

**RESOLUTION NO.**

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2       **WHEREAS**, the City of Austin contracts with external entities for expertise  
3 and specialization to deliver enhanced services and implement large projects for  
4 the benefit of the community; and

5       **WHEREAS**, the City actively applies for and receives multiple grants from  
6 the federal and state government and awards multiple grants to community  
7 recipients for the benefit of the City; and

8       **WHEREAS**, City contracting and grant management practices must  
9 demonstrate transparency, accountability, and responsible fiscal management of  
10 public funds; and

11       **WHEREAS**, in Fiscal Year 2025, the City spent \$2.5 billion on contracts  
12 for goods and services in areas such as construction for capital delivery,  
13 information technology, and general specialized services; and

14       **WHEREAS**, audits performed by the City Auditor's Office since 2011  
15 reveal persistent and systemic weaknesses in City contracting and grant award  
16 practices primarily with respect to contract and grant monitoring and compliance,  
17 leading to failures in oversight and accountability; and

18       **WHEREAS**, a recent audit of consulting contracts managed by different  
19 departments again found a lack of oversight, inconsistent monitoring, unclear  
20 deliverables, and insufficient justification for the expense of consultants; and

21       **WHEREAS**, an internal review by Austin Arts Culture, Music, and  
22 Entertainment of a contract for cultural arts grant administration found a lack of  
23 oversight and gaps in billing and monitoring; and

24       **WHEREAS**, the creation and administration of City contracts is largely  
25 centralized, while the monitoring and compliance of these contracts is largely

26 decentralized, with individual City departments responsible for their own  
27 solicitation, execution, monitoring, and evaluation of contractor performance,  
28 leading to inconsistent application of contracting rules and procedures; and

29 **WHEREAS**, a similar approach that is both centralized and decentralized  
30 exists when the City is the grantee and the grantor, leading to inconsistent  
31 application of standards across multiple departments; and

32 **WHEREAS**, recommendations for improvement from the City Auditor are  
33 not implemented in a timely or consistent manner by individual departments; and

34 **WHEREAS**, organizing the oversight of contract solicitation and  
35 compliance under a single procurement operation while maintaining contract  
36 management staff within their individual departments would increase efficiency  
37 and effectiveness in contracting, safeguard City resources, ensure public trust, and  
38 improve service delivery; and

39 **WHEREAS**, organizing the oversight of City grant awards, applications and  
40 compliance under a single grant operation would also increase efficiency and  
41 effectiveness in grant receiving and grantmaking; and

42 **WHEREAS**, Austin Financial Services and Austin Government Relations  
43 are performing initial analyses and strategic planning to address the current  
44 challenges in contract and grant management; and

45 **WHEREAS**, City Council supports these efforts and all improvements for  
46 decision-making, efficient and effective implementation of systemwide  
47 improvements, and consistent application of rules and procedures; **NOW**,  
48 **THEREFORE**,

49 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

50 The City Manager is directed to perform a comprehensive review of Central  
51 Procurement and grant management in his discretion to further identify  
52 opportunities to improve oversight, transparency, accountability, consistency for  
53 both departments and vendors, and ensure industry best practices.

54 **BE IT FURTHER RESOLVED:**

55 The City Manager is directed to assess the following at a minimum and  
56 consider other factors he deems necessary and make recommendations as part of  
57 the comprehensive review:

- 58 • modernization of technology systems;
- 59 • updated rules and procedures;
- 60 • enhanced compliance and enforcement rules;
- 61 • standardized documents for all solicitations and contract types;
- 62 • centralized oversight of contract management, inclusive of the  
63 following procedures and features:
  - 64 ○ contract and grant management training and certification;
  - 65 ○ the City's process as a grantee and grantor;
  - 66 ○ monitoring, billing, inspection, and enforcement;
  - 67 ○ performance evaluations and scoring;
  - 68 ○ vendor rating system;
  - 69 ○ use of third-party vendors;
  - 70 ○ enhanced reporting and transparency; and
  - 71 ○ support for small businesses, green preferences, and other  
72 purchasing programs.

73 **BE IT FURTHER RESOLVED:**

74 The City Manager is requested to consider using a standard approach to  
75 structuring management consulting contracts, such as ISO 20700:2017.

76 **BE IT FURTHER RESOLVED:**

77 The City Manager is requested to consider using a standard approach to  
78 structuring all grant management – for the City as a grantor and grantee.

79 **BE IT FURTHER RESOLVED:**

80 The City Manager is requested to evaluate the use of cooperative purchasing  
81 contracts and establish clear guidelines for their use.

82 **BE IT FURTHER RESOLVED:**

83 As a public accountability measure, the City Manager is requested to  
84 consider implementing a procurement dashboard to track City contract  
85 performance and outcomes.

86 **BE IT FURTHER RESOLVED:**

87 The City Manager is requested to analyze the use and purpose of  
88 management and advisory consultant contracts for all departments and provide the  
89 analysis as well as recommendations for changes or reductions to Council as part  
90 of the Fiscal Year 2026-2027 budget process.

91 **BE IT FURTHER RESOLVED:**

92 The City Manager is requested to update contracting rules and procedures to  
93 further clarify and ensure the City does not direct contractors to use specific  
94 subcontractors.

95 **BE IT FURTHER RESOLVED:**

96 As part of the analysis of management and advisory consultant contracts, the  
97 City Manager is requested to incorporate a requirement for and verification of a  
98 needs assessment as part of the contract initiation documentation.

99 **BE IT FURTHER RESOLVED:**

100 The City Manager is requested to substantially complete the comprehensive  
101 review by the end of 2027, to update the Audit and Finance Committee regularly  
102 on progress, and to provide an initial report to the full Council in the Fall of 2026.  
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106 **ADOPTED:** \_\_\_\_\_, 2026

**ATTEST:** \_\_\_\_\_

Erika Brady  
City Clerk