



Fayetteville  
Housing Authority

# REQUEST FOR QUALIFICATION (RFQ) 2025-02 BANKING SERVICES

---

## Table of Contents

Section 01	INTRODUCTION.....	1
Section 02	AGENCY’S RESERVATION OF RIGHTS .....	2
Section 03	BANKING SERVICES .....	3
Section 04	SCOPE OF SERVICE .....	4
Section 05	PROPOSAL FORMAT .....	7
Section 06	BANK FEE PROPOSAL TEMPLATE .....	9
Section 07	EVALUATION CRITERIA .....	10
Section 08	HUD MANDATORY CONTRACT PROVISIONS .....	11
Section 09	Appendix A.....	11

## SECTION 01 INTRODUCTION

The Fayetteville Housing Authority (Agency) requests qualifications (RFQ) from licensed and experienced financial institutions in Fayetteville, Arkansas interested in providing comprehensive banking services for the Agency.

The Agency is a unit of government and its functions are essential governmental functions. The property of the Agency is used for essential public and government purposes, and is exempt from all taxes, including sales tax on all its purchases of supplies and services. The Agency maintains contractual arrangements with the United States Department of Housing and Urban Development (HUD) to manage and operate its low rent public housing program and administer the Section 8 Housing Choice Voucher (HCV) Program. The Agency operates 196 Public Housing units organized into one asset management project, 52 RAD PBRA units, and 951 Vouchers (HCV, VASH, Mainstream, TPV, and EHV).

The Agency seeks proposals from qualified entities to provide comprehensive banking services under a one-year contract with options for renewing for up to 3 years. All proposals submitted in response to this solicitation must conform to all requirements and specifications outlined within this document and any designated attachments in its entirety. In particular, the financial institution will be required to fully execute without modifications, the HUD-required General Depository Agreement. The Agreement requires the financial institution to continuously and fully (100%) secure all deposits regardless of type (i.e., checking, savings, money market, certificate of deposits, etc.) that are in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount.

The RFQ contains all pertinent information for submitting a proper and responsive proposal. Prospective offerors requiring explanation or interpretation of the solicitation must request it in writing addressed to Chonda Tapley, Executive Director at the following email address: [admin@fayettevilleha.org](mailto:admin@fayettevilleha.org). Any information given to a prospective offeror about this solicitation will be furnished to all other prospective offerors as a written amendment to this solicitation.

The Agency intends to award the contract pursuant to a “best value” basis, not a “lowest bid” basis. An evaluation committee shall review and rank each of the offerors proposals using the method of evaluation described in this request. The evaluation committee shall enter into negotiations with the highest ranked proposal first, and if necessary, any or all other proposals and submit the list of ranked offerors to the Executive Director. The Executive Director shall make a recommendation to the Board of Commissioners to award the contract to the most competent, responsive, and responsible offeror submitting a proposal in accordance with the proposal evaluation criteria.

# REQUEST FOR QUALIFICATION (RFQ) 2025-02 BANKING SERVICES

---

The Agency reserves the right to award contracts to multiple offerors, to reject any or all bids, to waive for all applicants any information in the specifications or bidding process or to cancel in whole or in part this solicitation if it is in the best interest of the Agency to do so.

## **SECTION 02     AGENCY’S RESERVATION OF RIGHTS**

The Agency reserves the following right in association with the RFP process and upon contract award.

1. **Right to Reject, Waive, or Terminate the RFP.** Reject any or all proposals, or terminate the RFP process at any time, if deemed by the Agency, to be in its best interest.
2. **Right to Not Award.** Not to award a contract pursuant to this RFP.
3. **Right to Terminate.** Terminate a contract award pursuant to this RFP, at any time for the Agency’s convenience upon 10 days written notice to the successful offeror(s).
4. **Right to Determine Time and Location.** Determine the days, hours, and locations that the successful offeror(s) shall provide the services called for in the RFP.
5. **Right to Retain Proposals.** Retain all proposals submitted and not permit withdrawal for a period of 90 days subsequent to the deadline for receiving proposals.
6. **Right to Negotiate.** Negotiate the fees proposed by the offeror(s).
7. **Right to Reject Any Proposal.** Reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to, incomplete proposals and/or proposals offering alternate or non-requested services.
8. **No Obligation to Compensate.** Have no obligation to compensate any offeror(s) for any costs incurred in responding to this RFP.
9. **Unauthorized Sub-Contracting Prohibited.** The successful offeror(s)/contractor(s) shall not assign any right, nor delegate any duty for the work proposed pursuant to this RFP (including, but not limited to, selling or transferring the contract) without the prior written consent of the Agency. Any purported assignment of interest or delegation of duty, without the prior written consent of the Agency shall be void and may result in the cancellation of the contract with the Agency, or may result in the full or partial forfeiture of funds paid on the contract, as determined by the Agency.
10. **Project Staffing Changes.** Managers, other supervisory staff, and accountants may be changed if those personnel leave the firm, are promoted, or are assigned to another area. These personnel may also be changed for other reasons. However, in either situation, the Agency retains the right to approve or reject replacements.

# REQUEST FOR QUALIFICATION (RFQ) 2025-02 BANKING SERVICES

## SECTION 03 BANKING SERVICES

The Agency is searching for one banking institution to handle its cash management needs. Rental payments and other fees received (i.e., maintenance charges, late fees, etc.) are paid by check, money order, or credit card via Paya to the Agency's primary office. The Agency makes daily deposits to the appropriate accounts as funds are received. Revenue from HUD and other governmental entities is received via ACH or electronic funds transfer into the appropriate program account.

Pursuant to HUD's requirements provided under the Annual Contributions Contract (ACC), all Public Housing and Housing Choice Voucher funds must be placed in interest-bearing accounts. Fraud protection and online inquiry of transactions are available for these accounts. In addition, reconciliation service is provided for the accounts.

The accounts and type of services currently used by the Agency is described below as of October 31, 2025:

				Monthly Average (12 months)						
#	Account Name	Description	Balance as of 10/31/25	# of Checks	# of Deposits	# of Wire/EFT/ACH	Balance	Total \$ deposits for past year	Can pay fees	Must receive interest
1	Public Housing Operating	Checking	\$25,819.71	61	12	19	\$99,551.00	\$2,514,750.75	No	Yes
2	Hillcrest Towers Community Center	Checking		1	3	0	\$48,608.34	\$32,038.15	Yes	No
3	Morgan Manor Capital Reserve	Checking	\$499,601.94	0	1	1	\$527,003.38	\$213.00	No	Yes
4	Morgan Manor Operating	Checking	\$21,293.73	24	4	2	\$13,275.05	\$63,690.00	No	Yes
5	Morgan Manor Tenant Security Deposits	Money Market	\$7,904.07	0	1	1	\$7,587.94	\$481.00	No	Yes
6	HCV / Section 8 HAP	Checking	\$1,006,021.04	144	4	18	\$808,367.78	\$6,727,870.88	No	Yes
7	HCV / Section 8 Admin Fees	Checking	\$73,457.14	3	1	4	\$76,066.17	\$593,817.85	No	Yes
8	FHA Development Operating	Checking	\$6,206.83	1	1	0	\$6,206.07	\$696.43	Yes	No
9	Nonfederal	Checking	\$200,043.83	0	1	0	\$200,021.92	\$200,000.00	Yes	No

#	Account Name	Account Description	Balance 09/30/2025	Interest payment 10/28/25	Last renewal Date	Interest & Locked date
10	Public Housing Investment	CD	\$100,000.00	\$504.11	7/29/2023	2% until 7/29/2026

# REQUEST FOR QUALIFICATION (RFQ) 2025-02 BANKING SERVICES

---

The Agency utilizes purchase cards linked to the primary operating funding account with automatic withdrawals for payment. The Agency utilizes a third-party software called Paya to process card payments for tenant rent on a monthly basis.

## **SECTION 04    SCOPE OF SERVICE**

### Minimum Requirements

To be considered for selection, Offerors must have at least the following qualifications. Please indicate for each item listed below whether the banking institution meet the requirements. If not, please explain.

1. Be a federally or State of Arkansas chartered institution qualified to act as a depository bank.
2. Be a member of the Federal Reserve System and have access to all services.
3. Be insured by the FDIC.
4. Be able to initiate and receive Federal wires.
5. Pursuant to HUD's requirements provided under the Annual Contributions Contract (ACC), all Public Housing and Housing Choice Voucher funds must be placed in interest-bearing accounts.
6. Must have a Community Reinvestment Act (CRA) rating of either Satisfactory or Outstanding.
7. Must have an executed HUD form 51999, General Depository Agreement, or be willing to execute the form (without changes) at the time of signing the contract (form attached).
8. Be able to provide financial information or statements for the years specified in the RFP.
9. Be capable of providing all the services identified within the RFP.

### Specific Requirements

The Contractor(s) (successful offeror(s)) will provide the following banking and investment services.

1. General Account Information
  - a. Describe the bank's capacity to handle the number and types of accounts that the Agency currently use as described in RFP Section #3 – Current Banking Services.
  - b. The Agency completes online transfers between all accounts. Describe the process and the reporting available for online transfers.
  - c. Describe how the bank calculates bank balances. Describe the methodology that would be used to give credit to the Agency's bank balances.
  - d. Discuss security measure options that would restrict specific activities on the Agency's various accounts.
2. Branch Services. Provide a list of the bank's branches within the city of Fayetteville, AR. For each branch, provide the hours of operation, list of banking and investment services available, and the proximity to the Agency's office at 1 N School Ave., Fayetteville, AR, 72701.
3. Deposit Processing.
  - a. Describe how the bank would accommodate the deposits for the Agency's accounts.
  - b. Does the bank offer remote deposit capabilities? If so, describe the process and any associated charges.

# REQUEST FOR QUALIFICATION (RFQ) 2025-02 BANKING SERVICES

---

- c. Describe the bank's procedure for the processing of returned items. When and how is the Agency notified?
  - d. Describe the process and timing for deposit corrections or other credits or charges to our account. If using "Miscellaneous" for the description, more detail needs to be provided. When these entries are made, is notification provided to the Agency? When and in what format? Describe the bank's problem resolution process for missing deposits, deposit amount differences and account adjustments.
  - e. How will deposit supplies (e.g., deposit slips) be provided to the Agency? Is there a charge for these supplies?
- 4. Interest Rates.
  - a. How is rate indexed?
  - b. How often does the rate change?
  - c. Is the rate applied to the preceding or following period of time?
- 5. Monthly Bank Statements.
  - a. What is the closing date? (The Agency highly prefers month end closing dates)
  - b. What is the mail date for paper statements? Do you provide online statements?
  - c. What is the interest posting date?
- 5. Electronic Transactions. Describe the bank's incoming and outgoing electronic money transfer services. Include the process and type of software used for initiating repetitive and non-repetitive wire transfers and provide information on how this software can be interfaced or integrated with the Agency's financial system, and what support will be available under the contract.
  - a. What equipment and/or software are required for initiating ACH transmissions for payroll and accounts payable direct deposits? Does your bank charge for the software if required? Include deadlines for initiating transmissions.
  - b. Describe the process used for initiating ACH transactions with other institutions. Please include pre-noting details, transmission format requirements and other relevant details. Provide the timing requirements of the data exchange such as the number of business days prior to pay date and the time requirements for corrections. When will transactions be posted during the day? What is the process for canceling a transaction?
  - c. For resolution of wire transfer and ACH transaction problems, describe the procedures, the timing requirements and the deadlines for correcting errors. Does phone, fax or computer handle the resolution?
  - d. Provide information on the file requirements for direct deposit transactions.
  - e. Include the security features utilized to prevent unauthorized users from initiating or approving wires or ACH?
  - f. Does the bank offer same-day ACH services? If so, describe associated charges.
- 6. Internal Controls. Provide detailed descriptions of the offeror's internal controls/procedures for wires, ACH's transfers, and signature authority.
- 7. Conversion Plan. Describe the overall plan your bank would use to coordinate a smooth transition from our current banks. Provide a schedule of events starting with the anticipated award date of February 1, 2026.

## REQUEST FOR QUALIFICATION (RFQ) 2025-02 BANKING SERVICES

---

- a. Discuss the kind of training that would be offered to Agency personnel for the operation and use of the bank's services and automated systems in all areas of banking and investment services.
  - b. Provide information on any costs that the Agency would be expected to pay to convert. Please provide information on costs associated with initial account and/or system setup, software, training, printing of deposit slips, starter checks if necessary, other supplies, etc.
8. Online services. The Agency utilizes web-based, automated cash management services and daily balance reporting (prior and intra-day) for timely access to balance information and transactions. Downloading report information is critical to the Agency so flexibility in customized reporting is also important. The Agency requires a high degree of automation within all service areas such as ACH and reconciliation. Imaging of all checks and image retention is required. Imaging of deposit slips and deposit items also is preferred. Statements and account analyses are preferable in electronic form along with archiving of information. Statements are required for all accounts and should be available by the 7<sup>th</sup> of the following month.
  - a. Fully describe the bank's online service capabilities and systems, including user-friendliness. List the system's online initiation and monitoring capabilities (i.e. balance reporting, wires, positive pay, stop pay, transfer, etc.) and describe any differentiation of transaction and summary account types.
  - b. Describe fully the ability to search historical transactions and reports as well as the ability to retrieve and download historical images. How long is historical information maintained online? What is the ability to request date ranges and period ending filters?
  - c. Are reporting processes and services web-based? Are systems available through one portal?
  - d. Does the bank require positive pay? If so, how are exceptions communicated to the Agency?
  - e. When is prior day information available? Is intra-day information real-time or delayed?
  - f. Detail the level of information available on both prior and intra-day reporting.
  - g. Describe the history retention features available by information type.
  - h. Can customized reports draw across reporting modules and activities? Can the Agency customize reports? Describe and detail cross functionality features. Is information from the online system exportable to Excel or other formats?
  - i. Describe back-up procedures for the Agency's use in the case of any interruption in the automated system delivery of information or transaction input functions.
  - j. Describe the security protocols for online services. How is authentication and authorization provided? How and by whom is the administration of the security module established and maintained?
  - k. What are the hours of available technical support? How is support provided?
9. Other Services. The Agency may be interested in the following services from time to time or in the future.
  - a. Business Credit Card accounts – Describe services, controls, reports, fees & rates, etc.
  - b. Discuss any money market account options available to the Agency. Is it possible to transact same-day transfers between the Agency's other accounts and the money market account? Can the transfers be completed online? What is the latest time during

# REQUEST FOR QUALIFICATION (RFQ) 2025-02 BANKING SERVICES

---

the day that such a transfer could be made? Provide a history of the rates paid on the money market accounts for the most recent calendar year.

- c. Describe any services your bank can provide that could eliminate employee bank visits or other advanced automated services.
- d. Based on the list of approved instruments provided by HUD (see Attachment 1, HUD PIH Notice 1996-33), please describe the investment options that the offeror can provide the Agency.
- e. Add services that you feel the Agency would benefit from.

## INSTRUCTIONS TO OFFERORS

1. Proposals are to be submitted by email to [Chonda@fayettevilleha.org](mailto:Chonda@fayettevilleha.org). Subject: **RFP 2025-02 Banking Services** and will be received until Due Date and Time: **Wednesday, December 24, 2025, 4:00 PM CST**. Any proposal received/time-stamped after Wednesday, December 24, 2025, 4:00 PM CST will be considered late and may not be considered. The offeror should submit a signed original and one copy of its proposal.
2. No proposal may be withdrawn or modified in any way after the deadline for proposal submittal. Proposals shall remain firm and valid for ninety (90) days from said deadline.
3. The proposal must be completed in their entirety, completing all forms included in the proposal packet. If the offeror should have any questions regarding the forms, contact Chonda Tapley, Executive Director via email at [Chonda@fayettevilleha.org](mailto:Chonda@fayettevilleha.org).
4. Proposals are to be submitted in narrative form and are to include the Price Proposal Template included in this package.
5. Offerors may supplement their proposal with attached sheets for the purpose of adding or otherwise explaining any further conditions the offeror wish to have considered. Such supplemental attachments are to be considered items to be reviewed, accepted, rejected, or further considered by the evaluation committee.

## **SECTION 05    PROPOSAL FORMAT**

The Agency intends to retain the successful offeror(s) pursuant to a “Best Value” basis, not a “Lowest Bid” basis, i.e., the Agency will consider other factors than cost in making the award decision. All proposals submitted in response to this RFP must be formatted in accordance with the sequence and instructions provided below. Any proposal which fails to include all of these items will be considered a non-responsive proposal and will not be considered for evaluation.

**Tab 1. Institution’s Qualification and Experience** (Maximum Page Limit: 5 Pages). Provide bank name, address, website, and contact person name and information for the proposal. Provide background and attributes of the bank including information on the bank size and number of branches, a description of the services that the Bank provides, and the bank’s experience in providing banking and investment services to government agencies. Provide evidence of the banking institution’s performance history including accreditation, certification, and regulatory compliance.

**Tab 2. Staff Qualifications and Experience** (Maximum Page Limit: 10 Pages). Provide a staffing plan that describes the bank’s approach to providing the required services and identify the key personnel and other staff that will be providing the banking and investment services to the Agency. For each bank staff that will provide support to the Agency, include information on job title, experience, and qualifications.



## REQUEST FOR QUALIFICATION (RFQ) 2025-02 BANKING SERVICES

---

**Tab 4. Service Level and Banking Products.** (Maximum Page Limit: 15). Describe the offeror's understanding and ability to meet the Scope of Services. Describe the offeror's ability to offer products and service enhancements. If the offeror is unable to provide any of the requested services, specifically identify those exceptions.

**Tab 5. References.** Provide no more than five (5) references from clients for whom the offeror has provided services as described in the Scope of Services within the past three (3) years. Include name, address, and telephone number, description of work performed and the date of services.

**Tab 6. Licensing and Insurance Requirements.** Prior to award, but not as part of the proposal submission, the successful contractor will be required to provide the documentation showing insurance and liability coverages as well as licenses to practice within the state of Arkansas.

**Tab 7. Fee Proposal Template.** Provide the banking institution's fees as listed in the Bank Fee proposal using the provided form and clearly specify if any additional expenses will be charged to the Agency in connection with this proposal. The banking institution's general pricing sheet will not be accepted. The number of units listed is a monthly average over 12 months.

**Tab 8. Sample Agreement.** Submit a sample agreement that would serve as a basis of execution for providing the banking services between the Agency and the offeror. The agreement would cover items as described in the Scope of Services.

**Tab 9. HUD Form-51999, General Depository Agreement.** The banking institution must have or be willing to execute the form (without changes) at the time of signing the contract.

**Tab 10. HUD Form 5369-B, Instructions to Offerors, Non-Construction.** Read and initial each page indicating that you have read and agree with the contents.

**Tab 11. HUD form 5369-C, Certifications and Representations of Offerors, Non-Construction.** Read and initial each page indicating that you have read and agree with the contents.

**Tab 12. HUD Form 5370-C, General Contract Conditions, Non-Construction.** Read and initial each page indicating that you have read and agree with the contents.

**Tab 13. Section 3 Business Requirements.** To be provided in accordance with the PHA's procurement policy and procedures.

**Tab 14. Hold Harmless Agreement.** Agreement provides that the contractor shall indemnify and hold harmless the Agency and its employees from and against all claims for personal injury or property damage.

**Tab 15. Financial Statements.** The banking institution must submit copies of the banking institution's annual audit reports for the past two (2) years.

# REQUEST FOR QUALIFICATION (RFQ) 2025-02 BANKING SERVICES

---

## Section 06 BANK FEE PROPOSAL TEMPLATE

The awarded contract will be for three (3) years with the option to renew in increments of one-year for two (2) additional years. The Agency requires a fixed price for the first three years, with any price increases in years four (4) and five (5) limited by the prevailing Consumer Price Index (CPI) for the local jurisdiction. Requests for price increases shall be submitted by the banking institution in writing, ninety (90) days prior to the anniversary date of the contract to be effective for the subsequent year.

### Instructions

1. The tables in the associated Excel workbook set out the services required (see Service column) and the associated activity and dollar volumes associated with service (see No. of Unit column) during a typical month for each of the Agency's bank accounts. Offerors should complete the applicable portions of each bank account table (**Unit Price** column and **Extended Price (monthly)** column) and the **Total Firm Fixed Price Monthly Service Charge** summary table at the end of this section. If any additional fees will be charged, please list at the bottom of the matrix. Note: Banking institution's generic pricing sheet will not be accepted.
2. All fees that will be charged under the contract must be included in the pricing schedule. Fees that are not included in the pricing schedule will not be allowed unless the Agency agrees to a contract amendment adding the item prior to including the charge.

# REQUEST FOR QUALIFICATION (RFQ) 2025-02 BANKING SERVICES

## SECTION 07 EVALUATION CRITERIA

The Agency intends to award the contract to the successful offeror(s) pursuant to a “Best Value” basis. An evaluation committee will review and rank each proposal using the evaluation factor and point system shown. The award of points for each listed factor will be based upon the documentation that the offeror submits with the proposal.

#	Evaluation Factor	Maximum Points
1	<b>Banking’s Institution Qualifications and Experience</b> Firm’s overall experience with providing financial banking and investment services to clients comparable to the Agency; quality of references and experience with public agency clients; and strength and financial stability of the firm, including ability to protect and fully collateralize the Agency’s deposits.	15
2	<b>Team Qualifications and Experience</b> Offeror’s level of staff who will be devoted to the banking and investment services; experience and qualifications of the specific staff assigned to the Agency’s banking services.	15
3	<b>Service Level and Banking Products</b> Ability to meet minimum required service levels and offer required bank products. Ability to offer products and service enhancements. Branch offices located near the Agency with hours of operations that allow for efficient and effective banking service to the Agency	35
4	<b>Costs and Fees</b> Actual points assigned to each offeror will be based on the offeror’s unit price and will be compared in accordance with the total price provided. The offeror with the lowest price will receive the maximum points. All other proposals will receive a proportionally lower total score for this category.	25
5	<b>Section 3 Requirements</b> The offeror is a Section 3 firm or has proposed that a portion of the work is performed by Section 3 firms, i.e., small and minority-owned businesses, women’s business enterprises, labor surplus area businesses, or firms that are substantially owned by a resident.	10
6	<b>Responsiveness to Terms &amp; Conditions &amp; Financial Viability</b> Proposal contains the required documentation and all terms and conditions are addressed, and reports are included. Financial condition; stability of current conditions and proven track record of effective management decisions. A review of the firm’s audited financial statements demonstrates viability in providing the services of the RFP.	Acceptable/ Unacceptable
<b>Total Points</b>		<b>100</b>

Once each offeror’s proposal has been evaluated and ranked, final negotiations will be scheduled for the top-ranked offeror. If the final negotiation is successful, the Executive Director will make a recommendation to the Board of Commissioner to award a single contract to that offeror. The Board may require additional information or negotiations before the Board approves an award of the contract.

Should negotiations with the selected offeror become unsuccessful, the Agency reserves the right to cease negotiations with the offeror. In the event of cessation of negotiations with the first selected offeror, the Agency reserves the right to either enter into similar interviews and negotiations with the next highest ranked offeror or take other action as it deems most beneficial.

# REQUEST FOR QUALIFICATION (RFQ) 2025-02 BANKING SERVICES

---

## **SECTION 08    HUD MANDATORY CONTRACT PROVISIONS**

HUD requires that certain contract provisions be contained in the contract. These contract provisions are provided as part of this procurement package in Appendix A.

## **SECTION 09    APPENDIX A**

1. HUD PIH Notice 1996-33
2. General Depository Agreement without modification (HUD 51999)
3. Instructions to Offerors (HUD 5369-B)
4. Certifications and Representations of Offerors (HUD 5369-C)
5. General Contract Conditions (Non-Construction, HUD 5370-C1 & C2)
6. Section 3 Certification Forms
7. Section 3 Clause
8. Hold Harmless Agreement

**Public Housing Operating Account**

ID	Service	No. of Unit	Unit Price	Extended Price (monthly)
1	<i>Balance Related Services</i>			
2	Deposit Protection Per \$1000	210		
3				
4	<i>Depository Services</i>			
5	Account Maintenance	1		
6	Banking Center Deposit	12		
7	Deposited Items – Out of State	0		
8	Deposited Items – In State	11		
9	Deposited Items - Governmental	1		
10	Checks Deposited	12		
11	General Checks Paid	65		
12	Return Chargebacks	0		
13				
14	<i>Commercial Deposits - Vault</i>			
15	Currency Deposits per \$100	1		
17				
18	<i>General ACH Services</i>			
19	ACH Item Fee	1		
20	ACH Module Fee	1		
21	ACH Fraud Blocker	1		
22	ACH Return Item	0		
23				
24	<i>Wire and Transfer Fees</i>			
25	File Transfer Fee	0		
26	Internal Bank Transfer	5		
27	Domestic Wire Fee	0		
28				
29	<i>Account Reconciliation</i>			
30	Full Maintenance	1		
31	Full Reconcilement	1		
32				
33	<i>Information Services</i>			
34	Image Retrieval BA Direct	1		
35	Online Account Access	1		
36				
37	<i>ADDITIONAL CHARGES-LIST</i>			
38				
39				
40				
41				
42				
43				
44				
45				
46				
47				
48	<b>Total Monthly Service Charge</b>			

### Hillcrest Towers Community Account

ID	Service	No. of Unit	Unit Price	Extended Price (monthly)
1	<i>Balance Related Services</i>			
2	Deposit Protection Per \$1000	3		
3				
4	<i>Depository Services</i>			
5	Account Maintenance	1		
6	Banking Center Deposit	5		
7	Deposited Items – Out of State	0		
8	Deposited Items – In State	5		
9	Deposited Items - Governmental	0		
10	Checks Deposited	5		
11	General Checks Paid	1		
12	Return Chargebacks	0		
13				
14	<i>Commercial Deposits - Vault</i>			
15	Currency Deposits per \$100	1		
17				
18	<i>Wire and Transfer Fees</i>			
19	Internal Bank Transfer	1		
20				
21	<i>Account Reconciliation</i>			
22	Full Maintenance	1		
23	Full Reconcilement	1		
24				
25	<i>Information Services</i>			
26	Image Retrieval BA Direct	1		
27	Online Account Access	1		
28				
29	<i>ADDITIONAL CHARGES-LIST</i>			
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40	<b>Total Monthly Service Charge</b>			

### HCV Admin Fees Account

ID	Service	No. of Unit	Unit Price	Extended Price (monthly)
1	<i>Balance Related Services</i>			
2	Deposit Protection Per \$1000	50		
3				
4	<i>Depository Services</i>			
5	Account Maintenance	1		
6	Banking Center Deposit	1		
7	Deposited Items – Out of State	0		
8	Deposited Items – In State	1		
9	Deposited Items - Governmental	0		
10	Checks Deposited	1		
11	General Checks Paid	5		
12	Return Chargebacks	0		
13				
14	<i>Wire and Transfer Fees</i>			
15	File Transfer Fee	0		
17	Internal Bank Transfer	5		
18	Domestic Wire Fee	0		
19				
20	<i>Account Reconciliation</i>			
21	Full Maintenance	1		
22	Full Reconcilement	1		
23				
24	<i>Information Services</i>			
25	Image Retrieval BA Direct	1		
26	Online Account Access	1		
27				
28	<i>ADDITIONAL CHARGES-LIST</i>			
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39	<b>Total Monthly Service Charge</b>			

**HCV HAP Account**

<b>ID</b>	<b>Service</b>	<b>No. of Unit</b>	<b>Unit Price</b>	<b>Extended Price (monthly)</b>
1	<i>Balance Related Services</i>			
2	Deposit Protection Per \$1000	570		
3				
4	<i>Depository Services</i>			
5	Account Maintenance	1		
6	Banking Center Deposit	5		
7	Deposited Items – Out of State	5		
8	Deposited Items – In State	5		
9	Deposited Items - Governmental	1		
10	Checks Deposited	5		
11	General Checks Paid	150		
12	Return Chargebacks	0		
13				
14	<i>General ACH Services</i>			
15	ACH Item Fee	15		
17	ACH Module Fee	1		
18	ACH Fraud Blocker	1		
19	ACH Return Item	1		
20				
21	<i>Wire and Transfer Fees</i>			
22	File Transfer Fee	0		
23	Internal Bank Transfer	5		
24	Domestic Wire Fee	0		
25				
26	<i>Account Reconciliation</i>			
27	Full Maintenance	1		
28	Full Reconcilement	1		
29	Full Positive Pay Account	1		
30	Positive Pay Items	2		
31				
32	<i>Information Services</i>			
33	Image Retrieval BA Direct	1		
34	Online Account Access	1		
35				
36	<i>ADDITIONAL CHARGES-LIST</i>			
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	<b>Total Monthly Service Charge</b>			



**RAD PBRA Operating Account**

ID	Service	No. of Unit	Unit Price	Extended Price (monthly)
1	<i>Balance Related Services</i>			
2	Deposit Protection Per \$1000	15		
3				
4	<i>Depository Services</i>			
5	Account Maintenance	1		
6	Banking Center Deposit	5		
7	Deposited Items – Out of State	0		
8	Deposited Items – In State	5		
9	Deposited Items - Governmental	1		
10	Checks Deposited	5		
11	General Checks Paid	25		
12	Return Chargebacks	0		
13				
14	<i>General ACH Services</i>			
15	ACH Item Fee	1		
17	ACH Module Fee	1		
18	ACH Fraud Blocker	1		
19	ACH Return Item	0		
20				
21	<i>Wire and Transfer Fees</i>			
22	File Transfer Fee	0		
23	Internal Bank Transfer	1		
24	Domestic Wire Fee	0		
25				
26	<i>Account Reconciliation</i>			
27	Full Maintenance	1		
28	Full Reconcilement	1		
29				
30	<i>Information Services</i>			
31	Image Retrieval BA Direct	1		
32	Online Account Access	1		
33				
34	<i>ADDITIONAL CHARGES-LIST</i>			
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45	<b>Total Monthly Service Charge</b>			

# **RAD PBRA Tenant Security Deposits Account**

ID	Service	No. of Unit	Unit Price	Extended Price (monthly)
1	<i>Balance Related Services</i>			
2	Deposit Protection Per \$1000	1		
3				
4	<i>Depository Services</i>			
5	Account Maintenance	1		
6	Banking Center Deposit	1		
7	Checks Deposited	1		
8	General Checks Paid	0		
9	Return Chargebacks	0		
10				
11	<i>Account Reconciliation</i>			
12	Full Maintenance	1		
13	Full Reconcilement	1		
14				
15	<i>Information Services</i>			
17	Image Retrieval BA Direct	1		
18	Online Account Access	1		
19				
20	<i>ADDITIONAL CHARGES-LIST</i>			
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31	<b>Total Monthly Service Charge</b>			

**RAD PBRA Capital Reserve Replacement Account**

<b>ID</b>	<b>Service</b>	<b>No. of Unit</b>	<b>Unit Price</b>	<b>Extended Price (monthly)</b>
1	<i>Balance Related Services</i>			
2	Deposit Protection Per \$1000	1		
3				
4	<i>Depository Services</i>			
5	Account Maintenance	1		
6	Banking Center Deposit	1		
7	Deposited Items – Out of State	0		
8	Deposited Items – In State	0		
9	Deposited Items - Governmental	1		
10	Checks Deposited	0		
11	General Checks Paid	1		
12	Return Chargebacks	0		
13				
14	<i>Wire and Transfer Fees</i>			
15	File Transfer Fee	0		
17	Internal Bank Transfer	1		
18	Domestic Wire Fee	0		
19				
20	<i>Account Reconciliation</i>			
21	Full Maintenance	1		
22	Full Reconcilement	1		
23				
24	<i>Information Services</i>			
25	Image Retrieval BA Direct	1		
26	Online Account Access	1		
27				
28	<i>ADDITIONAL CHARGES-LIST</i>			
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39	<b>Total Monthly Service Charge</b>			

**FHA Development Operating Account**

<b>ID</b>	<b>Service</b>	<b>No. of Unit</b>	<b>Unit Price</b>	<b>Extended Price (monthly)</b>
1	<i>Balance Related Services</i>			
2	Deposit Protection Per \$1000	1		
3				
4	<i>Depository Services</i>			
5	Account Maintenance	1		
6	Banking Center Deposit	1		
7	Deposited Items – Out of State	0		
8	Deposited Items – In State	1		
9	Deposited Items - Governmental	0		
10	Checks Deposited	1		
11	General Checks Paid	1		
12	Return Chargebacks	0		
13				
14	<i>Wire and Transfer Fees</i>			
15	File Transfer Fee	0		
17	Internal Bank Transfer	1		
18	Domestic Wire Fee	0		
19				
20	<i>Account Reconciliation</i>			
21	Full Maintenance	1		
22	Full Reconcilement	1		
23				
24	<i>Information Services</i>			
25	Image Retrieval BA Direct	1		
26	Online Account Access	1		
27				
28	<i>ADDITIONAL CHARGES-LIST</i>			
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39	<b>Total Monthly Service Charge</b>			

**Nonfederal Funds**

<b>ID</b>	<b>Service</b>	<b>No. of Unit</b>	<b>Unit Price</b>	<b>Extended Price (monthly)</b>
1	<i>Balance Related Services</i>			
2	Deposit Protection Per \$1000	20		
3				
4	<i>Depository Services</i>			
5	Account Maintenance	1		
6	Banking Center Deposit	1		
7	Deposited Items – Out of State	0		
8	Deposited Items – In State	1		
9	Checks Deposited	1		
10	General Checks Paid	1		
11	Return Chargebacks	0		
12				
13	<i>Account Reconciliation</i>			
14	Full Maintenance	1		
15	Full Reconcilement	1		
17				
18	<i>Information Services</i>			
19	Image Retrieval BA Direct	1		
20	Online Account Access	1		
21				
22	<i>ADDITIONAL CHARGES-LIST</i>			
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33	<b>Total Monthly Service Charge</b>			

**Total Firm Fixed Price Monthly Service Charge**

Total monthly service fee to be charged to each account each month in the base period (as defined by approved contract).

ID	Bank Account	Extended Price (monthly)
1	Public Housing Operating Funds	
2	Hillcrest Towers Community Center	
3	HCV Admin Fees	
4	HCV HAP	
5	MM Operating	
6	MM Capital Reserve Replacement	
7	MM Tenant Security Deposits	
8	FHA Development Operating Funds	
9	Nonfederal Funds	
Total monthly service charges		\$ -

U.S. Department of Housing and Urban Development  
PUBLIC AND INDIAN HOUSING

Special Attention of:  
Public Housing Agencies; Indian  
Housing Authorities; Secretary's  
Representatives; State/Area  
Coordinators; Directors, Public  
Housing Divisions; Administrators,  
Offices of Native American Programs;  
Resident Management Corporations  
(RMCs)

Notice PIH 96-33 (HA)

Issued: June 4, 1996

Expires: June 30, 1997

Cross References:

Subject: Required HA Cash Management and Investment Policies and Procedures

1. PURPOSE

The purpose of this Notice is to advise public housing agencies and Indian housing authorities (herein referred to as HAs) and Area Offices of the Department's HA requirements governing cash management and approved investment instruments. The Notice extends and reissues, with minor editorial changes, the policies and procedures, including the list of HUD approved investment instruments, previously set forth in Notice PIH 95-27 .

2. BACKGROUND

The Annual Contributions Contract (ACC) requires the HA to deposit and invest all program funds for projects under an ACC in accordance with the terms of a General Depository Agreement. The General Depository Agreement must be in a form approved by HUD and is executed between the HA and the depository. In addition, the ACC requires the HA to invest General Fund (program) monies only in HUD approved investments.

The Federal Code of Regulations, Part 85, Subpart C, (24 CFR § 85.20) requires HAs to establish cash management procedures. Cash management is the process of managing the cash flow of a HA to optimize its use of funds. This process involves the timing of receipts and disbursements to assure the availability of funds to meet expenditures and to maximize the yield from the investment of temporarily surplus funds. Effective cash management calls for organized planning. Good relations between the HA and the financial institution can improve the effectiveness of a cash management program.

PAHO: Distribution: W-3-1, R-6, R-7, R-9, R-3-1(PIH), 138-2, 138-7, RMC-2

3. APPLICABILITY

This Notice applies to the Low Rent Public Housing Program, the HA Owned/Leased Housing Homeownership Program (Turnkey III Program), the Section 23 Leased Housing Program, and the Mutual Help Homeownership Program.

#### 4. BANKING SERVICES

Banking services shall be arranged by selecting a bank through competitive solicitation to assure the HA that it receives the banking services provided at the lowest cost. It should be noted, however, that HAs must designate a single bank account for the deposit of all payments that are received from HUD through Direct Deposit-Electronic Funds Transfer (DD-EFT). (A Standard Form 1199A, Direct Deposit Sign-Up Form, must be submitted to designate this account.) A copy of the General Depository Agreement (see below) with the financial institution shall be attached with the SF-1199A. Once the funds are received, they may be transferred to separate accounts according to the applicable program.

##### a. General Depository Agreement

The General Depository Agreement (Form HUD-51999) shall be executed by the HA and the depository. The depository must be a financial institution whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Share Insurance Fund (NCUSIF). An original HUD-51999 should be maintained by the HA and the financial institution. A copy of the HUD-51999 should be sent to the HUD Area Office and the Field Accounting Office (along with the SF-1199A).

##### b. Procurement Procedure and Period of Service

Banking services should be periodically solicited through competitive negotiation. The solicitation in the form of a Request for Proposal (RFP) would permit the HA to evaluate the quality of the services received as well as the price. This periodic process should prevent the bank supplying the services from becoming complacent in its dealings with the HA.

#### 5. COLLATERALIZATION OF DEPOSITS

HAs shall require their depositories to continuously and fully (100%) secure all deposits regardless of type (i.e. regular, savings, etc.) that are in excess of the \$100,000 insured amount. This may be



accomplished by the pledging or setting aside collateral of identifiable U.S. Government securities as prescribed by HUD. The HA has possession of the securities (or the HA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the HA as a bailee (evidenced by safe keeping receipt and a written bailment for wire contract) and will be maintained for the full term of the deposit. Such securities shall be owned by the depository and the manner of collateralization shall provide the HA with a continuing perfected security interest for the full term of the deposit in the collateral in accordance with applicable laws and Federal regulations. Such collateral shall, at all times, have a market value at least equal to the amount of the deposits so secured.

## 6. INVESTMENT OF FUNDS

### a. Funds Available for Investment

- 1) Funds on deposit in the General Fund are comprised of four components: (1) funds for current transaction purposes, (2) development and/or modernization funds (see #2 below), (3) funds exceeding those necessary for the daily operation of the HA which are considered available for investment and (4) any operating reserve funds. As a general rule, the average amount on deposit in the General Fund cash accounts (the targeted maximum cash balance) should be the amount needed on hand for transaction purposes or as a safeguard against cash shortages. In the interest of good cash management, non-interest bearing deposits should be reduced to the amount necessary to maintain a good banking relationship.
- 2) Under the Modernization and Development Programs, the term "cash management" also means minimizing the time elapsing between the drawdown and disbursement of funds by the HA. HUD has established the maximum time to be generally three working days. Therefore, reference to "excess funds" also means the amount of modernization or development funds drawn down, but not needed for immediate disbursement (see 24 CFR 85.21 (b)). Interest income earned on modernization funds is included as operating income in the calculation of operating subsidy eligibility under the Performance Funding System (PFS). Interest income earned on development funds is credited to the development program and reduces the development cost of the project.

### 3

### b. Approved Investment Securities

In most cases, purchases of securities shall have maturities which

coincide with expected disbursements by the HA. For the purpose of investing operating reserves, issues shall be limited to maturities three years or less. Although some of the following securities have maturities longer than three years, they can be traded in the secondary market. A list of investments approved by HUD for the investment of HA funds is attached. HAs are required to choose from these financial instruments. Within the HUD approved instruments, HAs are permitted to modify their investment policy without prior HUD approvals. The choice of investments from the approved list should be made using the criteria developed in the remainder of this paragraph.

c. Determination of Investment Type

The determination of the best or appropriate types and mixtures of investments is dependent on several factors. The primary objective is safety. Once that objective is attained, the optimum return on the investment should be consistent with the goals of the cash management program of the HA. The factors that should be taken into account include the following:

- (1) Safety - Safety is achieved through adherence to the list of permitted investments which are backed by the full faith and credit of, or a guarantee of principal and interest by, the U.S. Government, a Government agency or issued by a Government-sponsored agency, coupled with an appropriate maturity date.
- (2) Yield - The HA should strive to achieve the highest yield consistent with the other factors of the investment policy. Tax-exempt securities are not appropriate for investment by a HA because it would not benefit from the tax advantage.
- (3) Liquidity - All investments must be capable of being liquidated on one day's notice. Therefore, no investments may be made which impose a longer notice period for redemption or which are not readily marketable.
- (4) Maturity - Investments should be scheduled to mature when the funds are needed. Sale of securities prior to maturity should be avoided due to the inherent risk. (If the market interest rate increases above the yield on the investment, the market

or such lesser period that coincides with expected disbursements by the HA, but not beyond the current financing cycle. HAs may invest in securities up to three years for the investment of operating reserves.

- (5) Amount - The best or most appropriate type of investment depends, to some degree, on the amount available for investment because certain investments require a large initial amount.
- (6) Administrative Cost - In choosing an investment, a HA must consider the administrative work involved, particularly with regard to investments of short duration. Substantial amounts can be invested for periods as short as one or two days. However, the administrative costs with small amounts may be greater than the return on the investment, thus would not be justified or cost effective. Administrative costs will be higher with a more frequent turnover of investments and must be taken into account together with the yield and term in determining the optimum investment strategy.

d. INVESTMENT OF FUNDS HELD BY HA FISCAL AGENTS

Funds held by the Fiscal Agent in any trust funds shall be invested in strict accordance with the Resolution establishing such funds. Where the Resolution contains no provision concerning the investment of funds, the funds shall be invested in securities approved for General Fund Investment provided such investment will mature or may be redeemed at the option of the purchaser at not less than the purchase price on or prior to the date such funds are required to be disbursed by the Fiscal Agent. A description of funds established by HA resolutions authorizing the issues of bonds is attached.

e. Investment Register

An investment register or other record shall be maintained by the HA or its agent. The register/record shall be maintained in such a manner that a determination can be made as to the amount of investment securities purchased from each fund and at a minimum provide for recording a complete description of investment instrument, date of purchase, purchase price, interest rate,

and applicable date of sale or maturity. The investment register/record may also be used to identify the source of funds

invested (i.e., modernization or development funds, tenant security deposit funds, operating funds).

f. Internal Controls

HAs shall implement the following internal controls to assist in controlling investments and preventing loss or misuse.

- (1) Investment transactions shall be authorized by the HA governing board and documented in the board minutes.
- (2) Investment documents shall be kept in a safe fire-resistant locked file cabinet, safe deposit box, or other similarly secured location.
- (3) Individuals responsible for custody of securities shall be someone other than an individual maintaining the accounting records.
- (4) Investments shall be maintained in a custodian or trust account.
- (5) Investments shall be in the name of the HA.
- (6) Investments shall be recorded in detail in an investment ledger.
- (7) A system shall be in place to insure that all interest earned is collected and credited to the appropriate HA records.
- (8) Investments shall be reconciled periodically to the detailed record (investment ledger).

7. CASH MANAGEMENT

A major factor contributing to the success of an investment program is the delegation of responsibility and authority for developing and executing it. A HA should compare the cost of establishing a cash management program in-house (if qualified professional staff are available) to contracting out. If HAs contract for cash management and investment services, then the organization should have qualified personnel to achieve cost-effectiveness. Commercial banks and savings and loans association offer such services.

responsibilities for the use of funds. Such responsibilities are placed on both the HA and HUD for a successful program to benefit both. The primary goals of cash management are to assure the availability of cash for transaction needs, preserve the value of cash resources and earn the maximum return on funds until disbursed.

a. Cash Management by the HA

The HA should compare the return from an in-house cash management program with a program managed by an agent. If the HA finds that administrative costs of an in-house program are such that the net yield on investments is less than that obtainable through an alternative, the general rule is that the HA should use that alternative.

b. Cash Management by an Agent

As an alternative to an in-house cash management program, a HA may enter into a contract with an approved governmental unit such as a State agency established for this purpose (see attachment A, #6, Municipal Depository Fund), or a financial institution (excluding investment bankers and brokerage houses) to administer its cash management program.

Such a program may include any of the functions of cash management, i.e., receipts, disbursements and investments. Such a contractual arrangement will give a small HA the expertise and administrative skills which it would not otherwise be expected to have and often can make a cash management program cost-effective.

c. Temporary Funds Available for Investment

- (1) Each HA with an average cash balance of \$20,000 or more shall invest such funds in HUD-Approved Investment Securities in order to meet the PFS Target Investment requirements (24 CFR Section 990.109 (e), 24 CFR 950.725 (e)).

HAs with average cash balances of less than \$20,000 shall also invest such funds in HUD-Approved Investment Securities. For the purpose of calculating operating subsidy eligibility under the PFS (24 CFR Section 990.109 (e), 24 CFR 950.725 (e)) these HAs shall make a reasonable estimate of investment income for the requested budget year. Please note that

the mandatory year-end adjustment.

- (2) See Handbook 7475.13, Performance Funding System (PFS), regarding reporting requirements for projecting investment income for the purpose of calculating PFS operating subsidy eligibility. These requirements mandate a minimum investment income (Target Investment Income) for calculating operating subsidies and allow HAs to retain investment income in excess of the required amount. HAs should review these requirements carefully in developing their cash management programs.

## 8. MONITORING

The Office of Finance and Budget, PIH, will continue to oversee the overall cash management policy and programs for HAs. Actual monitoring of each HA's cash management will continue to be the responsibility of the respective Area Office. Monitoring will be accomplished through review of documentation submitted to support the investment income shown in the calculation of operating subsidy and during on-site monitoring reviews.

If there are questions regarding the contents of this Notice, please contact the Office of Finance and Budget at 202-708-1872.

Assistant Secretary for Public and Indian Housing

Attachments

8

### ATTACHMENT A

#### HUD-APPROVED INVESTMENT INSTRUMENTS

1. Direct Obligations of the Federal Government Backed by the Full Faith and Credit of the United States
  - a. U.S. Treasury Bills

These securities are short-term obligations which a HA or its agent may purchase directly. Treasury Bills with 3-month and 6-month maturities are issued weekly and those with 9-month and 12-month maturities are issued monthly. The minimum denomination is \$10,000. They are issued on a discount basis and are redeemed at par upon maturity.

U.S. Treasury Bills are available for purchase at any time after

issuance from investment departments of banks and from dealers in investment securities. Purchases may be made conveniently using the HA's depository bank. Treasury Bills may be acquired by subscription on the issue date from a Federal Reserve Bank or branch in amounts not in excess of \$200,000. Detailed information is contained in the weekly or monthly announcements which may be received regularly upon application to a Federal Reserve Bank or branch.

b. U.S. Treasury Notes and Bonds

These securities are issued periodically by the Treasury Department through Federal Reserve Banks and branches. They are medium to long-term obligations which a HA or its agent can only purchase in the secondary market to assure that they will mature at a date which coincides with scheduled disbursements by the HA. Outstanding issues may be purchased from banks or dealers in investment securities at the market price which on any given day may be more or less than the face amount.

(1) U.S. Treasury Notes

These notes mature in not less than one and not more than 10 years from the issue date and bear interest at fixed rates payable semiannually.

1

(2) U.S. Treasury Bonds

These bonds mature after ten years from the issue date and bear interest at fixed rates payable semi-annually. Many issues of bonds are redeemable on call by the Treasury Department before maturity. The yield of such issues usually is computed to the first call date which may be as much as 5 years prior to maturity.

2. Obligations of Federal Government Agencies

a. Federal Financing Bank (FFB)

The Federal Financing Bank is authorized to purchase obligations held by Federal agencies and to issue obligations to the public.

b. Government National Mortgage Association (GNMA) Mortgage-Backed Securities (GNMA I and GNMA II)

The securities, guaranteed by GNMA are issued by an issuer (a GNMA-approved mortgage lender). The securities are backed by a pool of government-insured or guaranteed mortgages. The holders of the securities receive monthly payments of principal and interest. The minimum denomination issued is \$25,000. The difference in GNMA I and GNMA II is that the GNMA II payment date is on the 20th of the month and the GNMA I payment date is on the 15th; GNMA II uses a central paying agency whereas GNMA I has individual issuers sending checks to investors; and GNMA II has interest rates that vary within a one percent range. The maximum maturity for GNMA I and GNMA II is 30 years, except that GNMA I project loans mature in 40 years.

c. GNMA Participation Certificates

These securities, guaranteed by GNMA, were sold by GNMA as the trustee with various other Federal agencies as trusters. They represent beneficial interest in future payments of principal and interest on mortgage pools. Their maturities range between one and 20 years and the minimum denomination is \$5,000.

2

d. Maritime Administration Merchant Marine Bonds, Notes, and Obligations

These securities are issued by shipping companies and are backed by the full faith and credit of the U.S. Government. Each issue is further secured by a first preferred ship or fleet mortgage. Maturities and denominations vary.

e. Small Business Administration (SBA), Small Business Investment Corporation (SBIC) Debentures

When authorized by appropriation acts, the SBA may guarantee principal and interest payments on debentures of SBIC. The SBA may also pool these debentures and sell SBA-guaranteed debentures. These issues have maturities of 10 years and are issued in \$10,000 denominations.

f. Tennessee Valley Authority (TVA) Power Bonds and Notes

These securities are secured by a first charge on net power proceeds. Payment of interest and principal on them is ranked ahead of annual payments to the U.S. Treasury. They have been issued in multiples of \$1,000.



### 3. Securities of Government-Sponsored Agencies

#### a. Farm Credit Consolidated System-Wide Discount Notes

These notes are the secured joint and several obligations of the Farm Credit System which consists of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. They are issued in denominations of \$5,000 and maturities are authorized from 5 to 365 days.

#### b. Federal Farm Credit Banks Consolidated System-wide Bonds

These bonds are the secured joint and several obligations of the Farm Credit Banks. Their issuance supersedes individual bond issues by the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. They are issued in multiples of \$1,000 for maturities in excess of 13 months and in multiples of \$5,000 for shorter maturities.

3

#### c. Federal Home Loan Banks Consolidated Obligations

These securities are the secured joint and several obligations of the Federal Home Loan Banks comprised of:

##### (1) Bonds

Bonds which have maturities of one year or more. They are issued in multiples of \$10,000, \$25,000, \$100,000 and \$1,000,000.

##### (2) Notes

Notes which have maturities of less than one year. They are issued in multiples of \$10,000, \$25,000, \$100,000 and \$1,000,000.

##### (3) Discount Notes

Discount notes which have maturities ranging from 30 to 170 days. They are issued in denominations of \$100,000 and \$1,000,000.

#### d. FHLMC Mortgage Participation Certificates (PC) (Guaranteed)

These certificates represent undivided interest in specific fixed

rate, first lien conventional and residential mortgages. FHLMC provides monthly interest and principal payments. The final payment is the first of the month and year in which the last monthly payment on the last maturing mortgage is scheduled to be paid.

e. FHLMC Collateralized Mortgage Obligations (CMOs)

CMOs are general obligations of FHLMC that are secured by a single pool of conventional mortgages owned by FHLMC. CMOs are issued in several classes with varying stated maturities. Semiannual principal payments are allocated to each class of the CMOs in the order of the stated maturity of each class so that no principal payments are made to holders of a class until classes with an earlier maturity are retired.

f. Federal National Mortgage Association (FNMA) Debentures

These debentures are issued in denominations ranging from \$10,000 and with maturities ranging from 20 to 25 years.

4

g. FNMA Notes

The minimum investment in these notes is \$50,000 with maturities ranging from 1 to 20 years.

h. FNMA Short-Term Discount Notes

These notes are similar to commercial paper and are tailored to the individual needs of investors. They are sold at published rates with maturities of 30 to 270 days and in denominations ranging from \$5,000.

i. FNMA Capital Debentures

These debentures are subordinated to the non-capital debentures, notes, and short-term discount notes. They were last issued in 1975 in a \$10,000 minimum denomination and with maturities of 5 and 25 years.

j. Student Loan Marketing Associations (SLMA) Obligations

SLMA issues obligations comprises of guaranteed student loans as follows:

(1) Floating Rate and Master Notes.

These notes bear interest at rates that vary with the 91-day Treasury Bill rate. Short-term borrowing have an original or remaining term maturity of one year or less.

(2) The Series E and F Floating Rate Notes.

These notes bear interest at rates which vary with the 91-day Treasury Bill, except that each issue has fixed minimum and maximum rates known as interest rate "collars" for any quarterly interest period.

(3) Zero Coupon Notes

These notes are shown at net proceeds adjusted for accretion of discount.

5

4. Demand and Savings Deposits

Demand and savings deposits at commercial banks, mutual savings banks, savings and loan associations and credit unions are permitted for HA funds provided that the entire deposit is insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF). A deposit in excess of the insurance coverage may be made at a depository institution provided that it is 100 percent collateralized by any of the securities listed under paragraphs 1, 2, and 3 of this Attachment. Care should be taken that withdrawals may be made on demand without loss of interest and without penalty.

5. Money-Market Deposit Accounts

Money-Market Deposit Accounts at depository institutions that may not be insured fully by the FDIC or NCUSIF are permitted provided that the certificates are fully backed by 100 percent collateral consisting of securities listed under paragraphs 1, 2, or 3 of this Attachment. When accounts exceed the \$100,000 insurance limitation, their safety also may depend on the HA's control of the underlying collateral which must consist of clearly identified (not pooled) U.S. Government securities. Possession of the collateral securities and a continuous perfected security interest may be the only sure protection against loss in case of financial institution failure.

6. Municipal Depository Fund

A Municipal Depository Fund (Fund) or Local Government Investment Pool which is established by States, municipalities, units of local government or other political subdivisions to serve as an investment fund for HAs is permitted. The securities purchased by a Fund shall be on the HUD-approved list of investment securities. HA shall have either an undivided or divided interest in securities comprising the Fund. The Fund shall be under the control of the Investment Company Act of 1940, and its objective shall be clearly stated. The investment objective of the Fund shall be to obtain as much income as possible consistent with the preservation and conservation of capital. The Fund shall disclose clearly the basis of earnings and how they are distributed. HA shall obtain a statement of potential default and risk and a clear demonstration that withdrawals from the Funds will not be so restricted as to impair a HA's day-to-day cash management

6

needs. The management fee shall be fixed at a reasonable amount and management shall be passive. HA shall limit the amount of funds invested in the Fund to no more than 30 percent of a HA's available investment funds. The Fund shall disclose the relationships of the investment advisor, manager, trustees, custodian and transfer agent. Each financial advisory relationship shall be evidenced by a written document executed prior to, upon, or promptly after the inception of the financial advisory relationship, or promptly after the creation or selection of the issuer. If the issuer does exist or has not been determined at the time the relationship commences, that written document shall set forth the basis of compensation for the financial advisory services to be rendered.

7. Super NOW Accounts

Super NOW accounts have been available and approved for public funds since January 1983. They offer a relatively high market rate and are fully transactional (have no limitations on the number of checks or transfers). Insurance and collateral requirements are as above for subparagraph e Demand and Savings Deposits.

8. Certificates of Deposit

- a. Certificates of Deposit are permitted at depository institutions that are insured by an agency of the Federal Government. Caution must be exercised for certificates exceeding the \$100,000 insurance limit or when the term is longer than 30-90 days. Although the certificates' rate of return may be attractive for larger amounts and longer terms, U.S. Treasury securities offer superior safety and liquidity for the same amounts and terms. Certificates shall be

in the HA's name. In addition a General Depository Agreement must be executed by each financial institution that issues a Certificate of Deposit.

- b. Certificate amounts above \$100,000 are permitted provided that the excess is 100 percent collateralized by clearly identified (not pooled) U.S. Government securities. Possession of the collateral securities and a continuous perfected security interest may be the only sure protection against loss in case of bank failure.
- c. Brokered deposits should be avoided because it is impossible to get \$100,000 federal insurance on a number of deposits placed by brokers.

## 7

### 9. Repurchase Agreements

Repurchase (repos) agreements for a term not to exceed 30 days may be entered into with Federally insured depository institutions to purchase and sale of securities identified under paragraphs 1, 2, and 3. A repurchase agreement is an agreement negotiated with a bank usually for a short period (1 to 7 days) wherein securities approved for investment are purchased from that bank at a stated price with the bank agreeing to repurchase them on a specified date for a specified amount. The minimum may vary, although it is usually \$ 100,000. There are three main types: (1) fixed term, where both parties are bound to the negotiated time period, (2) demand, where the agreement stays in effect until terminated by either party, and (3) day-to-day, where daily renewal is by mutual consent and 24-hour notice is required for termination. The HA should review existing and future repos for compliance with the following certifications. Prior approval by HUD is not necessary, however, the repos seller depository or its agency must provide a written certification to HUD, Assistant Secretary for Public and Indian Housing (Office of Finance and Budget), the Area Office, and to the HA.

- a. that the depository's repo program complies with applicable Federal and State statutes and regulations and that the program does not involve sales or loans of Federal securities by securities dealers that are not regulated or that report to the Federal Reserve Board;
- b. that the depository owns the underlying Federal securities (approved for repurchase under HUD guidelines) when the repo interest is sold and that the value of the securities is equal to or greater than the amount the HA pays for the repo;
- c. that the HA has possession of the securities (or the HA will take

possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the HA as a bailee (evidenced by a safe keeping receipt and a written bailment for hire contract), from the time the repo interest is sold to the HA and will be (or is expected to be) maintained for the full term of the repo;

- d. that the repo agreement and any related documents identify specific Federal securities related to the specific repo purchased by the HA;

8

- e. that the repo interest does not represent any interest in a pool or fund of Federal securities for which registration under the Investment Company Act of 1940 may be required;
- f. that the HA will have a continuous perfected security interest in the underlying Federal securities under State or Federal law for the full term of the repo (disclosing the method by which perfection has or will be accomplished, i.e., by possession, filing, registration of book-entry securities and/or Federal preemption of State law by Federal regulation);
- g. that the depository or a reporting dealer selling the repo has not received any adverse financial report from a credit reporting agency, State or Federal regulatory agency; and
- h. that the depository will not substitute other securities as collateral, except to increase the value of the repo security to match the repos's purchase price.

#### 10. Sweep Accounts

Sweep Accounts is a contractual agreement between a bank and a HA which provides that the bank will regularly "sweep" or transfer any available collected balances from the HA's account into repurchase agreements. The Sweep Accounts agreement shall include all the certification provided in the Repurchase Agreement and adherence to paragraph 4-3, Collateralization of Deposits.

#### 11. Separate Trading of Registered Interest and Principal of Securities

Separate Trading of Registered Interest and Principal of Securities (STRIPS) are Treasury-based zero-coupon securities which consist of interest or principal on U.S. Treasury securities. STRIPS were issued in minimum increments of \$1,000. STRIPS pay no interest until maturity and

the rate of return is "locked in" at the time of purchase. The delivery of STRIPS is accomplished by wire transfer through the Federal Reserve book entry system. STRIPS shall be in the name of the HA.

## 12. Mutual Funds

A Mutual Fund (Fund) is an investment company that makes investments on behalf of individuals and institutions. The Fund pools the money of the investors and buys various securities that are consistent with the Fund's objective.

### 9

#### a. Mutual Fund Criteria

The Fund shall be organized as a no-load, open-end, diversified management company and its shares shall be registered under the Securities Act of 1933. The Fund shall be under the control of the Securities Exchange Act of 1934, Investment Advisers Act of 1940 and the Investment Company Act of 1940. The investment objective of the Fund shall be to obtain as much income as possible consistent with the preservation, conservation and stability of capital. The mutual fund objective cannot be changed without the prior approval of fund shareholders.

- b. The securities purchased by the Fund shall be on the HUD-approved list of investment securities. The Fund will not engage in options or financial futures. The HA shall limit the amount of funds invested in the Fund to no more than 20 percent of the HA's available investment funds. The Fund shall disclose clearly the basis of earnings and how they are distributed. The HA shall obtain a statement of potential default and risk. The HA's invested funds shall be accessible to the HA daily. It shall be demonstrated that any limitations on withdrawals will not impair the HA's day-to-day cash management needs.
- c. The management fee shall be fixed at a reasonable amount. The Fund shall disclose the relationships of the investment advisor, manager, trustee, custodian and transfer agent. The Fund shall clearly state all services (such as wire transfers and check writing privileges) and charges.
- d. Investment in the Fund shall be authorized by a Board Resolution. A certified copy of the resolution shall accompany the initial application for the Fund.
- e. The Fund (or custodian) and the HA shall sign the General

Depository Agreement, HUD-51999 dated June 1991, modified as follows:

- (1) In the title, "(Mutual Fund)" shall be added after General Depository Agreement. Whenever "depository" appears in the text it also refers to "mutual fund."
- (2) The HA's name and location (including county or city) will be filled in the first clause of the General Depository Agreement. The name, location and the HA's mutual fund account number also will be filled in the first clause. The second clause remains unchanged.

10

- (3) The third clause is substituted as follows: "Whereas, under the terms of the Contract the HA shall invest in a mutual fund (herein called the depository) only on the terms set forth hereafter. Mutual fund is defined as an investment company that makes investments on behalf of individuals and institutions. The depository shall be organized as a no-load, open-end, diversified management company and its shares shall be registered under the Securities Exchange Act of 1933. The depository shall be under the control of the Securities Exchange Act of 1934, the Investment Advisers Act of 1940 and the Investment Company Act of 1940. HA shall acquire shares in a mutual fund whose portfolio includes only securities on the HUD-approved list of investment securities."
- (4) Paragraphs 1, 3, 11 and 12 are deleted.
- (5) Paragraphs 4 through 6 are modified to read as follows:
  - (a) Paragraph 4: Any shares purchased from HA funds shall be held by the depository in safe-keeping for the HA until sold. Dividends and distributions on such shares and the proceeds from the sale thereof shall be used to purchase additional shares or remitted directly to the HA.
  - (b) Paragraph 5: The language "from said Accounts" is deleted.
  - (c) Paragraph 6: The language "in respect of the Accounts" is deleted.
  - (d) Paragraphs 7 through 10 are not changed.



- (e) The additional language can be typed on a separate page, attached and duly executed. The following language shall be added to the bottom of the page: Page number incorporated in and made a part of the General Depository Agreement between (HA) and (Depository).

11

## ATTACHMENT B

### INVESTMENT OF FUNDS HELD BY HA FISCAL AGENTS

#### Description of Funds

The funds established by HA resolutions authorizing the issuance of bonds to finance the development cost of projects are as follows:

#### (1) Debt Service Fund

This Fund is established pursuant to the Annual Contributions Contracts and HA Resolutions providing for the issuance of new HA bonds. The Fiscal Agent is explicitly required under the form of the Fiscal Agency Agreement entered into since 1964 to purchase and sell investment securities as the HA, with the approval of the Federal Government, may direct. Where a Fiscal Agency Agreement does not contain a specific requirement for the investment of Debt Service Funds, such investment must, nevertheless, be made since it is a general power and duty of a trustee, (implied if not expressed) to keep funds properly invested in order to attain safety and produce income for the trust funds.

#### (2) Advance Amortization Fund

(a) Since 1952, the form of Fiscal Agency Agreement in use requires the Fiscal Agent to invest funds on deposit in the Advance Amortization Fund as the HA, with the approval of the Federal Government, may direct.

(b) With respect to the investment of funds resulting from a consolidated sale of bonds by an Agency Authority, only the Agency Authority of HUD may issue investment instructions to the Fiscal Agent. These instructions shall be consistent with HUD guidelines.

#### (3) Annual Contributions Reduction Account (sometimes called Supplementary Revenues Account); Bond Service Account; Series A Reserve Fund; General Bond Reserve Fund; Rental Debt Service Fund; and Excess Lands Account.

The Resolution authorizing Series A and Series B Bonds issued prior to 1951 established these funds and the Resolution usually contains limitations on the investment of funds on deposit in one or more of such accounts.

Public reporting burden for this collection of information is estimated to average 1 hour per response. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. HUD will use this information to ensure PHAs use all Program Receipts received from HUD or otherwise associated with public housing funds for purposes of public housing, by requiring such financial assistance to be deposited into interest-bearing accounts at certain financial institutions. The information requested does not lend itself to confidentiality.

**This Agreement**, entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between\_\_\_\_ (herein called the “HA”), a duly organized and existing public body corporate and politic of the\_\_\_\_ of\_\_\_\_ and\_\_\_\_ (herein called the “Depository”), located at \_\_\_\_.

**Witnesseth:**

**Whereas**, the Department of Housing and Urban Development (herein called “HUD”) has entered into one or more Annual Contributions Contracts (herein called the “ACC” with the HA for the purpose of providing financial assistance to develop and operate lower income housing projects, as authorized by the United States Housing Act of 1937, as amended (42 USC 1437, et seq.); and

**Whereas**, under the terms of the ACC the HA is required to select as depositories of its funds, financial institutions whose deposits or accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Share Insurance Fund (NCUSIF) as long as this Agreement is in force and effect.

**Now Therefore**, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

- 1.** The deposits and accounts of the Depository shall continue to be insured by the FDIC Corporation or NCUSIF.
- 2.** All monies deposited by the HA with the Depository shall be credited to the HA in a separate interest-bearing deposit or interest-bearing accounts, designated \_\_\_\_\_  
Accounts” (herein the “Accounts”). Any portion of HA Funds not insured by a Federal insurance organization shall be fully (100%) and continuously collateralized with specific and identifiable U.S. Government or Agency securities prescribed by HUD in a notice. Collateralization is required on a daily basis at the end of the business day. Such securities shall be pledged and set aside in accordance with applicable law or Federal regulations. The HA shall have possession of the securities (or the HA will take possession of the securities) or an independent custodian (or an independent third party) holds the securities on behalf of the HA as a bailee (evidenced by safe keeping receipt and a written bailment for hire contract) and will be maintained for the full term of deposit. The Depository may substitute other securities as collateral to equal or increase the value. If the HA is an agency of an Indian tribe, the collateral shall be in United States bonds and otherwise as may be prescribed for public funds by the United States Secretary of the Treasury.
- 3.** Except as stated in Paragraph 5, the Depository shall honor any (a) check or other order to pay from the Accounts, or (b) directive to purchase investment securities with monies from the Accounts or to sell securities, if such order or directive is in writing and signed on behalf of the HA by an officer or member designated by resolution of the Board of Directors of the HA to have such authority. To assist the Depository in its obligation, the HA shall furnish the Depository with a certified copy of the resolution.
- 4.** Any securities received from the HA or purchased by the Depository with monies from the Accounts shall be considered to be a part of the Accounts and shall be held by the Depository in safe-keeping for the HA until sold. Interest on such securities and the proceeds from the sale thereof shall be deposited in the Account upon receipt
- 5.** If the Depository receives written notice from HUD that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any check or other order to pay from the Accounts or directive to purchase or sell securities, or permit any withdrawals by the HA from said Accounts until the Depository is authorized to do so by written notice from HUD.
- 6.** The Depository is not obligated to be familiar, and shall not be charged, with knowledge of the provisions of the ACC, and shall be under no duty to investigate or determine whether any action taken by either the HA or HUD in respect of the Accounts are consistent with or are authorized by the ACC or whether either HA or HUD is in default under the provisions of the ACC. The Depository shall be fully justified in accepting and acting on, without investigation, any certificate or notice furnished to it pursuant to the provisions of this Agreement and which the Depository shall in good faith believe to have been duly authorized and executed on behalf of the party in whose name the same purports to have been made or executed
- 7.** The rights and duties of the Depository under this Agreement shall not be transferred or assigned by the Depository without the prior written approval of the HA and HUD. This Agreement may be terminated by either party hereto upon thirty days’ written notice to the other party, and HUD. The rights and duties of the Depository hereunder shall not be transferred or assigned nor shall this Agreement be terminated during any period in which the Depository is required to refuse to permit withdrawals from the Accounts as provided in Paragraph 5.

8. HUD is intended to be a third-party beneficiary of this Agreement and may sue to enforce its provisions and to recover damages for failure to carry out its terms.

9. The Depository shall provide the HA with remote, electronic access to the Accounts for the purpose of monitoring the crediting or depositing of any monies in the Accounts.

10. The provisions of this Agreement may not be modified by either Party without the prior written approval of HUD

11. **Strike this paragraph if inapplicable:** Previous General Depository or Savings Depository Agreements, if any, entered into between the Depository and the HA are hereby terminated and all monies and securities of the HA on deposit with or held by the Depositories pursuant to the terms of said Agreement shall continue to be held for account of the HA pursuant to and in accordance with the provisions of this Agreement.

12. **Strike this paragraph if paragraph 2 applies:** For use only in certain States that have statutes that prohibit HAs from implementing paragraph 2.

At no time shall the HA Funds in the Accounts be permitted to exceed the amount insured by Federal deposit insurance (herein the "Insured Amount"). At any such time as the amount of funds in the Accounts reach the Insured Amount, whether by the accrual of interest or otherwise, the Depository shall promptly, as directed by the HA, and in an amount sufficient to limit the funds in the Accounts to the Insured Amount, either: (a) remit payment to the HA or, (b) on behalf of the HA, purchase securities approved for investment by the HA. Such securities shall not be considered to be a part of the Account pursuant to Paragraph 4 hereof but shall be held by the Depository as custodian or trustee for the HA in a separate account established for that purpose by the Depository (herein the "Securities Account"). The Securities Account shall be designated as \_\_\_\_.

Income or other proceeds from securities held in the Securities Account shall, as directed by the HA, upon receipt, be paid to or on behalf of the HA; provided, however, that such proceeds shall, to the extent consistent otherwise with the provisions of this Paragraph, be deposited in the Accounts. If the Depository receives written notice from HUD pursuant to Paragraph 5 hereof that no withdrawals by the HA from the Accounts are to be permitted, the Depository shall not honor any directive from the HA to sell securities, or permit any withdraws by the HA, from the Securities Account until the Depository is authorized to do so by written notice from HUD.

During the pendency of such restrictions on the Accounts and the Securities Account, the Depository, except as directed in writing by HUD, shall not remit any payment to the HA for the purpose of limiting the amount of funds in the Account to the Insured Amount but shall instead purchase securities approved for investment by the HA and hold such securities in the Securities Account.

13. Notice required under the terms and conditions of this agreement shall be deemed to have been given when it made by:

\_\_\_\_\_, on behalf of \_\_\_\_\_  
Title Organization (HA)

\_\_\_\_\_, on behalf of \_\_\_\_\_  
Title Organization (Depository)

\_\_\_\_\_, on behalf of \_\_\_\_\_  
Title Organization (HUD)

Notice shall be made in writing. Notice may be delivered in person, by United States Postal Service mail, by receipted commercial mail delivery, by facsimile machine or other electronic means that clearly identifies the sender as one of the persons so authorized in this paragraph. **Notice under the terms of this agreement shall be implemented by the Depository within 24 hours of actual receipt.**

**In Witness Whereof**, the HA and the Depository have caused this Agreement to be executed in their respective names and their respective seal to be impressed hereon and attested as of the date and year first above written.

\_\_\_\_\_  
HA  
(SEAL)  
ATTEST:  
By \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Depository  
(SEAL)  
ATTEST  
By \_\_\_\_\_

# Instructions to Offerors Non-Construction

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing



- 03291 -

## 1. Preparation of Offers

(a) Offerors are expected to examine the statement of work, the proposed contract terms and conditions, and all instructions. Failure to do so will be at the offeror's risk.

(b) Each offeror shall furnish the information required by the solicitation. The offeror shall sign the offer and print or type its name on the cover sheet and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the offer. Offers signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the HA.

(c) Offers for services other than those specified will not be considered.

## 2. Submission of Offers

(a) Offers and modifications thereof shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the solicitation, and (2) showing the time specified for receipt, the solicitation number, and the name and address of the offeror.

(b) Telegraphic offers will not be considered unless authorized by the solicitation; however, offers may be modified by written or telegraphic notice.

(c) Facsimile offers, modifications or withdrawals will not be considered unless authorized by the solicitation.

## 3. Amendments to Solicitations

(a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

(b) Offerors shall acknowledge receipt of any amendments to this solicitation by

- (1) signing and returning the amendment;
- (2) identifying the amendment number and date in the space provided for this purpose on the form for submitting an offer,
- (3) letter or telegram, or
- (4) facsimile, if facsimile offers are authorized in the solicitation. The HA/HUD must receive the acknowledgment by the time specified for receipt of offers.

## 4. Explanation to Prospective Offerors

Any prospective offeror desiring an explanation or interpretation of the solicitation, statement of work, etc., must request it in writing soon enough to allow a reply to reach all prospective offerors before the submission of their offers. Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors as an amendment of the solicitation, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective offerors.

## 5. Responsibility of Prospective Contractor

(a) The HA shall award a contract only to a responsible prospective contractor who is able to perform successfully under the terms and conditions of the proposed contract. To be determined responsible, a prospective contractor must -

- (1) Have adequate financial resources to perform the contract, or the ability to obtain them;

- (2) Have a satisfactory performance record;
- (3) Have a satisfactory record of integrity and business ethics;
- (4) Have a satisfactory record of compliance with public policy (e.g., Equal Employment Opportunity); and
- (5) Not have been suspended, debarred, or otherwise determined to be ineligible for award of contracts by the Department of Housing and Urban Development or any other agency of the U.S. Government. Current lists of ineligible contractors are available for inspection at the HA/HUD.

(b) Before an offer is considered for award, the offeror may be requested by the HA to submit a statement or other documentation regarding any of the foregoing requirements. Failure by the offeror to provide such additional information may render the offeror ineligible for award.

## 6. Late Submissions, Modifications, and Withdrawal of Offers

(a) Any offer received at the place designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it -

- (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);
- (2) Was sent by mail, or if authorized by the solicitation, was sent by telegram or via facsimile, and it is determined by the HA/ HUD that the late receipt was due solely to mishandling by the HA/ HUD after receipt at the HA;
- (3) Was sent by U.S. Postal Service Express Mail Next Day Service - Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and U.S. Federal holidays; or
- (4) Is the only offer received.

(b) Any modification of an offer, except a modification resulting from the HA's request for "best and final" offer (if this solicitation is a request for proposals), is subject to the same conditions as in subparagraphs (a)(1), (2), and (3) of this provision.

(c) A modification resulting from the HA's request for "best and final" offer received after the time and date specified in the request will not be considered unless received before award and the late receipt is due solely to mishandling by the HA after receipt at the HA.

(d) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent either by registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks must show a legible date or the offer, modification, or withdrawal shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, offerors should request the postal clerk to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.

(e) The only acceptable evidence to establish the time of receipt at the HA is the time/date stamp of HA on the offer wrapper or other documentary evidence of receipt maintained by the HA.

(f) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent by Express Mail Next Day Service-Post Office to Addressee is the date entered by the post office receiving clerk on the "Express Mail Next Day Service-Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service. "Postmark" has the same meaning as defined in paragraph (c) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

(g) Notwithstanding paragraph (a) of this provision, a late modification of an otherwise successful offer that makes its terms more favorable to the HA will be considered at any time it is received and may be accepted.

(h) If this solicitation is a request for proposals, proposals may be withdrawn by written notice, or if authorized by this solicitation, by telegram (including mailgram) or facsimile machine transmission received at any time before award. Proposals may be withdrawn in person by a offeror or its authorized representative if the identity of the person requesting withdrawal is established and the person signs a receipt for the offer before award. If this solicitation is an invitation for bids, bids may be withdrawn at any time prior to bid opening.

## **7. Contract Award**

(a) The HA will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the HA, cost or price and other factors, specified elsewhere in this solicitation, considered.

(b) The HA may

- (1) reject any or all offers if such action is in the HA's interest,
- (2) accept other than the lowest offer,
- (3) waive informalities and minor irregularities in offers received, and (4) award more than one contract for all or part of the requirements stated.

(c) If this solicitation is a request for proposals, the HA may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint.

(d) A written award or acceptance of offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall result in a binding contract without further action by either party. If this solicitation is a request for proposals, before the offer's specified expiration time, the HA may accept an offer, whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an offer do not constitute a rejection or counteroffer by the HA.

(e) Neither financial data submitted with an offer, nor representations concerning facilities or financing, will form a part of the resulting contract.

## **8. Service of Protest**

Any protest against the award of a contract pursuant to this solicitation shall be served on the HA by obtaining written and dated acknowledgment of receipt from the HA at the address shown on the cover of this solicitation. The determination of the HA with regard to such protest or to proceed to award notwithstanding such protest shall be final unless appealed by the protestor.

## **9. Offer Submission**

Offers shall be submitted as follows and shall be enclosed in a sealed envelope and addressed to the office specified in the solicitation. The proposal shall show **the hour and date specified in the solicitation for receipt, the solicitation number, and the name and address of the offeror, on the face of the envelope.**

It is very important that the offer be properly identified on the face of the envelope as set forth above in order to insure that the date and time of receipt is stamped on the face of the offer envelope. Receiving procedures are: date and time stamp those envelopes identified as proposals and deliver them immediately to the appropriate contracting official, and only date stamp those envelopes which do not contain identification of the contents and deliver them to the appropriate procuring activity only through the routine mail delivery procedure.

[Describe bid or proposal preparation instructions here:]

# Certifications and Representations of Offerors Non-Construction Contract

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No: 2577-0180 (exp. 7/30/96)

Public reporting burden for this collection of information is estimated to average 5 minutes 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 form includes clauses required by OMB's common rule on bidding/offering procedures, implemented by HUD in 24 CFR 85.36, and those requirements set forth in Executive Order 11625 for small, minority, women-owned businesses, and certifications for independent price determination, and conflict of interest. The form is required for nonconstruction contracts awarded by Housing Agencies (HAs). The form is used by bidders/offerors to certify to the HA's Contracting Officer for contract compliance. If the form were not used, HAs would be unable to enforce their contracts. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

## 1. Contingent Fee Representation and Agreement

(a) The bidder/offeror represents and certifies as part of its bid/offer that, except for full-time bona fide employees working solely for the bidder/offeror, the bidder/offeror:

(1) ☐ has, ☐ has not employed or retained any person or company to solicit or obtain this contract; and

(2) ☐ has, ☐ has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(b) If the answer to either (a)(1) or (a) (2) above is affirmative, the bidder/offeror shall make an immediate and full written disclosure to the PHA Contracting Officer.

(c) Any misrepresentation by the bidder/offeror shall give the PHA the right to (1) terminate the resultant contract; (2) at its discretion, to deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

## 2. Small, Minority, Women-Owned Business Concern Representation

The bidder/offeror represents and certifies as part of its bid/offer that it:

(a) ☐ is, ☐ is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.

(b) ☐ is, ☐ is not a women-owned small business concern. "Women-owned," as used in this provision, means a small business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.

(c) ☐ is, ☐ is not a minority enterprise which, pursuant to Executive Order 11625, is defined as a business which is at least 51 percent owned by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals.

For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- |   |   |
|---|---|
| <input type="checkbox"/> Black Americans    | <input type="checkbox"/> Asian Pacific Americans  |
| <input type="checkbox"/> Hispanic Americans | <input type="checkbox"/> Asian Indian Americans   |
| <input type="checkbox"/> Native Americans   | <input type="checkbox"/> Hasidic Jewish Americans |

## 3. Certificate of Independent Price Determination

(a) The bidder/offeror certifies that—

(1) The prices in this bid/offer have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder/offeror or competitor relating to (i) those prices, (ii) the intention to submit a bid/offer, or (iii) the methods or factors used to calculate the prices offered;

(2) The prices in this bid/offer have not been and will not be knowingly disclosed by the bidder/offeror, directly or indirectly, to any other bidder/offeror or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a negotiated solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the bidder/offeror to induce any other concern to submit or not to submit a bid/offer for the purpose of restricting competition.

(b) Each signature on the bid/offer is considered to be a certification by the signatory that the signatory:

(1) Is the person in the bidder/offeror's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or

(2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above (insert full name of person(s) in the bidder/offeror's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder/offeror's organization);

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

- (c) If the bidder/offeror deletes or modifies subparagraph (a)2 above, the bidder/offeror must furnish with its bid/offer a signed statement setting forth in detail the circumstances of the disclosure.

#### **4. Organizational Conflicts of Interest Certification**

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under a proposed contract and a prospective contractor's organizational, financial, contractual or other interest are such that:

- (i) Award of the contract may result in an unfair competitive advantage;
- (ii) The Contractor's objectivity in performing the contract work may be impaired; or
- (iii) That the Contractor has disclosed all relevant information and requested the HA to make a determination with respect to this Contract.

- (b) The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the HA which shall include a description of the action which the Contractor has taken or intends to eliminate or neutralize the conflict. The HA may, however, terminate the Contract for the convenience of HA if it would be in the best interest of HA.

- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this Contract and intentionally did not disclose the conflict to the HA, the HA may terminate the Contract for default.

- (d) The Contractor shall require a disclosure or representation from subcontractors and consultants who may be in a position to influence the advice or assistance rendered to the HA and shall include any necessary provisions to eliminate or neutralize conflicts of interest in consultant agreements or subcontracts involving performance or work under this Contract.

#### **5. Authorized Negotiators (RFPs only)**

The offeror represents that the following persons are authorized to negotiate on its behalf with the PHA in connection with this request for proposals: (list names, titles, and telephone numbers of the authorized negotiators):

#### **6. Conflict of Interest**

In the absence of any actual or apparent conflict, the offeror, by submission of a proposal, hereby warrants that to the best of its knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement, as described in the clause in this solicitation titled "Organizational Conflict of Interest."

#### **7. Offeror's Signature**

The offeror hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

---

Signature & Date:

---

Typed or Printed Name:

---

Title:

---



# General Conditions for Non-Construction Contracts

## Section I — (With or without Maintenance Work)

## U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Office of Labor Relations

OMB Approval No. 2577-0157 (excl. 11/30/2023)

Public Reporting Burden for this collection of information is estimated to average one hour 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. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number.

**Applicability.** This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:

- 1) **Non-construction contracts** (*without* maintenance) **greater than \$250,000 - use Section I;**
- 2) **Maintenance contracts** (including nonroutine maintenance as defined at 24 CFR 905.100) **greater than \$2,000 but not more than \$250,000 - use Section II; and**
- 3) **Maintenance contracts** (including nonroutine maintenance), **greater than \$250,000 — use Sections I and II.**

### Section I - Clauses for All Non-Construction Contracts greater than \$250,000

#### 1. Definitions

The following definitions are applicable to this contract:

- (a) "Authority or Housing Authority (HA)" means the Housing Authority.
- (b) "Contract" means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
- (c) "Contractor" means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
- (d) "Day" means calendar days, unless otherwise stated.
- (e) "HUD" means the Secretary of Housing and Urban development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

#### 2. Changes

- (a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
- (b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
- (c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a

proposal submitted before final payment of the contract.

- (d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
- (e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

#### 3. Termination for Convenience and Default

- (a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
- (b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
- (c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.
- (d) If, after termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the HA, and the Contractor shall be entitled to payment as described in paragraph (b) above.
- (e) Any disputes with regard to this clause are expressly made subject to the terms of clause titled Disputes herein.

#### 4. Examination and Retention of Contractor's Records

- (a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

- 
- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
  - (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:
    - (i) appeals under the clause titled Disputes;
    - (ii) litigation or settlement of claims arising from the performance of this contract; or,
    - (iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

#### **5. Rights in Data (Ownership and Proprietary Interest)**

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

#### **6. Energy Efficiency**

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

#### **7. Disputes**

- (a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section 111, Labor Standards Provisions, including any claims for damages for the alleged breach there of which are not disposed of by agreement, shall be resolved under this clause.
- (b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.
- (c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.
- (d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.
- (e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

#### **8. Contract Termination; Debarment**

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

#### **9. Assignment of Contract**

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

#### **10. Certificate and Release**

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor in stated amounts set forth therein.

#### **11. Organizational Conflicts of Interest**

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
  - (i) Award of the contract may result in an unfair competitive advantage; or
  - ( ) The Contractor's objectivity in performing the contract work may be impaired.
- (b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the HA may terminate the contract for default.
- (d) The terms of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

#### **12. Inspection and Acceptance**

- (a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any

product of work shall be deemed accepted as submitted if the HA does not issue written comments and/or required corrections within 30 days from the date of receipt of such product from the Contractor.

- (b) The Contractor shall make any required corrections promptly at no additional charge and return a revised copy of the product to the HA within 7 days of notification or a later date if extended by the HA.
- (c) Failure by the Contractor to proceed with reasonable promptness to make necessary corrections shall be a default. If the Contractor's submission of corrected work remains unacceptable, the HA may terminate this contract (or the task order involved) or reduce the contract price or cost to reflect the reduced value of services received.

### 13. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

### 14. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the governing body of the locality in which the project is situated, no member of the governing body in which the HA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

### 15. Limitation on Payments to Influence Certain Federal Transactions

(a) Definitions. As used in this clause:

"Agency", as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal Action" means any of the following Federal actions:

- (i) The awarding of any Federal contract;
- (ii) The making of any Federal grant;
- (iii) The making of any Federal loan;
- (iv) The entering into of any cooperative agreement; and,
- (v) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before 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 any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (i) An individual who is appointed to a position in the Government under title 5, U.S.C., including a position under a temporary appointment;
- (ii) A member of the uniformed services as defined in section 202, title 18, U.S.C.;
- (iii) A special Government employee as defined in section 202, title 18, U.S.C.; and,
- (iv) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, appendix 2.

"Person" means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Recipient" includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, or cooperative agreement. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibition.

- (i) Section 1352 of title 31, U.S.C. provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay 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 any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal 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.

(v) The prohibition does not apply as follows:

(1) Agency and legislative liaison by  
Own Employees.

(a) The prohibition on the use of appropriated funds, in paragraph (i) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.

(b) For purposes of paragraph (b)(i)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by subdivision (b)(ii)(1)(a) of this clause are permitted under this clause.

(2) Professional and technical services.

(a) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply in the case of-

(i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(i) Any reasonable payment to a person, other than an officer or employee of a

person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(b) For purposes of subdivision (b)(ii)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by subdivisions (b)(ii)(2)(a)(i) and (ii) of this section are permitted under this clause.

(iii) Selling activities by independent sales representatives.

(c) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

(i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

(e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.

## 16. Equal Employment Opportunity

During the performance of this contract, the

Contractor/Seller agrees as follows:

(a) The [contractor/seller] will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, disability, or national origin. The

[contractor/seller] 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, disability, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The [contractor/seller] 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.

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

(c) The [contractor/seller] 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 [contractor/seller]'s legal duty to furnish information.

(d) The [contractor/seller] 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 [contractor/seller]'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.

(e) The [contractor/seller] 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.

(f) The [contractor/seller] 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.

(g) In the event of the [contractor/seller]'s non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the [contractor/seller] 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.

(g) In the event of the [contractor/seller]'s non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the [contractor/seller] 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.

(h) The [contractor/seller] will include the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor/seller or vendor. The [contractor/seller] 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 [contractor/seller] becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the [contractor/seller] may request the United States to enter into such litigation to protect the interests of the United States.

## 17. Equal Opportunity for Workers with Disabilities

1. The [contractor/seller] will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The [contractor/seller] agrees to take affirmative action to employ and advance in employment individuals with disabilities, and to treat qualified individuals without discrimination on the basis of their physical or mental disability in all employment practices, including the following:

- i. Recruitment, advertising, and job application procedures;
- ii. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
- iii. Rates of pay or any other form of compensation and changes in compensation;
- iv. Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
- v. Leaves of absence, sick leave, or any other leave;
- vi. Fringe benefits available by virtue of employment, whether or not administered by the [contractor/seller];
- vii. Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
- viii. Activities sponsored by the [contractor/seller] including social or recreational programs; and
- ix. Any other term, condition, or privilege of employment.

2. The [contractor/seller] agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

3. In the event of the [contractor/seller] noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

4. The [contractor/seller] agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the [contractor/seller]'s obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities.

The [contractor/seller] must ensure that applicants or employees with disabilities are provided the notice in a form that is accessible and understandable to the individual applicant or employee (e.g., providing Brail or large print versions of the notice, or posting a copy of the notice at a lower height for easy viewing by a person using a wheelchair). With respect to employees who do not work at a physical location of the [contractor/seller], a [contractor/seller] will satisfy its posting obligations by posting such notices in an electronic format, provided that the [contractor/seller] provides computers, or access to computers, that can access the electronic posting to such employees, or the [contractor/seller] has actual knowledge that such employees otherwise are able to access the electronically posted notices. Electronic notices for employees must be posted in a conspicuous location and format on the company's intranet or sent by electronic mail to employees. An electronic posting must be used by the [contractor/seller] to notify job applicants of their rights if the [contractor/seller] utilizes an electronic application process. Such electronic applicant notice must be conspicuously stored with, or as part of, the electronic application.

5. The [contractor/seller] will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the [contractor/seller] is bound by the terms of section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment, and shall not discriminate against, individuals with physical or mental disabilities.

6. The [contractor/seller] will include the provisions of this clause in every subcontract or purchase order in excess of \$ 10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to section 503 of the act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director, Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

7. The [contractor/seller] must, in all solicitations or advertisements for employees placed by or on behalf of the [contractor/seller], state that all qualified applicants will receive consideration for employment and will not be discriminated against on the basis of disability.

## 18. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

## 19. Contractor's Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims suits, actions and costs of every description resulting from the Contractor's activities on behalf of the HA in connection with this Agreement.

## 20. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

## 21. Liens

The Contractor is prohibited from placing a lien on HA's property. This prohibition shall apply to all subcontractors.

## 22. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

- (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. 1701u (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 extent 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 75, which implement 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 75 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 prioritization requirements, and shall state the minimum percentages of labor hour requirements established in the Benchmark Notice (FR-6085-N-04)..
- (d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 75, and agrees to take appropriate 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 75. 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 75.
- (e) Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts
- (f) Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of 24 CFR Part 75.

## 23. Procurement of Recovered Materials

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure 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. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract



---

## SECTION 3 BUSINESS CONCERN SELF CERTIFICATION

The Fayetteville Housing Authority is seeking to extend the benefits of and to promote compliance with Section 3 by identifying Section 3 Business Concerns and targeting Section 3 Business Concerns for business opportunities, events and educational programs.

In an effort to comply with Federal Section 3 Regulations which promote contract, employment, and training opportunities for Section 3 residents, the Fayetteville Housing Authority has instituted a Section 3 Self Certification process.

Applicants seeking certification must complete and submit the attached Section 3 Business Concern Self Certification forms are as follow:

1. If your company is qualified because it is owned (51% or more) by one or more Section 3 residents, then complete **Form A, "Section 3 Business Concern – Resident Business Owner(s)";**  
**OR**
2. If your company is qualified because 30% or more of its full-time permanent workforce are Section 3 Residents\*, then complete **Form B, "Section 3 Business Concern – 30% + Workforce".**  
**OR**
3. If more than 25% of all subcontract work to be awarded shall be performed by Section 3 business concerns as described above, then complete **Form C, "Section 3 Business Concern-Subcontractor".**

Please answer all questions, sign the completed forms, and notarize the affidavit. Completed packets may be returned to Fayetteville Housing Authority, 1 N. School Ave., Fayetteville, AR 72701.

If you have any questions or require assistance, please do not hesitate to the Fayetteville Housing Authority.

Fayetteville Housing Authority  
1 N. School Ave.  
Fayetteville, AR 72701  
479-521-3850



## **SECTION 3 TERMS AND TERMINOLOGY**

### **1. What is Section 3?**

Section 3 is a provision of the Housing and Urban Act (HUD) of 1968 that helps foster local economic development, neighborhood improvement, and self-sufficiency. It's a HUD-funded program that generates employment, training, and contracting opportunities to low and very low income persons or businesses.

### **2. What does the term "Section 3 Resident" mean?**

- A. A public housing resident/Section 8 HCV recipient; or
- B. Low or very low-income person residing in the metropolitan or non-metropolitan county area.
- C. A homeless person residing in a metropolitan or non-metropolitan county area.

### **3. What does the term "Section 3 Business Concern" mean?**

- A. 51% or more owned by a Section 3 resident; or
- B. At least 30% of its full-time employees including Section 3 residents, or business concerns.
- C. Provide evidence, as required of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications in the above paragraph.

### **4. How does it differ from MBE/WBE?**

Section 3 is both race and gender neutral. It is based on income level and location.

### **5. What is a Section 3 covered project?**

A Section 3 covered project involves the construction or rehabilitation of housing, or other public construction such as street repair, sewage line repair or installation, updates to building facades, etc.

### **6. What is a Metropolitan Area?**

Metropolitan Statistical Area (MSA)

### **7. What is a new hire?**

A new hire is a full-time employee for a new permanent, temporary, or seasonal position that is created from a Section 3 related covered project.

### SECTION 3 BUSINESS CONCERN APPLICATION

**\*All Applicants Must Complete This Form\***

**Business Name:** \_\_\_\_\_

**D.B.A. (If different from above):** \_\_\_\_\_

**Address:** \_\_\_\_\_ (City)  
\_\_\_\_\_  
(State) (Zip)

**Business Phone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

**Email:** \_\_\_\_\_ **Business Website:** \_\_\_\_\_

**Employer ID #:** \_\_\_\_\_ **Owner(s) Social Security # (if no EIN) :** \_\_\_\_\_

**Contact Person & Title:** \_\_\_\_\_

**Description of Business:** \_\_\_\_\_

**Date Business was established:** \_\_\_\_\_ **Contact Phone:** \_\_\_\_\_  
Month/Day/Year

**My company is a Section 3 Business Concern (check one):** ☐ Yes ☐ No

If **yes**, provide the information below. If **no**, proceed to **Form D**

**Type of Business Entity (check one):**

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Corporation                         | <input type="checkbox"/> Partnership                         | <input type="checkbox"/> Sole Proprietorship |
| <input type="checkbox"/> Limited Liability Corporation (LLC) | <input type="checkbox"/> Limited Liability Partnership (LLP) | <input type="checkbox"/> Joint Venture       |

**Check all that apply:**

☐ WBE ☐ MBE ☐ DBE

**I certify that the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 Business Concern.**

\_\_\_\_\_  
Person, Firm, or Corporation

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

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

\_\_\_\_\_  
Date

### SECTION 3 BUSINESS CONCERN Resident Business Owner(s) – Form A

A business can be certified as a Section 3 Business Concern if the business is owned (51% or more) by a Section 3 Resident(s).

Name of Owner: \_\_\_\_\_

Home Address: \_\_\_\_\_

Name of Business: \_\_\_\_\_

Percentage of Ownership: \_\_\_\_\_%

**Please Attach:** ☒ Proof of Public Housing Assistance (PHA) Lease or Section 8 HCV Lease

☐ Proof of Sangamon County Residence ☐ Current Business Tax Returns

☐ Proof of Public Assistance (TANF, MEDCAID, WIC)

Check the appropriate box for your family size and income:

Check Box	# of Persons in Household	Gross Household Income Max.
<input type="checkbox"/>	1 Individual	46,900
<input type="checkbox"/>	2 Individuals	53,600
<input type="checkbox"/>	3 Individuals	60,300
<input type="checkbox"/>	4 Individuals	66,950
<input type="checkbox"/>	5 Individuals	72,350
<input type="checkbox"/>	6 Individuals	77,700
<input type="checkbox"/>	7 Individuals	83,050
<input type="checkbox"/>	8 individuals	88,400

*If the business is owned by more than one Section 3 resident, each should submit a separate Resident Business Owner – Form A. List each owner below:*

Please list additional Section 3 Resident owners of the business below:

Name	Position	% Percentage of Ownership

**I certify that I am a resident of Fayetteville, AR and my total household income last year was not more than the amount shown above for my family size. I further certify the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 Business Concern.**

\_\_\_\_\_  
Person, Firm, or Corporation

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

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

\_\_\_\_\_  
Date

### Section 3 BUSINESS CONCERN 30% + Workforce – Form B

A business can be certified as a Section 3 Business Concern if at least 30% of its permanent, full-time employees are Section 3 residents, or were Section 3 residents within three years of the date of the first employment with the business. For your firm to be eligible UNDER THIS CRITERIA, you must provide the following information for **all permanent fulltime employees**. **Copy this form if necessary.**

Number of Section 3 Residents:				
Section 3 % of Total Workforce:				
<b>List All Employees</b>	<b>Date Hired</b>	<b>*Section 3 Resident</b>	<b>Job Title/Trade</b>	<b>Salary Range</b>
Name: Address: City/Zip				
Name: Address: City/Zip				
Name: Address: City/Zip				
Name: Address: City/Zip				
Name: Address: City/Zip				
Name: Address: City/Zip				
Total Number of Employees:	<b>Full-Time:</b>	<b>Part-Time:</b>		

\*All identified Section 3 residents listed above are required to complete a Section 3 Resident Self Certification form.

**I certify that the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 Business Concern.**

\_\_\_\_\_  
Person, Firm, or Corporation

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## SECTION 3 BUSINESS CONCERN SUBCONTRACTOR AWARDED – FORM C

A business can be certified as a Section 3 Business Concern if the firm makes a commitment to subcontract in excess of twenty-five percent (25%) of the total amount of subcontracts to be awarded to: A) Section 3 Resident Owned Businesses; or B) Businesses for which 30% or more of their permanent full-time workforce is comprised of Section 3 Residents.

List all work performed by Section 3 Business Concerns:

Name of Business	Qualifying Conditions	Projected Subcontract Estimate
	<input type="checkbox"/> Section 3 Resident Owned	
	<input type="checkbox"/> 30% Section 3 Resident	
	<input type="checkbox"/> Section 3 Resident Owned	
	<input type="checkbox"/> 30% Section 3 Resident	
	<input type="checkbox"/> Section 3 Resident Owned	
	<input type="checkbox"/> 30% Section 3 Resident	
	<input type="checkbox"/> Section 3 Resident Owned	
	<input type="checkbox"/> 30% Section 3 Resident	

All identified Section 3 Business Concerns listed above are required to complete a Section 3 Self Certification Application and Form A or B as applicable to the subcontractor. Required documents should be attached to this form.

**I certify that the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 business concern.**

\_\_\_\_\_  
Person, Firm, or Corporation

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

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

\_\_\_\_\_  
Date

## Workforce – Form D

You must provide the following information for **all permanent full-time employees**.

**Copy this form if necessary.**

List All Employees	Date Hired	Job Title/Trade	Salary Range
Name: Address: City/Zip			
Name: Address: City/Zip			
Name: Address: City/Zip			
Name: Address: City/Zip			
Name: Address: City/Zip			
Name: Address: City/Zip			
Name: Address: City/Zip			
<b>Total Number of Employees:</b>	<b>Full-Time:</b>	<b>Part-time:</b>	

**I certify that the information provided is true and accurate and agree to provide upon request, documents verifying the information submitted to qualify as a Section 3 Business Concern.**

\_\_\_\_\_  
Person, Firm, or Corporation

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

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

\_\_\_\_\_  
Date

### SECTION 3 PREFERENCE INCOME VERIFICATION FORM

A Section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in 24 CFR 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

#### CERTIFICATION FOR SECTION 3 RESIDENT

I, \_\_\_\_\_, am a legal resident of Sangamon County and qualify as a Section 3 Resident because I meet the income guidelines for a low or very-low income person as outlined in the Area Median Income Limit Chart below.

**AREA MEDIAN HOUSEHOLD INCOME LIMITS FOR FAYETTEVILLE, AR (FY 2022)**

<b>Family Size</b>	<b>1 Person</b>	<b>2 Persons</b>	<b>3 Persons</b>	<b>4 Persons</b>	<b>5 Persons</b>	<b>6 Persons</b>	<b>7 Persons</b>	<b>8 Persons</b>
<b>Low Income (80%)</b>	46,900	53,600	60,300	66,950	72,350	77,700	83,050	88,400

My permanent address is: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

Number of individuals living in my household: \_\_\_\_\_

My total annual household income for the previous calendar year is: \$ \_\_\_\_\_

#### I have attached following documentation as evidence of my status:

\_\_\_\_\_ Copy of current W-2 documents or copy of my current personal taxes

#### And any two the following:

\_\_\_\_\_ Proof of participation in a federal, state, or local public assistance program

\_\_\_\_\_ Proof of public assistance (i.e., TANF, Food Stamps, Medicaid)

\_\_\_\_\_ Proof of Public Housing Assistance (PHA) Lease or Section 8 HCV Lease

## WORKFORCE PROJECTION

**\*All Applicants Must Complete This Form\***

Job Category	Total Estimated Positions Needed for Project	Number of Positions Held by Permanent Employees	Number of Positions Not Occupied	Number of Positions to be Held by Section 3 Residents
Supervisor				
Professional				
Technical				
Office/Clerical				
Other				
<b>Trade:</b>				
Journeyman				
Apprentice				
Trainee				
Unskilled				
<b>Trade:</b>				
Journeyman				
Apprentice				
Trainee				
Unskilled				
<b>Trade:</b>				
Journeyman				
Apprentice				
Trainee				
Unskilled				

If necessary, please feel free to make additional copies for other trade categories.

\_\_\_\_\_  
Person, Firm, or Corporation

\_\_\_\_\_  
Printed Name

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



I certify that my answers are true and complete to the best of my knowledge.

**Affidavit:**

I declare and affirm penalty of prosecution for perjury that the statements made in this application and attached documents are true and accurate to the best of my knowledge. I understand that falsifying information and incomplete statements will disqualify certification status.

\_\_\_\_\_  
Company name

(Corporate Seal)

\_\_\_\_\_  
Signature of authorized representative

\_\_\_\_\_  
Typed or printed name of authorized representative

\_\_\_\_\_  
Official title

\_\_\_\_\_  
Date

*Signed, sealed and delivered in the presence of:*

\_\_\_\_\_  
Signature of Notary Public

My commission expires: \_\_\_\_\_



## FAYETTEVILLE HOUSING AUTHORITY 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. 1701U (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 extent 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 implement 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 worker's 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 appropriate 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 this 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 contracts 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).

The undersigned agrees to comply with the Section 3 Guidelines as referenced by HUD regulations in 24 CFR part 135 as amended.

\_\_\_\_\_  
Person, Firm, or Corporation

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

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

\_\_\_\_\_  
Date



1 NORTH SCHOOL AVE., FAYETTEVILLE, AR 72701-5928  
479.521.3850 | FAX: 479.442.6771 | TDD: 1.800.285.1121  
[www.FayettevilleHousingAuthority.org](http://www.FayettevilleHousingAuthority.org)



## HOLD HARMLESS AGREEMENT FOR GENERAL CONTRACTOR AND SUBCONTRACTOR

The contractor shall indemnify and hold harmless the Fayetteville Housing Authority (FHA) and its employees from and against all claims for personal injury or property damage, including claims against the FHA, its agents or servants, arising out of or caused in whole or in part by any negligent act or omission of the contractor, any subcontractor, anyone directly or indirectly employed by any of them, or anyone of whose acts any of them may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder, for any and all losses and expenses, including attorney fees, that may be incurred by the FHA defending such claim, arising out of or resulting from the performance of the work. In any and all claims against the FHA, or any of its agents or servants, by an employee of contractor, subcontractor, or anyone directly or indirectly employed by any one of them or anyone for whose acts any of them may be liable, the indemnification obligation under this paragraph shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the contractor or subcontractor under Workers Compensation Acts, Disability Acts, or their Employee Benefits Act.

I \_\_\_\_\_, representing \_\_\_\_\_

by my signature acknowledge that I have read and understand the Hold Harmless Agreement and indemnify the Fayetteville Housing Authority. This agreement becomes a part of the contract.

By \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

