

WELCOME

Procurement & Partnering Rules

A Guide for Vendors, Contractors, and Community Partners



Today's Session Overview



1. Procurement Rules

The basics of the HUD Procurement Handbook Rev 3 and 2 CFR 200.317–327.



2. Housing Agency Marketplace

How to find, bid, and win contracts using the Housing Agency Marketplace e-Procurement portal.



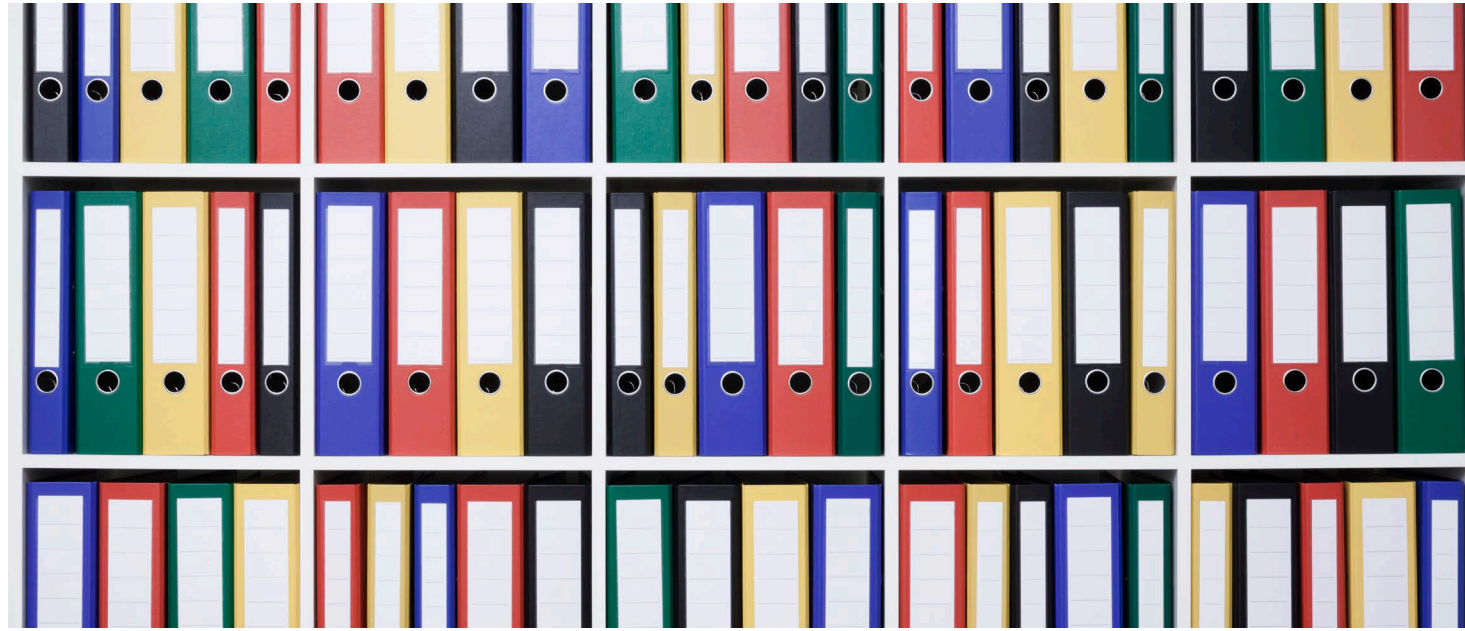
3. Prevailing Wages

Davis–Bacon Act vs. HUD Maintenance Wage Rate Decisions (MWRD) simplified.



4. Section 3 Opportunities

Understanding 24 CFR Part 75 labor hour benchmarks and local workforce benefits.



Procurement Overview

Operating under 2 CFR 200.317-327 & HUD Procurement Handbook 7460.8 REV-3 Standards

The Legal Foundation of Our Procurement

Public Housing Procurement Handbook 7460.8 REV 3

- Driven by the updated federal standard 2 CFR 200.317-327, replacing the outdated 2007 rules.
- Provides HUD guidance for PHA procurement practices and implementation of applicable federal requirements.
- Mandates strict compliance across all public housing operations, modernization, development, and voucher programs.
- Ensures a transparent, legally mandated framework that all bidding and active contractors must adhere to.

2 CFR 200.317-327

- PHAs are legally classified as "Recipients" because they receive tax dollars directly from the federal government.
- Federal law officially defines PHAs as "Non-Federal Entities" and "Local Governments," binding them to strict public accountability.
- Raise Up's federally funded procurement activities are subject to applicable requirements in 2 CFR Part 200, HUD requirements, our adopted Procurement Policy, and other applicable federal, state, and local requirements.

Core Procurement Methods



Micro-Purchases

\$50,000*

Raise Up's Micro-Purchase Threshold allows up to \$50,000. Requires basic price reasonableness. No formal competitive quotes needed; purchases distributed equitably among qualified vendors.



Small Purchases or Simplified Acquisitions

\$50,001* to \$350,000

Under this method, Raise Up may solicit quotes from at least three qualified sources or conduct a sealed bid for construction or routine services.



Sealed Bids (IFB)

Over \$350,000
(Construction & Maintenance)

Publicly advertised formal bidding. Firm fixed-price contract awarded to lowest responsive and responsible bidder.



Competitive Proposals (RFP)

Over \$350,000

Generally used when factors other than price are important to selection. Evaluated on technical expertise, qualifications, and price factors to select the best overall value.

Raise Up Micro-Purchase Threshold: Up to \$50,000

Different thresholds may apply to certain procurements, including construction/maintenance subject to Davis-Bacon. Follow the solicitation and Raise Up Procurement Policy.

Types of Contracts

TYPE	TERM	EXAMPLES
SERVICE	1-year contracts with option to renew for up to four (4) years	Floor Covering, Lawn Care, Snow Removal, Tree Removal & Trimming
CONSTRUCTION	Contracts in effect until the work is complete	Roofing Replacement, Electrical Upgrades, HVAC Upgrades, Window Replacement
PROFESSIONAL	1–5-year contracts for professional services	Legal, Architect/Engineering, Developer, Accounting

Questions about the Procurement Overview?



Housing Agency Marketplace

Accessing Solicitations



Getting Started with e-Procurement



FREE ACCESS

Gain full access to all active solicitations (IFBs, RFPs, RFQs) with zero registration fees.

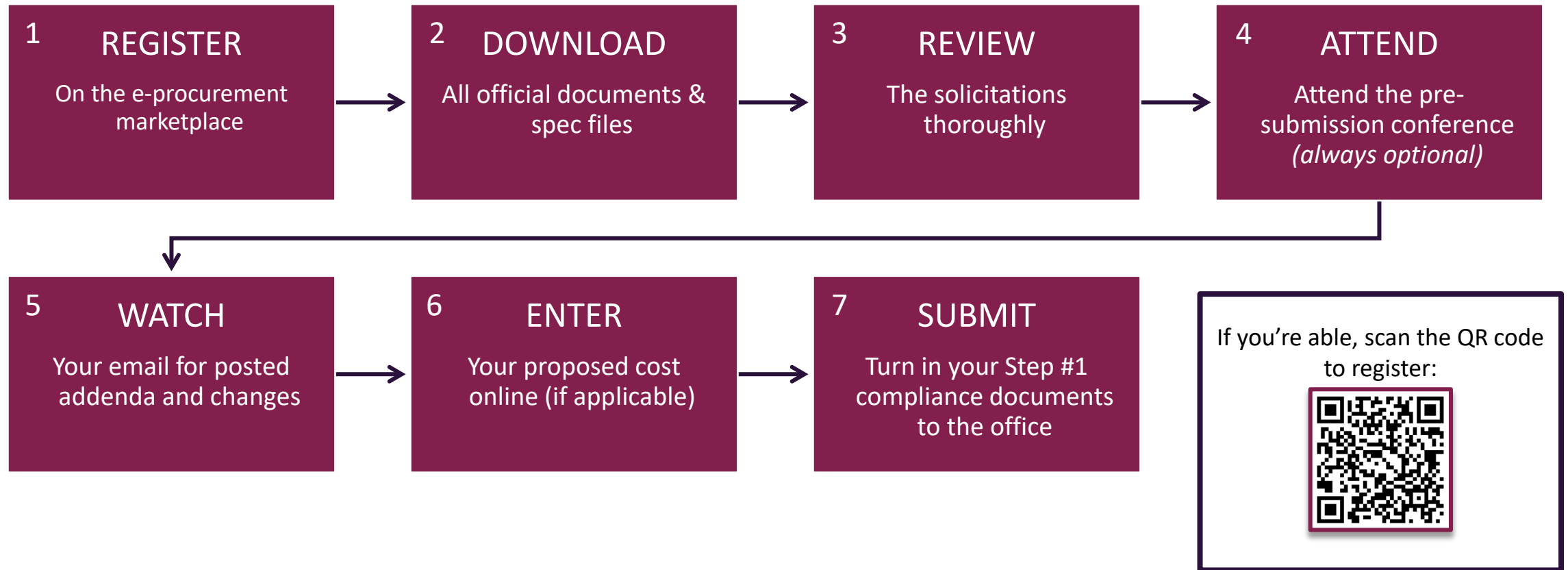
INSTANT ALERTS

Get automated emails the second new scopes or addenda are released so you never miss an update.

COMPLETE TRANSPARENCY

View bid tabulations and contract award updates in real time.

The 7-Step Submission Process



Vendor Best Practice

Keep your business profile, commodity codes, and contact email updated annually in the e-Procurement portal so you never miss an opportunity!

Marketplace: Plan Ahead and Submit Early

Common Marketplace Challenges

- Account setup, login, or password issues
- Finding the correct solicitation or navigating the bid screens
- Uploading required documents (if applicable)
- Not reviewing solicitation addenda before submitting
- Entering pricing/cost information correctly
- Internet, browser, or other technical issues
- Waiting until the last minute to complete the submission

The Deadline Is the Deadline

- The Marketplace automatically closes the solicitation at the stated due date and time
- Pricing cannot be entered after the cutoff
- Even one second late is too late
- Technical difficulties do not extend the system deadline
- Do not plan to finish your submission at the deadline

Best Practice

- Submit early. Give yourself time to resolve problems before the deadline

POP QUIZ! Marketplace

You are submitting a final cost proposal online. What happens if you try to upload your final documents 1 minute after the posted solicitation deadline?

- A) The system accepts it but flags it as "Late" for the review board.
- B) The e-Procurement Marketplace automatically locks the submission portal, and your bid cannot be submitted.
- C) You are allowed a 24-hour grace period if you submit a technical support ticket.
- D) The system routes your bid directly to the Contracting Officer for manual approval.

The agency issues an "Addendum" to an active solicitation, changing the required roofing materials. Who is responsible for ensuring this change is reflected in your final bid cost?

- A) The agency, which will automatically adjust all contractors submitted pricing.
- B) The system, which will send a text message directly to your phone.
- C) The contractor, who must actively monitor marketplace email notifications and download the updated files.
- D) Nobody, because addendums only apply to contracts after they are officially awarded.

QUESTIONS about Marketplace?



Prevailing Wages & Maintenance Wage Rate Decisions

*Davis-Bacon Act &
HUD Maintenance Wage Rate Decisions (MWRD)*



Labor Standards & Prevailing Wages

Mandated on construction, alterations, or repair contracts with Raise Up over \$2,000.

Workers must be paid no less than DOL prevailing rates.

All reports must be submitted weekly.

Maintenance vs. Construction Wage Rates

Construction Contracts

- Davis-Bacon (Rehab, Roof replacement, New Build)
- General Wage Decision (updated by DOL on sam.gov)

Maintenance Contracts

- HUD Maintenance Wage Rates: Routine/nonroutine maintenance work covered by the maintenance wage determination
- Form HUD-52158

The Difference

- Maintenance contracts do not require weekly certified payroll reports to be submitted.
- Must still pay the minimum rate and keep records for audit.

Compliance & Reporting

Daily Time Tracking

Contractors must track and record hours daily for every single worker physically present on the job site.

Site Interview

Raise Up staff will conduct unannounced site visits to privately interview workers (using HUD Form 11) to verify actual pay matches the reports.

Consequences

Underpayment:
Requires immediate restitution (paying back the exact difference owed to the worker).

Willful Violations: Can result in debarment, banning your company from receiving federal contracts for 3 years

TEST YOUR KNOWLEDGE

Your company wins a contract to perform covered routine maintenance services at Raise Up public housing properties. Which wage determination would generally apply?

- A. Davis-Bacon Act (Construction / Capital Improvement Rates)
- B. HUD Maintenance Wage Rate Decision (MWRD)
- C. International Maritime Wage Standard
- D. No wage requirements apply to public housing contracts

WHAT DO YOU KNOW

When working on a Davis-Bacon covered construction project, what is the best way to ensure your progress payments are processed without delay?

- A. Wait until the entire project is completed to submit all payroll records in one box
 - B. Submit required weekly certified payrolls on time.
 - C. Keep payroll records private and only show them during a federal audit
 - D. Text photos of handwritten timesheets to the site maintenance staff
-

QUESTIONS about Wage Determinations?



Section 3 Requirements

*Creating Local Economic & Employment
Opportunities under 24 CFR Part 75*



Section 3: What Contractors Need to Know

For contractors, Section 3 means:

Understanding who qualifies as a Section 3 worker

Making efforts to provide employment and training opportunities to Section 3 workers

Understanding when Section 3 business concerns may be involved

Tracking and reporting labor hours as required

Maintaining documentation to support Section 3 compliance

We'll walk through each of these requirements in the next few slides.

What is Section 3?



Establishes a reporting framework where HUD-funded projects track and measure labor hours, encouraging contractors to include local, low-income workers in their project teams.



Section 3 requires covered recipients and their partners to direct employment, training, and contracting opportunities consistent with HUD's prioritization requirements and to document their efforts.



Section 3 is a statutory mandate. Compliance is an integrated, non-negotiable part of our contract files.



Managed globally under HUD rules at 24 CFR Part 75.

Section 3 Workers

Section 3 Worker

- Currently, or when hired within the past five years, met HUD's applicable low-income criteria
- Employed by a Section 3 business concern
- A participant in the YouthBuild program.

Targeted Section 3 Worker

- Subset of Section 3 workers.
- is employed by a Section 3 business concern
- is/was a public housing or Section 8-assisted resident under the specified conditions
- is/was a YouthBuild participant.



Understanding the Section 3 Benchmarks

25% Section 3 Benchmark

HUD's benchmark for public housing financial assistance is 25% or more of applicable labor hours during the Raise Up's fiscal year.

5% Targeted Section 3 Benchmark

5% or more of applicable labor hours should be performed by Targeted Section 3 workers. These hours are included within the 25%.

The Prime Contractor & Subcontractor Role

Raise Up collects required labor-hour information from covered contractors and subcontractors so the Agency can meet its Section 3 reporting obligations.

Does Your Business Qualify as a Section 3 Business Concern?



Low-Income Ownership

Ownership: Must be 51% or more owned and controlled by low- or very low-income persons.

Threshold: Owner income must fall below local HUD median income limits.

Verification: Requires tax documentation and proof of residency.



Workforce Demographics

Labor Hours: Over 75% of the business's labor hours during the prior three-month period were performed by Section 3 workers.

Timeline: Measured over the immediate prior 3-month period.

Requirement: Must be entirely performed by certified Section 3 workers.



Housing Resident Ownership

Ownership: Must be 51% or more owned and controlled by specific residents.

Eligibility: Current public housing or Section 8-assisted housing residents.

Verification: Requires valid housing authority lease agreements.

Section 3 Process



1. Simple Labor Tracking

Contractors track labor hours worked on the project. No complicated extra tracking needed.



2. Qualitative Efforts

If benchmarks are not met, Raise Up must document and report the qualitative efforts undertaken by the Agency and its contractors/subcontractors.

Documented qualitative efforts are an important component of HUD's Section 3 compliance framework.



3. Local Talent Access

Connect directly with motivated local workforce talent supported through Raise Up community outreach channels.

Qualitative Effort



Outreach & Job Fairs: Hosting or attending local job fairs specifically to find Section 3 workers.



Technical Assistance: Helping local workers fill out resumes or complete job applications.



Training & Apprenticeships: Providing on-the-job training or connecting workers to construction trade schools.



Advertising: Posting physically visible job ads at the construction site or in local neighborhood flyers.



Subcontracting Support: Helping local, low-income business owners understand HUD requirements so they can successfully bid on your project.

Section 3 Quiz

What happens if your company makes a documented, honest effort to hire locally but falls just short of the 25% Section 3 labor hour goal?

- A) Your contract is automatically canceled, and the project is shut down.
- B) You are forced to lay off your existing core crew.
- C) Document the qualitative efforts your company made and provide that information to Raise Up.
- D) You are required to pay a cash penalty directly to the federal government.

QUESTIONS about Section 3?

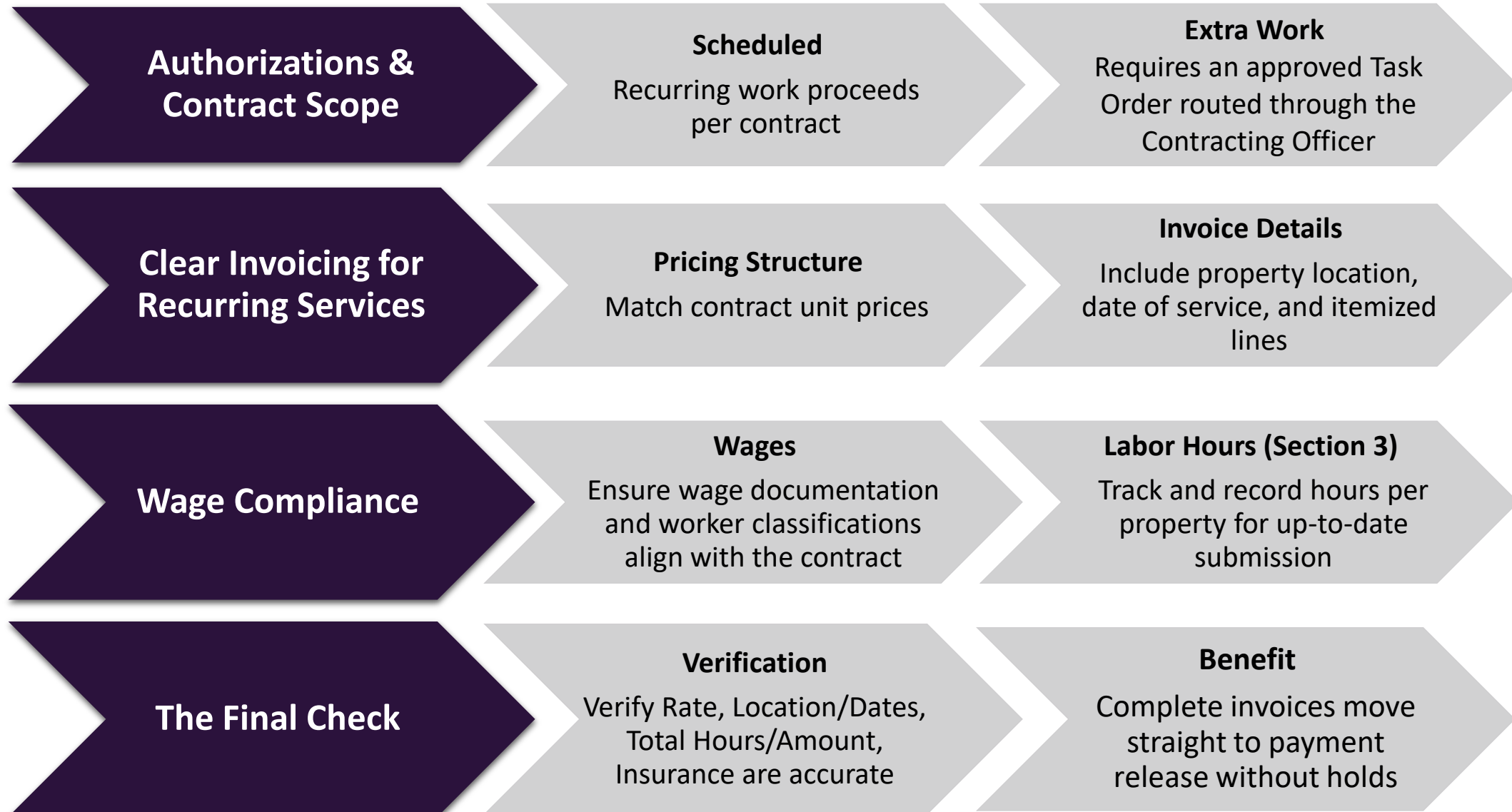


Billing & Compliance

*Standardizing Contract Administration and
Financial Documentation*



Change Orders, Billing, and Payments



Next Steps & Resources



Register Early: Complete your registration on the **Housing Agency Marketplace** website as soon as possible.



Onboarding Support: Contact our **Procurement department** directly for hands-on help with Section 3 or wage-rate setup.



Review the Packet: Grab a copy of our **Contractor Workshop Handout Packet** at the back of the room before you leave.



Open Q&A: We are opening up the floor now for any specific project or compliance questions.

Contractor Support & Contacts

Judy Carlin
Chief Executive Officer
440-288-7440
jcarlin@rupartners.org

Gale Sayers-Proby
Chief Operating Officer
440-288-7422
gsayers@rupartners.org

Sarah Karpinski
Director of Procurement
440-288-7499
skarpinski@rupartners.org
procurement@rupartners.org