

ATTACHMENT 3 FEDERAL REQUIREMENTS

The following provisions shall be applicable to this Agreement and binding on Contractor and Agency only if all or part of the funds to be paid for work performed under this Agreement are provided by the United States Department of Housing and Urban Development (other than Community Development Block Grant funds) or some other funding program of the federal government. In the event of a dispute as to the applicability of any of the following provisions to Contractor's work under this Contract, Agency's decisions shall be final.

1. **DEFINITIONS.** For purposes of this contract and in addition to definitions made elsewhere in this contract, the following quoted words and phrases contained in this Contract shall have the following meanings:
 - a) The "Act" is the federal Housing and Community Development Act of 1974, as amended.
 - b) "Cost Objective" generally means a service, program, project or activity in which costs can be assigned to and measured from. See 2 CFR §200.28.
 - c) "Allocable Costs" are particular to a Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. See 2 CFR §200.405.
 - d) "Direct costs" are those costs that can be identified specifically with a particular final cost objective or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. See 2 CFR §200.413.
 - e) "Indirect costs" means those costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted without effort disproportionate to the results achieved. See 2 CFR §§ 200.56, 200.413, and 200.414.
 - f) "Reasonable Costs" include costs that are generally recognized as ordinary and necessary for the operation or efficient performance of the contract or award and do not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. See 2 CFR §200.404.

2. **ANTI-KICKBACK RULES.** Monthly, or more often, Contractor must, without condition, pay the salaries of architects, draftsmen, technical engineers and technicians performing work under this Contract. Such payments shall be made without deduction or rebate, excepting only such payroll deductions as are mandatory by law or permitted by applicable regulations issued by the Secretary of Labor pursuant to the "Anti-Kickback Act" of June 13, 1937 (Title 18 U.S.C., Section 874). Contractor shall comply with all applicable "Anti-Kickback" regulations and shall insert appropriate provisions in all subcontracts covering work under this Contract to ensure compliance by subcontractors with such regulations. Contractor shall be responsible for the submission of affidavits required of subcontractors under this Contract, except for such variations or exemptions as the Secretary of Labor may specifically allow.

3. **WORK HOURS.** Contractor must comply with the provisions of the Contract Work Hours and Safety Standards Act (40 U.S.C. Sections 3701-3708) and must cooperate with Agency in implementing and enforcing the provisions of such Act. Among other requirements of the act, Contractor must pay not less than one and one-half times the basic rate of pay for the work of Contractor's employee in excess of eight hours in one day or forty hours in one week, in the performance of this Contract. Contractor must insert appropriate provisions in all subcontracts covering work under this Contract to ensure compliance with such Act. Contractor must meet and cooperate with Agency's Labor Compliance officer to assure compliance with such Act.

4. **WITHHOLDING OF SALARIES.** If, in the performance of this Contract, there is any underpayment of salaries by Contractor or by any subcontractor, Agency must withhold from Contractor out of payments due to him or her any amount sufficient to pay employees underpaid the difference between the salaries required under this Contract to be paid and the salaries actually paid such employees for the total number of hours worked. The amounts withheld shall be disbursed by Agency for and on account of Contractor or subcontractor to the respective employees to whom they are due.

5. CLAIMS AND DISPUTES PERTAINING TO SALARY RATES. Claims and disputes pertaining to salary rates or to classification of architects, draftsmen, technical engineers and technicians performing work under this Contract must be promptly reported in writing by Contractor to Agency for the latter's decision which shall be final with respect thereto.

6. EQUAL EMPLOYMENT OPPORTUNITY REQUIREMENTS:

- i. Contractor will send to each labor union or representative of workers with whom he or she has a collective bargaining agreement or other contract or understanding, a notice to be provided by Agency, advising the labor union or workers' representative of Contractor's commitments under Section 202 of Executive order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- ii. Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- iii. Contractor will furnish all information and reports required by Executive Order No. 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 or her books, records and accounts by Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

7. ECONOMIC OPPORTUNITY EMPLOYMENT REQUIREMENTS. The following is applicable to all contracts related to the project which is the subject of this Contract.

- i. The work to be performed under this Contract is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. §1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given to lower-income residents of the project area and contracts be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.
- ii. The parties to this Contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this Contract.
- iii. The contract requires that, to the greatest extent feasible, opportunities for training and employment be given to lower-income residents of the project area.
- iv. The parties to this Contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- v. Contractor will send to each labor organization or representative of workers with which he or she has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or workers' representative of his or her commitments under this Employment Clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
- vi. Contractor will include this Employment Clause in every subcontract for work in connection with the project.
- vii. Each Contractor or subcontractor undertaking work in connection with a Section 3 covered project must fulfill its obligation to utilize lower-income project area residents as employees to the greatest extent feasible by:
 - (1) Identifying the number of positions in the various occupational categories including

skilled, semi-skilled, and unskilled labor, needed to perform each phase of the Section 3 covered project;

(2) Identifying the positions described in Paragraph (1) of this Section, the number of positions in the various occupational categories which are currently occupied by regular, permanent employees;

(3) Identifying the positions described in Paragraph (1) of this Section, the number of positions in the various occupational categories which are not currently occupied by regular permanent employees;

(4) Establishing the positions described in Paragraph (3) of this Section, a goal which is consistent with the purpose of this subpart within each occupational category of the number of positions to be filled by lower income residents of the Section 3 covered project area; and

(5) Making a good faith effort to fill all of the positions identified in Paragraph (4) of this Section with lower income project area residents, first and foremost, through the First Source Program.

(6) Making a good faith effort to fill the positions identified in Paragraph (4) of this Section with lower-income project area residents.

8. DAVIS-BACON ACT. Unless expressly indicated otherwise in this Contract, if this Contract is for construction, alteration, or repair (including painting and decorating) of public buildings or public works, Contractor must comply with the provisions of the Davis-Bacon Act (40 U.S.C. §3142) and all rules, regulations and orders promulgated under said Act. Among other provisions, said act establishes minimum wages and fringe benefits; prohibits deductions or rebates from payments; provides for the withholding of funds to assure compliance with wage provisions; and provides for the termination of this Contract and debarment of the Contractor for failure so to comply.

9. CONFLICT OF INTEREST. No member, officer or any employee of Contractor, or its designees or agents, who exercises any functions or responsibilities with respect to the program during his or her tenure or for one (1) year thereafter, shall have an interest, direct or indirect, in any contract or its proceeds, for work to be performed in connection with the program assisted under this Contract. Contractor must incorporate, or cause to be incorporated, in all subcontracts a provision prohibiting such interest pursuant to the purposes of this Section.

10. DISCRIMINATION BECAUSE OF CERTAIN LABOR MATTERS. No person employed on the work covered by this Contract shall be discharged or in any way discriminated against because he or she has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable to his or her employer under this Contract.

11. RECORDS, REPORTING AND MONITORING. Agency may monitor the adequacy of Contractor's performance in any manner which Agency deems most effective. Contractor must cooperate with Agency in such monitoring. Subrecipient must keep all necessary books and records, including loan documentation and financial records, in connection with the operation and services performed under this Contract and must document all transactions so Agency may properly audit all expenditures made pursuant to this Contract. Subrecipient must maintain and preserve all records related to this Contract in its possession for a period of three (3) years from the completion date of this Contract, unless otherwise directed by Agency. All books, records and accounts kept by Subrecipient in connection with the performance of this Contract shall be made available for inspection by representatives of the federal government and/or Agency staff as required to monitor or audit the program.

In addition to the reports specified in this Contract, Subrecipient shall retain the records required by the applicable provisions of 24 CFR §570.506 and provide the Agency with the reports required pursuant to 2 CFR §§ 200.328, 200.333, and 200.343, and such other records and reports as the Agency may reasonably require in the administration of this Contract. Subrecipient shall keep all other necessary books and records, including property, personnel, loan documentation and financial records, in connection with the operation and services performed under this Contract, in accordance with the provisions of Executive Order 11246 and 2 CFR §200.333. Subrecipient shall conduct audits in accordance with 2 CFR, Part 200, Subpart F. . Subrecipient shall document all

transactions sufficiently for Agency to properly monitor and audit all expenditures made pursuant to this Contract.

12. DRUG FREE WORKPLACE. Contractor must comply with the Drug-Free Workplace Act of 1988 (final rule published on May 25, 1990) and Agency's policies and rules promulgated under the Act. Contractor must obtain such policies and rules from the Agency

13. RESEARCH AND DEVELOPMENT (R & D). Funds may not be used for R & D. R & D means all research and development related activities, both basic and applied, that are performed by non-Federal entities. See 2 CFR §200.87 for additional information on R & D.

14. COSTS. All costs must be necessary and reasonable for the performance of the federal award and be allocable thereto under these principles per 2 CFR §§ 200.403 and 404. Classifying a particular cost as direct or indirect depends on whether it can be identified directly with a cost objective (such as a project or activity) without disproportionate effort. All costs must comply with 2 CFR Part 200, Subpart E-Cost Principles (2 CFR §§ 200.420-200.475).

The contractor may elect, but is not required, to charge for indirect costs. If the contractor chooses to charge for indirect costs, the maximum indirect cost rate is 10% (*de minimis*), unless an indirect cost rate has been previously negotiated with and approved by the agency which is the federal agency responsible for reviewing, negotiating and approving cost allocation plans or indirect cost rate proposals. The negotiated rate must be accepted by all federal awarding agencies.

15. FOOD, TRAVEL AND ENTERTAINMENT. Travel costs may include expenses for transportation, lodging and subsistence, and are only allowable for employees who are in travel status on official business and approved as part of this contract or with prior written approval and are specifically related to this contract. Costs must be considered reasonable and must not exceed charges allowed by contractor's Out of Town Travel Policy. See 2 CFR §200.474 for additional information on travel costs and www.shra.org for the Out of Town Travel Policy.

The costs of entertainment, including amusement, diversion and social activities and any associated costs are not allowed except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the federal award or with prior written approval. All entertainment costs must comply with 2 CFR §200.438. In addition, the costs of alcoholic beverages are not allowed under 2 CFR §200.423.

16. CHANGES IN LAWS AND REGULATIONS. In the event an applicable law or regulation is modified or eliminated, or a new law or regulation is adopted, the revised law or regulation **shall automatically supersede the contract's scope of work and any attachments. The most current exhibits, laws and regulations will be posted at www.shra.org.**

17. OTHER FEDERAL REQUIREMENTS. Agency must provide Contractor with all relevant program information regarding the federal programs having jurisdiction over this Contract. Agency must assist Contractor in the interpretation of the requirements of such programs. Contractor shall be considered to be familiar with the requirements of such programs and shall comply with such requirements.