



M&M FSM 4.0 PWS Position Paper

Mortgage Field Services

ABSTRACT

This paper highlights significant labor, payment, and transparency issues that directly impact the efficiency, fairness, and sustainability of the services being provided to HUD's FSM inventory. We believe these recommendations support HUD's mission and align with federal goals for workforce integrity and performance accountability..

D Paul Williams

IAFST Press Secretary

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International Association of Field Service Technicians (IAFST)

Date: 30 April 2025

To: U.S. Department of Housing and Urban Development (HUD)
Mr Craig Karnes

Subject: Position Paper Submission – HUD M&M FSM PWS 4.0 Labor & Payment
Transparency Concerns

Dear Mr Karnes,

On behalf of the International Association of Field Service Technicians (IAFST), we respectfully submit the attached position paper concerning the Management and Marketing (M&M) Field Service Manager (FSM) Program Statement of Work (PWS) 4.0 updates.

This paper highlights significant labor, payment, and transparency issues that directly impact the efficiency, fairness, and sustainability of the services being provided to HUD's Real Estate Owned (REO) inventory. We believe these recommendations support HUD's mission and align with federal goals for workforce integrity and performance accountability.

We request HUD's consideration of the proposed reforms and welcome the opportunity to participate in any stakeholder engagement or feedback session that may arise in the course of program development.

Please feel free to contact us at press@iafst.org with any questions or requests for clarification.

Thank you for your time and attention to this important matter.

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Executive Summary The International Association of Field Service Technicians (IAFST) urges the U.S. Department of Housing and Urban Development (HUD) to address persistent and systemic issues impacting labor under the Management and Marketing Field Service Manager (M&M FSM) program, specifically in relation to the PWS 4.0 updates. Labor—the frontline professionals performing critical maintenance, preservation, and inspection services on HUD-owned properties—is not being adequately compensated, protected, or recognized in the current contract execution framework.

The core of the issue lies in three main areas: (1) the absence of prevailing wage enforcement and compensation transparency, (2) the inability of labor to seek redress or directly engage with HUD due to privity doctrine, and (3) inflation, tariffs, and rising material costs not being accounted for in labor rates or service cost calculations.

Key Issues

1. Lack of Prevailing Wage Compliance

Despite the federal government's emphasis on fairness and equity in contracting, labor performing services on behalf of HUD's FSM awardees continues to receive compensation well below prevailing wage standards. There is no effective enforcement or verification mechanism to ensure field service labor is

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compensated at fair market rates that reflect actual time, distance traveled, and required expertise.

2. Privity Doctrine Restricts Labor Advocacy

Under the current contract structure, labor has no legal standing to engage HUD directly regarding payment or performance issues due to the doctrine of privity. This creates a harmful dynamic where those doing the work have no access to oversight, redress, or due process when contract awardees delay or deny payment.

3. Inflation and Economic Pressures

From 2010 to 2025, the U.S. dollar has lost 46.66% of its purchasing power. What cost \$1.00 in 2010 now costs approximately \$1.47. Yet labor rates have remained stagnant. Additionally, tariffs on building materials, fuel price volatility, and increased debris disposal costs continue to erode profitability and job viability for field service technicians. These real-world economic factors must be accounted for in HUD's cost modeling and contractor compliance assessments.

Supporting Economic Data

Inflation and Cost of Living

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- **Inflation Rate:** As of March 2025, the Personal Consumption Expenditures (PCE) Price Index showed a year-over-year increase of 2.3%, indicating a cooling trend in inflation.
- **Consumer Price Index (CPI):** The CPI for 2024 reflected an annual inflation rate of approximately 2.96%.
- **Cost of Living:** Housing and other essential expenses have continued to rise, impacting the real income of field service technicians.¹

Tariffs and Material Costs

- **Steel and Aluminum Tariffs:** In March 2025, the U.S. imposed a 25% tariff on steel and aluminum imports from Canada and Mexico, leading to increased costs for construction materials.
- **Construction Material Prices:** Construction input prices remain 40.5% above February 2020 levels, with projections indicating a further 4% to 6% increase in 2025.²

Fuel Prices

¹ [ReutersCPI Inflation Calculator](#)

² [Baker Donelson+1Wilson Lewis+1Wilson Lewis](#)

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- **Gasoline:** As of January 2025, the average price for regular motor gasoline was \$3.08 per gallon.
- **Diesel:** Diesel prices rose to \$3.63 per gallon in January 2025, marking a 4.0% increase from December 2024.³

Policy Recommendations

1. Transparent Labor Payment Documentation

- Require FSM awardees to submit detailed reports documenting payments to labor, including: service provider name, date of service, task performed, amount paid, and method of payment.

2. HUD Point of Contact for Labor Disputes

- Establish a designated HUD official or office that field labor can contact directly in cases of non-payment or disputes, bypassing prime contractors when necessary.

3. Visibility into Actual Labor Costs

³ [GovDelivery](#)

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- Mandate FSM awardees disclose actual labor payments to HUD to assess compliance with prevailing wage standards and to monitor equitable treatment. These disclosures should include:
 - Travel time and distance
 - Task duration estimates
 - Material and disposal costs
 - Inflation adjustment methodology

4. Accuracy in CPARS and QASP

- Ensure that Contract Performance Assessment Reports (CPARS) and Quality Assurance Surveillance Plans (QASP) are completed timely and accurately reflect vendor and labor performance. Vendors with repeated payment or performance violations should be penalized.

5. Public Access to Vendor Scorecards

- Vendor scorecards, including CPARS ratings and QASP data, should be publicly available to improve transparency and accountability.

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6. Standardized Dispute Resolution Process

- Create a formal HUD-backed dispute resolution mechanism that includes:
 - Timeline benchmarks (e.g., 30 days to resolution)
 - Written documentation of outcomes
 - Protections against retaliation for whistleblowing or dispute filing

7. Regular Stakeholder Feedback Loop

- Implement a structured feedback process—such as quarterly surveys, public comment periods, or stakeholder roundtables—to allow labor and subcontractors to provide direct input into the performance and administration of FSM contracts.

Structural Reform Proposal: Combine AM and FSM Contracts

Given the ongoing historic lows in foreclosure volume, IAFST proposes the integration of Asset Manager (AM) and Field Service Manager (FSM)

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responsibilities into a single consolidated contract. This structural shift offers the following benefits:

- **Efficiency:** Eliminates redundancy in oversight and accelerates decision-making.
- **Improved Coordination:** Enhances operational synergy between asset disposition and field-level property services.
- **Cost Savings:** Reduces administrative overhead and supports fiscal responsibility.
- **Transparency:** Centralized contract management improves pay tracking and oversight.
- **Responsiveness:** Enables faster, unified reporting and stakeholder communication.

With foreclosure volumes at historic lows and a leaner HUD, this is a timely reform that aligns with modern performance-based procurement practices.

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With foreclosure volumes at historic lows and a leaner HUD REO portfolio, this is a timely reform that aligns with modern performance-based procurement practices. Certainly, GSA should accordingly replace SAM.

Conclusion

The IAFST believes these recommendations will create a more equitable, efficient, and resilient M&M FSM program. Without urgent reforms, the field services industry faces continued attrition, delayed maintenance of HUD assets, and legal exposure due to wage violations and systemic opacity.

By embedding fairness, transparency, and direct engagement into PWS 4.0, HUD can ensure that its mission of preserving foreclosed properties for future homeownership is achieved with integrity and respect for the labor force that makes it possible.

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