Audit Report

Aviation Contract and Vendor Management

December 2025

Austin Aviation's contract management process does not ensure that contract documentation is accurate, leading to a significant amount of incorrect information and making it difficult for Austin Aviation to ensure contract documentation requirements are met. Austin Aviation's contract management teams have taken steps to address risks and improve their processes. However, these steps have not fully addressed the issues. Austin Aviation's contract monitoring processes and systems rely on manual input, which increases the risk that documentation is inaccurate or incomplete. Additionally, Austin Aviation does not have a consistent process to ensure someone other than the contract manager reviews contract documentation or that staff are regularly trained.

City of Austin
Austin City Auditor's Office

Audit Highlights
December 2025

Aviation Contract and Vendor Management

Objective

The objective of this audit was to determine whether Aviation contracts are administered and monitored effectively.

What We Found

Contract best practices recommend storing all procurement and contract documents in a single file, ensuring documents are accurate and complete, conducting regular reviews, and providing consistent training.

However, Austin Aviation staff do not have a way to capture contract management activities in one location, and staff rely on manual entry for contract documentation. This increases the risk that information is inaccurate or incomplete across all contract management systems and makes it more difficult to ensure that contract documentation requirements are being met. Over 90% of the 49 contracts we reviewed across both the Aviation purchasing and contract management and commercial contract management teams had missing documentation or expired insurance documentation.

Additionally, Austin Aviation does not have a consistent process to ensure someone other than the contract manager reviews documentation or that staff are regularly trained. Five of the ten contract management staff that we surveyed reported that no one reviews their uploaded documentation. Also, five out of the ten contract management staff we surveyed reported that they have not received training related to contract management in over a year.

Exhibit 1: Over 90% of the 49 contracts we reviewed across both the Aviation purchasing and contract management and commercial contract management teams had at least one documentation issue

92% of general procurement contracts had at least one documentation issue	91% of commercial management contracts had at least one documentation issue

Source: ACAO analysis of sampled contracts, September 2025

What We Recommend

The Austin Aviation Chief Executive Officer should strengthen contract management by working with Austin Financial Services, having contract documentation reviewed by another person, maintaining records timely, and ensuring contracts have up-to-date insurance documentation.

The Austin Aviation Chief Executive Officer should work with Aviation contract management staff to develop and hold regular trainings on how to document and monitor contracts as well as explore available technology to improve current Aviation contract management systems.

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Cover: The Airport entrance sign at nighttime, City of Austin.

Objective

The objective of this audit was to determine whether Aviation contracts are administered and monitored effectively.

Background

Contracts serve as important legal documents outlining the rights and responsibilities of each party in an agreement. Austin Aviation contract management staff manage hundreds of contracts. The number of contracts has increased in recent years and is expected to increase even more due to the Airport Expansion. Ineffective contract management leaves parties vulnerable to a host of problems including reduced customer satisfaction and lawsuits.

In 2024, the Austin City Auditor's Office (ACAO) performed a risk assessment to identify the top risks facing Austin Aviation. We identified contract and vendor management as a top risk area.

Austin Aviation has hundreds of contracts under their purview with three different teams administering and monitoring contracts. The three contract management teams include Aviation purchasing and contract management, commercial management, and capital improvement projects. The Aviation purchasing and contract management and commercial management teams manage over 700 contracts.

The Aviation purchasing and contract management team works on contracts that help with the operations of the airport and include contracts from waste management to baggage handling support. The commercial management team works specifically on revenue contracts. A lot of these contracts are with vendors who are visible to airport customers such as restaurants and retail stores. The capital contracts are managed by the City of Austin Capital Delivery Services and Austin Financial Services teams. The capital contracts team's processes were not included in this audit because Austin Aviation has a specialized project management system to manage the airport expansion program and has hired outside Aviation consultants to manage the expansion projects.

Contract documentation may include documents such as the signed contract, associated amendments, and current insurance.

This audit focuses on the steps taken after a contract is executed, which are contract administration and contract monitoring processes. Contract administration activities include maintaining proper documentation, managing performance, and resolving issues. Contract monitoring may include site visits, formal or informal audits, and regular status meetings. Contract best practices recommend storing all procurement and contract documents in a single file, ensuring documents are accurate and complete, conducting regular reviews, and providing consistent training to staff.

Exhibit 2: Contract management best practices address key areas including keeping contract files organized, up to date, and complete

Contract Management Best Practices

- Store all procurement and contract documents in a single record.
- Keep the contract record organized, up to date, and complete.
- Conduct regular reviews of contracts.
- Provide regular training for contract managers.

Source: ACAO assessment of National Institute for Public Procurement (NIGP) and National Contract Management Association (NCMA) best practices, October 2025

Austin Aviation has taken steps to address risks and improve their contract administration and monitoring processes since our office completed the Aviation Risk Assessment in 2024. Austin Aviation contract management teams have:

- updated their contract monitoring manual
- added staff to support Aviation contract management processes
- added their own review process checklist
- developed a risk assessment component at the beginning of the contract management process

However, there are still several documentation errors occurring in contracts.

What We Found

Summary

Austin Aviation's contract management process does not ensure that documentation is accurate, leading to a significant amount of incorrect information and making it difficult for Austin Aviation to ensure contract documentation requirements are met. Contract management teams have taken steps to address risks and improve their processes. However, these steps have not fully addressed the issues. Austin Aviation's contract monitoring processes and systems rely on manual input, which increases the risk that documentation is inaccurate or incomplete. Additionally, Austin Aviation does not have a consistent process to ensure someone other than the contract manager reviews contract documentation or that staff are regularly trained.

Finding

Austin Aviation's contract management process does not ensure that documentation is accurate, leading to a significant amount of incorrect information and making it difficult for Austin Aviation to ensure contract documentation requirements are met.

Best practices for contract administration include storing all procurement and contract documents in a single file.

Austin Aviation staff do not have a way to capture contract management activities in one location

Aviation purchasing and contract management team

Austin Aviation's purchasing and contract management team works with a team from Austin Financial Services to administer contracts that support the airport's daily operations, including maintenance, equipment, and professional service agreements. The teams use two systems: the City's contract management system called eCAPRIS and the City's financial system called Advantage.[1] The Austin Financial Services team executes the contracts and uploads the initial contract documentation. The Austin Financial Services team also uploads the insurance documentation for contracts.

According to Austin Aviation contract management staff, eCAPRIS has limited contract management elements. Staff mentioned they cannot rely on this system to have the correct information and must spend time double-checking contract requirements and other information. In addition, the Aviation purchasing and contract management team implemented a desk audit process to review contract documentation. To make sure the Aviation purchasing and contract management team has access to the most up-to-date documents, they also maintain a copy of files in SharePoint.[2] In some cases, the information captured in the official contract management system may not be as current as the information found in their SharePoint folder.
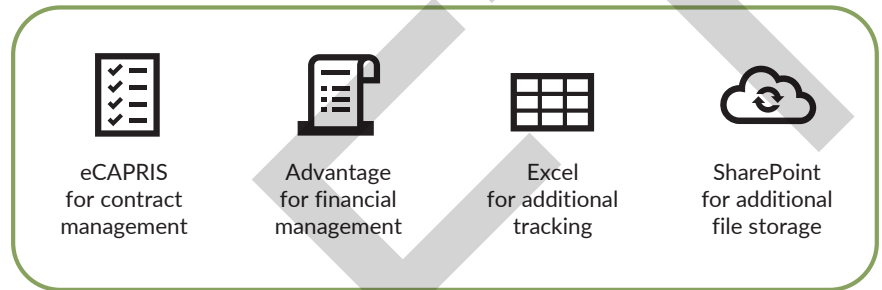
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[1] eCAPRIS stands for City of Austin Project Reporting and Information System. Advantage is also known as AIMS (Austin Integrated Management System).

[2] SharePoint serves as a central hub for City of Austin employees to store files.

The Aviation purchasing and contract management team also developed a Microsoft Excel document that captures current, active contracts. This Excel document is used to facilitate monthly meetings with stakeholders and is updated manually by Austin Aviation contract management staff. However, this information is not stored in the contract management system. This makes it difficult for the Aviation purchasing and contract management team to track and document what actions have been taken throughout the management of the contract.

Exhibit 3: The Aviation Purchasing and Contract Management Team uses multiple systems to manage contracts

eCAPRIS for contract management

Advantage for financial management

Excel for additional tracking

SharePoint for additional file storage

Source: ACAO analysis of testimonial and documentary evidence, October 2025

Because the contract management systems may not have the most up-to-date and accurate information, the Aviation purchasing and contract management team developed an instructional document on how to review a contract to make sure that the information in eCAPRIS and in Advantage are both accurate. This additional step was developed in June 2025 and has only been used with contracts executed after a start date of June 2025. This process results in additional time spent by contract management staff to check for accurate information. If the information was reliable in the eCAPRIS and Advantage systems, this step might not be necessary.

Commercial management team

Austin Aviation's commercial management team uses Airport Business & Revenue Management (ABRM) for contract management and billing, which is a different system than the Aviation purchasing and contract management team uses. However, Austin Aviation staff who use ABRM stated that this software also has limited functions. Commercial management contract staff said that ABRM is not intuitive and needs a lot of changes for optimal use. It is challenging for both the individual contract manager and the team overall to know the number of contracts they are managing at any one time. The commercial management team works with Austin Aviation's Finance division to ensure contract rates, charges, and provisions are correct in the system.

Austin Business & Revenue Management is both the contract management system and the financial system for commercial management contracts.

For both the Aviation purchasing and contract management team and commercial management contract team, the audit team requested master lists of current active contracts. However, it was a challenge for everyone, including contract managers, to determine the number of active contracts. For example, a single contract may be separated into multiple contracts for billing purposes. Contracts may also be labeled active even though they are not because there is an outstanding issue with the contract that has not been resolved.

Manual entry of documentation increases the risk that information is inaccurate or incomplete

Aviation purchasing and contract management team

We sampled 26 general procurement contracts. Over 92% (24 out of 26) of the contracts had some type of documentation error. The most common issues noted were missing documentation and expired insurance documentation. According to the National Institute for Public Procurement, ensuring that certificates of insurance are valid and remain current is an important element of managing performance of the contract. Maintaining up-to-date insurance documentation is essential to ensure accurate documentation.

Exhibit 4: 24 out of 26 general procurement contracts had documentation errors

92%
of general procurement contracts had at least one documentation issue

Source: ACAO analysis of sampled contracts, September 2025

Austin Aviation staff do not have reliable processes to ensure the contract information stored in eCAPRIS is well organized, up-to-date, and complete. Most of the processes require manual entry. At the beginning of a contract, the team from Austin Financial Services that is embedded in Austin Aviation must manually enter requirements for contract documents. However, staff may forget to upload contract documentation or may make errors entering contract requirements. In one example, staff from the Austin Financial Services team embedded in Austin Aviation manually entered "No" when filling out whether a contract required a living wage. However, the contract did require a living wage. Anyone who later reviewed the contract information in eCAPRIS may not know that there was a living wage requirement.

Best practices for managing contracts include ensuring that documents are accurate and complete and that any certificates of insurance are valid and remain current.

Contract amendments must also be manually uploaded to eCAPRIS. Missing amendments have caused issues for contract management staff. If an amendment is missing in eCAPRIS, contract management staff may not be aware of an issue until the issue is brought to them by the vendor, causing inefficiencies in the contract management process. Additionally, contract management staff must create their own manual reminders of important contract dates such as when a contract's insurance expires. Staff's reliance on memory and familiarity with contracts can become increasingly challenging when managing multiple contracts at once.

Commercial management team

In addition to sampling general procurement contracts, we also sampled 23 commercial management contracts. 91% (21 out of 23) of sampled contracts had at least one documentation issue with insurance documentation or with the executed contract.

Exhibit 5: 21 out of 23 commercial management contracts had documentation errors

91%
of commercial management contracts had at least one documentation issue

Source: ACAO analysis of sampled contracts, September 2025

There is a function in ABRM that can build a "checklist." However, not every contract has a checklist generated because checklists were not created for all types of contracts. Therefore, the checklist function is not consistently used. Not having a checklist for every type of contract makes it more difficult for contract management staff to remember each step that needs to be completed.

Additionally, some documentation was not uploaded in a timely manner. In one instance, we observed documents that were uploaded to the contract management system two years after the vendor sent the information.

Finally, when we observed the commercial management team's inspection process, two out of three contract management staff relied on memory for conducting their inspections. By relying on memory, contract management staff must remember violations from the previous inspection and remember what boxes to mark on the form for the current inspection. The form used for all inspections is concessions-focused, and contract management staff reported it has limited usefulness for non-concessions inspections.

<u>Austin Aviation does not have processes to ensure regular reviews of contracts and consistent training for contract management staff</u>

We surveyed contract management staff about their practices. Five of the ten contract management staff across both the Aviation purchasing and contract management and commercial management contract teams reported that no one other than them reviews their contract documentation. A review process may help minimize errors.

The City of Austin's Central Procurement policies state that contract management requires conducting regular reviews of contracts.

Additionally, contract management staff do not have consistent training. Five of the ten contract management staff across both the Aviation purchasing and contract management and commercial management contract teams reported that they have not received a training related to contract administration and contract monitoring in over a year. One contract management staff member reported that they have not received a training related to contract administration and contract monitoring in over five years.

Austin Aviation staff reported that the contract management systems may have ways to better track contract monitoring, but their team has not been taught how to use some available features. Austin Aviation staff reported that more extensive training and annual training would help them.

Recommendations and Management Response

1

To ensure contract documents are well-organized, accurate, and complete, the Austin Aviation Chief Executive Officer should strengthen contract administration and monitoring practices by working with Austin Financial Services and implementing processes to:

- have contract documentation reviewed by another person on the team other than the assigned contract manager
- maintain records of contract management timely or in accordance with the contract
- ensure contracts have up-to-date insurance documentation

Management Response: Agree

Proposed Implementation Plan: Austin Aviation will collaborate with Austin Financial Services to ensure that contract requirements are accurately and promptly entered into the City's corporate systems (eCAPRIS and Advantage).

Austin Aviation will continue conducting proactive desk audits to verify data accuracy in eCAPRIS and Advantage, serving as an added quality-control measure to identify discrepancies, ensure documentation is current, and confirm that contract requirements are being met.

The newly hired Commercial Managers will review documentation in ABRM as part of their contract oversight responsibilities complementing the monthly review meetings held with staff. This added layer of review will help support consistency and accountability.

Austin Aviation is committed to strengthening contract administration practices and ensuring that all contract documentation is up to date in the system of records.

Proposed Implementation Date: June 2026

2

To ensure contract management procedures are implemented effectively, the Austin Aviation Chief Executive Officer should work with Aviation contract management staff to develop and hold regular trainings on how to document and monitor contracts.

Management Response: Agree

Proposed Implementation Plan: Austin Aviation will collaborate with Austin Financial Services to deliver refresher training. This training will ensure that staff from both Austin Financial Services and Aviation clearly understand and accurately perform their designated roles and responsibilities using City systems (eCAPRIS and Advantage). Additionally, Austin Aviation will provide supplemental training on the use of the ABRM system and monitoring practices for Austin Aviation staff. This effort will ensure that contract documentation is consistently entered, tracked, and maintained.

Proposed Implementation Date: March 2026

Recommendations and Management Response

3

To improve the efficiency and accuracy of contract management, the Austin Aviation Chief Executive Officer should explore available technology to improve current Aviation contract management systems, including:

- developing an interactive dashboard to capture complete action steps
- identifying automated processes to incorporate into contract management

Management Response: Agree

Proposed Implementation Plan: Austin Aviation will collaborate with Austin Financial Services to identify additional functionality and potential enhancements to the City's eCAPRIS system and explore enhancements to ABRM. This initiative includes evaluating opportunities to:

• Develop an interactive, user-friendly dashboard that captures complete action steps, improves visibility into contract requirements, and supports timely monitoring and follow-up by staff.

• Identify and incorporate automated workflows to reduce manual input, minimize errors, and ensure consistent and accurate updates across all contract management platforms.

Proposed Implementation Date: September 2026

Scope

The audit scope included all Austin Aviation general procurement and commercial management contracts that were active at some point between the 2023 and 2025 calendar years.

Methodology

To complete this audit, we performed the following steps:

- reviewed best practices for contract management
- reviewed information collected during the 2024 Aviation Risk Assessment
- interviewed staff from Austin Aviation and Austin Financial Services
- reviewed policies, procedures, and other relevant documentation related to Austin Aviation contract management
- observed contract meetings facilitated by Austin Aviation contract management staff
- conducted multiple on-site visits to the Austin airport
- conducted a survey of Austin Aviation contract management staff
- selected a judgmental sample of 49 Aviation contracts that were active between 2023 and 2025 to assess the accuracy and completeness of contract documentation - due to the sampling method, the results should not be projected to the population
- evaluated internal controls related to Austin Aviation purchasing and contract management and commercial contract management teams
- evaluated the risk of fraud, waste, and abuse

Audit Standards

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Austin City Auditor's Office was created by the Austin City Charter as an independent office reporting to City Council to help establish accountability and improve City services. We conduct performance audits to review aspects of a City service or program and provide recommendations for improvement.

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