

Flint Housing Commission

Section 3 Policy

For purposes of this Section 3 policy, the following terms and conditions shall apply.

Definitions

Applicant – Any entity which makes an application for Section 3 Covered Assistance, and includes, but is not limited to, any State, unit of local government, public housing agency or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association.

Board – the Board of Commissioners of the FHC.

Business Concern – a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

City – the City of Flint, Michigan.

Contractor - any entity which contracts to perform work generated by the expenditure of Section 3 Covered Assistance, or for work in connection with a Section 3 Covered Project.

Department Director – the head of an FHC department.

FHC – the Flint Housing Commission, a Michigan public body corporate.

Family Self-Sufficiency (FSS) - programs as defined by 24 CFR Part 984

Employment Opportunities Generated by Section 3 Covered Assistance – all employment opportunities generated by the expenditure of Section 3 Covered Assistance, i.e., operating assistance, development assistance and modernization assistance, as described in Section 135.3 (a) (1). With respect to Section 3 Covered Assistance, this term means all employment opportunities arising in connection with Section 3 Covered Projects, as described in 24 CFR 135.3 (a) (2)), including management and administrative jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

Executive Director – the chief executive officer of the FHC appointed by the Board.

Housing Development – low-income housing owned, developed, or operated by public housing agencies in accordance with HUD's public housing program regulations codified in 24

CFR Chapter IX.

HUD – the United States Department of Housing and Urban Development.

JTPA– The Job Training Partnership Act (29 U.S.C. 1579 (a)).

Low-Income Person – families, including single persons, whose income(s) does not exceed 80% of the median income for the area, as determined by the Secretary of HUD, with adjustments for smaller and larger families, except that the Secretary of HUD may establish income ceilings higher or lower than 80% of the median for the area on the basis of the Secretary of HUD’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families.

Metropolitan Statistical Area – a metropolitan statistical area (MSA), as established by the United States Office of Management and Budget.

New Hires – full-time employees for permanent, temporary or seasonal employment opportunities.

Recipient – any entity which receives Section 3 Covered Assistance, directly from HUD or from another Recipient and includes, but is not limited to, any State, unit of local government, public housing agency, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include Contractors.

Section 3 – Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 Business Concern – a Business Concern,

- 1) That is 51% or more owned by Section 3 resident(s): or
- 2) Whose permanent, full-time employees include persons, at least 30% of whom are currently Section 3 residents, or who were section 3 residents at the time the persons were employed by the business but whose income now exceed the income level of a low or very low-income person, and the date of first employment by the business concern has not exceeded a period of three years.; or
- 3) That provides evidence 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 set forth in paragraphs 1 or 2 above.

Section 3 Clause – the contract provisions set forth in 24 CFR 135.38 are required to be included in all Section 3 Covered Contracts. All section 3 covered contracts shall include the following clause (referred to as the section 3 clause)

A. The work to be performed under this Contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, i.e., 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 Contractor agrees to comply with Section 3 and HUD's regulations in 24 CFR Part 135, which implement Section 3. The Contractor certifies that it is under no contractual or other impediment that would prevent it from complying with the 24 CFR Part 135 regulations. The Contractor also agrees to comply with FHC's Section 3 Policy and FHC's Standard Operating Procedure for Implementing FHC's Section 3 Policy.

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

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon finding a subcontractor 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 the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify any vacant employment positions, including training positions, 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 this provision 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).

Section 3 Covered Assistance

- 1) Housing Development assistance provided pursuant to Section 5 of the 1937 Act;
- 2) public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
- 3) public housing modernization assistance provided pursuant to Section 14 of the 1937 Act;
- 4) assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 Contract – a contract or subcontract awarded by a Recipient or Contractor for work generated by the expenditure of Section 3 Covered Assistance or for work arising in connection with a Section 3 Covered Project. Section 3 contracts do not include contracts for the purchase of supplies and materials unless the contract includes the installation of the materials.

Section 3 Resident – a public housing resident or a Low-Income Person or Very Low- Income Person who resides in the Metropolitan Area in which the Section 3 Covered Assistance is expended.

Section 3 SOP – the Standard Operating Procedure for Implementing FHC’s Section 3 Policy.

Subcontractor – any entity, other than a person who is an employee of the Contractor, which has a contract with a Contractor to undertake a portion of the Contractor’s obligation for the performance of work generated by the expenditure of Section 3 Covered Assistance or arising in connection with a Section 3 Covered Project.

24 CFR Part 135 – federal regulations at 24 CFR 135 Subtitle A, et. al.: Economic Opportunities for Low- and Very Low Income Persons; Interim and Final Rules

Very Low-Income Person – families, including single persons, whose income does not exceed 50% of the median family income for the area, as determined by the Secretary of HUD with adjustments for smaller and larger families, except that the Secretary of HUD may establish income ceilings higher or lower than 50% of the median for the area on the basis of the Secretary of HUD’s findings that such variations are necessary because of unusually high or low family incomes.

I. OVERVIEW

As an entity that receives funding from HUD, FHC is obligated to comply with Section 3 as implemented through 24 CFR Part 135. The purpose of Section 3 is to ensure employment and other economic opportunities generated by HUD assistance shall, to the greatest extent feasible, be directed to Low and Very-Low Income Persons, particularly those who are recipients of HUD housing assistance.

This policy details how FHC and its Contractors will implement the actions necessary to comply

with 24 CFR Part 135. The prescribed actions are designed to insure both FHC and its Contractors take affirmative action(s) to provide economic opportunities to Section 3 eligible persons.

FHC is committed, “to the greatest extent feasible”, to:

- hiring Section 3 eligible households to fill 30% of the aggregate number of new FHC hires each year;
- insuring FHC Contractors hire Section 3 eligible persons to fill 30% of the aggregate number of new hires; and
- insuring FHC and its Contractors award at least 10% of the subcontracts for building trades, maintenance, repair, modernization or development work to Section 3 Business Concerns; and
- insuring FHC and its Contractors award at least 3% of the total dollar amount of all other Section 3 Contracts to Section 3 Business Concerns.

All Applicants, bidders, Contractors and Subcontractors are encouraged to review the complete text of FHC’s Section 3 Policy and the Section 3 SOP. Both documents may be obtained, on line at FHC’s website, www.flinthc.org, or, at no cost, by contacting the Flint Housing Commission, 3820 Richfield Road, Flint, Michigan 48506, Telephone (810)736-3050.

II. REQUIRED CONTRACT LANGUAGE

Every FHC Section 3 Contract shall include a Section 3 Clause that contains language which requires Contractors to comply with Section 3, 24 CFR Part 135 and the provisions of FHC’s Section 3 Policy and the Section 3 SOP. Furthermore, every Applicant, Recipient, contracting party, Contractor, and Subcontractor shall incorporate, or cause to be incorporated into all Section 3 Contracts the language in the Section 3 Clause (see the Definitions for the language).

III. SETTING SECTION 3 GOALS

FHC and its Contractors and Subcontractors are responsible for establishing Section 3 goals. Such goals will reflect a commitment to hiring Section 3 Residents and/or subcontracting work to qualified Section 3 Business Concerns. Contractors shall demonstrate compliance with the “greatest extent feasible” requirement of Section 3 by selecting one of the following:

1. Meeting the numerical goals set forth in this section for providing employment or training opportunities to residents of public housing or other low income persons (section 3 residents);
2. Subcontracting work for the covered contract to a Section 3 Certified Business Concern(s);
3. Provide other economic opportunities to low income persons;
4. Contributing to FHC’s Educational and Training Fund; or
5. Becoming a Section 3 Certified Business Concern

Each proposal must provide an implementation plan in narrative form that identifies the chosen method of compliance and the supporting evidence for that compliance method as outlined below.

A. The Hiring and Training Method of Compliance

Every contractor and subcontractor choosing to provide training or employment opportunities in order to comply with Section 3, must commit, in writing, to the following:

When additional personnel are needed to complete the contract work, 30% of all new hires will be Section 3 residents. If the contractor hires only one employee, that employee will be a Section 3 resident.

FHC's order of preference for Section 3 hires is as follows:

1. Section 3 Residents living in a housing development owned or operated by FHC and receiving housing assistance (category 1 residents);
2. Section 3 Residents living in a housing development not owned or operated by FHC but receiving housing assistance administered through FHC (category 2 residents);
3. Section 3 Residents residing in Genesee County receiving housing assistance through a HUD agency (category 3 residents);
4. Section 3 Residents residing in the MSA receiving housing assistance through a HUD agency (category 4 residents);
5. Participants in HUD Youthbuild programs being carried out in the Flint metropolitan area;
6. Other Section 3 residents (category 4 residents).

The contractor shall maintain all records, reports and other documents to demonstrate compliance with the Section 3 requirements.

Implementation of Section 3 by the contractor may be accomplished using the following examples. The examples provided are not all inclusive. Additional examples of efforts to offer training and employment opportunities to Section 3 Residents may be found in the Appendix to 24 CFR part 135 Appendix 1.

- a. Advertising training and employment positions by distributing flyers which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process to occupied dwelling units in FHC development(s) and/or in public spaces at FHC administration areas where housing assistance is administered and/or contacting qualified Section 3 individuals previously identified as showing an interest in similar opportunities .
- b. Contacting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild program participants for the contractor's training and employment positions.
- c. Consulting with State and local agencies administering training programs funded through JTPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations, organized labor agencies or other officials or organizations to assist with recruiting Section 3 residents for the contractor's training and employment

positions.

- d. Advertising the positions to be filled through the local media, such as public television channels, newspapers of general circulation, and radio advertising.

B. The Subcontracting Method of Compliance

Every Contractor choosing to subcontract with Section 3 Business Concerns in order to comply with Section 3, must commit, in writing, to the following:

Subcontract at least 10% of the dollar value of the contract to Section 3 Business Concerns for building trades work for maintenance, repair, modernization or development or for building trades work arising in connection with the execution of the Section 3 Contract activity. The Contractor will satisfy this goal through contracts awarded by its Subcontractors.

Subcontract at least 3% of the dollar value of the Section 3 Contract to Section 3 Business Concerns for work not classified through the Davis-Bacon Act and the U.S. Department of Labor. This category generally applies to professional service contracted activity. The Contractor will satisfy this goal through contracts awarded by its Subcontractors.

The order of preference for subcontracting is specified in Section E. below.

C. The Other Economic Opportunities Method of Compliance

Every Contractor choosing to provide other economic opportunities in order to comply with Section 3, must commit, in writing, to the following:

Undertake efforts to provide economic opportunities other than training, employment and subcontract awards to Section 3 residents, Section 3 Business Concerns or entities that administer Family Self-Sufficiency (FSS) programs as defined by 24 CFR Part 984.

Other economic opportunities to train and employ Section 3 residents include, but need not be limited to, use of "upward mobility", "bridge", and hiring Section 3 residents in part-time positions.

Contractors or Subcontractors may provide economic opportunities to establish, stabilize or expand Section 3 Business Concerns. Such opportunities may include, but are not limited to, the formation of Section 3 joint ventures, financial support for affiliating with franchise development, use of labor only contracts for building trades, or purchase of supplies and materials from Section 3 Business Concerns. Contractors and Subcontractors may utilize these methods directly or may provide financial incentives to non-Section 3 business concerns to provide economic opportunities to Section 3 residents.

This Other Economic Opportunities method of compliance provides for Contractors to meet their Section 3 requirements by providing resources to Section 3 Residents or Business Concerns which may be more achievable based on the operations of the Contractor. Implementation of other economic opportunities may be accomplished using the following examples. The examples provided are not all inclusive.

- a. Extending purchasing discounts to a Section 3 Business Concern who would otherwise not qualify for volume discounts.
- b. Donating materials or equipment to a Section 3 Resident, Section 3 Business Concern or an entity administering FSS programs.
- c. Use of “upward mobility”, “bridge”, and hiring Section 3 residents in long-term part-time positions.

All actions intended to meet Other Economic Opportunities must directly or indirectly contribute to a Section 3 Resident’s increase in earned income or reduction of their dependence on rental subsidy or other State or Federal housing related assistance.

D. The Education/Training Fund Method of Compliance

A Contractor may satisfy its Section 3 goal by contributing an amount equivalent to 2% of the amount paid (not awarded) to the Contractor through a Section 3 Contract to a FHC approved education and/or training fund that provides assistance to Section 3 residents, Section 3 Business Concerns or an entity that administers a FSS program.

This method of compliance may be selected at any point during the award, execution or closeout of a Section 3 Contract in order for a Contractor to satisfy their Section 3 obligation. If it is determined a Contractor did not satisfy their Section 3 obligations “to the greatest extent feasible” FHC may impose a liability of 2% payment due to the Flint Housing Commission Educational & Training Fund. The amount due by the Contractor to the Educational and Training fund may be reduced by an amount less than 2% of the payments received by the Contractor if the Contractor made an effort to meet their Section 3 obligations that can be assigned a monetary value which was less than 2% of the Contract. Payments to the Educational & Training Fund are due within one (1) year after the expiration of the Contract. Failure by Contractors to meet their Section 3 obligations, including making payments to the Educational & Training Fund, may impact consideration for future awards.

Example: A Contractor receives \$100,000 in payments through a Section 3 Contract. The Contractor, through an Other Economic Opportunity, provides a laptop computer with a value of \$1,500 to an entity administering a FSS program and makes no other efforts to comply with Section 3. The Contractor would then be liable to pay the Educational & Training Fund \$500. ($\$100,000 * 2\% = \$2,000$; $\$2,000 - \$1,500 = \$500$)

E. The Section 3 Certified Business Concern Method of Compliance

Contractors and Subcontractors may demonstrate compliance by becoming a certified Section 3 Business Concern. Section 3 Business Concerns are defined as follows:

1. Category 1 Businesses - Section 3 Business Concerns that are 51% or more owned by Section 3 Residents.
2. Category 2 Business – A Section 3 Business Concern whose full-time, permanent workforce includes 30% Section 3 Residents as employees.
3. Category 3 Businesses – Section 3 Business Concerns that subcontracts in excess of 25% of the total amount of subcontracts to Category 1 or Category 2 business concerns.

If this compliance method is chosen, a Contractor or Subcontractor seeking to become a Section 3 certified Business Concern shall submit such evidence, as may be reasonably required by FHC that the Contractor or Subcontractor qualifies as a Section 3 Business Concern in one of the 4 categories outlined above. Such evidence may include, but is not limited to, an affidavit certifying that 30% of the subject Contractor's or Subcontractor's employees are low-income as defined by federal guidelines; documentation to prove the Business Concern is actively recognized as a Certified Section 3 Business Concern by HUD or MSHDAS; household income of the business owner; a list of employees and the household income of each employee, etc.

Also, a Section 3 Business Concern seeking a contract or subcontract shall submit such evidence, as may be reasonably required, sufficient to demonstrate to FHC that the Section 3 Business Concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract.

F. Consideration of Section 3 Compliance/Plan in the Awarding Section 3 Covered Contracts

FHC will take the proposed Section 3 plan into consideration in awarding Section 3 covered contracts as follows:

1. For competitively negotiated contracts (when price is not the primary determination for award) compliance with Section 3 requirements must be one of the evaluation criteria. This criterion shall have a minimum value of 5 points to a maximum value of 15 points depending upon the nature of the services requested under the Section 3 covered contract.
2. For fixed price contracts, generally sealed bids, (when price is the primary determinate for an award) the following procedure will be applied:

Preference in the award of Section 3 covered contracts awarded under a sealed bid process will be provided as follows:

Bids shall be solicited from all businesses (Section 3 Business Concerns, and Non-Section 3 business concerns). An award shall be made to the qualified Section 3 Business Concern with the highest priority ranking and with the lowest responsive bid if that bid is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible Non-Section 3 Concern bidder. "X" is determined as follows:

When The Lowest Responsive Bid Is:	X-lesser of:
Less than \$100,000	10% of that bid or \$9,000.
At least \$100,000, but less than \$200,000	9% of that bid, or \$16,000.
At least \$200,000, but less than \$300,000	8% of that bid, or \$21,000.
At least \$300,000, but less than \$400,000	7% of that bid, or \$24,000.
At least \$400,000, but less than \$500,000	6% of that bid, or \$25,000.
At least \$500,000, but less than \$1 million	5% of that bid, or \$40,000.
At least \$1 million, but less than \$2 million	4% of that bid, or \$60,000.
At least \$2 million, but less than \$4 million	3% of that bid, or \$80,000.
At least \$4 million, but less than \$7 million	2% of that bid, or \$105,000.
At least \$7 million or more	1-1/2% of the lowest responsive bid, with no dollar limit.

If **Flint Housing Commission (FHC)** elects to award the Contract, FHC will make the award

to the Bidder who submitted the lowest responsive, responsible Bid (including the Section 3 preference) conforming in all material respects with the requirements stated above, that is, the Contract shall be awarded to a responsible Bidder with the lowest responsive bid.

G. Right to Reject Bid/Proposal as Non-Responsive

If the Offeror fails to submit a Section 3 plan with its proposal, the Offeror's proposal may be rejected as non-responsive.

IV. COMPLIANCE MONITORING AND PERFORMANCE REVIEWS

FHC has the right, authority and responsibility to monitor the Contractor's implementation of each element of the Contractor's Section 3 plan, including awarding subcontracts and Section 3 hiring and training. FHC staff shall develop and implement a Section 3 SOP that includes strategies required to accomplish the monitoring function and to implement this Section 3 policy. If voluntary compliance cannot be obtained, sanctions, described and referenced in Section VI below, may be imposed by FHC to enforce compliance. FHC reserves the right to allow contractors to comply with Section 3 by combining or adjusting methods of compliance when necessary to ensure the overall goal of compliance with Section 3 is being met to the greatest extent feasible. It is desired that contractors select a single method of compliance. However, in some instances particularly when contractors have difficulty complying with a single method, an alternative method of compliance may be approved by FHC.

The Contractor shall provide status report(s) as requested by FHC staff identifying its progress in meeting its Section 3 goals. The status report shall be in at least the same level of detail as the approved Section 3 Plan and provided within ten (10) days of request. For any goal not met, the report shall identify any other economic opportunities, which the Contractor has provided, or intends to provide to Section 3 Residents and the dollar value of each.

V. INFORMATION REGARDING FLINT HOUSING COMMISSION EDUCATIONAL & TRAINING FUND

A Contractor may satisfy its Section 3 goal by contributing to the FHC Section 3 Education & Training Fund an amount equivalent to 2% of the amount paid to the Contractor under the Section 3 Contract. These funds will be used to pay for resources which reduce barriers or provide opportunities for Section 3 Residents to increase their earned income or reduce their dependence on rental subsidy or other State or Federal housing related assistance. The Fund can provide assistance to Section 3 Residents, Section 3 Business Concerns or entities administering FSS programs. These funds can be used for education, training, testing, certifications or licensing for Section 3 residents. Contributions shall be made payable and mailed to the Flint Housing Commission Education & Training Fund, 3820 Richfield Road, Flint, MI 48506.

Payments from the FHC Education & Training Fund to Section 3 Residents will not exceed \$1,500 per calendar year. Payments to a Section 3 Business from the Educational & Training Fund will not exceed \$1,500 per year. A Section 3 Resident who owns a Section 3 Business(es) may not receive more than \$1,500 combined from the Educational & Training Fund per calendar year.

Examples of eligible uses of Flint Housing Commission Education & Training Funds:

- a. Rental or purchase of equipment required for employment or educational training purposes.
- b. Supplies needed for education and training purposes.
- c. Assistance with first-time license or exam/test fees.
- d. Approved transportation expenses for Section 3 Residents to attend a Section 3 activity.
- e. ACT/SAT prep courses, college entrance exams, and college/technical/vocational application fees.
- f. First pay-period stipend.
- g. Uniform, tools, or supplies required as a term of employment prior to first pay-period.
- h. Passing or successful course completion, certifications, examinations or licensing.

Examples of ineligible uses of Flint Housing Commission Educational & Training Funds:

- a. Utility payments
- b. Payment of unsuccessful course completion, certifications, examinations or licensing.
- c. Payments for licenses or certifications which will not contribute to the Section Residents financial self-sufficiency
- d. Payments to assist with the establishment of a medical marijuana dispensary business.
- e. Payment for medical expenses
- f. Payment for counseling unless directly related to employment of the Section 3 Resident
- g. Payment of administrative expenses incurred by FHC to administer these funds.

FHC shall maintain Educational & Training Funds separate from all other funds.

The FHC Finance Department will track individual contributions and expenditures and will report this information to the Board annually.

VI. ENFORCEMENT MEASURES

If the Contractor fails to submit a Section 3 plan with its bid, the Contractor's bid may be rejected as non-responsive.

If the Contractor fails to comply with its Section 3 obligations, enforcement measures that FHC may utilize singularly or in combination, at its sole discretion, include but are not limited to:

- (a) Withhold some or all future contract payments pertaining to the Section 3 Contract determined to be in non-compliance or any other contract the Contractor may have with FHC until compliance has been achieved;
- (b) Withhold a portion of the Contractor's final payment as liquidated damages;
- (c) Terminate the contract;
- (d) Impose a suspension from future FHC contracting opportunities for a period not to exceed 12 months; or

(e) Impose debarment from future participation in FHC contracting opportunities for up to three years.

Contractors may appeal sanctions imposed by FHC for non-compliance with this Section 3 Policy utilizing the appeal procedures in Section VIII. B., Suspension and Debarment, of FHC's Procurement Policy.

VII. REPORTING

The Executive Director or designee shall submit an annual report to the FHC Board of Commissioners detailing the accomplishments related to the Section 3 policy.