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## Diversity Contract Requirements

As a HUD-funded Illinois corporation, CHA mandates that all contractors meet federal requirements to ensure workers, public housing residents and certain minority, women or disadvantaged business enterprises benefit from the use of federal funds.

These requirements are outlined in the following:

- Davis Bacon Act
- CHA's MBE/WBE/DBE
- Section 3 policies

### Davis Bacon Act

The Davis Bacon Act (DBA) requires the payment of appropriate prevailing wage rates for all Federal construction projects in excess of \$2,000. The Department of Labor (DOL) determines the customary wage. A copy of the wage decision is included in each bid package. The goal of the Davis-Bacon Act is to protect the statutory rights of construction workers by ensuring they are being paid appropriately for HUD or HUD "Related Acts" construction projects.

Failure to comply with Davis-Bacon regulation could lead to a breach of contract and debarment from further participation in HUD programs.

[Login and enter your certified payroll reports](#) for your CHA construction contract.

[Login to B2GNow.](#)

### MBE/WBE/DBE

The Chicago Housing Authority mandates that Minority, Women, Disadvantaged Business Enterprises and Section 3 Business Concerns have the maximum opportunity to participate in the execution of contracts financed in whole or in part with federal funds. Therefore, bidders, proposers or contractors and their subcontractors or suppliers must comply with CHA's Diversity and Inclusion Requirements (see Forms and Documents) to ensure these business enterprises can benefit through every contract with the Authority.

The CHA does not certify MBE/WBE/DBE businesses, but will accept MBE/WBE/DBE certification from the following agencies or reciprocal agencies:

- City of Chicago
- Cook County
- Pace

- Metra
- Chicago Transit Authority (CTA)
- State Of Illinois Central Management Services (CMS)
- Small Business Administration (SBA)
- Chicago Minority Supplier Development Council (CMSDC)
- Illinois Department of Transportation (IDOT)
- Women's Business Development Center (WBDC)

## Section 3

Section 3 is a provision of the Housing and Urban Development Act of 1968. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

Prime Contractors are required to meet the regulations set forth in 24 CFR Part 75, and is intended to provide guidance to CHA Contractors in furthering CHA's efforts to comply with Section 3 Rule. Contractors may be subject to additional compliance requirements to facilitate CHA's efforts in fostering the employment of Section 3 Workers and the development of Section 3 Business Concerns.

The CHA requires Prime Contractors to submit payroll and Labor Hours worked on a monthly basis. The CHA utilizes these payroll and hiring reports to monitor compliance, as set forth in 24 CFR 75.15.30(b). Prime Contractors will be required to report:

- (i) The total number of labor hours worked;
- (ii) The total number of labor hours worked by Section 3 workers; and
- (iii) The total number of labor hours worked by Targeted Section 3 workers.

*Consult the Department of Housing and Urban Development for [more information](#) on Section 3 definitions. (Link leads to a non-CHA site and will open in a new window.)*

## Minimum Wage Requirements

Contractors must pay the specified minimum wage in this Requirement to those employees who are considered to be providing work to the CHA under the Contract. The specified minimum wage will apply primarily to contracts for services to the CHA, though some employees (or contractors) on supply contracts may be covered.