



**SMALL ORDER BID #13-01206 for  
INVESTMENT PORTFOLIO SOFTWARE PACKAGE  
September 12, 2013**

---

Required for use by:

**THE CHICAGO HOUSING AUTHORITY  
TREASURY DEPARTMENT**

**All bids shall be faxed to:**

**(312) 913-7063**

**Attn: Carlyn E. Augustave  
Email: [caugustave@thecha.org](mailto:caugustave@thecha.org)  
Phone: (312) 913-7636**

**SMALL ORDER BIDS MAY BE RECEIVED PRIOR TO, BUT NOT LATER THAN  
11:00 a.m. Local Time on Monday, September 23, 2013**

**ISSUED BY:  
DEPARTMENT OF PROCUREMENT AND CONTRACTS**

**Charles Woodyard, Chief Executive Officer  
Thomas N. Serafini, Assistant Director of Procurement & Contracts**

# CHICAGO HOUSING AUTHORITY WORKSHOP SERIES

## DEPARTMENT OF PROCUREMENT AND CONTRACTS

The CHA's Department of Procurement and Contracts is providing  
Monthly Workshops to Assist Business Owners in Doing Business with  
the Chicago Housing Authority

**\*\*All Workshops are Free \*\***

### 2013 Workshop Schedule



CAPITAL CONSTRUCTION WORKSHOP	January 24, 2013
INTRODUCTION TO CHA BONDING AND INSURANCE REQUIREMENTS/ HUD CONSTRUCTION REQUIREMENTS	March 28, 2013
OVERVIEW OF DOING BUSINESS WITH CHA PRIVATE PROPERTY MANAGEMENT FIRMS	May 23, 2013
INFORMATIONAL PANEL DISCUSSION WITH CERTIFYING AGENCIES: CITY OF CHICAGO, METRA, COOK COUNTY, WOMEN'S' BUSINESS DEVELOPMENT CENTER , CENTRAL MANAGEMENT SERVICES, CHICAGO MINORITY SUPPLIER DEVELOPMENT COUNCIL & SMALL BUSINESS ADMINISTRATION ETC.,	July 25, 2013
OVERVIEW OF CHA EVALUATION PROCESS AND DEBRIEFING	September 25, 2013
OVERVIEW OF COMPLIANCE REQUIREMENTS/ SECTION 3 BUSINESS CONCERNS	November 28, 2013

**\*\*All Workshops will take place from 10:00am to 12:00pm on the designated date\*\***

**Location: Charles A. Hayes Family Investment Center  
4859 S. Wabash  
Chicago, IL. 60615**

**RSVP via website: <http://dpcworkshopseries2013.eventbrite.com>**

**For more information, e-mail [logden@thecha.org](mailto:logden@thecha.org).**



## VENDOR COMPLIANCE REPORTING SYSTEM

The Chicago Housing Authority (CHA) utilizes B2Gnow and LCPtracker in order to monitor the compliance requirements for the M/W/DBE, Davis-Bacon, and Section 3 policy requirements.

The ***Vendor Compliance Reporting System*** replaces paper reporting processes with a streamlined online process to help facilitate compliance reporting requirements for all companies doing business with the CHA.

The system is accessible to **ALL** CHA prime contractors (as well as subcontractors) and each contractor is required to utilize the secure web-based system for electronic submission of information related to M/W/DBE, Davis-Bacon, and Section 3 compliance.

### **Key Features:**

- Automated communication with contractors via email regarding compliance issues
- Submission of contractors' utilization reports online with automated tracking of contract goals and participation, as well as verification of subcontractor payments through the ***B2Gnow*** System
- Certified Payroll Reporting online through ***LCPtracker*** eliminates paper reporting and streamlines the process for vendors and CHA staff

Please know that the CHA remains committed to helping each contractor use this product and service. The following resources are available:

1. **Vendor Technical Assistance and Support**
  - Technical and/or Training Questions, please send an email to [cha@diversitycompliance.com](mailto:cha@diversitycompliance.com)
2. **Online, downloadable training aids**
  - On Line manual
  - Webinars

***We are confident that the simplicity of this program will provide an efficient means of doing business with the CHA.***



**Invitation for Bid #13-01206**  
**INVESTMENT PORTFOLIO SOFTWARE PACKAGE**  
**September 12, 2013**

**SCOPE OF SERVICES**

The Chicago Housing Authority (“CHA”) Treasury Department is seeking a software company / software developer to provide a software system solution to maintain the CHA portfolio of investments, valued at approximately \$500 million. The annual software license must include system support, release updates, upgrades interface, and security pricing service. See attached Treasury Report (Attachment I).

The system must be able to price securities on request, daily if needed, using a standard reputable pricing service, in order to mark-to-market on a regular basis. It must also calculate purchased interest, interest receivable, monthly amortization schedules and payments due for mortgages, agencies, treasuries, and all types of investments that meet the CHA allowable investments criteria as per the CHA Board approved Investment Policy (last page of Attachment II).

The system must support all normal bond characteristics such as multiple call schedules, variable rates, step-up bonds, canary bonds, etc. with various payment frequencies and date basis calculations.

The software must be able to produce a full accounting interface to the CHA General Ledger – Lawson Systems. The breakdown must be by Fund, Cost Center, General Ledger Account, and Sub-Account.

Full Cash Management capabilities including account register updates, safekeeping account management, interest calculations and postings, certificates of deposit and collateralization is required.

A full array of standardized investment reporting, as well as report writer capabilities is required. A partial list of required reporting includes but is not limited to the following:

- 1) Investment Activity Reports (Purchases, Sales, Payments Posted, Cash Flow)
- 2) Accounting Reports (Interest Accruals, Premium Discount Amortization, Interest Received, General Ledger Interface, General Ledger at Par)
- 3) Earnings Reports (Investment Earnings Summary, Earnings and Yield Summary, Graphical Representations)
- 4) Status Reporting (Open Investments, Portfolio Composition, Average Days to Maturity, Duration and Modified Duration Reporting)
- 5) Market Reporting (Portfolio Value at Market, Total Return at Market, Collateral Value at Market, Portfolio Benchmarking)

Standard report fields include but are not limited to:

- 1) CHA Fund Number
- 2) Account Register Number
- 3) CUSIP Number
- 4) Sequential Investment Number
- 5) Security Description (including issuer, coupon, maturity date, etc)
- 6) Purchase Date
- 7) Call Date
- 8) Variable Rates
- 9) Purchase Institution
- 10) Safekeeping Institution
- 11) Broker Name and Number
- 12) Delivery Instructions for Fed-Book entry and DTC
- 13) Yield to maturity
- 14) Yield to Call
- 15) Original Par
- 16) Original Cost
- 17) Premium Discount
- 18) Ending Unit Price
- 19) Ending Par Value
- 20) Unamortized Premium/Discount
- 21) Original Face Value
- 22) Gain / Loss
- 23) Interest / Dividend Income
- 24) Other

The system must be able to electronically transfer all trade information to CHA banking institutions for the settlement of trading activity (purchases, full sales, partial sales, free transfers, called bonds), for both DTC and Fed-Book entry settlement. **BMO Harris** is the CHA's primary safekeeping banking institution; therefore the system solution must be able to upload trades through the **BMO Harris On-Line Business for Banking (OLBB)** module.

### **QUESTIONS**

All questions must be submitted in writing and faxed to Carlyn E. Augustave at 312-913-7063, or emailed to [caugustave@thecha.org](mailto:caugustave@thecha.org) no later than **Tuesday, September 17, 2013 at 12:00 p. m. Central Standard Time.**

### **INSURANCE**

A copy of your insurance Certificate and Endorsement is required at the time of contract award: Please include the following insurance requirements: General Liability \$1,000,000/\$2,000,000, Professional Liability \$2,000,000. CHA is to be named as an additional insured on the general liability policy and such insurance shall be endorsed as primary and non-contributory to any other insurance available to the CHA. CHA must be listed as the Certificate Holder

### **BILLING:**

All invoices for billing should be forwarded to:

Chicago Housing Authority  
Accounts Payable  
60 East Van Buren St. 11<sup>th</sup> Floor  
Chicago, Illinois 60605

All invoices must be signed, dated, and reference the services provided, quantities procured, unit prices and purchase order number. All pertinent documentation must accompany the invoice(s) for timely processing. If the Contractor has more than one (1) purchase order/contract, separate invoices must be prepared for each purchase/contract. **Taxes shall not be charged to the CHA.**

**PAYMENT:**

The CHA will process payment within thirty (30) calendar days after receipt of acceptable invoice(s) completed in accordance with the terms specified herein, and all supporting documentation necessary for the CHA to verify the services invoiced.

**TERM:**

The term of the contract will commence upon approval of the CHA and continue for a base period of three (3) years, with two (2) one-year renewal options.

**GENERAL CONDITIONS:**

General conditions for purchase orders, and HUD 5.1 "Mandatory Contract clauses for small purchases other than construction" are attached and made a part hereof.

**SUBMITTALS:**

1. Schedule B - Section 3 Utilization Plan
2. Schedule C- MWDBE and Section 3 Subs
3. A sample copy of Certificate of Insurance

**If you are in agreement and will comply with the requirements, please sign all fee proposal pages, affix your signature below and return ALL forms. Please send your response via fax at 312-913-7063 or via email at [caugustave@thecha.org](mailto:caugustave@thecha.org) to the attention of Carlyn E. Augustave, Procurement Specialist.**

**All bids must be received by Monday, September 23, 2013 at 11:00 a.m. Local Time.**

\_\_\_\_\_  
Name of Firm

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Fax Number

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

\_\_\_\_\_  
Date

**FEE PROPOSAL FORM**

**The cost for year 2014 is for the initial purchase of the software; the following years are for the annual renewal of the license which must include system support, release updates, upgrades, interface, security and pricing service.**

<b><u>Description</u></b>	<b><u>Grand Total</u></b>
<b>Annual Service Cost</b>	
2014	\$ _____
2015	\$ _____
2016	\$ _____
<b>3 YEAR CONTRACT TERM TOTAL AMOUNT</b>	<b>\$ _____</b>
 <b>2 ADDITIONAL 1 YEAR OPTIONS (COST PER YEAR)</b>	
<b>Option Year 1 - 2017</b>	<b>\$ _____</b>
<b>Option Year 2 - 2018</b>	<b>\$ _____</b>

**NOTE: RESPONDENTS SHALL QUOTE ALL ITEMS AND COMPLETE ALL BLANKS AND SIGN THE FEE PROPOSAL FORM OR THE BID MAY BE DEEMED NON-RESPONSIVE.**

\_\_\_\_\_  
Bidder's Name

\_\_\_\_\_  
Bidder's Firm

\_\_\_\_\_  
Date

ATTACHMENT I

**Chicago Housing Authority  
Treasury Report  
July 31st, 2013  
Portfolio Composition/Performance  
\$487,160,727**

<i>Security</i>	<i>Composite Yield</i>	<i>Amount</i>	<i>% of Total</i>	<i>Duration</i>	<i>Amount</i>	<i>% of Total</i>
Certificate of Deposit	0.48%	20,250,000	4.16%	0-12 months	222,281,281	45.63%
FNMA Pass through	2.21%	641,394	0.13%	1-4 years	166,085,481	34.09%
FFCB Bond	0.90%	15,513,774	3.18%	5-9 years	64,106,918	13.16%
FHLB	0.76%	72,630,008	14.91%	over 10 years	34,687,047	7.12%
FHLB Discount	0.11%	9,996,828	2.05%	<b>Portfolio Total</b>	<b>\$487,160,727</b>	<b>100.00%</b>
Cash	0.00%	324,304	0.07%			
FHLMC	0.75%	97,011,569	19.91%			
Farmer Mac	1.24%	12,499,917	2.57%			
CMO	1.85%	3,944,816	0.81%			
FHLMC Pass through	2.56%	2,034,633	0.42%			
GNMA	1.71%	19,840,067	4.07%			
FNMA	0.85%	90,685,614	18.62%			
FNMA Discount	0.13%	9,997,803	2.05%			
Tennessee Valley Authority	1.40%	1,620,582	0.33%			
Treasury Bill	0.11%	9,995,329	2.05%			
Treasury Note	1.15%	9,820,940	2.02%			
HUD Veteran Admin Mortg	1.47%	580,737	0.12%			
HUD Project Note	1.20%	5,127,538	1.05%			
US Commercial Paper	0.21%	53,196,554	10.92%			
SBA Loan Pool	3.76%	1,454,048	0.30%			
Municipal Bonds	1.43%	18,802,397	3.86%			
Government Money Market	0.05%	31,191,875	6.40%			
<b>Portfolio Total</b>		<b>\$487,160,727</b>	<b>100.00%</b>			

<i>Fund</i>	<i>Balance Current (000)</i>	<i>% of Total (000)</i>	<i>Balance Last Month (000)</i>	<i>Change in Balance (000)</i>	<i>Monthly Yield %</i>	<i>YTD Earnings (000)</i>	<i>YTD Yield %</i>
<b>Total General Fund</b>	<b>\$373,678</b>	<b>100%</b>	<b>\$371,770</b>	<b>\$1,908</b>	<b>0.72%</b>	<b>\$1,433</b>	<b>0.66%</b>
Capital Project Fund	89,659	79.0%	89,619	40	1.45%	735	1.51%
Insurance Reserve	23,824	21.0%	23,819	5	1.30%	234	1.70%
<b>Total Reserve Funds</b>	<b>113,483</b>	<b>100%</b>	<b>113,438</b>	<b>45</b>		<b>969</b>	
<b>Grand Total Investments</b>	<b>\$487,161</b>		<b>\$485,208</b>	<b>\$1,953</b>		<b>\$2,402</b>	

United States economy added approximately 170,000 jobs for July, less than expected. Unemployment rate dropped to 7.4%.  
 US yield curve has risen in connection with possible Federal Reserve bond buying slowing. 10 year note trades at 2.60%.  
 CHA General Fund increased slightly this month, note that cash and investments is approximately \$100 million higher than original forecast.  
**Current Rates: 08/09/2013- 6 month US T-Bill--0.07%, 2 Year US T-Note-0.30%, 5 Year US T-Note 1.37%**



## ATTACHMENT II

### CHICAGO HOUSING AUTHORITY Investment Policy

#### **I. Purpose**

The purpose of this Investment Policy (this “Policy”) is to provide guidelines for investing funds of the Chicago Housing Authority (the “Authority” or “CHA”) in a manner, which will ensure the safety of principal, provide liquidity to meet anticipated expenditures and maximize the return on invested funds.

#### **II. Responsibilities**

The Treasurer is designated as the Investment Officer and is responsible for investment decisions and activities under the supervision of the Chief Financial Officer (CFO).

These activities will be conducted in full compliance with the Cash Management and Investment Policies and Procedures of the US Department of Housing and Urban Development (“HUD”), to the extent applicable.

The Investment Officer shall develop and maintain written procedures for the operation of the Investment program, consistent with this Policy. Such procedures will include explicit delegation of authority to persons responsible for investment transactions.

No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the Investment Officer, as approved by the CFO.

The Investment Officer shall be responsible for all transactions undertaken and shall establish a system of controls to supervise and regulate the activities of subordinates.

All CHA bank accounts and investment accounts will be maintained at the designated bank, except as provided by loan or other agreements.

Investment performance evaluation will be based on appropriate benchmarks as indicated further in this Policy.

Investments shall be made in compliance with the Illinois Public Funds Investment Act, 30 ILCS 235/1 et seq. (the “Act”).

#### **III. Investment Objectives**

1. Safety of principal is the primary objective. All demand deposits in excess of the FDIC insured deposit limit (currently \$250,000) must be 100 % collateralized with U.S. Government securities.

## **Investment Policy**

2. The investment portfolio must be sufficiently liquid to meet anticipated operating expenditures when such expenditures become due, based on a daily, weekly, quarterly and annual cash flow projection.
3. The investment portfolio should achieve the maximum return possible consistent with the above stated objectives of safety of principal and liquidity and allowing for risk factors such as market fluctuation in price and interest rate trends.

## **IV. Permitted Investments**

1. See Attached Table (last page)
2. The securities described above may be acquired pursuant to agreements entered into between the Authority (or a trustee or agent on behalf of the Authority) and suppliers of such securities. Pursuant to such agreements, suppliers agree to sell to the Authority (or any such trustee or agent) specified securities on specific dates at specific prices. These specific terms and all other material terms will be established at the time of execution and delivery of any such agreements, and the transactions will be as set forth in such agreements.
3. Investments authorized by the Act shall be considered permissible investments.

## **V. Prohibited Transactions**

The following transactions are not in compliance with current applicable policy/statute and are prohibited:

When Issued Trading – trading of security prior to issuance  
Reverse Repurchase Agreements – the loaning of CHA securities for cash proceeds  
Securities Lending – the loaning of CHA securities for other securities  
Short Selling – the sale of a security the Authority does not own.

## **VI. Investment Guidelines**

### **Fund Specific**

The CHA employs a portfolio approach to the investment management process. These “portfolios” represent specific funds, whether individually or in the aggregate, comprise the source of the funds used to purchase the securities within the investment portfolios. The following guidelines will define the types of portfolios used and the relative liquidity, duration, and performance benchmark controls:

The investment committee shall decide appropriate duration and benchmark performance comparison for each type of fund at the beginning of each year. The determinations will be based upon liquidity and budgetary requirements for each fund, taking into account economic conditions. These duration and benchmark determinations will be presented to the Finance Committee with the first Annual Cash Flow forecast of each fiscal year. Any changes throughout the year of greater than 25% will be reported to the Finance Committee as well.

## **Investment Policy**

**Operating** - Funds received in the CHA's normal and recurring course of business. Typically, Federal Housing Grants used in the operation and management of the CHA's federal housing portfolio.

**Examples:** PFS (Operating), Section 8, Hope 6, other HUD grants; in addition, operating funds which are derived from State and other non-federal sources, such as MacArthur Grants.

**Reserve-** Funds typically held and invested for identified use at a later date. Also can be considered fund/program equity resulting from revenues, which exceed expenses on any given fund/program.

**Examples:** Insurance Reserve, Section 8 MTW Reserve, various programs operating Reserves.

**Special Purpose-** Non- Grant Funds which are received from alternative sources, which have defined source and use.

**Examples:** Bond proceeds, Tenant security deposits, Trust Funds, Litigation proceeds, Rooftop rental income.

## **VII. Investment Guidelines**

### **General**

- No more than 10 % of the operating portfolio value may be invested in securities issued by a single entity, except for securities issued or guaranteed by the U.S. Government or U.S. Government Agencies and money market assets with same day funds availability.
- Securities with maturities exceeding three years may not be held, unless they can be readily traded in the secondary market.
- Certificates of Deposit maturities will not exceed one year. A maximum of 10 % of the total portfolio value may be invested in Certificates of Deposit. All Certificates of Deposit above the FDIC insured deposit limit (currently \$250,000) must be 100 % collateralized by U.S. Government securities specifically pledged to CHA.
- Repurchase agreement collateral shall be held in custody pursuant to master repurchase or tri-party custodial agreement.
- To ensure diversification, investment maturities shall be laddered to avoid concentration of assets in a specific maturity sector.
- Liquidity shall be assured through practices that match maturing investments with the projected cash disbursements.

**VIII. Authorized Financial Dealers and Institutions**

The Investment Officer will maintain a list of approved financial institutions, security brokers/dealers and banks to provide investment services. This list will be the result of competitive bid processes, in accordance with HUD regulations, to extent applicable. On an annual basis, the list shall be reviewed and updated by the Investment Committee and approved by the CFO.

CHA will provide equal opportunity in order to increase the participation of minority owned financial institutions and to encourage minority owned financial Institutions to compete for CHA's investment business.

**IX. Performance Evaluation**

The investment portfolio will be designed to obtain a competitive market rate return, taking into consideration CHA's investment risk, duration constraints and cash flow needs. Portfolio returns will be evaluated against the three-month U.S. Treasury Bill and other indices of appropriate maturities and compared to other portfolios with similar investment characteristics.

**X. Reporting Requirements**

The Investment Officer shall generate daily reports providing daily transaction information on the activities of the investment portfolio including, but not limited to, identification of each investment instrument purchased, maturity dates, interest rates, costs and maturity value. Monthly reports will summarize monthly investment activities, report portfolio performance calculated from month-end market values, and will be provided to the CFO.

**XI. Investment Committee**

The CFO shall appoint an Investment Committee, which will meet at least quarterly with the Investment Officer to report on the following information:

- Purchases, sales and maturities
- Portfolio yield and earnings
- Investment fund balances
- Mark-to-market adjustment on the portfolio by security type
- Commentary on general direction of the market
- Market exposures and position balances by investment balances
- Credit exposures arising from collateral testing, repurchase agreements, etc.
- Current cash balances, projected future cash flows, funding requirements and any borrowing required
- Comparison of actual return to appropriate market benchmark returns
- Changes in the perceived or actual risk of any component of the CHA's portfolio
- Discuss any policy violations.

In addition, the Investment Committee will be responsible for providing investment reporting as requested by the CHA Board of Commissioners.

## Investment Policy

### **XII. Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability or give the appearance of impairing their ability, to make impartial investment decisions. Officers and employees shall disclose to the CFO and the CHA Ethics Officer any material financial interest in financial institutions that conduct business with CHA, and they shall further disclose any large personal financial/investment positions that could be related to the performance of CHA's portfolio. Officers and employees shall subordinate their personal investment transactions to those of CHA, particularly with regard to the time of purchase and sales.

### **XIII. Prudence**

The standard of prudence to be applied by the Investment Officer shall be the "prudent investor" rule, which states, "*Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment considering the probable safety of their capital as well as the probable income to be derived.*" The prudent investor rule shall be applied in the context of managing the overall portfolio.

The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific securities credit risk or market price changes, provided that these deviations are reported immediately to the CFO and that appropriate actions are taken to minimize the adverse effects on the portfolio.

The Investment Officer must ensure that all pledged and/or collateralized accounts and related agreements are marked to market on a weekly basis and properly maintained to safeguard investments and required account balances including attention to FDIC deposit insurance limits.

The Investment Officer may direct any trustee, under an indenture securing notes or bonds of the Authority, to enter into a Tri-Party Custodian Undertaking with a bank or trust company for the purpose of holding and valuing (as such trustee's agent) securities that are the subject of a repurchase agreement entered into by the trustee pursuant to such indenture.

The Investment Officer must also incorporate in the written investment procedures adequate controls for the safekeeping and custody of invested assets to reduce the risk of fraud or embezzlement.

### **XIV. Risk Control**

The CHA recognizes that there are many risks inherent to its diverse investment funds. In recognition of these risks the following controls are hereby established which are designed to mitigate such risks and allow for quarterly reporting within the Investment Committee.

- **Interest Rate Risk** – In order to mitigate risk that change in market interest rates will adversely affect value and liquidity of its investments, the CHA will insure that at least 40% of its aggregate portfolio matures within one year.

## Investment Policy

- **Highly Sensitive Investments** – These are investments which are primarily mortgage obligations and which provide return of interest and principal monthly in varying amounts. These types of securities will be limited to 5% or less of the aggregate portfolio. In addition, highly sensitive securities will be subject to the passing of “FFIEC testing” at time of purchase.
- **Credit Risk** – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The CHA will mitigate this credit risk by investing only in approved securities which are rated in the highest investment grade categories (AA or better) of at least one of the following three national rating agencies (Standard & Poors, Moody’s and Fitch). In addition, CHA will mitigate concentration risk by limiting total investments to 25% of portfolio value to any one issuer. Limit will be 5% for State/Municipal Obligations and 5% for IDHA MPC as well. This limit shall not apply to cash or cash equivalents or investments guaranteed by the full faith and credit of the United States of America.
- **Custodial Credit Risk** – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, The Authority will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The CHA shall attempt to mitigate this risk by monitoring financial stability of its depository banks and trust agents holding said collateral. In order to protect against this risk, the CHA will prohibit custodial banks which are holding securities purchased for the CHA from purchasing such securities from and brokers or dealers which are related to the custodial bank, unless a provision to the contrary is negotiated with and agreed to by the CHA as part of a credit or borrowing program.

## XV. Internal Control

This Policy shall be reviewed annually by the Investment Officer and staff under the direction of the CFO.

An annual cash forecast for the fiscal year is to be prepared by the Treasurer, no later than February 15<sup>th</sup> of the year. The cash forecast shall be approved by the CFO.

**CHA Investment Policy**  
**Approved Securities**

**All Funds**

**Listed Under:**

Security	HUD Guidelines	State of IL Guidelines
United States Treasury Bills	x	x
United States Treasury Notes and Bonds	x	x
United States Treasury Strips	x	x
Farm Credit Consolidated System (FFCB) Discount Notes, Notes and Bonds	x	x
Federal Home Loan Bank (FHLB) Discount Notes, Notes and Bonds	x	x
Federal National Mortgage Association (FNMA) Discount Notes, Notes and Bonds	x	x
Federal Home Loan Mortgage Corporation (FHLMC) Discount Notes, Notes and Bonds	x	x
Sallie Mae (SLMA) Obligations	x	x
Farmer Mac (FRM) Discount Notes and MTNs	x	x
Financing Corp (FICO) Notes, Strips	x	x
Tennessee Valley Authority (TVA) Notes, Bonds, and Strips	x	x
Private Export Funding Crp (PEFCO)	x	x
Inter-American Development Bank (IADN) Discount Notes	x	x
Overseas Private Investment Crp (OPIC) - Sovereign Agency US	x	x
Government Aid Bonds (AID) - Agency for Int'l Development	x	x
Housing Government Sponsored Enterprises (GSE)	x	x
Security Issued by any other agency created by an Act of Congress	x	x
Money Market Deposit & Super Now Accounts that are 100 % backed by US Gov't Securities	x	x
Interest-Bearing Savings Accounts and Time Deposits or Certificates of Deposits issued by financial institutions which are insured and/or collateralized 100% by Government Securities	x	x
Repurchase Agreements pursuant to the Act. The securities, unless registered or inscribed in the name of the Authority, shall be purchased through banks or trust companies authorized to do business in the State of Illinois. The term "repurchase agreements" as used herein shall include flexible repurchase agreements that permit the Authority to withdraw funds as needed and master repurchase agreements that permit the deposit, withdrawal and redeposit of funds over time and do NOT exceed 30 day maturities.	x	x
Mortgage backed Securities and CMO's issued by GNMA	x	x
Mortgage backed Securities and CMO's issued by FHLMC	x	x
Mortgage backed Securities and CMO's issued by FNMA	x	x
SBA (Asset Based Product is Guaranteed by Lender)	x	x
HUD Project Notes	x	x
Title 11 Merchant Marine	x	x
Housing (HUD) Government Sponsored Enterprises (GSE)	x	x
<b>Non Low Rent or Homeownership Funds (subject to Investment Committee decision)</b>		
State/Municipal Obligations		x
Illinois Housing Development Authority Mortgage Participation Certificate		x

## GENERAL CONDITIONS FOR PURCHASE ORDERS

1. **NON-DISCRIMINATION**: In connection with the performance of the work, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color or national origin.
2. **WAGE RATES, SALARIES, CERTIFICATION**: The Contractor and each sub-Contractor shall pay all laborers and mechanics employed in the performance of the contract on or about the site of the housing development not less than the wages prevailing in the locality as determined by the Secretary of Labor pursuant to the Davis-Bacon Act (Title 40, U.S.C., Sec. 276a-5) or not less than the wages prevailing in the locality of said housing development as determined pursuant to applicable state laws, whichever are higher.
3. **NON-REBATE OF WAGES**: The Contractor agrees to comply with the regulations, ruling, and interpretations of the Secretary of Labor of the United States pursuant to the Anti-Kickback Act (Title 18, U.S.C., Sec. 874 and Title 40, U.S.C., Sec. 276c) which makes it unlawful to induce any person employed in the construction or repair of public buildings or public works to give up any part of compensation to which he is entitled under his contract of employment; and the Contractor agrees to insert a like provision in all subcontractors hereunder.
4. **INSURANCE**: Insurance is applicable to All Contracts/Purchase Orders with the exception of Supply and Delivery contracts and purchase orders.

The Contractor shall furnish the Chicago Housing Authority (CHA) with satisfactory evidence (subject to approval from the CHA) that it has the following insurance coverage:

- (a) Commercial General Liability Insurance in the amount of \$1,000,000 per occurrence with an aggregate of not less than \$2,000,000.
- (b) Professional Liability Insurance- \$2,000,000 per claim.

**Insurance Certificate, naming Chicago Housing Authority as the certificate holder, is to be emailed (preferably in a Readable PDF format) to the attention of the Procurement Specialist in the Department of Procurement and Contracts referencing Purchase Order Number, Procurement Specialist and Project Title. The Chicago Housing Authority is to be endorsed as an additional insured on the Contractor's general liability policy and such insurance will be endorsed as primary and non-contributory to any other insurance available to the CHA.**

5. **BID SECURITY, PERFORMANCE AND PAYMENT BOND**: Not required
6. **MBE/WBE/DBE PARTICIPATION**: All Service Contracts/Purchase orders including any modifications to the Contract or Purchase Order in excess of \$25,000.00 requires 20% MBE/WBE/DBE participation.

The Contractor shall comply with the CHA's Minority, Women and Disadvantaged Business Participation requirements through the Prime Contractor being a certified MBE/WBE/DBE firm or through direct or Indirect subcontracting with certified MBE/WBE/DBE businesses.

- If the Prime Contractor is a certified MBE/WBE/DBE firm, complete the top portion only of page one and all of page four including notarization of the Schedule A and submit it along with a current Letter of Certification.
- Direct participation – requires a completed Schedule A from the Prime Contractor and the Schedule C along with a current Letter of Certification from the MBE/WBE/DBE participants. All Schedules must be notarized.
- Indirect participation – complete the top portion only of page one, page three, and page four including notarizing the Schedule A and submit it along with canceled check copies (from front and back) that total the MBE/WBE/DBE goal and the Letter of Certification that was current when the MBE/WBE/DBE services were provided.



MBE/WBE/DBE NON-COMPLIANCE SANCTIONS AND LIQUIDATED DAMAGES

- A. THE CHA SHALL HAVE THE DISCRETION TO APPLY SUITABLE SANCTIONS TO THE BIDDER/PROPOSER IF THE BIDDER/PROPOSER IS FOUND TO BE IN NON-COMPLIANCE WITH THE MBE/WBE/DBE REQUIREMENTS. FAILURE TO COMPLY WITH THE MBE/WBE/DBE TERMS OF COMMITMENT GOALS AS APPLICABLE TO AND IN THE CONTRACT OR FAILURE TO USE MBE/WBE/DBEs AS STATED IN THE BIDDER/PROPOSER'S SUBMITTED SCHEDULES, CONSTITUTES A MATERIAL BREACH OF THE CONTRACT AND MAY LEAD TO THE SUSPENSION AND/OR TERMINATION OF THE CONTRACT IN WHOLE OR IN PART. FURTHERMORE, CONTINUED ELIGIBILITY TO ENTER INTO FUTURE CONTRACTING ARRANGEMENTS WITH THE CHA MAY BE JEOPARDIZED AS A RESULT OF NON-COMPLIANCE. IN APPROPRIATE CASES, PAYMENTS MAY BE WITHHELD UNTIL CORRECTIVE ACTION IS TAKEN.
- B. WHEN WORK IS COMPLETED, IN THE EVENT THAT THE CHA HAS DETERMINED THAT THE BIDDER/PROPOSER WAS NOT COMPLIANT IN THE FULFILLMENT OF THE REQUIRED MBE/WBE/DBE COMMITMENT GOAL AND A WAIVER WAS NOT OBTAINED, THE CHA WILL THEREBY BE DAMAGED IN THE FAILURE TO PROVIDE THE BENEFIT OF PARTICIPATION TO THE MBE/WBE/DBE TO THE DEGREE SET FORTH IN THIS MBE/WBE/DBE UTILIZATION PLAN.
- C. THEREFORE, IN THE EVENT OF SUCH NON-COMPLIANCE, THE BIDDER/PROPOSER AND CONTRACTOR AGREES THAT THE CHA WILL DEDUCT AS LIQUIDATED DAMAGES CUMULATIVE AMOUNTS COMPUTED AS FOLLOWS:
- FOR EACH ONE PERCENT (1%), OR FRACTION THEREOF, OF SHORTFALL TOWARD THE MBE/WBE/DBE GOAL, ONE PERCENT (1%) OF THE BASE BID FOR THIS CONTRACT SHALL BE SURRENDERED BY THE BIDDER/PROPOSER TO THE CHA IN PAYMENT AS LIQUIDATED DAMAGES, IF SUCH DAMAGES ARE ASSESSED.

7. **SECTION 3 REQUIREMENT:** All Contract/Purchase Orders are Section 3 applicable with the exception of Supply and Delivery contracts and purchase orders.

**Section 3 – Compliance:** The CHA has determined that the contract/purchase order awarded under this solicitation 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), and Title 24 of Subchapter B, Part 135 – Economic Opportunities for Low- and Very Low-Income Persons, 24 CFR 135.3. Section 3 Compliance requires that any contract or subcontract entered into for the benefit of public housing residents shall require that, to the greatest extent feasible, economic opportunity in the form of training, employment, contracting, and other economic opportunities arising from the expenditure of public housing assistance for housing rehabilitation and housing construction be directed to low- and very low-income persons.

- A. Section 3 - Clause
1. 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.
  2. 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.

3. 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.
4. 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.
5. 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.
6. 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.

**B. Section 3 Compliance Goals**

1. Contractors and their subcontractors may demonstrate compliance by committing to employ section 3 residents and by subcontracting with section 3 business concerns in accordance with the requirements of 24 CFR Part 135.

**A Section 3 Business concern is a business concern under HUD Regulations:**

- (1) 51 percent or more owned by section 3 residents; or
  - (2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or
  - (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of "section 3 business concern."
2. Contractor and sub-contractors may demonstrate compliance with the requirements for contracting with Section 3 Business Concerns by committing to award to Section 3 Business Concerns at least 10 percent of the total dollar amount of the contract awarded to the contractor for building trades work for maintenance, repair modernization or development of public housing, or for building trades work arising in connection with housing rehabilitation, housing construction and other public construction and at least 3 percent of the total dollar amount of all other Section 3 covered contracts.
  3. In evaluating compliance with 24 CFR Part 135, contractors and their subcontractors have the burden of demonstrating to the greatest extent feasible their ability or inability to meet the goals set forth in 24 CFR Part 135 for providing training, employment and contracting opportunities to section 3 residents and section 3 business concerns.
  4. Contractors and their subcontractors are also encouraged to provide other economic opportunities to train and employ section 3 residents including, but not limited to, use of "upward mobility", "bridge"

and trainee positions to fill vacancies, and hiring section 3 residents in part-time positions (24 CFR 135.40).

C. Documenting and Reporting

1. Contractor agrees to comply with the above Section 3 requirements in accordance with the Contractor's Section 3 Utilization Plan, which shall be prepared by the Contractor and agreed to by CHA. CHA shall not be required to agree to the Contractor's Utilization Plan until the Contractor meets its burden to establish that it will comply with 24 CFR Part 135 and otherwise comply with CHA's Section 3 requirements as may be required. [Contractor's Section 3 Utilization Plan as attached to the contract as Exhibit is incorporated into the contract by this reference herein.
2. The Contractor and its subcontractors shall provide all required compliance data with respect to Contractor's Section 3 requirements to the CHA via CHA's electronic system available at <https://cha.diversitycompliance.com/>. The Contractor and its subcontractors shall be responsible for responding to any requests for data or information by the noted response due dates, and shall check the electronic system on a regular basis to manage contact information and contract records. The Contractor shall also be responsible for ensuring that all subcontractors have completed all requested items with complete and accurate information and that their contact information is current.

This Section 3 Contract Provision shall flow down to each subcontract at every tier.

8. **WARRANTY**: The Contractor shall warrant all installed materials for a period of not less than one (1) year. If manufacturer's warranty is longer than one (1) year said warranty shall prevail.
9. **WARRANTY OF WORKMANSHIP**: The Contractor shall guarantee all labor for one (1) full year from the date of completion of all work.
10. **EQUAL EMPLOYMENT OPPORTUNITY**: Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity" as amended by Executive Order 11375 of October 13, 1967 and as supplemented in Department of Labor regulations (41 CFR Chapter 60) (*all construction contracts in excess of \$10,000.*)
11. **ILLINOIS EQUAL OPPORTUNITY CLAUSE**  
TITLE 44: GOVERNMENT CONTRACTS, PROCUREMENT AND PROPERTY MANAGEMENT  
`SUBTITLE B: SUPPLEMENTAL PROCUREMENT RULES - CHAPTER X: DEPARTMENT OF HUMAN RIGHTS - PART 750 PROCEDURES APPLICABLE TO ALL AGENCIES – SECTION 750. APPENDIX A EQUAL EMPLOYMENT OPPORTUNITY CLAUSE

**EQUAL EMPLOYMENT OPPORTUNITY**

In the event of the contractor's non-compliance with the provisions of this Equal Employment Opportunity Clause or the Act, the contractor may be declared ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and the contract may be cancelled or voided in whole or in part, and other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation. During the performance of this contract, the contractor agrees as follows:

- 1) That he or she will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, marital status, order of protection status, national origin or ancestry, citizenship status, age, physical or mental disability unrelated to ability, military status or an unfavorable discharge from military service; and, further, that he or she will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any underutilization.
- 2) That, if he or she hires additional employees in order to perform this contract or any portion of this contract, he or she will determine the availability (in accordance with this Part) of minorities and women in the areas from which he or she may reasonably recruit and he or she will hire for each job classification for which employees are hired in a way that minorities and women are not underutilized.

- 3) That, in all solicitations or advertisements for employees placed by him or her or on his or her behalf, he or she will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, sexual orientation, marital status, order of protection status, national origin or ancestry, citizenship status, age, physical or mental disability unrelated to ability, military status or an unfavorable discharge from military service.
- 4) That he or she will send to each labor organization or representative of workers with which he or she has or is bound by a collective bargaining or other agreement or understanding, a notice advising the labor organization or representative of the contractor's obligations under the Act and this Part. If any labor organization or representative fails or refuses to cooperate with the contractor in his or her efforts to comply with the Act and this Part, the contractor will promptly notify the Department and the contracting agency and will recruit employees from other sources when necessary to fulfill its obligations under the contract.
- 5) That he or she will submit reports as required by this Part, furnish all relevant information as may from time to time be requested by the Department or the contracting agency, and in all respects comply with the Act and this Part.
- 6) That he or she will permit access to all relevant books, records, accounts and work sites by personnel of the contracting agency and the Department for purposes of investigation to ascertain compliance with the Act and the Department's Rules and Regulations.
- 7) That he or she will include verbatim or by reference the provisions of this clause in every subcontract awarded under which any portion of the contract obligations are undertaken or assumed, so that the provisions will be binding upon the subcontractor. In the same manner as with other provisions of this contract, the contractor will be liable for compliance with applicable provisions of this clause by subcontractors; and further it will promptly notify the contracting agency and the Department in the event any subcontractor fails or refuses to comply with the provisions. In addition, the contractor will not utilize any subcontractor declared by the Illinois Human Rights Commission to be ineligible for contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations. (Source: Amended at 35 Ill. Reg. 3695, effective February 18, 2011).

12. **A 10% RETENTION:** Will be held pending inspection and approval of completed work.
13. **TAXES:** The CHA, a municipal Corporation is exempt from payment of Federal Excise Taxes, Federal Transportation Tax and State of Illinois Retailer's Occupation Tax. A certificate of exemption will be furnished upon request.
14. **OWNERSHIP OF DOCUMENTS:** All documents and information generated, prepared, assembled or encountered by or provided under this agreement is the property of the CHA.
15. **INCORPORATE HUD FORM-** HUD Table 5.1 Mandatory Contract Clauses for Small Purchases other than Construction as supplemented by simplified acquisition threshold (41 U.S.C. 403(11)). (*non-construction contracts in excess of \$2000, but less than \$100,000*)
16. **THE SUCCESSFUL CONTRACTOR MUST COMPLETE ALL APPLICABLE DOCUMENTS FOR THIS PROCUREMENT IN ACCORDANCE WITH THE CHA'S POLICIES AND PROCEDURES AS SET FORTH BY THE DEPARTMENT OF PROCUREMENT AND CONTRACTS.**

**TABLE 5.1 MANDATORY CONTRACT CLAUSES FOR SMALL PURCHASES  
OTHER THAN CONSTRUCTION**

The following contract clauses are required in contracts pursuant to **24 CFR 85.36(i)** and Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. HUD is permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy. The PHA and contractor is also subject to other Federal laws including the U.S. Housing Act of 1937, as amended, Federal regulations, and state law and regulations.

**Examination and Retention of Contractor's Records.** The PHA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until three 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.

**Right in Data and Patent Rights (Ownership and Proprietary Interest).** The PHA 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 the Contract.

**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.

**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.

**Termination for Cause and for Convenience (contracts of \$10,000 or more).**

(a) The PHA may terminate this contract in whole, or from time to time in part, for the PHA's convenience or the failure of the Contractor to fulfill the contract obligations (cause/default). The PHA 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: (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the PHA all information, reports, papers, and other materials accumulated or generated in performing the contract, whether completed or in process.

(b) If the termination is for the convenience of the PHA, the PHA 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 (cause/default), the PHA may (1) require the Contractor to deliver to it, in the manner and to the extent directed by the PHA, any work described in the Notice of Termination; (2) take over the work and prosecute the same to completion by contract of otherwise, and the Contractor shall be liable for any additional cost incurred by the PHA; and (3) withhold any payments to the Contractor, for the purpose of set-off or partial payment, as the case may be, of amounts owned by the PHA by the Contractor. In the event of termination for cause/default, the PHA shall be liable to the Contractor for reasonable costs incurred by the Contractor before the effective date of the termination. Any dispute shall be decided by the Contracting Officer.

**CHICAGO HOUSING AUTHORITY (CHA)**  
**Department of Procurement & Contracts Contract Compliance Division**

**SCHEDULE B - SECTION 3 UTILIZATION PLAN**  
**(To Be Completed by Prime Contractor)**

**PRIME CONTRACTOR'S NAME:** \_\_\_\_\_

**RFP/IFB/RFQ/CONTRACT or PO NUMBER:** \_\_\_\_\_ **DATE FORM COMPLETED:** \_\_\_\_\_

**PROJECT TITLE:** \_\_\_\_\_

**CONTACT NAME/TITLE:** \_\_\_\_\_

**E-MAIL ADDRESS:** \_\_\_\_\_

The contractor hereby agrees to comply with all the provisions of Section 3 as set forth in 24 CFR 135.1 et seq and CHA Resolutions implementing Section 3 requirements. The Contractor hereby submits this document to identify employment, subcontracting, and other opportunities for Chicago Housing Authority residents and low and very-low income Chicago area residents during the term of the contract between the Contractor and CHA. Any changes to this Utilization Plan must be approved by a Section 3 Change Form.

**THE CONTRACTOR AGREES TO MEET ITS SECTION 3 REQUIREMENTS THROUGH THE FOLLOWING:**

**Hiring**

The Contractor affirms that the jobs identified shall be for meaningful employment that may or may not be related to the scope of services covered under Contract/Purchase Order #\_\_\_\_\_.

The Contractor has committed to employ \_\_\_\_\_ resident(s) in order to comply with its Section 3 requirements.

**NOTE: A prime contractor may satisfy the CHA Resident Hiring Requirements through the hiring of residents through his/her subcontractors.**

**A Job Order Form must be submitted with this Schedule B when hiring is one of the Contractor's methods in satisfying Section 3 requirements.**

**The Contractor must complete the following table as instructed below:**

- (1) indicate each job title for all phases of this contract
- (2) the number of positions which will be needed in each category
- (3) how many of those positions are currently filled
- (4) the number currently filled by low and very low-income CHA residents
- (5) the number currently filled by low and very low-income Chicago area residents
- (6) how many positions need to be filled for each job title
- (7) the number of Low Income CHA Residents (LICHAR) or Low-Income Chicago Area Residents (LICAR) to be hired at each job title

**CHICAGO HOUSING AUTHORITY (CHA)**  
**Department of Procurement & Contracts Contract Compliance Division**

**SCHEDULE B - SECTION 3 UTILIZATION PLAN**  
**(To Be Completed by Prime Contractor)**

<b>Hiring Commitments</b>						
<b>(1) JOB TITLE</b>	<b>(2) Total employees needed to complete the work</b>	<b>CURRENTLY FILLED (total employees currently working)</b>			<b>(6) Total New Hires Needed</b>	<b>(7) LICHAR or LICAR (Indicate how many Section 3 employees you will hire for this Job Title)</b>
		<b>(3) Total of all employees at this Job Title</b>	<b>(4) LICHARs working as this Job Title</b>	<b>(5) LICARs working as this Job Title</b>		
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						

**In the event a Section 3 resident is employed for less than the duration of the job commitment, as outlined in the Section 3 Job Order Form, vendors must contribute to the Other Economic Opportunities Fund in the lesser of the following amounts:**

- a) the amount of money which the Section 3 resident would have received if employed for the duration of the contract, or
- b) 5% of the actual contract amount if a construction contract; 1.5% for other contracts.

**CHICAGO HOUSING AUTHORITY (CHA)**  
**Department of Procurement & Contracts Contract Compliance Division**

**SCHEDULE B - SECTION 3 UTILIZATION PLAN**  
**(To Be Completed by Prime Contractor)**

**CONTRACTING**

Per 24 CFR 135.30, Section 3 requires construction contracts to subcontract at least 10% of the work to Section 3 Business Concerns and 3% of the work for all other contracts.

**A Section 3 Business concern is a business concern under HUD Regulations:**

- (1) 51 percent or more owned by section 3 residents; or
- (2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently section 3 residents, or within three years of the date of first employment with the business concern were section 3 residents; or
- (3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of "section 3 business concern."

**The Prime Contractor will subcontract with a total of \_\_\_\_\_ Section 3 Business Concerns totaling \_\_\_\_\_% of the Contract Value.**

**In the section below, outline the Section 3 Business Concerns that will hold subcontracts with your firm under this contract (Note: Each subcontractor listed below must submit a corresponding Schedule C)**

A. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

ORIGINAL CONTRACT DOLLAR VALUE: \_\_\_\_\_

AMENDED CONTRACT DOLLAR VALUE: \_\_\_\_\_

*NOTE: Amended Dollar Value only used when changes are made and approved by Compliance during a contract.*

WORK TO BE PERFORMED/MATERIALS SUPPLIED: \_\_\_\_\_

Type of Participation: Direct  Indirect

Anticipated Performance Timeframe (When will the contractor be onsite performing the work and for how long): \_\_\_\_\_



**CHICAGO HOUSING AUTHORITY (CHA)**  
**Department of Procurement & Contracts Contract Compliance Division**

**SCHEDULE B - SECTION 3 UTILIZATION PLAN**  
**(To Be Completed by Prime Contractor)**

B. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

ORIGINAL CONTRACT DOLLAR VALUE: \_\_\_\_\_

AMENDED CONTRACT DOLLAR VALUE: \_\_\_\_\_

*NOTE: Amended Dollar Value only used when changes are made and approved by Compliance during a contract.*

WORK TO BE PERFORMED/MATERIALS SUPPLIED: \_\_\_\_\_

Type of Participation: Direct  Indirect

Anticipated Performance Timeframe (When will the contractor be onsite performing the work and for how long): \_\_\_\_\_

C. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

ORIGINAL CONTRACT DOLLAR VALUE: \_\_\_\_\_

AMENDED CONTRACT DOLLAR VALUE: \_\_\_\_\_

*NOTE: Amended Dollar Value only used when changes are made and approved by Compliance during a contract.*

WORK TO BE PERFORMED/MATERIALS SUPPLIED: \_\_\_\_\_

Type of Participation: Direct  Indirect

Anticipated Performance Timeframe (When will the contractor be onsite performing the work and for how long): \_\_\_\_\_

**CHICAGO HOUSING AUTHORITY (CHA)**  
**Department of Procurement & Contracts Contract Compliance Division**

**SCHEDULE B - SECTION 3 UTILIZATION PLAN**  
**(To Be Completed by Prime Contractor)**

D. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

ORIGINAL CONTRACT DOLLAR VALUE: \_\_\_\_\_

AMENDED CONTRACT DOLLAR VALUE: \_\_\_\_\_

*NOTE: Amended Dollar Value only used when changes are made and approved by Compliance during a contract.*

WORK TO BE PERFORMED/MATERIALS SUPPLIED: \_\_\_\_\_

Type of Participation: Direct  Indirect

Anticipated Performance Timeframe (When will the contractor be onsite performing the work and for how long): \_\_\_\_\_

E. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

ORIGINAL CONTRACT DOLLAR VALUE: \_\_\_\_\_

AMENDED CONTRACT DOLLAR VALUE: \_\_\_\_\_

*NOTE: Amended Dollar Value only used when changes are made and approved by Compliance during a contract.*

WORK TO BE PERFORMED/MATERIALS SUPPLIED: \_\_\_\_\_

Type of Participation: Direct  Indirect

Anticipated Performance Timeframe (When will the contractor be onsite performing the work and for how long): \_\_\_\_\_

**OTHER ECONOMIC OPPORTUNITIES**

Per 24 CFR 135.40, other economic opportunities offer an effective means of empowering low-income persons, and Contractors are encouraged to undertake efforts to provide to low-income persons economic opportunities other than training, employment, and contract awards, in connection with Section 3 covered assistance.

**CHICAGO HOUSING AUTHORITY (CHA)**  
**Department of Procurement & Contracts Contract Compliance Division**

**SCHEDULE B - SECTION 3 UTILIZATION PLAN**  
**(To Be Completed by Prime Contractor)**

In the space provided below, please outline your plan to provide other economic opportunities to a Section 3 or low-income person (if more space is needed, please provide an attachment to this Schedule B). Examples of plans may include internship programs, mentorship programs, and teaming agreements. Please note that any indirect subcontracting should also be described in the section below.

If hiring, subcontracting, and other economic opportunities are proven to be infeasible, CHA suggests the minimum threshold requirements for contribution to a fund that provides other economic opportunities to our residents, including scholarships, job training, transportation, and other services provided through the Resident Services Department:

- a) For trade, **construction and rehabilitation work** the "value" of the other economic opportunity must equal or exceed **5%** of the total contract amount plus any modifications;
- b) For other types of contracts, including **service contracts**, the "value" of the other economic opportunity must equal or exceed **1.5%** of the total contract amount plus any modifications. The Contractor agrees to provide other economic opportunities to train and employ Section 3 residents or contribute to a fund which provides Other Economic Opportunities in accordance with provisions of the Section 3 Policy.

**CHICAGO HOUSING AUTHORITY (CHA)**  
**Department of Procurement & Contracts Contract Compliance Division**

**SCHEDULE B - SECTION 3 UTILIZATION PLAN**  
**(To Be Completed by Prime Contractor)**

---

---

By signing below, the Contractor hereby agrees to comply with the selected Section 3 requirements indicated above. **To the extent that the completion of this form is contingent upon future information, for example price negotiations, request for specific services, etc., the undersigned hereby affirms and agrees to fully adhere to the CHA Section 3 Policy. Furthermore, the undersigned acknowledges and affirms responsibility for completion and submission of this form PRIOR to AWARD of a contract from the Chicago Housing Authority.**

\_\_\_\_\_  
NAME OF PRIME CONTRACTOR (Print or Type)

\_\_\_\_\_  
NAME OF AUTHORIZED OFFICER

\_\_\_\_\_  
Date

\_\_\_\_\_  
NAME OF NOTARY (Print or Type)

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_ ON THIS \_\_\_\_\_ DAY OF  
\_\_\_\_\_ 20\_\_\_\_ BEFORE ME APPEARED (NAME) \_\_\_\_\_

TO ME PERSONALLY KNOWN WHO, BEING DULY SWORN, DID EXECUTE THE FOREGOING AFFIDAVIT, AND DID STATE THAT HE OR SHE WAS PROPERLY AUTHORIZED BY THE PRIME CONTRACTOR TO EXECUTE THIS AFFIDAVIT AND DID SO AS HIS OR HER FREE ACT AND DEED.

NOTARY PUBLIC: \_\_\_\_\_ (SEAL):

COMMISSION EXPIRES: \_\_\_\_\_

---

---

INTERNAL CHA APPROVAL: \_\_\_\_\_  
COMPLIANCE MANAGER'S SIGNATURE DATE

CHICAGO HOUSING AUTHORITY (CHA)  
Procurement & Contracts Department Contract Compliance Division

**SCHEDULE C**

**Letter of Intent M/W/DBE and/or Section 3 Business Concern  
Subcontractors, Suppliers, Consultants  
(To Be Completed by Subcontractor)**

M/W/DBE or SECTION 3 BUSINESS CONCERN NAME: \_\_\_\_\_

Certification Status (Check One):  MBE  WBE  DBE

Section 3 Business Concern: Yes  NO

FEIN: \_\_\_\_\_ ETHNICITY: \_\_\_\_\_ GENDER: \_\_\_\_\_

CONTACT NAME/TITLE: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

IFB/RFP/CONTRACT OR PURCHASE ORDER NO.: \_\_\_\_\_

PROJECT TITLE: \_\_\_\_\_ DATE FORM COMPLETED: \_\_\_\_\_

PRIME CONTRACTOR: \_\_\_\_\_  
(NAME) (TELEPHONE NUMBER)

---

NOTE: M/W/DBE contractors must attach a Letter of Certification from one of the certifying agencies listed on the Schedule A - M/W/DBE Utilization Plan.

1. Will the Subcontractor contract any of the work to be performed on this contract to another firm? Yes  No

If yes, explain below (Include dollar amount & percentage that will be subcontracted to other firms):

2. List commodities/services to be provided for the above-referenced contract:

3. Indicate the total dollar value: \$ \_\_\_\_\_

4. Terms of the agreement including but not limited to joint venture, subcontract, supplier or purchase order agreements on the above-referenced contract (timeframe and other subcontract details):

CHICAGO HOUSING AUTHORITY (CHA)  
Procurement & Contracts Department Contract Compliance Division

**SCHEDULE C**  
**Letter of Intent M/W/DBE and/or Section 3 Business Concern**  
**Subcontractors, Suppliers, Consultants**  
**(To Be Completed by Subcontractor)**

**AFFIDAVIT**

The undersigned will enter into a signed agreement with the Prime Contractor listed above within five (5) days after receipt of a signed contract executed by the Chicago Housing Authority.

I do solemnly declare and affirm under the penalty of perjury that the contents of the forgoing document are true and correct, and that I am authorized on behalf of the Subcontractor to make this affidavit.

\_\_\_\_\_  
(NAME OF MBE/WBE/DBE SUBCONTRACTOR/SUPPLIER - PRINT OR TYPE)

\_\_\_\_\_  
(SIGNATURE OF AUTHORIZED PRINCIPAL OR AGENT) (DATE)

\_\_\_\_\_  
(NAME OF NOTARY - PRINT OR TYPE)

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_

ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_

BEFORE ME APPEARED (NAME) \_\_\_\_\_  
to me personally known who, being duly sworn, did execute the foregoing affidavit, and did state that he or she was properly authorized by \_\_\_\_\_ to execute the affidavit and did so as his or her free act and deed.

NOTARY PUBLIC: \_\_\_\_\_ (SEAL)

COMMISSION EXPIRES: \_\_\_\_\_