. Any failure to agree upon a time or money adjustment must be resolved under the "Disputes" clause of this contract. The contractor must proceed with the prosecution of the work as changed, even if there is an unresolved claim. No charge for any extra work, time or material will be allowed, except as provided in this section.

### 6. CONTRACT ADMINISTRATION

A. The contract administrator, subject to paragraph B below, is the Department representative designated by the Director, Office of Procurement, in writing and is authorized to:

- (1) serve as liaison between the County and the contractor;
- (2) give direction to the contractor to ensure satisfactory and complete performance;
- (3) monitor and inspect the contractor's performance to ensure acceptable timeliness and quality;
- (4) serve as records custodian for this contract, including wage and prevailing wage requirements;

- (5) accept or reject the contractor's performance;
- (6) furnish timely written notice of the contractor's performance failures to the Director, Office of Procurement, and to the County Attorney, as appropriate;
- (7) prepare required reports;
- (8) approve or reject invoices for payment;
- (9) recommend contract modifications or terminations to the Director, Office of Procurement;
- (10) issue notices to proceed; and
- (11) monitor and verify compliance with any MFD Performance Plan.

B. The contract administrator is NOT authorized to make determinations (as opposed to recommendations) that alter, modify, terminate or cancel the contract, interpret ambiguities in contract language, or waive the County's contractual rights.

#### 7. COST & PRICING DATA

Chapter 11B of the County Code and the Montgomery County Procurement Regulations require that cost & pricing data be obtained from proposed awardees/contractors in certain situations. The contractor guarantees that any cost & pricing data provided to the County will be accurate and complete. The contractor grants the Director, Office of Procurement, access to all books, records, documents, and other supporting data in order to permit adequate evaluation of the contractor's proposed price(s). The contractor also agrees that the price to the County, including profit or fee, may, at the option of the County, be reduced to the extent that the price was based on inaccurate, incomplete, or noncurrent data supplied by the contractor.

#### 8. DISPUTES

Any dispute arising under this contract that is not disposed of by agreement must be decided under the Montgomery County Code and the Montgomery County Procurement Regulations. Pending final resolution of a dispute, the Contractor must proceed diligently with contract performance. Subject to subsequent revocation or alteration by the Director, Office of Procurement, the head of the County department, office or agency ("Department Head") of the contract administrator is the designee of the Director, Office of Procurement, for the purpose of dispute resolution. The Department Head, or his/her designee, must forward to the Director, Office of Procurement, a copy of any written resolution of a dispute. The Department Head may delegate this responsibility to another person (other than the contract administrator). A contractor must notify the contract administrator of a claim in writing, and must attempt to resolve a claim with the contract administrator prior to filing a dispute with the Director, Office of Procurement or designee. The contractor waives any dispute or claim not made in writing and received by the Director, Office of Procurement, within 30 days of the event giving rise to the dispute or claim, whether or not the contract administrator has responded to a written notice of claim or resolved the claim. The Director, Office of Procurement, must dismiss a dispute that is not timely filed. A dispute must be in writing, for specific relief, and any requested relief must be fully supported by affidavit of all relevant calculations, including cost and pricing information, records, and other information. At the County's option, the contractor agrees to be made a party to any related dispute involving another contractor.

#### 9. DOCUMENTS, MATERIALS, AND DATA

All documents materials or data developed as a result of this contract are the County's property. The County has the right to use and reproduce any documents, materials, and data, including confidential information, used in the performance of, or developed as a result of, this contract. The County may use this information for its own purposes, including reporting to state and federal agencies. The contractor warrants that it has title to or right of use of all documents, materials or data used or developed in connection with this contract. The contractor must keep confidential all documents, materials, and data prepared or developed by the contractor or supplied by the County.

#### 10. DURATION OF OBLIGATION

The contractor agrees that all of contractor's obligations and warranties, including all requirements imposed by the Minority Owned Business Addendum to these General Conditions, if any, which directly or indirectly are intended by their nature or by implication to survive contractor performance, do survive the completion of performance, termination for default, termination for convenience, or termination by mutual consent of the contract.

#### 11. ENTIRE AGREEMENT

There are no promises, terms, conditions, or obligations other than those contained in this contract. This contract supersedes all communications, representations, or agreements, either verbal or written, between the parties hereto, with the exception of express warranties given to induce the County to enter into the contract.

#### 12. ETHICS REQUIREMENTS/POLITICAL CONTRIBUTIONS

The contractor must comply with the ethics provisions contained in Chapters 11B and 19A, Montgomery County Code, which include the following:

- (a) a prohibition against making or offering to make certain gifts. Section 11B-51(a).
- (b) a prohibition against kickbacks. Section 11B-51(b).
- (c) a prohibition against a person engaged in a procurement from employing or offering to employ a public employee. Section 11B-52 (a).
- (d) a prohibition against a contractor that is providing a recommendation to the County from assisting another party or seeking to obtain an economic benefit beyond payment under the contract. Section 11B-52 (b).
- (e) a restriction on the use of confidential information obtained in performing a contract. Section 11B-52 (c).
- (f) a prohibition against contingent fees. Section 11B-53.

Furthermore, the contractor specifically agrees to comply with Sections 11B-51, 11B-52, 11B-53, 19A-12, and/or 19A-13 of the Montgomery County Code. In addition, the contractor must comply with the political contribution reporting requirements currently codified under the Election Law at Md. Code Ann., Title 14.

#### 13. GUARANTEE

- A. Contractor guarantees for one year from acceptance, or for a longer period that is otherwise expressly stated in the County's written solicitation, all goods, services, and construction offered, including those used in the course of providing the goods, services, and/or construction. This includes a guarantee that all products offered (or used in the installation of those products) carry a guarantee against any and all defects for a minimum period of one year from acceptance, or for a longer period stated in the County's written solicitation. The contractor must correct any and all defects in material and/or workmanship that may appear during the guarantee period, or any defects that occur within one (1) year of acceptance even if discovered more than one (1) year after acceptance, by repairing, (or replacing with new items or new materials, if necessary) any such defect at no cost to the County and to the County's satisfaction.
- B. Should a manufacturer's or service provider's warranty or guarantee exceed the requirements stated above, that guarantee or warranty will be the primary one used in the case of defect. Copies of manufacturer's or service provider's warranties must be provided upon request.
- C. All warranties and guarantees must be in effect from the date of acceptance by the County of the goods, services, or construction.
- D. The contractor guarantees that all work shall be accomplished in a workmanlike manner, and the contractor must observe and comply with all Federal, State, County and local laws, ordinances and regulations in providing the goods, and performing the services or construction.



- E. Goods and materials provided under this contract must be of first quality, latest model and of current manufacture, and must not be of such age or so deteriorated as to impair their usefulness or safety. Items that are used, rebuilt, or demonstrator models are unacceptable, unless specifically requested by the County in the Specifications.

#### 14. HAZARDOUS AND TOXIC SUBSTANCES

Manufacturers and distributors are required by federal "Hazard Communication" provisions (29 CFR 1910.1200), and the Maryland "Access to Information About Hazardous and Toxic Substances" Law, to label each hazardous material or chemical container, and to provide Material Safety Data Sheets to the purchaser. The contractor must comply with these laws and must provide the County with copies of all relevant documents, including Material Safety Data Sheets, prior to performance of work or contemporaneous with delivery of goods.

#### 15. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) COMPLIANCE

In addition to the provisions stated above in Section 3. "Applicable Laws," contractor must comply with all requirements in the federal Health Insurance Portability and Accountability Act (HIPAA), to the extent that HIPAA is applicable to this contract. Furthermore, contractor must enter into the County's standard Business Associate Agreement or Qualified Service Organization Agreement when contractor or the County, as part of this contract, may use or disclose to one another, to the individual whose health information is at issue, or to a third-party, any protected health information that is obtained from, provided to, made available to, or created by, or for, the contractor or the County.

#### 16. IMMIGRATION REFORM AND CONTROL ACT

The contractor warrants that both the contractor and its subcontractors do not, and shall not, hire, recruit or refer for a fee, for employment under this contract or any subcontract, an alien while knowing the alien is an unauthorized alien, or any individual without complying with the requirements of the federal Immigration and Nationality laws, including any verification and record keeping requirements. The contractor further assures the County that, in accordance with those laws, it does not, and will not, discriminate against an individual with respect to hiring, recruitment, or referral for a fee, of an individual for employment or the discharge of an individual from employment, because of the individual's national origin or, in the case of a citizen or prospective citizen, because of the individual's citizenship status.

#### 17. INCONSISTENT PROVISIONS

Notwithstanding any provisions to the contrary in any contract terms or conditions supplied by the contractor, this General Conditions of Contract document supersedes the contractor's terms and conditions, in the event of any inconsistency.

#### 18. INDEMNIFICATION

The contractor is responsible for any loss, personal injury, death and any other damage (including incidental and consequential) that may be done or suffered by reason of the contractor's negligence or failure to perform any contractual obligations. The contractor must indemnify and save the County harmless from any loss, cost, damage and other expenses, including attorney's fees and litigation expenses, suffered or incurred due to the contractor's negligence or failure to perform any of its contractual obligations. If requested by the County, the contractor must defend the County in any action or suit brought against the County arising out of the contractor's negligence, errors, acts or omissions under this contract. The negligence of any agent, subcontractor or employee of the contractor is deemed to be the negligence of the contractor. For the purposes of this paragraph, County includes its boards, agencies, agents, officials and employees.

#### 19. INDEPENDENT CONTRACTOR

The contractor is an independent contractor. The contractor and the contractor's employees or agents are not agents of the County.

#### 20. INSPECTIONS

The County has the right to monitor, inspect and evaluate or test all supplies, goods, services, or construction called for by the contract at all reasonable places (including the contractor's place of business) and times (including the period of preparation or manufacture).

#### 21. INSURANCE

Prior to contract execution by the County, the proposed awardee/contractor must obtain at its own cost and expense the minimum insurance specified in the applicable table (See Tables A and B) or attachment to these General Conditions, with one or more insurance company(s) licensed or qualified to do business in the State of Maryland and acceptable to the County's Division of Risk Management. The minimum limits of coverage listed shall not be construed as the maximum as required by contract or as a limitation of any potential liability on the part of the proposed awardee/contractor to the County, nor shall failure by the County to request evidence of this insurance in any way be construed as a waiver of proposed awardee/contractor's obligation to provide the insurance coverage specified. Contractor must keep this insurance in full force and effect during the term of this contract, including all extensions. Unless expressly provided otherwise, Table A is applicable to this contract. The insurance must be evidenced by one or more Certificate(s) of Insurance and, if requested by the County, the proposed awardee/contractor must provide a copy of any and all insurance policies to the County. At a minimum, the proposed awardee/contractor must submit to the Director, Office of Procurement, one or more Certificate(s) of Insurance prior to award of this contract, and prior to any contract modification extending the term of the contract, as evidence of compliance with this provision. The contractor's insurance must be primary. Montgomery County, MD, including its officials, employees, agents, boards, and agencies, must be named as an additional insured on all liability policies. Contractor must provide to the County at least 30 days written notice of a cancellation of, or a material change to, an insurance policy. In no event may the insurance coverage be less than that shown on the applicable table, attachment, or contract provision for required insurance. After consultation with the Department of Finance, Division of Risk Management, the Director, Office of Procurement, may waive the requirements of this section, in whole or in part.

Please disregard TABLE A. and TABLE B., if they are replaced by the insurance requirements as stated in an attachment to these General Conditions of Contract between County and Contractor.

TABLE A. INSURANCE REQUIREMENTS  
(See Paragraph #21 under the General Conditions of Contract  
between County and Contractor)

CONTRACT DOLLAR VALUES (IN \$1,000's)

	Up to 50	Up to 100	Up to 1,000	Over 1,000
Workers Compensation (for contractors with employees)				
Bodily Injury by				

Accident (each)	100	100	100	See
Disease (policy limits)	500	500	500	Attachment
Disease (each employee)	100	100	100	
Commercial General Liability for bodily injury and property damage per occurrence, including contractual liability, premises and operations, and independent contractors	300 Attachment	500	1,000	See
Minimum Automobile Liability (including owned, hired and non owned automobiles)				
Bodily Injury				
each person	100	250	500	See
each occurrence	300	500	1,000	Attachment
Property Damage				
each occurrence	300	300	300	
Professional Liability* for errors, omissions and negligent acts, per claim and aggregate, with one year discovery period and maximum deductible of \$25,000	250	500	1,000	See Attachment
Certificate Holder Montgomery County Maryland (Contract #) Office of Procurement 27 Courthouse Square, Ste 330 Rockville, Maryland 20850				
*Professional services contracts only				

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TABLE B. INSURANCE REQUIREMENTS  
(See Paragraph #21 under the General Conditions of Contract  
between County and Contractor)

	<u>Up to 50</u>	<u>Up to 100</u>	<u>Up to 1,000</u>	<u>1,000</u>
Commercial General Liability minimum combined single limit for bodily injury and property damage per occurrence, including contractual liability, premises and operations, independent contractors, and product liability	300	500	1,000	See Attachment

Certificate Holder  
Montgomery County Maryland (Contract #)  
Office of Procurement  
27 Courthouse Square, Ste 330  
Rockville, Maryland 20850

**(Remainder of Page Intentionally Left Blank)**

## 22. INTELLECTUAL PROPERTY APPROVAL AND INDEMNIFICATION - INFRINGEMENT

If contractor will be preparing, displaying, publicly performing, reproducing, or otherwise using, in any manner or form, any information, document, or material that is subject to a copyright, trademark, patent, or other property or privacy right, then contractor must: obtain all necessary licenses, authorizations, and approvals related to its use; include the County in any approval, authorization, or license related to its use; and indemnify and hold harmless the County related to contractor's alleged infringing or otherwise improper or unauthorized use. Accordingly, the contractor must protect, indemnify, and hold harmless the County from and against all liabilities, actions, damages, claims, demands, judgments, losses, costs, expenses, suits, or actions, and attorneys' fees and the costs of the defense of the County, in any suit, including appeals, based upon or arising out of any allegation of infringement, violation, unauthorized use, or conversion of any patent, copyright, trademark or trade name, license, proprietary right, or other related property or privacy interest in connection with, or as a result of, this contract or the performance by the contractor of any of its activities or obligations under this contract.

## 23. INFORMATION SECURITY

### A. Protection of Personal Information by Government Agencies:

In any contract under which Contractor is to perform services and the County may disclose to Contractor personal information about an individual, as defined by State law, Contractor must implement and maintain reasonable security procedures and practices that: (a) are appropriate to the nature of the personal information disclosed to the Contractor; and (b) are reasonably designed to help protect the personal information from unauthorized access, use, modification, disclosure, or destruction. Contractor's requirement to implement and maintain reasonable security practices and procedures must include requiring any third-party to whom it discloses personal information that was originally disclosed to Contractor by the County to also implement and maintain reasonable security practices and procedures related to protecting the personal information. Contractor must notify the County of a breach of the security of a system if the unauthorized acquisition of an individual's personal information has occurred or is reasonably likely to occur, and also must share with the County all information related to the breach. Contractor must provide the above notification to the County as soon as reasonably practicable after Contractor discovers or is notified of the breach of the security of a system. Md. Code Ann., State Gov't. § 10-1301 through 10-1308 (2013).

### B. Payment Card Industry Compliance:

In any contract where the Contractor provides a system or service that involves processing credit card payments (a "Payment Solution"), the Payment Solution must be Payment Card Industry Data Security Standard Compliant ("PCI-DSS Compliant"), as determined and verified by the Department of Finance, and must (1) process credit card payments through the use of a Merchant ID ("MID") obtained by the County's Department of Finance by and in the name of the County as merchant of record, or (2) use a MID obtained by and in the name of the Contractor as merchant of record.

## 24. NON-CONVICTION OF BRIBERY

The contractor hereby declares and affirms that, to its best knowledge, none of its officers, directors, or partners or employees directly involved in obtaining contracts has been convicted of bribery, attempted bribery, or conspiracy to bribe under any federal, state, or local law.

## 25. NON-DISCRIMINATION IN EMPLOYMENT

The contractor agrees to comply with the non-discrimination in employment policies and/ or provisions prohibiting unlawful employment practices in County contracts as required by Section 11B 33 and Section 27 19 of the Montgomery County Code, as well as all other applicable state and federal laws and regulations regarding employment discrimination.

The contractor assures the County that, in accordance with applicable law, it does not, and agrees that it will not, discriminate in any manner on the basis of race, color, religious creed, ancestry, national origin, age, sex, marital status, disability, or sexual orientation.

The contractor must bind its subcontractors to the provisions of this section.

## 26. PAYMENT AUTHORITY

No payment by the County may be made, or is due, under this contract, unless funds for the payment have been appropriated and encumbered by the County. Under no circumstances will the County pay the contractor for legal fees, late fees, or shipping fees that are not provided for in the contract. The contractor must not proceed to perform any work (provide goods, services, or construction) prior to receiving written confirmation that the County has appropriated and encumbered funds for that work. If the contractor fails to obtain this verification from the Office of Procurement prior to performing work, the County has no obligation to pay the contractor for the work.

If this contract provides for an additional contract term for contractor performance beyond its initial term, continuation of contractor's performance under this contract beyond the initial term is contingent upon, and subject to, the appropriation of funds and encumbrance of those appropriated funds for payments under this contract. If funds are not appropriated and encumbered to support continued contractor performance in a subsequent fiscal period, contractor's performance must end without further notice from, or cost to, the County. The contractor acknowledges that the County Executive has no obligation to recommend, and the County Council has no obligation to appropriate, funds for this contract in subsequent fiscal years. Furthermore, the County has no obligation to encumber funds to this contract in subsequent fiscal years, even if appropriated funds may be available. Accordingly, for each subsequent contract term, the contractor must not undertake any performance under this contract until the contractor receives a purchase order or contract amendment from the County that authorizes the contractor to perform work for the next contract term.

## 27. P-CARD OR SUA PAYMENT METHODS

The County is expressly permitted to pay the vendor for any or all goods, services, or construction under the contract through either a procurement card ("p-card") or a Single Use Account ("SUA") method of payment, if the contractor accepts the noted payment method from any other person. In that event, the County reserves the right to pay any or all amounts due under the contract by using either a p-card (except when a purchase order is required) or a SUA method of payment, and the contractor must accept the County's p-card or a SUA method of payment, as applicable. Under this paragraph, contractor is prohibited from charging or requiring the County to pay any fee, charge, price, or other obligation for any reason related to or associated with the County's use of either a p-card or a SUA method of payment.

## 28. PERSONAL PROPERTY

All furniture, office equipment, equipment, vehicles, and other similar types of personal property specified in the contract, and purchased with funds provided under the contract, become the property of the County upon the end of the contract term, or upon termination or expiration of this contract, unless expressly stated otherwise.

## 29. TERMINATION FOR DEFAULT

The Director, Office of Procurement, may terminate the contract in whole or in part, and from time to time, whenever the Director, Office of Procurement, determines that the contractor is:

- (a) defaulting in performance or is not complying with any provision of this contract;
- (b) failing to make satisfactory progress in the prosecution of the contract; or
- (c) endangering the performance of this contract.

The Director, Office of Procurement, will provide the contractor with a written notice to cure the default. The termination for default is effective on the date specified in the County's written notice. However, if the County determines that default contributes to the curtailment of an essential service or poses an immediate threat to life, health, or property, the County may terminate the contract immediately upon issuing oral or written notice to the contractor without any prior notice or opportunity to cure. In addition to any other remedies provided by law or the contract, the contractor must compensate the County for additional costs that foreseeably would be incurred by the County, whether the costs are actually incurred or not, to obtain substitute performance. A termination for default is a termination for convenience if the termination for default is later found to be without justification.

**30. TERMINATION FOR CONVENIENCE**

This contract may be terminated by the County, in whole or in part, upon written notice to the contractor, when the County determines this to be in its best interest. The termination for convenience is effective on the date specified in the County's written notice. Termination for convenience may entitle the contractor to payment for reasonable costs allocable to the contract for work or costs incurred by the contractor up to the date of termination. The contractor must not be paid compensation as a result of a termination for convenience that exceeds the amount encumbered to pay for work to be performed under the contract.

**31. TIME**

Time is of the essence.

**32. WORK UNDER THE CONTRACT**

Contractor must not commence work under this contract until all conditions for commencement are met, including execution of the contract by both parties, compliance with insurance requirements, encumbrance of funds, and issuance of any required notice to proceed.

**33. WORKPLACE SAFETY**

The contractor must ensure adequate health and safety training and/or certification, and must comply with applicable federal, state and local Occupational Safety and Health laws and regulations.

**THIS FORM MUST NOT BE MODIFIED WITHOUT THE PRIOR APPROVAL OF THE OFFICE OF THE COUNTY ATTORNEY.**

**Requirements for Services Contract**  
**Addendum to The General Conditions of Contract Between County and Contractor**

- A. This contract is subject to the Wage Requirements Law, found at Section 11B-33A of the Montgomery County Code (“WRL” or “11B-33A”). A County contract for the procurement of services must require the contractor and any of its subcontractors to comply with the WRL, subject to the exceptions for particular contractors noted in 11B-33A (b) and for particular employees noted in 11B-33A (f).
- B. Conflicting requirements (11B-33A (h)): If any federal, state, or County law or regulation requires payment of a higher wage, that law or regulation controls. For an existing County Contract, if an applicable collective bargaining agreement (CBA) that existed prior to May 10, 2016, governs the parties, then that CBA controls. If the term of the CBA mentioned in the preceding sentence ends during the Contract, the WRL will then control.
- C. A nonprofit organization that is exempt from the WRL under 11B-33A (b)(3), must specify, in each bid or proposal, the wage the organization intends to pay to those employees who will perform direct, measurable work under the contract, and any health insurance coverage the organization intends to provide to those employees. Section 11B-33A (c)(2).
- D. A contractor must not split or subdivide a contract, pay an employee through a third party, or treat an employee as a subcontractor or independent contractor, to avoid the imposition of any requirement in 11B-33A. Section 11B-33A (c)(3).
- E. Each contractor and subcontractor covered under the WRL must: certify that it is aware of and will comply with the applicable wage requirements; keep and submit any records necessary to show compliance; and conspicuously post notices approved and/or supplied by the County, informing employees of the requirements in 11B-33A. Section 11B-33A (i).
- F. An employer must comply with the WRL during the initial term of the contract and all subsequent renewal periods, and must pay the adjusted wage rate increase required under 11B-33A (e)(2), if any, which is effective July 1 of each year. The County will adjust the wage rate by the annual average increase in the Consumer Price Index for all urban consumers for the Washington-Baltimore metropolitan area, or successor index, for the previous calendar year and must calculate the adjustment to the nearest multiple of 5 cents. Section 11B-33A (e)(2).
- G. An employer must not discharge or otherwise retaliate against an employee for asserting any right, or filing a complaint of a violation, under the WRL. Section 11B-33A (i)(3).
- H. The sanctions under Section 11B-33 (b), which apply to noncompliance with nondiscrimination requirements, apply with equal force and scope to noncompliance with the wage requirements of the WRL. Section 11B-33A (i)(4).
- I. In the event of a breach of this contract as a result of a contractor’s or subcontractor’s violation of the WRL, the County may seek its available remedies, which include but are not limited to liquidated damages, withholding of payment, and recoupment of audit costs that are described below. The Contractor is jointly and severally liable for any noncompliance by a subcontractor. An aggrieved employee, as a third-party beneficiary, may, by civil action against the violating Contractor or subcontractor, enforce the payment of wages due under the WRL and recover from the Contractor or subcontractor any unpaid wages with interest, a reasonable attorney’s fee, and damages for any retaliation by the Contractor or subcontractor arising from the employee asserting any right, including filing a complaint under the WRL. Section 11B-33A (i)(5). Furthermore, the contractor expressly acknowledges that the County may assess liquidated damages against the Contractor in the event that it, as a covered employer, fails to pay the required wage, or violates the wage reporting or payroll records reporting requirement found at 11B-33A (g), including providing late or inaccurate payroll records.

(i) Liquidated Damages

The County may assess liquidated damages for any noncompliance by contractor or its subcontractor at the rate of 1% per day of the total contract amount, or the estimated annual contract value of a requirements contract, for each day of the violation. This liquidated damages amount in addition to the amount of any unpaid wages, with interest. The Contractor must pay to the County liquidated damages noted above, in addition to any other remedies available to the County. Contractor and County acknowledge that damages that would result to the County as a result of a breach under the WRL are difficult to reasonably ascertain, and that the liquidated damages provided for in this paragraph is a fair and reasonable estimate of damages the County would incur as a result of contractor's or subcontractor's violation of the WRL.

(ii) Withholding of Payment

If the Director determines that a provision of the WRL has been violated, the Director must issue a written decision, including imposing appropriate sanctions and assessing liquidated damages (as outlined above) and audit costs (as outlined below), and may withhold from payment due the contractor, pending a final decision, an amount sufficient to: (a) pay each employee of the contractor or subcontractor the full amount of wages due under the WRL; (b) reimburse the County for audit costs; and (c) satisfy a liability of a contractor or subcontractor for liquidated damages.

(iii) Audit Costs

If the County determines, as a result of a WRL audit, that the Contractor has violated requirements of the WRL, the Contractor must reimburse to the County the cost incurred by the County in conducting the audit. Section 11B-33A (i)(2)(C).

- J. The County must conduct, and the contractor or subcontractor must comply with, random or regular audits to assure compliance with the WRL. Section 11B-33A (i)(2). The Director may conduct an on-site inspection(s) for the purpose of determining compliance. Some of the documents that may be required during an audit are listed on the Wage Requirements Law FAQ web page: <https://www.montgomerycountymd.gov/PRO/DBRC/wage-requirements-law.html>
- K. The Contractor is in breach of this Contract if the Contractor fails to submit timely documentation demonstrating compliance with the WRL to the satisfaction of the Director, including: the Wage Requirements Law Payroll Report Form (PMMD-183), which is required to be submitted by the 14<sup>th</sup> day of the month following the end of each quarter (January, April, July, October); documents requested in conjunction with a random or regular audit by the County; or, documents otherwise requested by the Director. Section 11B-33A (g)(2).

If a contractor or subcontractor fails to submit, or is late in submitting, copies of any payroll record or other report required to be submitted under the WRL, the County may deem invoices unacceptable until the contractor or subcontractor provides the required records or reports, and may postpone processing payments due under the contract or under an agreement to finance the contract.

For any questions, please contact the Wage Requirements Law Program Manager at 240-777-9918 or [WRL@montgomerycountymd.gov](mailto:WRL@montgomerycountymd.gov).

**Wage Requirements Law Certification**

(Montgomery County Code, Section 11B-33A)

Business Name	City of Rockville, Maryland				
Address	111 Maryland Ave				
City	Rockville	State	MD	Zip Code	20850
Phone Number	240-314-8302	Fax Number			
E-Mail Address	rtrout@rockvillemd.gov				

Provide, in the spaces below, the contact name and information of the individual designated by your firm to monitor your compliance with the County's Wage Requirements Law, unless exempt under Section 11B-33A (b) (see Section B. below):

Contact Name	Ryan Trout	Title	Director, Rockville DHCD
Phone Number	240-314-8302	Fax Number	
E-mail Address	rtrout@rockvillemd.gov		

In the event that you, the "Offeror," are awarded the contract and become a Contractor, please check ☒ the box(es) below that apply, and leave all of the other boxes blank.

☐ **A. Wage Requirements Compliance**

This Contractor, as a "covered employer", must comply with the requirements under Montgomery County Code Section 11B-33A, "Wage Requirements" ("Wage Requirements Law" or "WRL"). Contractor and its subcontractors must pay all employees not exempt under the WRL, and who perform direct measurable work for the County, the required gross wage rate effective at the time the work is performed. For employees who are not paid an hourly wage, Contractor's compliance with the WRL must be measured by dividing the amount paid to the employee each pay period by the number of hours worked by that employee during each pay period. A covered employer must not make any deduction for any item necessary for an employee to perform the essential job function unless the deduction is permitted by Executive Regulation. The offer price(s) submitted under this solicitation include(s) sufficient funds to meet the requirements of the WRL. A "covered employer" must submit, within 14 days after the end of each quarter (by the 14th of January, April, July, and October, for the quarter ending the preceding month), certified payroll records for each payroll period and for all employees of the contractor or a subcontractor performing services under the County contract governed by the WRL. The payroll records must contain a statement signed by the contractor or subcontractor certifying that the payroll records are correct and the wage rates paid are not less than those required by the WRL. These payroll records must include the following: name, address and telephone number of the contractor or subcontractor; the name and location of the job; and each employee's name, current home address, daily straight time and overtime hours, total straight time and overtime hours for the payroll period, rate of pay, fringe benefits by type and amount, gross wages, race and gender of the employee, and the employer and the employee share of any health insurance premium provided to the employee. The Contractor must ensure that **NO** Social Security number of any person, other than the last four digits, is included on the quarterly report. A sample, blank Payroll Report Form, for your use and completion, can be found at: <https://www.montgomerycountymd.gov/PRO/DBRC/wage-requirements-law.html>. The above must be submitted to the Division of Business Relations and Compliance, Attn: Wage Requirements Law Program Manager (preferably via email to [WRL@montgomerycountymd.gov](mailto:WRL@montgomerycountymd.gov)),



Each Contractor must: keep payroll records covering work performed on a contract covered by the WRL for not less than 5 years after the work is completed; and, subject to reasonable notice, permit the County to inspect the payroll records at any reasonable time and as often as the County deems necessary. If the Contractor or subcontractor fails to submit, or is late in submitting, copies of any payroll record or other report required to be submitted under the WRL, the County may deem invoices unacceptable until the Contractor or subcontractor provides the required records or reports, and may postpone processing payments due under the contract or under an agreement to finance the contract. A violation of the WRL, including the late submission or non-submission of the information noted above, may result in action by the County, including: (a) withholding contract payments, reducing payment amounts, or otherwise assessing damages against Contractor, in an amount sufficient to: (i) pay each employee of the Contractor or subcontractor the full amount of wages due under the WRL; (ii) reimburse the County for audit costs; or (iii) satisfy a liability of a contractor or subcontractor for liquidated damages; (b) terminating the contract; or, (c) otherwise taking action to enforce the contract or the WRL. Violation of the WRL may also result in a finding of non-responsibility for a future contract, or may form the basis for debarment or suspension.

**B. Exemption Status (if applicable)**

This Contractor is exempt from Section 11B-33A, "Wage Requirements," because it is:

- ☐ 1. Reserved – [Intentionally left blank].
- ☐ 2. a contractor who, at the time a contract is signed, has received less than \$50,000 from the County in the most recent 12-month period, and will be entitled to receive less than \$50,000 from the County under that contract in the next 12-month period. Section 11B-33A (b)(1).
- ☒ 3. a public entity. Section 11B-33A (b)(2).
- ☐ 4. a non-profit organization that has qualified for an exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Section 11B-33A (b)(3) (**must also complete item C below**).
- ☐ 5. an employer expressly precluded from complying with the WRL by the terms of any federal or state law, contract, or grant. Section 11B-33A (b)(7) (**must specify the law, or furnish a copy of the contract or grant**).

☐ **C. Nonprofit Wage & Health Information**

This Contractor is a non-profit organization that is exempt from coverage under Section 11B-33A (b)(3). The contractor must provide proof of its 501(c)(3) status (i.e.

Letter from the IRS). Accordingly, the contractor has completed the 501(c)(3) Non-profit Organization's Employee's Wage and Health Insurance Form which is attached. See Section 11B-33A(c)(2). (**must also complete box B.4. above**)

☐ D. Sole Proprietorship

Sole Proprietorships are subject to the WRL. In order to be excused from the posting and reporting requirements of the WRL, the individual who is the sole proprietor must sign the certifications below in order to attest to the fact that the Sole Proprietorship:

- (1) is aware of, and will comply with, the WRL, as applicable;
- (2) has no employee other than the sole proprietor; and
- (3) will inform the Montgomery County Division of Business Relations and Compliance if the sole proprietor employs any worker other than the sole proprietor.

**Note: A schedule C from the employer's federal tax return may be required for verification purposes.**

E. Sub-Contractors

It is the prime contractor's responsibility to ensure all of its subcontractors adhere to the WRL. All subcontractors are required to submit quarterly payroll reports. It is the prime contractor's responsibility to collect these payroll reports and submit them to [wrl@montgomerycountymd.gov](mailto:wrl@montgomerycountymd.gov) on a quarterly basis.

☐ I intend to use Sub-Contractors if I am awarded a contract as a result of this solicitation.

☐ I do **NOT** intend to use Sub-Contractors if I am awarded a contract as a result of this solicitation. If at any time during the course of the contract I use Sub-Contractors, I understand that I am responsible for their quarterly payroll reporting.

F. Independent Contractors

☐ I intend to use Independent Contractors if I am awarded a contract as a result of this solicitation.

**If this box is checked, you must complete the Wage Requirements Law Independent Contractor Certification (PMMD193) in order for your bid/offer to be considered. It can be found at: <https://www.montgomerycountymd.gov/PRO/Resources/Files/SolForm/PMMD-193.pdf>**

☐ I do **NOT** intend to use Independent Contractors if I am awarded a contract as a result of this solicitation. If at any time during the course of the contract I use Independent Contractors, I understand and agree that I must complete the Wage Requirements Law Independent Contractor Certification (PMMD193). See above link.

**Contractor Certification**

CONTRACTOR SIGNATURE: Contractor submits this certification form in accordance with Section 11B-33A of the Montgomery County Code. Contractor certifies that it, and any and all of its subcontractors that perform services under the resultant contract with the County, adhere to Section 11B-33A of the Montgomery County Code.

Authorized Signature	<i>Jeff Mihelich</i>	Title of Authorized Person	City Manager
Typed or Printed Name	Jeff Mihelich	Date	3/13/2025

## 501(c)(3) Nonprofit Organization's Employee's Wage and Health Insurance Form

Business Name					
Address					
City		State		Zip Code	
Phone Number		Fax Number		E-Mail	

Please provide below the employee labor category of all employee(s) who will perform direct measurable work under this contract, the hourly wage the organization pays for that employee labor category, and any health insurance the organization intends to provide for that employee labor category:

[illegible]

\* IF NO HEALTH INSURANCE PLAN IS PROVIDED PLEASE STATE "NONE".

**ATTACHMENT V**  
**CDBG ELIGIBILITY DOCUMENTATION**

**DHCA Guideline Documentation Requirements for Eligibility  
Determinations of Households and Individuals who are Beneficiaries of CDBG-Funded  
Activities or Programs**

**BACKGROUND**

1. CDBG programs must benefit at least 70 percent low- and moderate-income households. According to HUD regulations, low- and moderate-income households are defined as those whose incomes do not exceed the applicable Section 8 housing program low-income limit.
2. HUD establishes the Section 8 income limits for the Washington, D.C. Metropolitan Statistical Area (MSA) and advises DHCA. These income limits are periodically revised.
3. Although HUD sets income limits, HUD does not define income. HUD allows jurisdictions participating in the CDBG program to make the determination as to what should be defined as income.
4. In certain cases, strict application of Section 8 Housing Program moderate-income limits without any adjustments would cause families and household in need of assistance to be unable to make use of CDBG resources. Consequently, Montgomery County has determined that certain adjustments for medical and day care expenses associated with these households can be allowed when determining income.
5. It should be clearly understood that the majority of applicants will probably qualify based on the gross income criteria alone. The adjustable income method need only be used for those applicants who do not qualify using gross income.

**PURPOSE**

The following Guideline describes DHCA's definition of income for eligibility of households participating directly or benefiting directly from CDBG funded programs. This definition excludes housing programs that have different eligibility criteria.

**Guidelines**

1. Applicable Income Limits: For all CDBG programs that provide direct benefits, excluding housing programs, at least 70 percent of all persons or households participating in the activity must have gross or adjusted incomes that are equal to or less than the Section 8 income eligibility limits for moderate income families, as promulgated by HUD. The current Section 8/CDBG income limits are shown in the table below.
2. Definition of Household Income: A household consists of all related and unrelated persons living together in one housing unit. Roomers and boarders of any age, and related individuals who are 18 years of age or older who pay rent for rooming or boarding privileges,

will not be considered members of the household but are instead considered separate households. Where the number of persons in a household cannot be identified, the household size will be determined by counting those persons listed as members of the household on income tax returns for the last taxable year.

<b>CDBG INCOME LIMITS (5/2024)</b>			
Family Size	30% AMI	50% AMI	"80%" (~64% AMI)
	Very Low Income	Low Income	Moderate Income (capped)
1	32,500	54,150	68,500
2	37,150	61,900	78,250
3	41,800	69,650	88,050
4	46,400	77,350	97,800
5	50,150	83,550	105,650
6	53,850	89,750	113,450
7	57,550	95,950	121,300
8	61,250	102,150	129,100

3. Definition of Gross Income: Gross income is all income received, both taxable and non-taxable, for employed persons without additional sources of income, such as income from rental properties, etc. Gross income normally will be verified by using the latest federal income tax return filed and using the "total income" shown on the tax return. For self-employed persons receiving income from other sources such as partnerships, rental properties, etc., gross income is all income received, both taxable and non-taxable, minus direct expenses, excluding tax credits, depreciation and other forms of "sheltered" income. Gross Income may be verified by other means available to the subgrantee or DHCA.

4. Documentation for Gross Income: Proof of gross income may be established by:

- (a) Copy of the latest federal income tax return; or
- (b) Completing an Affidavit of Income, (See Sample Below); or
- (c) Evidence establishing that person assisted qualifies under another program having income qualification criteria at least as restrictive as that used for the CDBG program.

5. Definition of Adjusted Income: **This method is only to be used if the gross income test cannot be met.** Adjusted Income is gross income minus medical expenses and child care expenses as follows:

- (a) Those medical expenses claimed on federal income tax returns over and above the 10 percent which is not allowed to be deducted by the IRS.

- (b) Day care expenses associated with a disabled child or adult that are claimed for child care credit on the household's federal income tax return. The actual amount of day care expenses claimed will be deducted.
6. Documentation of Adjusted Income: **This method is only to be used if the gross income test cannot be met.** Proof of medical expenses and day care expenses are:
- (a) A certified federal income tax return and schedules for the last taxable year. Where day care expenses exceed the maximum allowable under Federal law, proof of actual day care expenses acceptable to DHCA must be provided.
  - (b) Copy of federal income tax return and schedules for the last taxable year with attached notarized affidavit, stating that the tax return is a true copy of the tax return and schedules filed with the IRS for the last taxable year.
  - (c) Where no federal income tax return was filed for the last taxable year or where income has changed substantially, a notarized affidavit stating the amount of income and sources for the past year, including a statement that present income does not exceed the applicable income limit will be used. A sample is attached.
7. Monitoring: When monitoring CDBG projects, DHCA staff will review files to assure that worksheets with attachments or other forms of documentation acceptable to DHCA have been completed for all persons or households participating in the activity whose gross income exceeds the Section 8 Moderate Income Limits. For all households or persons whose income is at or below the Section 8 Moderate Income Limit, a copy of the latest federal income tax return or an affidavit of income or proof that the household/person qualifies under other programs (such as, AFDC, Public Housing, Section 8, Lunch Program and Medicaid) is required. At least 70 percent of the persons or households must meet the criteria as outlined above.

**Note: Sample AFFIDAVIT OF INCOME FOLLOWS:**

## AFFIDAVIT OF INCOME

I (PRINT NAME)		residing at
(PRINT ADDRESS)		

Swear and attest that the following information is accurate:

INSTRUCTIONS: Find your family size and check the box next to it. Go across THAT row and check the box that describes your HOUSEHOLD INCOME from ALL ADULT RESIDENTS.

CDBG INCOME LIMITS (5/2024)			
Family Size	30% AMI	50% AMI	"80%" (~64% AMI)
	Very Low Income	Low Income	Moderate Income (capped)
1	32,500	54,150	68,500
2	37,150	61,900	78,250
3	41,800	69,650	88,050
4	46,400	77,350	97,800
5	50,150	83,550	105,650
6	53,850	89,750	113,450
7	57,550	95,950	121,300
8	61,250	102,150	129,100

I have checked that there are \_\_\_\_\_ residents in my household. The ADULT residents are:

NAME	RELATIONSHIP	ANNUAL INCOME	SOURCE

(Check **ONE** box)

☐ 1. I **did not** file a federal income tax form for the most recent year.

- ☐ 2. I **did** file a federal income tax form for the most recent year and the income reported shows the information above.

I swear, under penalty of perjury, that this information is complete and accurate.

Sworn and Signed by: \_\_\_\_\_ Date: \_\_\_\_\_

Print Signer's Name: \_\_\_\_\_ Date: \_\_\_\_\_

Witness: \_\_\_\_\_ Date: \_\_\_\_\_

FRM ATT V CDBG ELIGIB 4-30-24



**ATTACHMENT VI**  
**CDBG SPECIAL CONDITIONS**

NOTE: This Grant Agreement represents a sub award of federal funds (see Attachment VI-E) and therefore includes certain compliance requirements. This Attachment must be included in all Grant Agreements and all Sub awards within them.

**1. COMPENSATION AND METHOD OF PAYMENT**

Notwithstanding estimated budget figure categories appearing in Attachments I and II, the Grantee must be reimbursed only for actual work completed and expenses incurred which are supported by documentation in a form acceptable to the Department of Housing and Community Affairs (DHCA). In all cases, these budget amounts reflect the maximum figure to be paid and must not be exceeded without prior written authorization by DHCA. Attachment VI-A describes the type of documentation required for invoicing.

The Grantee must request payment by submitting to DHCA a monthly invoice describing each item of completed work in detail accompanied by supporting back-up documentation. DHCA may withhold payment to Grantees whose performance or data reporting is not in compliance with the Grant Agreement terms.

The Grantee may request in writing that DHCA transfer funds among the budget categories reflected in Attachments I and II, provided the total dollar value of the Grant Agreement is not altered and that there is no significant change in the scope of services provided. The total amount payable under this Grant Agreement, and the dollar value, must not be increased unless approved and amended in writing in advance by the Director of DHCA.

Expenses for all projects and programs under this Grant Agreement must be incurred during the Grant Agreement term. All requests for payment must be received by DHCA no later than 30 days after the expiration of this Grant Agreement, except for those expenses incurred between June 15 and June 30 of the year of expiration, in which case payment requests must be received by DHCA no later than July 7. Invoices received by DHCA after the applicable period has expired will not be approved for payment, and the dollar value of this Grant Agreement will be reduced accordingly.

If salaries are invoiced, a time sheet indicating the number of hours billed for each day of the billing period must be provided and must be signed by the employee and supervisor (or other Grantee-designated second Signator). If the employee is partially paid with any other public funds during the billing period, such time billed for such funds must be indicated on the time sheets. All other invoiced costs must be supported by a copy of the original vendor invoice. All payments must include the following clause signed by the Signator of the Grant Agreement:

“By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.”

## **2. TERM**

The term of this Grant Agreement is as set forth in the Memorandum or letter agreement that is a part of this agreement. If not otherwise specified, the term is one year, beginning on the date of signature by Montgomery County's Office of Procurement. In extraordinary circumstances beyond the control of the Grantee, if DHCA determines it is in the County's best interest to do so, the Director of the Office of Procurement has the authority to extend the term of this Grant Agreement. Extensions of this Grant Agreement must be executed by an amendment and are contingent upon the Grantee being on the Grantee list.

Requests for such Grant Agreement period extensions must be made in writing prior to the Grant Agreement's expiration and must thoroughly describe the necessity for the delay. If DHCA requires it, such requests must specify in detail the steps which will be taken and establish measurable milestones which may be monitored to ensure the project will be completed during the requested time extension. Such extensions will be granted only for compelling cause and at the sole discretion of the County. Any funds not committed and/or expended as scheduled under such a plan, subject to a 30-day right for the Grantee to cure the defect, are subject to immediate recapture and reallocation by DHCA to other projects. Requests for such Grant Agreement modifications of Grant Agreement terms may adversely impact recommendations for future CDBG funding for the Grantee.

## **3. PROJECT INCOME**

Certain income derived from this, and prior, CDBG funded activities and projects is classified as program income, and is defined at 24 C.F.R. §570.500(a). Program income includes, but is not limited to, interests, rents, user fees, loan repayments, funds derived from the sale of property acquired or improved with CDBG funds, assessments, as well as other types of contributions.

In accordance with 24 C.F.R. §570.504, unless otherwise agreed in writing in advance by the parties, the Grantee must reflect all program income received during the invoiced period on each invoice submitted for work performed under this agreement. The Grantee, by presenting an invoice to the County, certifies that it has disclosed all program income received to that date. Any outstanding program income incurred, but not yet received, must be described with specificity in the documentation accompanying such invoice. Such program income must be applied first against the costs included in the invoice unless an alternate arrangement has previously been approved in writing by DHCA. Adequate fiscal records must be maintained clearly indicating the disposition of all program income, and these records must be maintained for the term described in section 7. Audit and Inspection.

## **4. REVIEW OF AGREEMENTS EXECUTED BY GRANTEE**

To ensure compliance with all applicable HUD and other federal guidelines, the Grantee must submit all proposed contracts, agreements, subcontracts and amendments for review and approval by DHCA prior to their execution. DHCA must perform such reviews in a timely manner and indicate in writing their compliance or noncompliance with HUD requirements. Failure of the Grantee to obtain such advance approval will constitute grounds for DHCA's refusal to make payment under such agreements.

## **5. ATTENDANCE AT MEETINGS**

The Grantee must take all reasonable and necessary steps to achieve the successful completion of the work under this Grant Agreement. Such responsibilities include, but are not limited to, arranging and/or attending any meetings necessary, and coordination of all other resources required to implement the Scope of Services under this grant agreement.

## **6. FINANCIAL MANAGEMENT SYSTEM**

In accordance with 2 CFR Part 200, the Grantee, whether a non-profit corporation or municipality, must maintain a financial management system that provides, at a minimum, for the following for all CDBG funds:

- (a) Accurate, current, and complete disclosure of all financial activities under this grant agreement;
- (b) Records that identify the amounts of funding authorized, obligations, unobligated balances, assets, outlays, and incomes;
- (c) Effective control and accountability for all funds and for capital items purchased under this grant;
- (d) A comparison of actual outlays with budgeted amounts and the relationship between performance and costs incurred;
- (e) Accounting records that are supported by source documentation.

## **7. AUDIT AND INSPECTION**

In accordance with 2 CFR Part 200, a Grantee that expends \$750,000 or more in a year in Federal awards must have a program-specific audit conducted for that year as specified in 2 CFR 200.501. The Grantee must furnish DHCA a copy of all audit reports within 30 days of receipt of same. If DHCA finds the audit report to contain findings or concerns, the Grantee must submit to DHCA within 60 days of submission of the audit report, the Grantee's plan of action for correcting all noted deficiencies. Should the Grantee fail to submit a plan or follow through on the necessary remedial actions in a timely manner, the Grant Agreement may be suspended or terminated under the provision of section 20. Suspension and Termination.

For Grantees that expend less than \$750,000 in Federal awards, DHCA will make an individual determination based on a risk assessment of the entity if an audit will be required.

The Grantee agrees that the County, the U.S. Department of Housing and Urban Development, the Controller General of the United States, and any of their duly authorized representatives must, until the expiration of 3 years after completion of the Grant Agreement, have access to and the right to examine any pertinent books, documents, papers, and records of the Grantee and all sub-awards involving transactions related to the Agreement. DHCA reserves the right to require a longer document retention period in the event it may be required on a case by case basis.

## **8. REPORTING REQUIREMENTS**

In accordance with the requirements of 24 C.F.R. §570.201 and 24 C.F.R. §570.506, the Grantee must provide DHCA Federally Funded Loan Set Up Form at the beginning of the project and final narrative reports with the Department of Housing and Community Affairs. The Grantee must retain these records until the period described in section 7. Audit and Inspection has expired. Each report must summarize the actual achievements of the project and relate this to its

scope of services and stated goals. Each quarterly report must include all the data indicated on the sample DHCA Federally Funded Loan Set Up Form shown in Attachment VI-B, and the Grantee must maintain back-up documentation supporting the data reported. If the Grantee has negotiated and executed a sub agreement, a fully executed Attachment VI-C, "Subcontract Activity Report" must also be included.

The Grantee recognizes that programmatic requirements undergo periodic revisions and specifically agrees to provide all other information and/or reports that may be requested by DHCA consistent with compliance with internal controls or HUD requirements and regulations.

## **9. AFFIRMATIVE ACTION / EQUAL OPPORTUNITY**

During the performance of this Grant Agreement, the Grantee agrees as follows:

(1) The Grantee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Grantee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The Grantee will, in all solicitations or advertisements for employees placed by or on behalf of the Grantee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The Grantee will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Grantee's legal duty to furnish information.

(4) The Grantee will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the Grantee's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The Grantee will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Grantee will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Grantee's non-compliance with the nondiscrimination clauses of this contract with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the Grantee may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Grantee will include the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub award or vendor. The Grantee will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: *Provided*, however, that in the event the Grantee becomes involved in, or is threatened with, litigation with a sub awardee or vendor as a result of such direction, the Grantee may request the United States to enter into such litigation to protect the interests of the United States.

#### **10. SUBCONTRACTING WITH MINORITY FIRMS**

It is national policy to award a fair share of contracts and subcontracts to small and minority, female and disability owned business firms. Accordingly, affirmative steps must be taken to assure that such businesses are utilized when possible as sources of supplies, equipment, construction and services. Affirmative steps must include the following:

- a) Including qualified small and minority businesses on solicitation lists;
- b) Assuring that small and minority businesses are solicited whenever they are potential sources;
- c) When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority business participation;
- d) Where the requirements permit, establishing delivery schedules which will encourage participation by small and minority businesses;
- e) Using the services and assistance of the Small Business Administration, the Office of Minority Business Enterprise of the Department of Commerce, and the Community Services Administration as required;

If any subcontracts are to be let, the prime contractor or grantee must take the affirmative steps in (a) through (e), above.

Montgomery County's Department of Procurement has a Minority, Female and Disabled Persons

Program which can be of assistance in identifying and accessing MFD contractors. It can be reached at (240) 777-9912 / 9913.

#### **11. AGREEMENTS WITH RELIGIOUS ORGANIZATIONS TO PROVIDE CDBG FUNDED PUBLIC SERVICES**

In conjunction with, and not in substitution of, other requirements within this Agreement regarding the provision of public services with CDBG funds, pursuant to Title I of the Housing and Community Development Act of 1974, as amended, the Grantee:

- a. represents that if it is, or may be deemed to be, a religious or denominational institution or organization or is an organization operated for religious purposes which is supervised or controlled by, or in connection with, a religious or denominational institution or organization; and
- b. it agrees that, in connection with such public services:
  - i. it will not discriminate for or against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;
  - ii. it will not discriminate for or against any person applying for such public services on the basis of religion and will not limit, nor determine the scope of such public services on the basis of religion;
  - iii. it will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing nor exert any other religious influence in the provision of such public services;
  - iv. the portion of a facility used to provide public services assisted in whole or in part under this Agreement shall contain no sectarian or religious symbols or decorations; and
  - v. if funds received under this Agreement are used to acquire, construct, rehabilitate, or restore any facility which is owned by the Grantee, that facility must be held in trust by the faith-based organization as trustees for the beneficiaries of the project or program under which the property was acquired or improved, The faith-based organization must record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with federal funds and that use and disposition conditions apply to the property. Acquisition or renovation of principal places of worship is prohibited.

#### **12. COMPLIANCE WITH OTHER FEDERAL REGULATIONS**

In accordance with 24 C.F.R. §570.502 (a) and (b) the Grantee must comply with all Federal laws, regulations, and requirements, including amendments thereto, applicable to CDBG grants and/or loans.

- 13. SIGNS/ADVERTISEMENTS-** The Grantee must ensure that all signs, posters, pamphlets, printed materials, advertisements, and written articles concerning this program/project must include a statement acknowledging full or partial CDBG funding as appropriate.

**14. LOBBYING** - The Grantee agrees and certifies, with respect to lobbying, to the following:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, in connection with the awarding of any federal contract, the making of any federal grant or loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the Grantee must complete and submit an executed "Disclosure Form to Report Lobbying," in accordance with instructions provided therein. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
3. The Grantee must require that the language of this certification be included in the award documents implementing all sub- awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients must certify and disclose accordingly.

**15. INVENTIONS/INTELLECTUAL PROPERTY** - The Grantee may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under a Federal award. The Federal awarding agency reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

**16. CAPITAL EQUIPMENT**

In accordance with 24 C.F.R. §200.33 equipment is defined as tangible, non-expendable, personal property having a useful life for more than one year and an acquisition cost of \$5,000.00 or more per unit. Generally, purchase of equipment is prohibited. Prior to purchasing any equipment, the Grantee must obtain written permission from the County. The County reserves the right to purchase such equipment through its sources of supply if such a purchase will result in a cost savings. Title to equipment must remain with the County. Recipients must submit to the County annually, during the term of this agreement (and all extensions thereof), an inventory listing of all County- owned equipment in their custody. Attachment VI-D is provided for this purpose.

Upon completion of this agreement or at such time as the equipment is no longer needed by the Grantee, disposition of the equipment must be determined in accordance with 24 C.F.R. Part 200, and all dispositions must be approved in writing by the County prior to implementation.

**17. PLANT INSPECTION**

The County may inspect the place of business or location of service delivery of the Grantee under any grant or loan agreement awarded or to be awarded by the County or any subcontractor thereunder. The unreasonable failure of a bidder or offeror to supply information promptly in connection with such an inspection may be grounds for a determination of non-responsiveness by the County and will constitute a default under the terms of this agreement.

**18. NON-PARTICIPATING CDBG JURISDICTIONS**

Residents of, and facilities and programs located within municipalities that have chosen not to enter into CDBG Participation Agreements with the County are ineligible for receipt of all CDBG funded activities and benefits.

**19. ENTIRE AGREEMENT**

This grant agreement including all attachments constitutes the entire agreement between the parties. There are no other collateral grant agreements or agreements of any kind between the parties.

**20. SUSPENSION AND TERMINATION**

In accordance with 24 C.F.R. §200.338 suspension or termination may occur if the grantee materially fails to comply with any terms of this award. In addition, this award may be terminated for convenience in accordance with 24 C.F.R. §200.339.

**21. CONTRACTOR DEBARMENT or INELIGIBILITY** – No contract may be awarded to a party listed as debarred or ineligible on the governmentwide exclusions in the System for Award Management (SAM). All entities with whom a contract or subcontract will be executed must be checked against those listings and dated verification of its status printed out prior to contract execution and included in the project file.

**22. DOCUMENT AND RECORD RETENTION REQUIREMENTS**

All documents, records and files must be maintained, and available for inspection on request, for a minimum period of three (3) years following the closeout of the project.

**23. CONFLICT OF INTEREST**

No persons who exercise or have exercised any functions or responsibilities with respect to CDBG activities, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG- assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

**NOTE. PARAGRAPHS 24 THROUGH 32 ARE APPLICABLE TO ALL FEDERALLY ASSISTED CONSTRUCTION CONTRACTS**

**24. AFFIRMATIVE ACTION/EQUAL OPPORTUNITY FEDERALLY ASSISTED CONSTRUCTION CONTRACTS / GRANT AGREEMENTS**



Except as otherwise provided, each administering agency shall require the inclusion of the following language as a condition of any grant, contract, loan, insurance, or guarantee involving federally assisted construction which is not exempt from the requirements of the equal opportunity clause:

The applicant hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance, or guarantee, the following equal opportunity clause:

During the performance of this contract, the Grantee agrees as follows:

(1) The Grantee will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Grantee will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Grantee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Grantee will, in all solicitations or advertisements for employees placed by or on behalf of the Grantee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The Grantee will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Grantee's legal duty to furnish information.

(4) The Grantee will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Grantee's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The Grantee will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Grantee will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Grantee's noncompliance with the nondiscrimination clauses of this contract with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Grantee may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Grantee will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub awardee vendor. The Grantee will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

*Provided*, however, that in the event a Grantee becomes involved in, or is threatened with, litigation with a sub awardee or vendor as a result of such direction by the administering agency, the Grantee may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided*, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of Grantees and sub awardees with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry

out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon Grantees and sub awardees the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

**25. MISCELLANEOUS MANDATORY CONSTRUCTION CONTRACT INCLUSIONS FEDERALLY ASSISTED CONSTRUCTION CONTRACTS/GRANT AGREEMENTS**

(a) *Subcontracts.* Each nonexempt prime contractor or subcontractor shall include the equal opportunity clause in each of its nonexempt subcontracts.

(b) *Inclusion of the equal opportunity clause by reference.* The equal opportunity clause may be included by reference in all Government contracts and subcontracts, including Government bills of lading, transportation requests, contracts for deposit of Government funds, and contracts for issuing and paying U.S. savings bonds and notes, and such other contracts and subcontracts as the Director of OFCCP may designate.

(c) *Incorporation by operation of the order.* By operation of the order, the equal opportunity clause shall be considered to be a part of every contract and subcontract required by the order and the regulations in this part to include such a clause whether or not it is physically incorporated in such contracts and whether or not the contract between the agency and the contractor is written.

(d) *Adaptation of language.* Such necessary changes in language may be made in the equal opportunity clause as shall be appropriate to identify properly the parties and their undertakings.

**26. KICKBACKS - FEDERALLY ASSISTED CONSTRUCTION CONTRACTS / GRANT AGREEMENTS**

The Grantee is prohibited from inducing by any means any person employed in federally funded construction or repair work to give up any part of the compensation to which he is otherwise entitled, and must comply with all other provisions of the Copeland "Anti-Kick Back" Act, 18 U.S.C. 874, supplemented by Department of Labor Regulations 29 C.F.R. Part 3.

**27. LEAD BASED PAINT - FEDERALLY ASSISTED CONSTRUCTION CONTRACTS/GRANT AGREEMENTS**

The use of all lead-based paint is prohibited, and the disturbance of certain existing surfaces which may potentially contain lead paint is subject to HUD LEAD-BASED PAINT POISONING PREVENTION IN CERTAIN RESIDENTIAL STRUCTURES described at 24 C.F.R. Part 35. DHCA and HUD consider reduction of exposure to lead paint hazards a priority. Grantees that disturb, or cause to be disturbed, surfaces potentially containing lead paint products must follow the specific protocols mandated by the state of Maryland and by HUD. Testing, notification and/or abatement may be required. Results of lead testing for all pre-1978

properties must be provided to DHCA prior to issuing any proposal for renovation or starting any renovation work. Additional information may be obtained by calling 1-800-424-LEAD.

**28. PROCUREMENT OF RECOVERED MATERIALS - FEDERALLY ASSISTED CONSTRUCTION CONTRACTS / GRANT AGREEMENTS**

Procurement of recovered materials. Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

**29. SECTION 3 - FEDERALLY ASSISTED CONSTRUCTION CONTRACTS/GRANT AGREEMENTS**

The funding for the work to be performed under this grant agreement is assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended and codified at 24 C.F.R. §135 et seq. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area, and opportunities for provision of supplies and materials in connection with the project be awarded to business concerns located in, or owned in substantial part by persons residing in, the area of the project. Because of the demographic makeup of Montgomery County, the "project area" may be defined in a manner most likely to result in the actual award of such Section 3 benefits.

The Grantee must certify and agree that it is under no contractual or other disability which would prevent it from complying with any of the requirements referenced or specified herein. The Grantee must include this Section 3 clause in every contract and subcontract for work in connection with the federally funded project and must, at the direction of the County, take appropriate action upon a finding that the subcontractor in violation of these regulations. The Grantee must not award or execute any subcontract unless the subcontractor first provides the Grantee with acceptable documentation regarding its ability to comply with the requirements of these regulations.

The Grantee must send to each representative of workers or labor organization, with whom he has a collective bargaining agreement or other grant agreement or understanding, if any, a notice advising the said labor organization or workers' representative of his commitments under this Section 3 clause and must post copies of the notice in conspicuous places available to employees and applicants for employment or training.

Copies of the Section 3 regulations are available from the Department of Housing and Community Affairs, 1401 Rockville Pike, Fourth Floor, Rockville, Maryland 20852, telephone number 240-777-3600. Section 3 and other federal regulations are also available on the World Wide Web at <http://www.hud.gov>.

**30. COMPLIANCE WITH CLEAN AIR AND WATER ACT (For contracts in Excess of \$100,000)**

The Grantee must comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 1957 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) as amended, and subsequently related promulgated regulations and interpretations.

**31. CONTRACTOR DEBARMENT/INELIGIBILITY- FEDERALLY ASSISTED CONSTRUCTION CONTRACTS/GRANT AGREEMENTS**

No contract may be awarded to a party listed as debarred or ineligible on the governmentwide exclusions in the System for Award Management (SAM). All entities with whom a contract or subcontract will be executed must be checked against those listings and dated verification of its status printed out prior to contract execution and included in the project file.

**32. FEDERAL LABOR STANDARDS AND OTHER FEDERAL REQUIREMENTS – FEDERALLY ASSISTED CONSTRUCTION CONTRACTS/ GRANT AGREEMENTS**

For all contracts involving construction activities exceeding \$2,000 (29 C.F. R. §5.5) the Federal Labor Standards Provisions, including but not limited to all Davis-Bacon related requirements, are applicable and are made a part of this contract. The Grantee, all contractors and all subcontractors must include these provisions in all agreements relative to covered work. The Grantee is responsible for compliance with the terms thereof on the part of all contractors and subcontractors funded under this Agreement. The Grantee must guarantee and provide payment of all restitution and/or penalties incurred as a result of failure to comply with these requirements, on behalf of all tiers of contractors performing work on a covered project:

- a. The “FEDERAL LABOR STANDARDS COMPLIANCE PACKET” and
- b. A current project-specific Davis-Bacon Wage Rate Determination (issued for this project only) which must be posted conspicuously at the job site during all phases of construction.

**IF YOUR PROJECT INVOLVES CONSTRUCTION, THIS ATTACHMENT SHOULD BE IMMEDIATELY FOLLOWED BY A COPY OF THE “FEDERAL LABOR STANDARDS PROVISIONS ATTACHMENTS PACKET” AS WELL AS PROJECT-SPECIFIC WAGE RATE DETERMINATION. IF THESE DOCUMENTS ARE MISSING, CONTACT THE CONTRACT MONITOR BEFORE EXECUTING THIS OR ANY OTHER CONSTRUCTION- RELATED INSTRUMENT.**

## **ATTACHMENT VI-A**

### **DOCUMENTATION FOR INVOICING**

Federal and County regulations require appropriate documentation for all requests for CDBG funds. The Grantee must submit original documentation of all expenses claimed when submitting requests for payment. The County will not process any invoices unless the proper back-up documentation is included. DHCA reserves the right to request additional or supplemental documentation for any item for which reimbursement is requested under this agreement and to withhold payment if acceptable documentation is not provided.

**GENERAL REQUIREMENTS:** Invoices must:

- Be on the Grantee's letterhead
- Include the Grant Agreement
- Include the Purchase Order number
- Include a Grantee Generated Invoice Number that is UNIQUE and SEQUENTIAL (such as 1, 2, 3, etc.)
- Indicate the dates of the period covered by the billing
- Describe and list the attached documentation (copies of original invoices, timesheets, etc.) and
- Be signed by the person who signed the contract (or a designee approved by DHCA in writing)
- Time sheets must reflect number of Grant hours worked each day and be signed by the employee and a designated Signator of the Grantee. Employees partially funded with other public funds must indicate those funded hours on time sheets.

**WHEN PREPARING PAYMENTS PLEASE ENSURE THAT:**

- The math is correct
- The invoiced expense was incurred within the contract period (does not precede the date of the Notice to Proceed and is not after the contract expiration date)
- All Benefit Data Reports (and other reporting requirements in the Grant Agreement such as Semi- Annual Reports for County funded contracts) are current and that deliverables are being provided consistent with the contract terms
- Adequate unexpended funds remain under the contract to cover the invoice
- The categories of the billed amounts are consistent with the budget categories in the contract
- The amounts are consistent with the budget categories allocated for each line item
- The quantities reflected on the cover sheet are consistent with those in the back up information
- All necessary backup documentation is attached (timesheets, copies of original vendor invoices, receipts, etc.)
- Signed time sheets for employees without duplication of hours from other publicly funded sources
- Copies of original invoices for reimbursement

**ATTACHMENT VI-B**  
**INSTRUCTIONS FOR SUBMITTING DHCA FEDERALLY FUNDED LOAN SET UP**

The Department of Housing and Urban Development (HUD) requires all grantees submit demographic information on clients served. Grantees must provide DHCA Federally Funded Loan Set Up Form and final narrative reports to the City of Rockville for submission to the County.

Failure to submit complete, accurate and timely reports may delay payments of Grantees' invoices and result in early termination of the Grant Agreement, and the recapture by DHCA of any remaining unexpended Grant Agreement monies.

## FY24 CDBG INCOME LIMITS (5/2024)

Section 8 Definition: CDBG Definition:	Extremely Low Very Low	Very Low Low	Low Moderate
Family Size	(30% of median)	(50% of median)	(80% of median*)
1	32,500	54,150	68,500
2	37,150	61,900	78,250
3	41,800	69,650	88,050
4	46,400	77,350	97,800
5	50,150	83,550	105,650
6	53,850	89,750	113,450
7	57,550	95,950	121,300
8	61,250	102,150	129,100

\* The CDBG moderate-income limit for Montgomery County as periodically updated by HUD, with the understanding that the name of that category (CDBG 80%) is arithmetically less than 80% of Local Area Median Income, because it is capped by a HUD formula indexing it to the Section 8 income limits. This limit is approximately 64% of AMI.

(NOTE: DHCA has updated its electronic CDBG Benefit Data Reporting process. The content of the data to be reported has not changed. Only the submittal process has been modified.)

You are no longer required to log on and enter a password into an on-line program. Instead, you just download a form to your computer, fill it out, and email it in. The timing and frequency of the reporting has not changed. This should also assist you in being able to retain an electronic copy of your reports.

The format of the form is a fillable PDF (see sample on following pages). When you open it, you just tab to the fields and use the pull-down menus to fill in and enter the data or type data in the first three fields. Then enter your numerical data. When you are finished, you can use “Save As” and submit that version and you will have an original form to fill in next cycle or, you can download a fresh form each time.

Please download the reporting form at:

<https://www.montgomerycountymd.gov/DHCA/grants/cdbg.html>

You can open the form using Acrobat Reader or any other compatible PDF reader, fill it out, and email it to your assigned contract monitor. If you have questions or are experiencing problems, please contact your contract monitor directly.

The next two pages are a copy of the form on which you will enter your data so you can ensure that your information is gathered and documented appropriately for submitting in this format.

**DO NOT USE THIS SAMPLE FORM – DOWNLOAD THE FILLABLE PDF FORM**



(To be completed with input from developer's representative before loan closing)

1. ☐ Multifamily Staff: form completed. Signature \_\_\_\_\_ Date \_\_\_\_\_

2. ☐ Grants Management Staff: reviewed for completion. Signature \_\_\_\_\_ Date \_\_\_\_\_

3. ☐ Finance Staff: information uploaded. Signature \_\_\_\_\_ Date \_\_\_\_\_

**ATTACHMENT VI-C**  
**SUBCONTRACT ACTIVITY REPORT**

Submit to DHCA by 15th of the month after the quarter ends

Name of Subcontract Number 1: \_\_\_\_\_

Date of Subcontract:		Dollar Amount:	
Name of Subcontractor:			
Mailing Address			
Federal ID Number			
Subcontract for: (check one)	<input type="checkbox"/> Construction <input type="checkbox"/> Education/Training <input type="checkbox"/> Other:		
Ethnic Code: (check one) 51% of Company Ownership is:			
<input type="checkbox"/> White <input type="checkbox"/> Black <input type="checkbox"/> American Indian/Alaskan <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian/Pacific Islander			

Name of Subcontract Number 2: \_\_\_\_\_

Date of Subcontract:		Dollar Amount:	
Name of Subcontractor:			
Mailing Address			
Federal ID Number			
Subcontract for: (check one)	<input type="checkbox"/> Construction <input type="checkbox"/> Education/Training <input type="checkbox"/> Other:		
Ethnic Code: (check one) 51% of Company Ownership is:			
<input type="checkbox"/> White <input type="checkbox"/> Black <input type="checkbox"/> American Indian/Alaskan <input type="checkbox"/> Hispanic <input type="checkbox"/> Asian/Pacific Islander			

CDBG Project Name:			
Report filed by:			
Title:		Date:	

FOR DHCA USE ONLY:

Project Number:		Reviewed by:	
Date:		Included in HUD Report	

**ATTACHMENT VI-D**  
**CAPITAL EQUIPMENT INVENTORY**

Submit to DHCA by July 15<sup>th</sup> of each year

Reporting period: July 1, \_\_\_\_\_ to June 30, \_\_\_\_\_

Equipment Purchased	Date Purchased	Cost*
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

\* Report all Capital equipment valued over \$5,000.00 CDBG

Project Name:			
Report filed by:			
Title:		Date:	

FOR DHCA USE ONLY:

Project Number:		Reviewed by:	
Date:		Included in HUD Report	

**ATTACHMENT VI-E**  
**FY 24 (FFY 23) COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) SUBAWARD**  
**INFORMATION**

	Federal Award Identification Number (FAIN)	B20-UC-24-001
	Federal Award Date (see §200.39 Federal award date) of award to the recipient by the Federal agency	See Grant Agreement for B20-UC-24-001 on Montgomery County's Website at: <a href="https://montgomerycountymd.gov/dhca/grants/conplan.html">https://montgomerycountymd.gov/dhca/grants/conplan.html</a>
	Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass- through entity	Department of Housing and Urban Development Montgomery County, Maryland Contact info: Katherine Canales 240-777-3631
	CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement	14.001-14.999 HOUSING AND URBAN DEVELOPMENT For amounts see Grant Agreement for B20-UC-24-001 on Montgomery County's Website at:
	Subrecipient name (which must match the name associated with its unique entity identifier)	See attached Grant Agreement
	Subrecipient address	See attached Grant Agreement
	Sub recipient's unique entity identifier (SAM)(DUNS)	See attached Grant Agreement
	Sub award Period of Performance Start and End Date	See Notice to Proceed
	Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient	See attached Grant Agreement
	Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current obligation	Same as on attached Grant Agreement unless otherwise noted here
	Total Amount of the Federal Award committed to the subrecipient by the pass-through entity	Same as on attached Grant Agreement unless otherwise noted here
	Federal award project description, as required to be responsive to the Federal Funding Accountability and	See Annual Action Plan posted on Montgomery County's Website at: <a href="https://montgomerycountymd.gov/dhca/grants/conplan.html">https://montgomerycountymd.gov/dhca/grants/conplan.html</a>

	Transparency Act (FFATA)	
	Identification of whether the award is R&D	NO
	Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs)	NA

**ATTACHMENT VII**  
**(SUBGRANTEE GRANT AGREEMENT)**

PROJECT NAME: City of Rockville FY25 CDBG  
GRANT AGREEMENT NUMBER: 1171287

**FEDERAL LABOR STANDARDS PROVISIONS ATTACHMENTS (DAVIS BACON)**

**This packet of Attachments must be included with, applies to, and must be complied with for every federally funded construction related contract and subcontract (with the exceptions noted below).** There are a number of requirements for all federally funded construction-based contracts which are listed or synopsisized in this document. The full text of these documents is available via the internet from HUD at [www.hud.gov](http://www.hud.gov). or through your Contract Monitor.

This packet is not intended to replace any of these applicable statutes, regulations or documents. Neither is it intended to provide a “legal interpretation” of them, some of which are fairly complex. It is, instead, designed to assist in identifying, and placing parties on notice of, these requirements in a “plain language” context.

**If you are new to, and unfamiliar with, any of these requirements, there are additional step-by-step guides available. These include several Power Point presentations, an illustrated “Davis-Bacon How-To Guide” and other resources. Please contact your Contract Monitor or call 240-777-3685 to get or view these guides. You can also ask any specific questions or get individual training on these requirements by calling the same phone number.**

A very brief overview of some of these requirements follows:

**“DAVIS BACON WAGE REQUIREMENTS”**

This is a term that broadly covers a number of federal requirements that apply to all federally funded construction related projects of 8 or more units or any PHA project whose total cost exceeds \$2,000. More detail is included below (please see HUD-4010), but basically you must:

- Submit a weekly certified payroll form (see **FORM A:** Form WH-347 and Form WH-347 Instructions);
- Pay workers on a weekly (not bi-weekly) schedule;
- Pay workers a minimum hourly rate based on their activities that may or not include benefits based on a job-specific Wage Determination included below;
- Pay workers time-and-a-half for all hours over 40 worked in a week;
- Post the Wage Determination and a poster describing workers rights on all job sites;
- Ensure compliance with, and include these requirements in agreements with all, subcontractors;
- Provide weekly signed certified payrolls for all workers on covered jobs; and
- Provide additional reporting information (see **FORM B:** Form 4710 and Form 4710 instructions).

**MINORITY BUSINESS ENTERPRISE (MBE) REQUIREMENTS**

This data is reported on Form HUD-2516 (attached). You must gather and report data for the general contractor and all subcontractors on the project. This data includes:

- The dollar amount and date of the contract or subcontract;
- The type of trade for the contract or subcontract (based on one of ten specific category codes),
- The racial/ethnic data for the contractor or subcontractor (based on one of six specific category codes);
- Whether the contractor or subcontractor is a woman-owned business;
- Whether the listed contractor is a prime contractor or a subcontractor;
- The subcontractor ID number for each prime and subcontractor (usually the federal tax ID number of the business);
- The address of each contractor and subcontractor; and
- Whether the contractor or subcontractor is a Section 3 Business Entity (see immediately following section).

### **SECTION 3 REQUIREMENTS**

“Section 3” (of the Housing and Urban Development Act of 1968) mandates that federally funded construction and related activities take affirmative action to provide employment, training and business opportunities for low-income project area residents and businesses. This data is also reported on Form HUD-2516 (attached). There are specific dollar thresholds that trigger Section 3 but you should assume your project is covered if it is federally funded unless your Contract Monitor advises you otherwise. You are required to report specific information for all covered contracts, and to take specific additional affirmative actions if the dollar value of your contract exceeds \$100,000. If the federal funding is a portion of the overall project cost, the ENTIRE project, regardless of funding sources, is covered.

Generally, the government entity awarding the covered funds, and you as the contractor if the contract value exceeds \$100,000, must:

#### **COMPLIANCE THRESHOLDS:**

- Award a minimum of 10% of the total dollar amount of construction contracts or subcontracts to Section 3 Businesses (defined below);
- Award a minimum of 3% of the total dollar amount of non-construction contracts or subcontracts to Section 3 Businesses (defined below); and
- Hire a minimum of 30% of NEW hires on the contract or subcontract that are Section 3 residents (defined below):

#### **OTHER REQUIREMENTS:**

- Notify Section 3 Businesses and Residents about business and training opportunities;
- Notify Section 3 Businesses about available contracting opportunities;
- Notify all contractors and subcontractors on covered project of their Section 3 responsibilities;
- Include the Section 3 clause and requirements in all contracts and subcontracts;
- Facilitate training of Section 3 Residents and awarding of contracts to Section 3 Businesses;
- Cooperate with local government and HUD to achieve compliance by contractors and subcontractors;

- Ensure all contractors and subcontractors you use are not in violation of Section 3 requirements [Make sure the contractors you are considering using are eligible – check on <https://www.epls.gov/>];
- Document compliance activities; and
- Provide data and documentation for reports.

#### DEFINITIONS:

- **Section 3 Business** (certified to have)
  - At least 51% owned by Sec 3 resident, or
  - At least 30% full time employees Sec 3 residents (or were within 3 years of date of first employment), or
  - Evidence of a commitment to subcontract at least 25% of the dollar award to Sec 3 Business Concerns.
- **Section 3 Resident** (certified to be)
  - Sec 3 Resident – a public housing resident or low or very-low income person within the covered assistance area
- **New Hire**
  - A full time employee for a new permanent, temporary or seasonal position created during the expenditure of Sec 3 covered assistance.

#### **BUILD AMERICA, BUY AMERICA ACT (BABA)**

Effective July 1, 2023, all iron, steel, manufactured products, and construction materials used in covered infrastructure projects must be produced in the United States. BABA may apply to some CDBG infrastructure and housing projects.

BABA applies to:

- Projects using FY23 and future CDBG funds
- Projects containing iron or steel
- Projects with total cost of \$250,000 or greater
- Applies to subrecipients as well

BABA will not apply to:

- Projects that do not contain iron or steel
- Projects with total cost less than \$250,000
- Projects that qualify for a HUD waiver
- [https://www.hud.gov/program\\_offices/general\\_counsel/BABA](https://www.hud.gov/program_offices/general_counsel/BABA) for more information on requirements and available waivers



Many of the applicable regulations are referenced or described in a particular section of the Code of Federal Regulations (CFR) at 24 CFR 570: Community Development Block Grants. The following list is directly from the Table of Contents of that regulation. Items that appear in bold type are directly relevant to ALL federally funded construction contracts, unless otherwise noted.

§ Part 35      Lead-based paint. **[Do not disturb surfaces without following appropriate specific safety protocols. Test where required.]**

see [24 CFR 570 Subpart K Table of Contents] Subpart K — Other Program Requirements

- § 570.600      General
- § 570.601      Public Law 88-352 [Title VI of the Civil Rights Act of 1964]; Public Law 90-284 [the Fair Housing Act]; Executive Order 11063 [Equal Opportunity in Housing] **[there is an affirmative mandate to further the Fair Housing Act as amended]**
- § 570.602      Section 109 of the Act **["requiring that no person in the United States shall on the ground of race, color, religion, national origin, sex, age, or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds made available pursuant to the Act."]**
- § 570.603      Labor standards. **[all workers on construction projects must be paid at least the hourly Wage Rate specified for the specific project, must be paid at least weekly, and must be paid overtime for hours worked above 40 per week -**
- § 570.604      Environmental standards.
- § 570.605      National Flood Insurance Program.
- § 570.606      Displacement, relocation, acquisition, and replacement of housing.
- § 570.607      Employment and contracting opportunities. **[contractors and subcontractors on federally funded construction contracts must take AFFIRMATIVE ACTION and avoid discrimination in "employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay, or other forms of compensation and selection for training and apprenticeship." You MUST ensure minority participation in the bidding process and actual contract AWARD phases; mere gestures are NOT ADEQUATE]**

**[ Section 3] For projects whose total cost exceeds \$100,000 - You are required to make opportunities available for jobs and small local businesses owned by low-moderate-income area residents to participate in the project. This can include such things as hiring and/or providing training to local residents or contractors to work on the project and purchasing materials from local merchants. If your project is located in an area in which this is infeasible, you can also fulfill this requirement by providing these opportunities to such individuals and businesses located elsewhere within Montgomery County. Please contact your contract manager for additional details. Included with this packet is a summary sheet on 24 CFR 135, Section 3 Clause which describes this general requirement.**

- § 570.608      **LEAD BASE PAINT (For Construction or Rehabilitation)** The use of all lead-base paint is prohibited, and the disturbance of certain existing surfaces which may potentially contain lead paint is subject to HUD Lead-Base Paint Regulations described at 24 C.F.R. §570.608. DHCA and HUD consider reduction of exposure to lead paint hazards a priority. Appropriate certification of all contractors is required. Grantees that disturb, or cause to be disturbed, surfaces potentially containing lead paint products must follow the specific protocols mandated by the state of Maryland and by HUD. Testing, notification and/or abatement may be required. Additional information may be obtained by calling 1-800-424-LEAD.
- § 570.609      Use of debarred, suspended or ineligible contractors or subrecipients.
- § 570.610      Uniform administrative requirements and cost principles.
- § 570.611      Conflict of interest.
- § 570.612      Executive Order 12372. [Intergovernmental Review of Federal Programs]
- § 570.613      Eligibility restrictions for certain resident aliens.
- § 570.614      Architectural Barriers Act and the Americans with Disabilities Act.

Attached please also find:

**“FEDERAL LABOR STANDARDS PROVISIONS”** – [HUD-4010] - document prepared by HUD: overview of the contracting and employment requirements.

**“SECTION 3 CLAUSE”** - from [24 CFR 135] - Employment Opportunities for Businesses and Lower Income Persons In Connection With Assisted Projects.

The **SPECIFIC WAGE RATE** That Applies to **THIS** Project.

**FORM A: WH-347**

**FORM B: HUD 4710**

**FORM C: HUD 2516**

**FORM D: HUD-60002**

FRM ATT VII SUBGRANTEE FED LBR STD DAV BAC 7-16

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**A. APPLICABILITY**

The Project or Program to which the construction work covered by this Contract pertains is being assisted by the United States of America, and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

**1. Minimum wages and fringe benefits**

- i. All laborers and mechanics employed or working upon the site of the work (or otherwise working in construction or development of the project under a development statute), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of basic hourly wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. As provided in 29 CFR 5.5(d) and (e), the appropriate wage determinations are effective by operation of law even if they have not been attached to the contract. Contributions made or costs reasonably anticipated for bona fide fringe benefits under the Davis-Bacon Act (40 U.S.C. 3141(2)(B)) on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(v) of these contract clauses; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics must be paid the appropriate wage rate and fringe benefits on the wage determination for the classification(s) of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: *Provided*, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classifications and wage rates conformed under 29 CFR 5.5(a)(1)(iii)) and the Davis-Bacon poster (WH-1321) must be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

**ii. Frequently recurring classifications**

- A.** In addition to wage and fringe benefit rates that have been determined to be prevailing under the procedures set forth in 29 CFR part 1, a wage determination may contain, pursuant to § 1.3(f), wage and fringe benefit rates for classifications of laborers and mechanics for which conformance requests are regularly submitted pursuant to 29 CFR 5.5(a)(1)(iii), provided that:
1. The work performed by the classification is not performed by a classification in the wage determination for which a prevailing wage rate has been determined;
  2. The classification is used in the area by the construction industry; and
  3. The wage rate for the classification bears a reasonable relationship to the prevailing wage rates contained in the wage determination.
- B.** The Administrator will establish wage rates for such classifications in accordance with 29 CFR 5.5(a)(1)(iii)(A)(3). Work performed in such a classification must be paid at no less than the wage and fringe benefit rate listed on the wage determination for such classification.

**iii. Conformance**

- A.** The contracting officer must require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract be

classified in conformance with the wage determination. Conformance of an additional classification and wage rate and fringe benefits is appropriate only when the following criteria have been met:

1. The work to be performed by the classification requested is not performed by a classification in the wage determination; and
  2. The classification is used in the area by the construction industry; and
  3. The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- B. The conformance process may not be used to split, subdivide, or otherwise avoid application of classifications listed in the wage determination.
- C. If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken will be sent by the contracting officer by email to [DBAconformance@dol.gov](mailto:DBAconformance@dol.gov). The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- D. In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer will, by email to [DBAconformance@dol.gov](mailto:DBAconformance@dol.gov), refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- E. The contracting officer must promptly notify the contractor of the action taken by the Wage and Hour Division under 29 CFR 5.5 (a)(1)(iii)(C) and (D). The contractor must furnish a written copy of such determination to each affected worker or it must be posted as a part of the wage determination. The wage rate (including fringe benefits where appropriate) determined pursuant to 29 CFR 5.5 (a)(1)(iii)(C) or (D) must be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

**iv. Fringe benefits not expressed as an hourly rate**

Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor may either pay the benefit as stated in the wage determination or may pay another bona fide fringe benefit or an hourly cash equivalent thereof.

**v. Unfunded plans**

If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided*, That the Secretary of Labor has found, upon the written request of the contractor, in accordance with the criteria set forth in 29 CFR 5.28, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

- vi. Interest** In the event of a failure to pay all or part of the wages required by the contract, the contractor will be required to pay interest on any underpayment of wages.

## **2. Withholding**

### **i. Withholding requirements**

The U. S. Department of Housing and Urban Development may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for the full amount of wages and monetary relief, including interest, required by the clauses set forth in 29 CFR 5.5(a) for violations of this contract, or to satisfy any such liabilities required by any other Federal contract, or federally assisted contract subject to Davis-Bacon labor standards, that is held by the same prime contractor (as defined in 29 CFR 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to Davis-Bacon labor standards requirements and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld. In the event of a contractor's failure to pay any laborer or mechanic, including any apprentice or helper working on the site of the work (or otherwise working in construction or development of the project under a development statute) all or part of the wages required by the contract, or upon the contractor's failure to submit the required records as discussed in 29 CFR 5.5(a)(3)(iv), HUD may on its own initiative and after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

### **ii. Priority to withheld funds**

The Department has priority to funds withheld or to be withheld in accordance with 29 CFR 5.5(a)(2)(i) or (b)(3)(i), or both, over claims to those funds by:

- A.** A contractor's surety(ies), including without limitation performance bond sureties and payment bond sureties;
- B.** A contracting agency for its procurement costs;
- C.** A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor's bankruptcy estate;
- D.** A contractor's assignee(s);
- E.** A contractor's successor(s); or
- F.** A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901-3907.

## **3. Records and certified payrolls**

### **i. Basic record requirements**

**A. Length of record retention.** All regular payrolls and other basic records must be maintained by the contractor and any subcontractor during the course of the work and preserved for all laborers and mechanics working at the site of the work (or otherwise working in construction or development of the project under a development statute) for a period of at least 3 years after all the work on the prime contract is completed.

**B. Information required** Such records must contain the name; Social Security number; last known address, telephone number, and email address of each such worker; each worker's correct classification(s) of work actually performed; hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act); daily and weekly number of hours actually worked in total and on each covered contract; deductions made; and actual wages paid.

**C. Additional records relating to fringe benefits.** Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(v) that the wages of any laborer or mechanic include the amount of any

costs reasonably anticipated in providing benefits under a plan or program described in 40 U.S.C. 3141(2)(B) of the Davis-Bacon Act, the contractor must maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits.

**D. Additional records relating to apprenticeship** Contractors with apprentices working under approved programs must maintain written evidence of the registration of apprenticeship programs, the registration of the apprentices, and the ratios and wage rates prescribed in the applicable programs.

**ii. Certified payroll requirements**

**A. Frequency and method of submission** The contractor or subcontractor must submit weekly, for each week in which any DBA- or Related Acts-covered work is performed, certified payrolls to HUD if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the certified payrolls to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to HUD. The prime contractor is responsible for the submission of all certified payrolls by all subcontractors. A contracting agency or prime contractor may permit or require contractors to submit certified payrolls through an electronic system, as long as the electronic system requires a legally valid electronic signature; the system allows the contractor, the contracting agency, and the Department of Labor to access the certified payrolls upon request for at least 3 years after the work on the prime contract has been completed; and the contracting agency or prime contractor permits other methods of submission in situations where the contractor is unable or limited in its ability to use or access the electronic system

**B. Information required** The certified payrolls submitted must set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i)(B), except that full Social Security numbers and last known addresses, telephone numbers, and email addresses must not be included on weekly transmittals. Instead, the certified payrolls need only include an individually identifying number for each worker (e.g., the last four digits of the worker's Social Security number). The required weekly certified payroll information may be submitted using Optional Form WH-347 or in any other format desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/wh347.pdf> or its successor website. It is not a violation of this section for a prime contractor to require a subcontractor to provide full Social Security numbers and last known addresses, telephone numbers, and email addresses to the prime contractor for its own records, without weekly submission by the subcontractor to the sponsoring government agency (or the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records).

**C. Statement of Compliance** Each certified payroll submitted must be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor, or the contractor's or subcontractor's agent who pays or supervises the payment of the persons working on the contract, and must certify the following:

1. That the certified payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information and basic records are being maintained under 29 CFR 5.5 (a)(3)(i), and such information and records are correct and complete;
2. That each laborer or mechanic (including each helper and apprentice) working on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly

from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3; and

3. That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification(s) of work actually performed, as specified in the applicable wage determination incorporated into the contract.
  - D. **Use of Optional Form WH-347** The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 will satisfy the requirement for submission of the “Statement of Compliance” required by 29 CFR 5.5(a)(3)(ii)(C).
  - E. **Signature** The signature by the contractor, subcontractor, or the contractor’s or subcontractor’s agent must be an original handwritten signature or a legally valid electronic signature.
  - F. **Falsification** The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 3729.
  - G. **Length of certified payroll retention** The contractor or subcontractor must preserve all certified payrolls during the course of the work and for a period of 3 years after all the work on the prime contract is completed.
- iii. **Contracts, subcontracts, and related documents** The contractor or subcontractor must maintain this contract or subcontract and related documents including, without limitation, bids, proposals, amendments, modifications, and extensions. The contractor or subcontractor must preserve these contracts, subcontracts, and related documents during the course of the work and for a period of 3 years after all the work on the prime contract is completed.
- iv **Required disclosures and access**
- A. **Required record disclosures and access to workers** The contractor or subcontractor must make the records required under 29 CFR 5.5(a)(3)(i)–(iii), and any other documents that HUD or the Department of Labor deems necessary to determine compliance with the labor standards provisions of any of the applicable statutes referenced by 29 CFR 5.1, available for inspection, copying, or transcription by authorized representatives of HUD or the Department of Labor, and must permit such representatives to interview workers during working hours on the job.
  - B. **Sanctions for non-compliance with records and worker access requirements** If the contractor or subcontractor fails to submit the required records or to make them available, or refuses to permit worker interviews during working hours on the job, the Federal agency may, after written notice to the contractor, sponsor, applicant, owner, or other entity, as the case may be, that maintains such records or that employs such workers, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available, or to permit worker interviews during working hours on the job, may be grounds for debarment action pursuant to 29 CFR 5.12. In addition, any contractor or other person that fails to submit the required records or make those records available to WHD within the time WHD requests that the records be produced will be precluded from introducing as evidence in an administrative proceeding under 29 CFR part 6 any of the required records that were not provided or made available to WHD. WHD will take into consideration a reasonable request from the contractor or person for an extension of the time for submission of records. WHD will determine the reasonableness of the request and may consider, among other things, the location of the records and the volume of production.
  - C. **Required information disclosures** Contractors and subcontractors must maintain the full Social Security number and last known address, telephone number, and email address of each covered worker, and must provide them upon request to HUD if the agency is a party to

the contract, or to the Wage and Hour Division of the Department of Labor. If the Federal agency is not such a party to the contract, the contractor, subcontractor, or both, must, upon request, provide the full Social Security number and last known address, telephone number, and email address of each covered worker to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to HUD, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or other compliance action.

#### **4. Apprentices and equal employment opportunity**

##### **i. Apprentices**

- A. Rate of pay** Apprentices will be permitted to work at less than the predetermined rate for the work they perform when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship (OA), or with a State Apprenticeship Agency recognized by the OA. A person who is not individually registered in the program, but who has been certified by the OA or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice, will be permitted to work at less than the predetermined rate for the work they perform in the first 90 days of probationary employment as an apprentice in such a program. In the event the OA or a State Apprenticeship Agency recognized by the OA withdraws approval of an apprenticeship program, the contractor will no longer be permitted to use apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.
- B. Fringe benefits** Apprentices must be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringe benefits must be paid in accordance with that determination.
- C. Apprenticeship ratio** The allowable ratio of apprentices to journeyworkers on the job site in any craft classification must not be greater than the ratio permitted to the contractor as to the entire work force under the registered program or the ratio applicable to the locality of the project pursuant to 29 CFR 5.5(a)(4)(i)(D). Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in 29 CFR 5.5(a)(4)(i)(A), must be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under this section must be paid not less than the applicable wage rate on the wage determination for the work actually performed.
- D. Reciprocity of ratios and wage rates** Where a contractor is performing construction on a project in a locality other than the locality in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyworker's hourly rate) applicable within the locality in which the construction is being performed must be observed. If there is no applicable ratio or wage rate for the locality of the project, the ratio and wage rate specified in the contractor's registered program must be observed.

- ii Equal employment opportunity** The use of apprentices and journeyworkers under this part must be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

#### **5 Compliance with Copeland Act requirements.** The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.



**6 Subcontracts.** The contractor or subcontractor must insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (11), along with the applicable wage determination(s) and such other clauses or contract modifications as the U.S. Department of Housing and Urban Development may by appropriate instructions require, and a clause requiring the subcontractors to include these clauses and wage determination(s) in any lower tier subcontracts. The prime contractor is responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this section. In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any workers of lower-tier subcontractors, and may be subject to debarment, as appropriate.

**7 Contract termination: debarment.** A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

**8 Compliance with Davis-Bacon and Related Act requirements.** All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

**9 Disputes concerning labor standards.** Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

**10. Certification of eligibility.**

i. By entering into this contract, the contractor certifies that neither it nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of 40 U.S.C. 3144(b) or 29 CFR 5.12(a).

ii. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of 40 U.S.C. 3144(b) or 29 CFR 5.12(a).

iii. The penalty for making false statements is prescribed in the U.S. Code, Title 18 Crimes and Criminal Procedure, 18 U.S.C. 1001.

**11 Anti-retaliation** It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

i. Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the DBA, Related Acts, or 29 CFR parts 1, 3, or 5;

ii. Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under the DBA, Related Acts, or 29 CFR parts 1, 3, or 5;

iii. Cooperating in any investigation or other compliance action, or testifying in any proceeding under the DBA, Related Acts, or 29 CFR parts 1, 3, or 5; or

iv. Informing any other person about their rights under the DBA, Related Acts, or 29 CFR parts 1, 3, or 5.

**B. Contract Work Hours and Safety Standards Act (CWHSSA)**

The Agency Head must cause or require the contracting officer to insert the following clauses set forth in 29 CFR 5.5(b)(1), (2), (3), (4), and (5) in full, or (for contracts covered by the Federal Acquisition Regulation) by reference, in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses must

be inserted in addition to the clauses required by 29 CFR 5.5(a) or 4.6. As used in this paragraph, the terms “laborers and mechanics” include watchpersons and guards.

**1. Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

**2. Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in 29 CFR 5.5(b)(1) the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages and interest from the date of the underpayment. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchpersons and guards, employed in violation of the clause set forth in 29 CFR 5.5(b)(1), in the sum of \$31 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in 29 CFR 5.5(b)(1).

**3. Withholding for unpaid wages and liquidated damages**

**i. Withholding process** The U.S Department of Housing and Urban Development or the recipient of Federal assistance may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of the prime contractor or any subcontractor for any unpaid wages; monetary relief, including interest; and liquidated damages required by the clauses set forth in 29 CFR 5.5(b) on this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act that is held by the same prime contractor (as defined in 29 CFR 5.2). The necessary funds may be withheld from the contractor under this contract, any other Federal contract with the same prime contractor, or any other federally assisted contract that is subject to the Contract Work Hours and Safety Standards Act and is held by the same prime contractor, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the contractor liability for which the funds were withheld.

**ii Priority to withheld funds** The Department has priority to funds withheld or to be withheld in accordance with 29 CFR 5.5(a)(2)(i) or (b)(3)(i), or both, over claims to those funds by:

- A.** A contractor’s surety(ies), including without limitation performance bond sureties and payment bond sureties;
- B.** A contracting agency for its procurement costs;
- C.** A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of a contractor, or a contractor’s bankruptcy estate;
- D.** A contractor’s assignee(s);
- E.** A contractor’s successor(s); or
- F.** A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901-3907.

**4. Subcontracts.** The contractor or subcontractor must insert in any subcontracts the clauses set forth in 29 CFR 5.5(b)(1) through (5) and a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor is responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in 29 CFR 5.5(b)(1) through (5). In the event of any violations of these clauses, the prime contractor and any subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss,

due to any workers of lower-tier subcontractors, and associated liquidated damages and may be subject to debarment, as appropriate.

- 5 Anti-retaliation** It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:
- i. Notifying any contractor of any conduct which the worker reasonably believes constitutes a violation of the Contract Work Hours and Safety Standards Act (CWHSSA) or its implementing regulations in 29 CFR part 5;
  - ii. Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under CWHSSA or 29 CFR part 5;
  - iii. Cooperating in any investigation or other compliance action, or testifying in any proceeding under CWHSSA or 29 CFR part 5; or
  - iv. Informing any other person about their rights under CWHSSA or 29 CFR part 5.
- C. CWHSSA required records clause** In addition to the clauses contained in 29 CFR 5.5(b), in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other laws referenced by 29 CFR 5.1, the Agency Head must cause or require the contracting officer to insert a clause requiring that the contractor or subcontractor must maintain regular payrolls and other basic records during the course of the work and must preserve them for a period of 3 years after all the work on the prime contract is completed for all laborers and mechanics, including guards and watchpersons, working on the contract. Such records must contain the name; last known address, telephone number, and email address; and social security number of each such worker; each worker's correct classification(s) of work actually performed; hourly rates of wages paid; daily and weekly number of hours actually worked; deductions made and actual wages paid. Further, the Agency Head must cause or require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph must be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview workers during working hours on the job.
- D. Incorporation of contract clauses and wage determinations by reference** Although agencies are required to insert the contract clauses set forth in this section, along with appropriate wage determinations, in full into covered contracts, and contractors and subcontractors are required to insert them in any lower-tier subcontracts, the incorporation by reference of the required contract clauses and appropriate wage determinations will be given the same force and effect as if they were inserted in full text.
- E. Incorporation by operation of law** The contract clauses set forth in this section (or their equivalent under the Federal Acquisition Regulation), along with the correct wage determinations, will be considered to be a part of every prime contract required by the applicable statutes referenced by 29 CFR 5.1 to include such clauses, and will be effective by operation of law, whether or not they are included or incorporated by reference into such contract, unless the Administrator grants a variance, tolerance, or exemption from the application of this paragraph. Where the clauses and applicable wage determinations are effective by operation of law under this paragraph, the prime contractor must be compensated for any resulting increase in wages in accordance with applicable law.

#### **F. HEALTH AND SAFETY**

The provisions of this paragraph (F) are applicable where the amount of the prime contract exceeds **\$100,000**.

- 1.** No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his or her health and safety, as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.
- 2.** The contractor shall comply with all regulations issued by the Secretary of Labor pursuant to 29 CFR Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96), 40 U.S.C. § 3701 et seq.
- 3.** The contractor shall include the provisions of this paragraph in every subcontract, so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

**SECTION 3 CLAUSE**  
(24 CFR Part 135-38)

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 clause):

A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 u (Section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall to the greatest ex-tent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implements section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriated action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of the contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contract and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

**BEFORE EXECUTING CONTRACT, INSERT THE:**

**GENERAL WAGE DECISION**

**U.S. Department of Labor**  
Wage and Hour Division

## PAYROLL

**For contractor's optional use; see instructions at [dol.gov/agencies/whd/forms/wh347](https://dol.gov/agencies/whd/forms/wh347)**

*Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.*



WAGE AND HOUR DIVISION  
Revised December 2008

[illegible]

While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) requires contractors and subcontractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

### Public Burden Statement

We estimate that it will take an average of 55 minutes to complete this collection, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, U.S. Department of Labor, Room S3502, 200 Constitution Avenue, N.W. Washington, D.C. 20210

Date \_\_\_\_\_

I, \_\_\_\_\_  
(Name of Signatory Party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by \_\_\_\_\_ on the \_\_\_\_\_  
(Contractor or Subcontractor)  
\_\_\_\_\_ ; that during the payroll period commencing on the \_\_\_\_\_  
(Building or Work)  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and ending the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
all persons employed on said project have been paid the full weekly wages earned, that no rebates have  
been or will be made either directly or indirectly to or on behalf of said \_\_\_\_\_  
\_\_\_\_\_ from the full  
(Contractor or Subcontractor)

weekly wages earned by any person and that no deductions have been made either directly or indirectly  
from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part  
3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948,  
63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. § 3145), and described below:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(2) That any payrolls otherwise under this contract required to be submitted for the above period are  
correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the  
applicable wage rates contained in any wage determination incorporated into the contract; that the classifications  
set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship  
program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and  
Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered  
with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:  
(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

- in addition to the basic hourly wage rates paid to each laborer or mechanic listed in  
the above referenced payroll, payments of fringe benefits as listed in the contract  
have been or will be made to appropriate programs for the benefit of such employees,  
except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

- Each laborer or mechanic listed in the above referenced payroll has been paid,  
as indicated on the payroll, an amount not less than the sum of the applicable  
basic hourly wage rate plus the amount of the required fringe benefits as listed  
in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS:

NAME AND TITLE	SIGNATURE

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR  
SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 3729 OF  
TITLE 31 OF THE UNITED STATES CODE.

## FORM A – FORM WH-347 Instructions

### Instructions for Completing Payroll Form, WH-347

**General:** Form WH-347 has been made available for the convenience of contractors and subcontractors required by their Federal or Federally-aided construction-type contracts and subcontracts to submit weekly payrolls. Properly filled out, this form will satisfy the requirements of Regulations, Parts 3 and 5 (29 C.F.R., Subtitle A), as to payrolls submitted in connection with contracts subject to the Davis-Bacon and related Acts.

While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) requires contractors and subcontractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) Regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

Under the Davis-Bacon and related Acts, the contractor is required to pay not less than prevailing wage, including fringe benefits, as predetermined by the Department of Labor. The contractor's obligation to pay fringe benefits may be met either by payment of the fringe benefits to bona fide benefit plans, funds or programs or by making payments to the covered workers (laborers and mechanics) as cash in lieu of fringe benefits.

This payroll provides for the contractor to show on the face of the payroll all monies to each worker, whether as basic rates or as cash in lieu of fringe benefits, and provides for the contractor's representation in the statement of compliance on the payroll (as shown on page 2) that he/she is paying for fringe benefits required by the contract and not paid as cash in lieu of fringe benefits. Detailed instructions concerning the preparation of the payroll follow:

**Contractor or Subcontractor:** Fill in your firm's name and check appropriate box.

**Address:** Fill in your firm's address.

**Payroll No.:** Beginning with the number "1", list the payroll number for the submission.

**For Week Ending:** List the workweek ending date.

**Project and Location:** Self-explanatory.

**Project or Contract No.:** Self-explanatory.

**Column 1 - Name and Individual Identifying Number of Worker:** Enter each worker's full name and an individual identifying number (e.g., last four digits of worker's social security number) on each weekly payroll submitted.



**Column 2 - No. of Withholding Exemptions:** This column is merely inserted for the employer's convenience and is not a requirement of Regulations, Part 3 and 5.

**Column 3 - Work Classifications:** List classification descriptive of work actually performed by each laborer or mechanic. Consult classification and minimum wage schedule set forth in contract specifications. If additional classifications are deemed necessary, see Contracting Officer or Agency representative. An individual may be shown as having worked in more than one classification provided an accurate breakdown of hours worked in each classification is maintained and shown on the submitted payroll by use of separate entries.

**Column 4 - Hours worked:** List the day and date and straight time and overtime hours worked in the applicable boxes. On all contracts subject to the Contract Work Hours Standard Act, enter hours worked in excess of 40 hours a week as "overtime".

**Column 5 - Total:** Self-explanatory

**Column 6 - Rate of Pay (Including Fringe Benefits):** In the "straight time" box for each worker, list the actual hourly rate paid for straight time worked, plus cash paid in lieu of fringe benefits paid. When recording the straight time hourly rate, any cash paid in lieu of fringe benefits may be shown separately from the basic rate. For example, "\$12.25/.40" would reflect a \$12.25 base hourly rate plus \$0.40 for fringe benefits. This is of assistance in correctly computing overtime. See "Fringe Benefits" below. When overtime is worked, show the overtime hourly rate paid plus any cash in lieu of fringe benefits paid in the "overtime" box for each worker; otherwise, you may skip this box. See "Fringe Benefits" below. Payment of not less than time and one-half the basic or regular rate paid is required for overtime under the Contract Work Hours Standard Act of 1962 if the prime contract exceeds \$100,000. In addition to paying no less than the predetermined rate for the classification which an individual works, the contractor must pay amounts predetermined as fringe benefits in the wage decision made part of the contract to approved fringe benefit plans, funds or programs or shall pay as cash in lieu of fringe benefits. See "FRINGE BENEFITS" below.

**Column 7 - Gross Amount Earned:** Enter gross amount earned on this project. If part of a worker's weekly wage was earned on projects other than the project described on this payroll, enter in column 7 first the amount earned on the Federal or Federally assisted project and then the gross amount earned during the week on all projects, thus "\$163.00/\$420.00" would reflect the earnings of a worker who earned \$163.00 on a Federally assisted construction project during a week in which \$420.00 was earned on all work.

**Column 8 - Deductions:** Five columns are provided for showing deductions made. If more than five deduction are involved, use the first four columns and show the balance deductions under "Other" column; show actual total under "Total Deductions" column; and in the attachment to the payroll describe the deduction(s) contained in the "Other" column. All deductions must be in accordance with the provisions of the Copeland Act Regulations, 29 C.F.R., Part 3. If an individual worked on other jobs in addition to this project, show actual deductions from his/her weekly gross wage, and indicate that deductions are based on his gross wages.

**Column 9 - Net Wages Paid for Week:** Self-explanatory.

**Totals** - Space has been left at the bottom of the columns so that totals may be shown if the contractor so desires.

**Statement Required by Regulations, Parts 3 and 5:** While the "statement of compliance" need not be notarized, the statement (on page 2 of the payroll form) is subject to the penalties provided by 18 U.S.C. § 1001, namely, a fine, possible imprisonment of not more than 5 years, or both. Accordingly, the party signing this statement should have knowledge of the facts represented as true.

**Items 1 and 2:** Space has been provided between items (1) and (2) of the statement for describing any deductions made. If all deductions made are adequately described in the "Deductions" column above, state "See Deductions column in this payroll." See "FRINGE BENEFITS" below for instructions concerning filling out paragraph 4 of the statement.

**Item 4 FRINGE BENEFITS - Contractors who pay all required fringe benefits:** If paying all fringe benefits to approved plans, funds, or programs in amounts not less than were determined in the applicable wage decision of the Secretary of Labor, show the basic cash hourly rate and overtime rate paid to each worker on the face of the payroll and check paragraph 4(a) of the statement on page 2 of the WH-347 payroll form to indicate the payment. Note any exceptions in section 4(c).

**Contractors who pay no fringe benefits:** If not paying all fringe benefits to approved plans, funds, or programs in amounts of at least those that were determined in the applicable wage decision of the Secretary of Labor, pay any remaining fringe benefit amount to each laborer and mechanic and insert in the "straight time" of the "Rate of Pay" column of the payroll an amount not less than the predetermined rate for each classification plus the amount of fringe benefits determined for each classification in the applicable wage decision. Inasmuch as it is not necessary to pay time and a half on cash paid in lieu of fringe benefits, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on basic or regular rate, plus the required cash in lieu of fringe benefits at the straight time rate. In addition, check paragraph 4(b) of the statement on page 2 the payroll form to indicate the payment of fringe benefits in cash directly to the workers. Note any exceptions in section 4(c).

#### **Use of Section 4(c), Exceptions**

Any contractor who is making payment to approved plans, funds, or programs in amounts less than the wage determination requires is obliged to pay the deficiency directly to the covered worker as cash in lieu of fringe benefits. Enter any exceptions to section 4(a) or 4(b) in section 4(c). Enter in the Exception column the craft, and enter in the Explanation column the hourly amount paid each worker as cash in lieu of fringe benefits and the hourly amount paid to plans, funds, or programs as fringe benefits. The contractor must pay an amount not less than the predetermined rate plus cash in lieu of fringe benefits as shown in section 4(c) to each such individual for all hours worked (unless otherwise provided by applicable wage determination) on the Federal or Federally assisted project. Enter the rate paid and amount of cash paid in lieu of fringe benefits per hour in column 6 on the payroll. See paragraph on "Contractors who pay no fringe benefits" for computation of overtime rate.

# FORM B

<b>Semi-Annual Labor Standards Enforcement Report - Local Contracting Agencies (HUD Programs)</b>	<b>U.S. Department of Housing and Urban Development Office of Davis-Bacon and Labor Standards</b>	<b>HUD FORM 4710</b> OMB Approval Number 2501-0019 (Exp. 09/30/2024)
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Agency Name:	Agency Type: [e.g., CDBG, PHA, TDHE/IHA]	State:	LR2000 Agency ID #: (HUD Use Only)
<b>Period Covered: Check One and Enter Year(s)</b>			
<input type="checkbox"/> <b>Period 1:</b> October 1, ____ to March 31, ____		<input type="checkbox"/> <b>Period 2:</b> April 1, ____ to September 30, ____	
Agency Contact Person:		Agency Contact Phone/E-mail:	


## **PART I – NEW CONTRACTING ACTIVITY\*** *Pertains ONLY to contracts awarded during the reporting period.*

1. Number of prime contracts subject to the Davis-Bacon and Related Acts (DBRA) and/or the Contract Work Hours and Safety Standards Act (CWHSSA) awarded this period  
**Note: Do not include contracts included in previous semi-annual reports**


2. Total dollar amount of prime contracts reported in item 1 above

\$

3. List for each contract awarded this period:

Contract Name/Number	Contract Amount	Wage Decision Number	Wage Decision Lock-In Date
<b>EXAMPLE:</b> "Boy's Club Renovation # CD54005-65"	"\$0,000,000.00"	"FL040001/Mod 3, 6/25/04, Building"	"07/02/04 bid open date" ◀ Lock 

\*Use additional pages if necessary

 **WHAT IS THE LOCK-IN DATE?** For contracts entered into pursuant to competitive bidding procedures, the bid opening date "locks-in" the wage decision **provided** that the contract is awarded within 90 days. If the contract is awarded more than 90 days after bid opening, the contract award date 'locks-in' the wage decision. For contracts, purchase orders or other agreements for which there is no bid opening or award date, use the construction start date as the lock-in date. However, for contracts receiving assistance under Section 8 of the U.S. Housing Act of 1937 or contracts involving a *contract* wage determination, the lock-in rules may vary from above. See Department of Labor Regulations, 29 CFR, Part 1, Section 1.6 and/or HUD Handbook 1344.1, or consult the HUD Davis-Bacon and Labor Standards (DBLS) staff.

**WHAT IT ISN'T:** Do not use the wage decision publication date, unless that happens to correspond to one of the trigger events described above. If you are not sure about any of this, please feel free to contact the DBLS staff in your state or region.

**PART II - ENFORCEMENT ACTIVITY\***

*Identify all enforcement activity that occurred within this reporting period. Enforcement activity applies to newly awarded contracts listed in Part I and any existing contracts subject to DBRA and/or CWHSSA not previously reported.*

1. Number of employers against whom **complaints** were received (list employers and contracts involved below):

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**Employer**

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**Contract(s)**

2. (a) Number of cases (employers) referred to HUD DBLS staff for investigation or §5.11 hearing (list referrals below):

- (b) Number of cases (employers) referred to the Department of Labor (DOL) for investigation or §5.11 hearing (list referrals below):

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**Employer****Contract****HUD or DOL****Invest. Or Hearing**

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3. (a) **Number of workers for whom wage restitution was collected/dispursed:**

Report only once; if you previously reported workers for whom restitution was collected, do not report the same workers when funds are dispursed. Include workers to whom restitution was paid directly by the employer.

- (b) **Total amount of straight time wage restitution collected/dispursed during this period:**

Report only once; if you report funds collected, do not report the disbursement. Include restitution amounts paid directly by the employer as reported on correction certified payrolls.

- (c) **Total amount of CWHSSA overtime wage restitution collected/dispursed during this period:** Report only once; if you report funds collected, do not report the disbursement. Include restitution amounts paid directly by the employer as reported on correction certified payrolls.

- (d) **Total amount of liquidated damages collected:**

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\* Use additional pages if necessary

# FORM B INSTRUCTIONS

<b>Semi-Annual Labor Standards Enforcement Report - Local Contracting Agencies (HUD Programs)</b>	<b>U.S. Department of Housing and Urban Development Office of Davis-Bacon and Labor Standards</b>	<b>HUD FORM 4710i</b> <small>OMB Approval Number 2501-0019 (Exp. 09/30/2024)</small>
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Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining data needed, and completing and reviewing the collection of information. The information is considered non-sensitive and does not require special protection. This information is required to obtain benefits. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

All Federal agencies administering programs subject to Davis-Bacon wage provisions are required by Department of Labor (DOL) regulations (29 CFR 5.7(b)) to submit a report of all new covered contracts and all enforcement activities each six months. In order for HUD to comply with this requirement, it must collect contract and enforcement information from local agencies that administer HUD-assisted programs subject to Davis-Bacon requirements. HUD requests that local agencies complete and submit a Semi-annual Enforcement Report each six months.

Local agencies and HUD must retain a copy of the Semi-Annual Enforcement Report in its files.

*Please follow these instructions while compiling the **Semi-Annual Labor Standards Enforcement Report for Local Contracting Agencies (HUD Programs) (form HUD-4710).***

## Introduction

Department of Labor (DOL) Regulations 29 CFR §5.7(b) require Federal agencies administering programs subject to Davis-Bacon and Related Act (DBRA) and Contract Work Hours and Safety Standards Act (CWHSSA) labor standards to furnish a Semi-Annual Labor Standards Enforcement Report to the Administrator of the Wage and Hour Division. Some HUD programs are administered by state and local agencies for labor standards compliance. HUD must collect information from such agencies in order to capture enforcement activities for all HUD programs in its reports to DOL.

**Reporting Periods:** **Period 1 October 1 through March 31**  
**Period 2 April 1 through September 30**

**Report Format:** Each agency report consists of two parts:

**Part I** concerns contracting activity for work awarded during the reporting period;

**Part II** concerns enforcement activity for all contracts, regardless of the award date.

The HUD Davis-Bacon and Labor Standards (DBLS) staff for your area will send a courtesy reminder shortly before the due date about preparing the report and will remind you of the date your report is due. However, you should maintain accurate records throughout the year of relevant contract information so that you can submit the report timely.

## Definitions and Guidance

**Part I - Contracting Activity** - This part concerns only **contracts** that were **awarded** during this period. *Do not* include contracts that were awarded prior to this period even though the contracts may still be underway. *Do* include work subject to purchase order or other form of agreement, even if there is no formal contract award.

**Item 1.** Enter the total number of prime contracts subject to DBRA/CWHSSA **awarded** during this period. Track contracts by award or start of construction - **do not** track by bid opening date. Public Housing Authorities (PHAs), Tribally-designated Housing Entities (TDHEs)/Indian Housing Authorities (IHAs): Include force account work that is subject to DBRA/CWHSSA.

**Item 2.** Enter the **total dollar amount of the contracts and/or PHA/TDHE/IHA force account work** reported in Item 1.

<b>Semi-Annual Labor Standards Enforcement Report - Local Contracting Agencies (HUD Programs)</b>	<b>U.S. Department of Housing and Urban Development Office of Davis-Bacon and Labor Standards</b>	<b>HUD FORM 4710i</b> <small>OMB Approval Number 2501-0019 (Exp. 09/30/2024)</small>
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**Item 3.** List each contract name/number, brief descriptive information, number or unique identifier, dollar amount, the wage decision and modification number in the contract, bid opening date, contract award date, and construction start date. Identify which milestone date triggered the wage decision “lock-in” (bid opening date, contract award date or start of construction date, as appropriate). If the contract was not subject to sealed bids, indicate “NA” for bid opening date and proceed to identify the other dates.

**Part II - Enforcement Activity - Identify all enforcement activity that occurred within this reporting period subject to DBRA and/or CWHSSA.**

**Item 1.** Enter the number of **employers** (contractors, subcontractors, lower-tier subcontractors) against whom complaints were received during the report period. List the names of the employers against whom complaints were received and the contracts involved using the contract name or number.

**Item 2.** Enter the number of employers that were referred to HUD DBLS or DOL staff for investigations, for hearings on appeal and/or debarment hearings. List the employer, contract, and agency (HUD or DOL) to which the case was referred, and the reason for referral - investigation, appeal hearing (DOL Regulations 29 CFR Part 5, Section §5.11) and/or debarment (DOL Regulations 29 CFR Part 5, Section §5.12) hearing.

**Item 3.** Enter information relative to wage restitution that was **collected and/or disbursed** during the report period. This includes restitution disbursed by the agency; restitution reported on certified payroll correction reports, amounts collected but not disbursed because workers could not be found. Report straight time wage restitution separate from Contract Work Hours and Safety Standards Act (CWHSSA) overtime wage restitution. Also list liquidated damages collected for CWHSSA overtime violations.

**FORM C – HUD 2516 (with instructions)**

NOTE: The data and instructions for this form are provided below. The format has been modified to enhance readability on letter size paper. A copy of the form follows.

1. Grantee/Project Owner/Developer/Sponsor/Builder/Agency
2. Location (City, State, Zip Code)
3. Name of Contact Person & Phone Number (including Area Code)
4. Reporting Period [ ] Oct 1 – Sep 30 (Annual –FY).
5. Program Code (for Public and Indian Housing Only) (see “5. Program Codes” below)
6. Date Submitted to Field Office.
7. (Tabular Format)

7a. Grant/Project Number or HUD Case Number or other identification of property, subdivision, dwelling unit, etc.

7b. Amount of Contract or Subcontract

7c. Type of Trade Code (see “7c. Type of Trade Codes: Housing/Public Housing below)

7d. Contractor or Subcontractor Business Racial/Ethnic (See “7d: Racial/Ethnic Codes” below)

7e. Woman Owned Business (Yes or No)

7f. Prime Contractor Identification (ID) Number

7g. Section 3 (Yes or No) for Prime Contractor

7h. Subcontractor Identification (ID Number)

7i. Section 3 (Yes or No) for Subcontractor

7j. Contractor/Subcontractor Names and Address

5. Program Codes (Complete for Housing and Public and Indian Housing Programs only):

1= All insured, including Section 8

2= Flexible Subsidy

3= Section 8 Noninsured, Non-HFDA

4= Insured (Management)

5= Section 202

6= HUD-Held (Management)

7= Public/Indian Housing

8= Section 811

7c. Type of Trade Codes: Housing/Public Housing

1= New Construction

2= Substantial Rehab

3= Repair

4= Service

5= Project Management

6= Professional

7= Tenant Services

8= Education/Training

9= Arch/Engrg. Appraisal

0= Other

7d: Racial/Ethnic Codes

1= White Americans

2= Black Americans

3= Native Americans

4= Hispanic Americans

5= Asian/Pacific Americans

6= Hasidic Jews

This report is to be completed by grantees, developers, sponsors, builders, agencies, and/or project owners for reporting contract and subcontract activities of \$10,000 or more under the following programs: Community Development Block Grants (entitlement and

small cities); Urban Development Action Grants, Housing Development Grants; Multifamily Insured and Noninsured; Public and Indian Housing Authorities;; and contracts entered into by recipients of CDBG rehabilitation assistance.

Contracts/subcontracts of less than \$10,000 need be reported only if such contracts represent a significant portion of your total contracting activity. Include only contracts executed during this reporting period.

This form has been modified to capture Section 3 contract data in columns 7g and 7i. Section 3 requires that the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed towards low- and very low-income persons, particularly those who are recipients of government assistance for housing. Recipients using this form to report Section 3 contract data must also use Part I of form HUD-60002 (see **Form D Attached**) to report employment and training opportunities data.

Form HUD-2516 is to be completed for public and Indian housing and most community development programs. Form HUD-60002 is to be completed by all other HUD programs including State administered community development programs covered under Section 3. A Section 3 Contractor/subcontractor is a business concern that provides economic opportunities to low and very low-income residents of the metropolitan area (or nonmetropolitan county), including a business concern that is 51 person or more owned by low-income residents; or provides subcontracting or business development opportunities to businesses owned by low or low-income residents. Low and very low-income residents; include participants in Youthbuild programs established under Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act.

The terms "low-income persons" and "very-low-income persons" have the same meanings given the terms in section 3(b)(2) of the United States Housing Act of 1937. Low-income persons means families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families. Very low-income families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Submit two (2) copies of this report to your local HUD Office within ten (10) days after the end of the reporting period you checked in item 4 on the front. Complete item 7h. Only once for each contractor/subcontractor on each semi-annual report.

Enter the prime contractor's ID in items 7f. for all contacts and subcontracts. Include only contracts expected during this reporting period. PHAs/IHAS are to report all contracts/subcontracts.

#### Community Development Programs Instructions:

1. **Grantee:** Enter the name of the unit of government submitting this report.

3. **Contact Person:** Enter name and phone of person responsible for maintaining and submitting contract/subcontract data.

7a **Grant Number:** Enter the HUD Community Development Block Grant Identification Number (with dashes) For example: B-32-MC-25-0034. For Entitlement Programs and Small City multi-year comprehensive programs, enter the latest approved grant number.

7b. **Amount of Contract/Subcontract:** Enter the dollars amount rounded to the nearest dollar. If subcontractor ID number is provided in 7f, the dollar figure would be for the subcontract only and not for the prime contract.

7c. **Type of Trade:** Enter the numeric codes which best indicates the contractor's/subcontractor's service. If subcontractor ID number is provided in 7f., the type of trade code would be for the subcontractor only and not for the prime contractor.

7d. **Business Racial/Ethnic/Gender Code:** Enter the numeric code which indicates the racial/ethnic/gender character of the owner(s) and controller(s) of 51% of the business. When 51% or more is not owned and controlled by any single racial/ethnic/gender category, enter the code which seems most appropriate. If the subcontractor ID number is provided, the code would apply to the subcontractor and not to the prime contractor.

7e. **Woman Owned Business:** Enter Yes or No.



**7f. Contractor Identification (ID) Number:** Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of HUD funds. Note that the Employer (IRS) Number must be provided for each contract/subcontract awarded.

**7g. Section 3 Contractor:** Enter Yes or No.

**7h. Subcontractor Identification (ID) Number:** Enter the Employer (IRS) Number of the subcontractor as the unique identifier for each subcontract awarded from HUD funds. When the subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be provided.

**7i. Section 3 Contractor:** Enter Yes or No.

**7j. Contractor/Subcontractor Name and Address:** Enter this information for each firm receiving contract/subcontract activity only one time on each report for each firm

(FORM FOLLOWS)

form HUD-251B (8/98)



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**Part II: Contracts Awarded**

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**1. Construction Contracts:**

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A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

**2. Non-Construction Contracts:**

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A. Total dollar amount all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

**Part III: Summary**

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- ☐ Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- ☐ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- ☐ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- ☐ Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- ☐ Other; describe below.

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Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

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Form HUD-60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.

Instructions: This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any public and Indian housing programs that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to recipients of housing and community development assistance in excess of \$200,000 expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to contracts and subcontracts in excess of \$100,000 awarded in connection with the Section-3-covered activity.

Form HUD-60002 has three parts, which are to be completed for all programs covered by Section 3. Part I relates to *employment and training*. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F). Part II of the form relates to *contracting*, and Part III summarizes recipients' efforts to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.\* A recipient of Section 3 covered assistance shall submit one copy of this report to HUD Headquarters, Office of Fair Housing and Equal Opportunity. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, this Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. Only Prime Recipients are required to report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.

HUD Field Office: Enter the Field Office name.

1. Recipient: Enter the name and address of the recipient submitting this report.
2. Federal Identification: Enter the number that appears on the award form (with dashes). The award may be a grant, cooperative agreement or contract.
3. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.
- 4 & 5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the recipient's implementation of Section 3.
6. Reporting Period: Indicate the time period (months and year) this report covers.
7. Date Report Submitted: Enter the appropriate date.

8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Program Name: Enter the name of HUD Program corresponding with the "Program Code" in number 8.

**Part I: Employment and Training Opportunities**

Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

Column B: (Mandatory Field) Enter the number of new hires for each category of workers identified in Column A in connection with this award. New hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column C: (Mandatory Field) Enter the number of Section 3 new hires for each category of workers identified in Column A in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column D: Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.

Column E: Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

Column F: (Mandatory Field) Enter the number of Section 3 residents that were trained in connection with this award.

**Part II: Contract Opportunities**  
**Block 1: Construction Contracts**

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

**Block 2: Non-Construction Contracts**

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.  
**Part III: Summary of Efforts – Self-explanatory**

Submit one (1) copy of this report to the HUD Headquarters Office of Fair Housing and Equal Opportunity, at the same time the performance report is submitted to the program office. The Section 3 report is submitted by January 10. Include only contracts executed during the period specified in item 8. PHAs/HAs are to report all contracts/subcontracts.

\* The terms "low-income persons" and very low-income persons" have the same meanings given the terms in section 3 (b) (2) of the United States Housing Act of 1937. *Low-income persons* mean families (including single persons) whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that

The Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. *Very low-income persons* mean low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income area, as determined by the Secretary with adjustments or smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

# DHCA Environmental Review Request

## Attachment VIII

(To be completed with input from developer's representative before loan closing)

<b>Project Address:</b> <hr/> <hr/> _____ Number of Bedrooms For multifamily rehab projects: \$ _____ Property Value Before Rehab** \$ _____ Property Value After Rehab** Estimated Total Rehabilitation Project Cost: \$ _____	<b>Unit Type</b> ____ Single Family ____ Multifamily ____ Condominium	<b>Activity Type</b> ____ Acquisition and Financing* ____ Rehabilitation* ____ Acquisition and Rehabilitation* ____ New Construction* ____ Demolition* ____ Project-Based Vouchers ("PBV")  <b>Year Property was Built:</b> _____
<b>Funding Source (amount)</b> CDBG: \$ _____ HOME: \$ _____ Capital Fund Program (CPF): \$ _____ FHA Risk Sharing: \$ _____ Project-Based Vouchers (PBV): \$ _____ OTHER: \$ _____  <b>Funding Year:</b> _____  <b>Estimated Total Project Cost</b> (HUD and non-HUD funds): \$ _____	<b>DHCA approval date for the project (for multifamily projects only):</b> _____ _____	<b>Current and future use of the project</b> ____ Residential to Residential ____ Residential to Non-Residential ____ Non-Residential to Residential
<b>Lead Based Paint testing</b>  ____ Yes ____ No  <b>Any notable existing condition</b> ____ No ____ Yes, please specify _____	<b>INFORMATION NEEDED FOR ENVIRONMENTAL REVIEW</b>	<b>Project Description/Scope of work*</b> _____ _____ _____ _____ _____ _____

Notes:

\*Attach photos of the property/site for submission to the Maryland Historic Trust for **all requests**.

\*Attach one page scope of work/project description for **all requests**.

\*Attach Phase 1 Site Assessment for **Multifamily Rehabilitation projects only**.

\*Multifamily staff will coordinate response from Project Developer/Owner or Manager.

1. \_\_\_\_ Project Developer/Owner or Manager: form completed, photos, scope/description, and Phase 1 (if needed) attached

Signature \_\_\_\_\_ Date \_\_\_\_\_

2. \_\_\_\_ Grants Management Staff: reviewed for completion

Signature \_\_\_\_\_ Date \_\_\_\_\_

"General Decision Number: MD20250065 01/03/2025

Superseded General Decision Number: MD20240065

State: Maryland

Construction Type: Residential

County: Montgomery County in Maryland.

RESIDENTIAL CONSTRUCTION PROJECTS (consisting of single family homes and apartments up to and including 4 stories).

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	<ul style="list-style-type: none"><li>. Executive Order 14026 generally applies to the contract.</li><li>. The contractor must pay all covered workers at least \$17.75 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2025.</li></ul>
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	<ul style="list-style-type: none"><li>. Executive Order 13658 generally applies to the contract.</li><li>. The contractor must pay all covered workers at least \$13.30 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2025.</li></ul>

The applicable Executive Order minimum wage rate will be

adjusted annually. If this contract is covered by one of the Executive Orders and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must still submit a conformance request.

Additional information on contractor requirements and worker protections under the Executive Orders is available at <http://www.dol.gov/whd/govcontracts>.

Modification Number	Publication Date
0	01/03/2025

SUMD2012-025 06/25/2014

	Rates	Fringes
BRICKLAYER.....	\$ 19.77	0.00
CARPENTER, Excludes Drywall Hanging, and Metal Stud Installation.....	\$ 19.58	0.00
CEMENT MASON/CONCRETE FINISHER...	\$ 18.50	2.00
DRYWALL HANGER AND METAL STUD INSTALLER.....	\$ 19.28	0.00
ELECTRICIAN.....	\$ 26.50	7.80
IRONWORKER, ORNAMENTAL.....	\$ 17.31 **	0.00
LABORER: Common or General, including brick mason tending and cement mason tending.....	\$ 12.62 **	1.77
LABORER: Pipelayer.....	\$ 16.19 **	2.15
OPERATOR: Backhoe/Excavator/Trackhoe.....	\$ 20.00	2.06
OPERATOR: Loader.....	\$ 20.25	2.06
PAINTER (Brush and Roller).....	\$ 16.00 **	0.00
PLUMBER (HVAC Pipe and Unit Installation Only).....	\$ 18.80	6.63
PLUMBER, Excludes HVAC Pipe		



and Unit Installation.....	\$ 26.00	6.67
ROOFER.....	\$ 19.40	4.28
SHEET METAL WORKER (HVAC Duct Installation Only).....	\$ 19.89	1.20
SPRINKLER FITTER (Fire Sprinklers).....	\$ 20.75	2.85
TILE SETTER.....	\$ 14.50 **	0.00

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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\*\* Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 (\$17.75) or 13658 (\$13.30). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 are not currently being enforced as to any contract or subcontract to which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at <https://www.dol.gov/agencies/whd/government-contracts>.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

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The body of each wage determination lists the classifications and wage rates that have been found to be prevailing for the type(s) of construction and geographic area covered by the wage determination. The classifications are listed in alphabetical order under rate identifiers indicating whether the particular rate is a union rate (current union negotiated rate), a survey rate, a weighted union average rate, a state adopted rate, or a supplemental classification rate.

#### Union Rate Identifiers

A four-letter identifier beginning with characters other than ""SU"", ""UAVG"", ?SA?, or ?SC? denotes that a union rate was prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2024. PLUM is an identifier of the union whose collectively bargained rate prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. The date, 07/01/2024 in the example, is the effective date of the most current negotiated rate.

Union prevailing wage rates are updated to reflect all changes over time that are reported to WHD in the rates in the collective bargaining agreement (CBA) governing the classification.

#### Union Average Rate Identifiers

The UAVG identifier indicates that no single rate prevailed for those classifications, but that 100% of the data reported for the classifications reflected union rates. EXAMPLE: UAVG-OH-0010 01/01/2024. UAVG indicates that the rate is a weighted union average rate. OH indicates the State of Ohio. The next number, 0010 in the example, is an internal number used in producing the wage determination. The date, 01/01/2024 in the example, indicates the date the wage determination was updated to reflect the most current union average rate.

A UAVG rate will be updated once a year, usually in January, to reflect a weighted average of the current rates in the collective bargaining agreements on which the rate is based.

#### Survey Rate Identifiers

The ""SU"" identifier indicates that either a single non-union rate prevailed (as defined in 29 CFR 1.2) for this classification in the survey or that the rate was derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As a weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SUFL2022-007 6/27/2024. SU indicates the rate is a single non-union prevailing rate or a weighted average of survey data for that classification. FL indicates the State of Florida. 2022 is the year of the survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. The date, 6/27/2024 in the example, indicates the survey completion date for the classifications and rates under that identifier.

?SU? wage rates typically remain in effect until a new survey is conducted. However, the Wage and Hour Division (WHD) has the discretion to update such rates under 29 CFR 1.6(c)(1).

#### State Adopted Rate Identifiers

The ""SA"" identifier indicates that the classifications and prevailing wage rates set by a state (or local) government were adopted under 29 C.F.R 1.3(g)-(h). Example: SAME2023-007 01/03/2024. SA reflects that the rates are state adopted. ME refers to the State of Maine. 2023 is the year during which the state completed the survey on which the listed classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. The date, 01/03/2024 in the example, reflects the date on which the classifications and rates under the ?SA? identifier took effect under state law in the state from which the rates were adopted.

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#### WAGE DETERMINATION APPEALS PROCESS

1) Has there been an initial decision in the matter? This can be:

- a) a survey underlying a wage determination
- b) an existing published wage determination
- c) an initial WHD letter setting forth a position on a wage determination matter
- d) an initial conformance (additional classification and rate) determination

On survey related matters, initial contact, including requests for summaries of surveys, should be directed to the WHD Branch of Wage Surveys. Requests can be submitted via email to [davisbaconinfo@dol.gov](mailto:davisbaconinfo@dol.gov) or by mail to:

Branch of Wage Surveys  
Wage and Hour Division  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

Regarding any other wage determination matter such as conformance decisions, requests for initial decisions should be directed to the WHD Branch of Construction Wage Determinations. Requests can be submitted via email to [BCWD-Office@dol.gov](mailto:BCWD-Office@dol.gov) or by mail to:

Branch of Construction Wage Determinations  
Wage and Hour Division  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

2) If an initial decision has been issued, then any interested party (those affected by the action) that disagrees with the decision can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Requests for review and reconsideration can be submitted via email to [dba.reconsideration@dol.gov](mailto:dba.reconsideration@dol.gov) or by mail to:

Wage and Hour Administrator  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210.

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END OF GENERAL DECISION"