



HOC Works Program Requirements

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INTRODUCTION

The Housing Opportunities Commission of Montgomery County (HOC) established the HOC Works program in 2015 in order to guarantee that HOC employment and other economic opportunities located within Montgomery County are directed toward low- and very-low income persons, particularly those who participate in HOC housing programs. In this way, HOC Works helps HOC and its partners to give back to the community by fostering local economic development, neighborhood economic improvement, and individual self-sufficiency. The ultimate goal of HOC Works is to provide jobs for HOC residents and award contracts to businesses that share HOC's commitment to continually bettering the community which this Agency serves.

HOC developed this document to set forth guidelines and goals, establish forms, and create preferences for its administration of the HOC Works program.

HOC WORKS PROGRAM GUIDELINES

Any contract with HOC, which is funded by any source other than the U.S. Department of Housing and Urban Development (HUD) (where Section 3 is applicable), is subject to the HOC Works Program Requirements described herein (please see "HOC Works Compliance Requirements" section below for additional details). HOC established the HOC Works Program Requirements, as may be amended by the Agency, upon direction by the Executive Director of HOC. Exemptions to these requirements must be submitted to the HOC Works Coordinator and approved by the Executive Director.

Depending upon the value of the contract, different numerical goals will apply. The various numerical goals are outlined below. HOC's primary goal is to connect HOC Works Residents (See Appendix B for definition of HOC Works Resident) with employment opportunities. All contractors must first make reasonable efforts to comply with option one (Direct Hiring) for both compliance thresholds listed below. If Direct Hiring is not feasible, the contractor may select one of the other options listed for each compliance threshold listed below.

Contracts Valued Below \$50,000:

For a contract valued below \$50,000, the contractor must comply with the following requirements, to ensure it provides at least **one** of the following:

1. Direct Hiring:

- Contractors and their respective sub-contractors may demonstrate compliance through a commitment to employ HOC Works Residents as thirty percent (30%) of the aggregate number of new hires for each contract executed with HOC. Please see Appendix B for the definition of an HOC Works Resident. HOC maintains a list of resident resumes and will advertise positions to qualified residents. Please complete the form provided in Appendix A so that HOC may appropriately advertise the position. Where contracts do not create employment opportunities, contractors are encouraged to employ HOC Works Residents for other positions not related to this contract.

2. Training

- Contractors may provide training opportunities for HOC residents (especially on-the-job training). Opportunities should fall under one, or more, of the following categories:
 - Life skills/employment readiness skills – Budgeting, resume writing, interview techniques, etc.;
 - Workforce training – Applied training such as forklift operation, truck driving, computer skills with Microsoft Office, etc.;
 - Business development skills – Entrepreneurship and small business training skills; and/or
 - Other – Contractors may submit recommendations, which HOC staff will review for approval.
- If the nature of the contract itself is to provide a service which is a training opportunity for HOC residents as defined in the “Training” section above, then the provision of the service is sufficient to meet the contractor’s HOC Works Compliance without the need to fulfill any other additional requirements as described in this document.
- If the nature of the contract is to provide other services directly to our customers, such as general counseling, financial literacy counseling, educational opportunities, and opportunities for our youth customers, then the provision of the services is sufficient to meet the contractor’s HOC Works Compliance without the need to fulfill any other additional requirements as described in this document.
- In lieu of providing direct training opportunities, contractors may make a minimum cash contribution of three (3) percent of the total value of the contract amount, plus any modifications to the price, to HOC’s nonprofit affiliate, Housing Opportunities Community Partners (HOCP). Contributions are directed towards employment-related skills training opportunities for HOC residents and are tax deductible. Payment should be made out to Housing Opportunities Community Partners, Inc. with a notation that the contribution is for the purposes of meeting the contractor’s HOC Works obligations.

3. Acts of Service:

- Contractors may sponsor family activities for HOC residents. For this option, contractors must submit recommendations to the HOC Works Program Coordinator for approval.

Contracts Valued Above \$50,000:

For a contract valued above \$50,000, the contractor must comply with the following requirements, to ensure it provides at least **one** of the following:

1. Direct Hiring:

- Contractors and their respective sub-contractors may demonstrate compliance through a commitment to employ HOC Works Residents as thirty percent (30%) of the aggregate number of new hires for each contract executed with HOC. Please see appendix B for the definition of an HOC Works Resident. HOC maintains a list of resident resumes and will advertise positions to qualified residents. Please complete the form provided in Appendix A so that HOC may

appropriately advertise the position. Where contracts do not create employment opportunities, contractors are encouraged to employ HOC Works Residents for other positions not related to this contract.

2. Contracts:

- Contractors and their respective subcontractors may demonstrate compliance through a commitment of awarding HOC Works Business Concerns at least five percent (5%) of the total dollar amount of the given contract. Please see Appendix B for the definition of an HOC Works Business Concern.

3. Other Economic and Training Opportunities:

- Contractors may make a minimum cash contribution of five (5) percent of the total value of the contract amount, plus any modifications to the price, to HOC's nonprofit affiliate, Housing Opportunities Community Partners (HOCP). Contributions are directed towards employment-related skills training opportunities for HOC residents and are tax deductible. Payment should be made out to Housing Opportunities Community Partners, Inc. with a notation that the contribution is for the purposes of meeting the contractor's HOC Works obligations.
- Contractors may provide training opportunities for HOC residents (especially on-the-job training). Opportunities should fall under one, or more, of the following categories:
 - Life skills/employment readiness skills – Budgeting, resume writing, interview techniques, etc.;
 - Workforce Training – Applied training such as forklift operation, truck driving, computer skills with Microsoft Office, etc.;
 - Business development skills – Entrepreneurship and small business training skills; and/or
 - Other – Contractors may submit recommendations, which will be reviewed by HOC staff for approval.
- If the nature of the contract itself is to provide a service which is a training opportunity for HOC residents as defined in the "Training" section above, then the provision of the service is sufficient to meet the contractor's HOC Works Compliance without the need to fulfill any other additional requirements as described in this document.
- If the nature of the contract is to provide other services directly to our customers, such as general counseling, financial literacy counseling, educational opportunities, and opportunities for our youth customers, then the provision of the services is sufficient to meet the contractor's HOC Works Compliance without the need to fulfill any other additional requirements as described in this document.

Monetary Value of Other Economic Opportunities

A contractor may use any one or more of the above described other economic and training opportunities, but the contractor must demonstrate that the cost or value of such economic opportunities with respect to each HOC Works Covered Contract is not less than five (5) percent of the total contract amount for contracts valued above \$50,000 and not less than three (3) percent of the total contract amount for contracts valued below \$50,000.

In order to demonstrate that the cost or value of such economic opportunities meets the minimum percentage described above, contractors are subject to the following:

- For paid economic opportunities such as purchasing materials, hiring HOC Works Residents for other projects, and subcontracting to HOC Works Business Concerns for other projects, contractors must use the real amount paid to demonstrate that the combined total cost or value meets the minimum percentage described above.
- For non-paid economic opportunities such as training, internship, and mentorship opportunities, contractors must assume that the monetary value of every one hour of assistance is equal to \$100. Contractors then must provide the appropriate number of hours of economic opportunities needed to equal the minimum percentage described above. These hours can be divided up among multiple recipients. For example:
 - If the value of the HOC Works Covered Contract is \$51,000, then the contractor must provide at least \$2,550 worth of other economic opportunities (5%). At a rate of \$100 per hour, the contractor would need to provide approximately 26 hours' worth of economic opportunities.
 - If the value of the HOC Works Covered Contract is \$49,000, then the contractor must provide at least \$1,470 worth of other economic opportunities (3%). At a rate of \$100 per hour, the contractor would need to provide approximately 15 hours' worth of economic opportunities.

Assessment of Compliance

For construction contracts, contractor compliance with HOC Works must be complete before the end of the contract; even if the contract extends over multiple years. This includes numerical goals for direct hiring, subcontracting, and/or other economic opportunities. For non-construction contracts, contractor compliance with HOC Works is assessed annually or at contract completion, whichever occurs first. For contracts which extend over multiple years, the numerical goals for direct hiring, subcontracting, and/or other economic opportunities must be met annually based on the amount of the contract at the end of the given year. If a non-construction contract has the option for extension, HOC Works Compliance is assessed anew each year of the extension period.

The HOC Works Program Coordinator will monitor to ensure that contractors adhere to these compliance requirements.

HOC WORKS COMPLIANCE REQUIREMENTS

Assuring compliance with HOC Works policies requires affirmative efforts from all involved parties. All vendors, contractors, subcontractors, and developers subject to HOC Works are required to provide economic opportunities to HOC Works Residents and/or HOC Works Business Concerns. Failure or refusal to comply with HOC Works policies will necessarily lead to the penalties and sanctions identified in this section.

Before a new contract is initiated via Micro Purchase (Purchase Order-PO), Small Purchase (Purchase Order-PO), Sealed Bid (Invitation for Bid-IFB), Competitive Proposal (Request for Proposal-RFP),

Qualifications Based Selection (Request for Qualifications-RFQ), Noncompetitive Proposal, or other solicitation, the HOC Division or Department originating the contract submits a completed Project Information (PI) form to the Compliance Department. Compliance staff reviews the scope of work and funding source of each project to determine if the project is subject to these HOC Works Program Requirements. The Compliance Department completes its portion of the PI form and returns it to the Division or Department originating the contract. The originating Division or Department informs the Procurement Department of the appropriate HOC Works requirements so that they may be added to the solicitation which is released to potential respondents. If the contract is not administered by the Procurement Department, the originating Division is responsible for notifying the vendor/contractor of their HOC Works responsibilities.

Note: The Project Information form must be filled out for all potential contracts. HOC's Compliance Department will make the final determination on whether or not HOC Works will be triggered. Compliance will also make determinations regarding fulfillment of the HOC Works requirements via the nature of the contract and/or any potential exemptions.

HOC vendors, contractors, and subcontractors must comply with the version of these Program Requirements which are in effect at the time HOC releases the RFP, RFQ, IFB, PO, noncompetitive proposal, or other solicitation for the covered contract, so long as the contract is awarded and executed within 90 days of the solicitation. If the contract is awarded and executed more than 90 days after the solicitation then the current version of these HOC Works Program Requirements at that time is in effect. Once the contract is awarded and executed the applicable version of these Program Requirements is locked-in based upon the above criteria.

Prior to contract award, all contractors subject to HOC Works must submit to HOC an HOC Works Plan which features all of the following:

1. Identification of which contract value category the contractor is subject
 - a) Contracts Valued Below \$50,000 or
 - b) Contracts Valued Above \$50,000.

2. Identification of which economic opportunity category the contractor seeks to implement.
 - a) For contracts valued below \$50,000, the options are:
 - i. Direct Hiring
 - ii. Training or
 - iii. Acts of Service.
 - b) For contracts valued above \$50,000 the options are:
 - i. Direct Hiring,
 - ii. Contracts, or
 - iii. Other Economic and Training Opportunities.

3. A narrative describing how the contractor will track and implement HOC Works requirements.

Note: For contracts that fulfill the requirements outlined in this document via the nature of the contract, as described above in the HOC Works Program Guidelines section, the HOC Works Plan must still be completed and a description provided in the Action Plan Narrative section. The HOC Works Coordinator will confirm that the HOC Works requirement have been fulfilled.

If the HOC Works Coordinator has questions or concerns, the contractor's appropriate representative(s) must address them within five (5) business days.

In the event a contractor, subcontractor, or developer refuses to comply with the HOC Works Program Requirements after the award of a contract, HOC will provide the contractor with 10 business days from the date of notification to remedy their noncompliance. If the contractor fails to cure the breach of contract, HOC may choose to terminate the contract or apply the following penalties:

- For contracts under \$50,000, HOC will retain three percent (3%) of the total value of the contract amount, plus any modifications to the price. HOC Academy will receive these funds and use them for employment-related skills training opportunities for HOC residents.
- For contracts over \$50,000, HOC will retain five percent (5%) of the total value of the contract amount, plus any modifications to the price. HOC Academy will receive these funds and use them for employment-related skills training opportunities for HOC residents.

Contractor Reporting:

Contractors subject to HOC Works are required to submit regular reports to the HOC Works Program Coordinator on a schedule to be determined based on the length of a given contract. These reports are designed to demonstrate a contractor's progress towards meeting the goals identified in their HOC Works Opportunities Plan. In connection with an audit for compliance, HOC reserves the right to request additional information from a contractor at any time during the contract to support the contractor's efforts to comply with the requirements of HOC Works.

Please direct any questions regarding HOC Works compliance or the completion of HOC Works forms to the HOC Works Coordinator at elliott.rule@hocmc.org or via phone at 240-627-9647.

**Appendix A:
HOC Works Vacancy Request Form**



10400 Detrick Avenue
Kensington, MD 20895-2484
(240) 627-9400



HOC Works Vacancy Request Form

If you are interested in advertising a vacant position(s) in your organization to be filled by an HOC Works Resident(s), please complete the below form and submit it to the HOC Works Program Coordinator via email at elliott.rule@hocmc.org.

Company Name: _____

Position Title: _____

Number of Vacancies for this Position: _____

Wage Rate: _____

Location of the Job Site:

Address: _____

City, State, Zip: _____

Full-Time or Part-Time: _____

Duration of the Position (please specify weeks or months): _____

Any additional information you would like to share about the position:

Appendix B: HOC Works Definitions

Contractor

Any entity which contracts with HOC to perform work generated by the expenditure of funds by any source other than the U.S. Department of Housing and Urban Development (where Section 3 is not applicable).

HOC Works Business Concern

An entity that provides economic opportunities for low- and very low-income persons and is one of the following:

1. A business that is at least 51 percent or more owned, controlled, and managed daily by HOC Works Residents; or
2. Permanent, full-time employees include persons, at least 30 percent (30%) of whom are currently HOC Works Residents, or within three years of the date of first employment with the business concern were HOC Works Residents; or
3. An entity that provides evidence of a commitment to subcontract in excess of 25 percent (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) in this definition of "HOC Works Business Concern"; or
4. A business that is at least 51 percent or more owned, controlled, and managed daily by a minority person(s) as defined by County Code and regulations to include the following categories:
 - African American,
 - Hispanic American,
 - Asian American,
 - Native American,
 - Disabled Persons, and
 - Service-Disabled Veterans
 - Women.

Certification of any other groups that are outside of these categories will not be accepted.

HOC Works Resident

In order of preference, an HOC Works Resident* is one of the following individuals:

1. A participant of any affordable housing program administered by HOC; or

2. An individual who resides in Montgomery County, MD or the metropolitan area or nonmetropolitan county in which the work to be completed under the HOC Works contract will be done, and who is:
 - i. A low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a (b) (2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 percent (80%) of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent (80%) of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families; or
 - ii. A very low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a (b) (2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)) defines this term to mean families (including single persons) whose incomes do not exceed 50 percent (50%) of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent (50%) of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

*A person seeking the training and employment preference provided by HOC Works bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

New Hires

Full-time employees for permanent, temporary, or seasonal employment opportunities.