



U.S. Department of Housing and Urban Development

Los Angeles Field Office, Region IX  
611 W. 6<sup>th</sup> Street, Suite 1100  
Los Angeles, CA 90017

HUD  
Office of Community Planning and Development

Information Bulletin  
Issue No. CPD-2011-06  
Date: October 11, 2011

MEMORANDUM FOR: All Consolidated Plan Coordinators

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FROM: William Vasquez, Director, Office of Community Planning and Development, 9DD

SUBJECT: Minority Business Enterprise Contract and Subcontract Activity  
Report HUD-2516 and Section 3 Reporting  
Due Date: November 15, 2011

The Department of Housing and Urban Development (HUD) is committed to supporting minority business growth and development. By acknowledging our grantees' support of minority business enterprises, we can recognize the importance of a growing number of successful minority entrepreneurs. The Office of Community Planning and Development (CPD) provides data on the amount of minority contracting entered into by grantees to HUD's Office of Small and Disadvantaged Business Utilization (OSDBU). OSDBU consolidates the data on a Department-wide basis for submission to the Minority Business Development Agency of the Department of Commerce. In addition, this information has been valuable to OSDBU when responding to Congressional and interest group inquiries.

#### I. Minority Business Enterprise (MBE) Reporting

Community Planning and Development activities to be reported include public works, economic development, affordable housing, and special needs assistance. Grantees are required to report contract and subcontract activities of \$10,000 or more on the HUD 2516 form. Contracts/subcontracts of less than \$10,000 may be reported only if it represents a significant portion of the grantee's total contracting activity.

In addition to submitting the HUD 2516 Report, grantees are requested to complete and submit to the Field Office at the end of each fiscal year but no later than December 3 of each year the MBE Summary Report (enclosed). The report must cover contracts executed during the recently completed Federal Fiscal Year (October 1, 2010 – September 30, 2011). This report summarizes the racial/ethnic codes, racial/ethnic categories, contract amount and number of contractors identified in the HUD-2516 form. If there has been no contract activity during the reporting period, please submit a negative summary report.

Grantees are advised to include minority and women owned business contracting activities generated from the Neighborhood Stabilization Program (NSP), American Recovery and Reinvestment Act (ARRA), Community Development Block Grant Recovery Act (CDBG-R), and the Homeless Prevention and Rapid Re-Housing Program (HPRP) in addition to regular contracting activities funded, in whole or in part, with CPD program funds. The 2516 form can be accessed via website <http://hudatwork.hud.gov/po/osdbu/goals.cfm> and should be copied and saved to hard drive. The HUD form 2516 is in excel format to assist grantees in accurate calculations of accomplishments

Please be aware of the following when completing the HUD 2516 form:

Column 7a – Grantees should use applicable CPD program grant numbers only. Some grantees used IDIS project number or other non related project numbers to identify grants.

Column 7b - Grantee should only report the part of the contract amount that reflects CPD funds.

Column 7c - There are only three options to choose from for this category (i.e., education training, new construction and other). The “other” categories include: supply, professional services, rehabilitation, Architectural/ Engineering, and all other activities except construction and educational/training activities.

Grantees are reminded that 24CFR Part 85.36 (e) (1) Contracting with small and minority firms, Women’s business enterprise and labor surplus area firms states that: The grantee and sub-grantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible, and affirmative steps shall include:

1. Placing qualified small and minority business enterprises on solicitation lists;
2. Assuring that small and minority businesses are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises.
5. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraph e (2) (i) through (v) of this section.

The completed HUD form 2516 and Summary Report should be submitted to the attention of:

[Frank.Caballero@hud.gov](mailto:Frank.Caballero@hud.gov) or

U.S. Department of Housing and Urban Development  
Los Angeles Field Office  
ATTN: Frank G. Caballero, Senior Financial Analyst,  
Office of Community Planning and Development, 9DD  
611 W. Sixth Street, Suite 1000  
Los Angeles, CA 90017-3127  
Phone 1-213-534-2559

## II. Section 3. Employment and Business Opportunity for Low Income Persons-Reporting requirements.

Section 3 contract reports are required when a grantee's project exceeds \$200,000. and a prime or subcontract exceeds \$100,000. Both thresholds have to be met for the same project. These requirements are in accordance with 24CFR Part 135.3. Grantees using HUD-2516 form to report Section 3 contract data must also use Part I of form HUD-60002, Section 3 Summary Report, for reporting employment and training opportunities data. The Section 3 Summary Report System is an online system designed to simplify the submission of form HUD-60002.

The web site is <http://www.hud.gov/offices/fheo/section3/section3.cfm>

If you do not have access to the Internet or are using a browser other than Netscape 4.x or higher, then a hardcopy of the completed form HUD-60002 must be submitted to HUD Washington D.C. via FAX to 202-708-1286. If you have questions regarding the submission of the Section 3 Summary Report, please contact Anna Gutierrez, Section 3 Coordinator, Office of Fair Housing and Equal Opportunity at (213) 534-2594.

As a reminder, Con Plan requirements are required to submit a separate HUD 60002 annually for each HUD program funded. HUD 60002 is due by January 10<sup>th</sup> annually for activities conducted during the preceding calendar year. Please refer to Section 3 regulatory reporting requirements at 24 CFR Part 135.90.