Posting: Approve a resolution directing the City Manager to ensure social services contracts and grants are subject to the City's standard procurement and grant policies, processes, and procedures, to update those policies, processes, and procedures as needed, provide appropriate training, and to designate points of contacts for social service vendors to navigate the contracting and grant processes.

RESOLUTION NO.

WHEREAS, City Council recognizes the value of nonprofit social service providers who play an important role in delivering public services by offering specialized expertise and experience, an ability to respond flexibly to changing needs, and service delivery that is often more efficient than building the same capacity inside government; and

WHEREAS, in July 2026, the City Auditor's Office issued an audit report on the City's nonprofit contract performance management to determine whether the City is effectively and efficiently developing and managing nonprofit contracts for family and social services; and

WHEREAS, in some sampled cases, the audit report found deviations between what the City expected to receive and what the nonprofit provided, indicating the need to update contract development and monitoring standards to properly reflect the unique services nonprofits provide; and

WHEREAS, an evaluation and overhaul of all social service grants and contracts is underway by the City Manager to identify areas for improvement to resolve present deviations and prevent future ones through proper City grant and contract structures, processes, and procedures; and

WHEREAS, management's response to the audit outlined the current effort to strengthen the City's family and social services grants and contracting models to provide clarity for providers given their unique structure, and to build metrics and measurements that properly reflect desired outcomes; and

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WHEREAS, the report's recommendations advised the City Manager to identify a lead department to establish improved evaluation criteria, documentation of performance and quality of work, and effective resolution of any issues; and

WHEREAS, the management response to the audit report identified the following actions being taken to address the findings of the audit:

- Updating the procurement manual to include industry-driven definitions for contracts and grants, including expanding the use of the Contractor Performance Evaluation (CPE) Program in a manner that aligns with recommendations.
- Developing enhanced procedures, templates, and training materials that will extend the current CPE program beyond the Capital Procurement Division to all City contracts, not only those executed and administered by Central Procurement.
- Establishing criteria and procedures for the solicitation of social services through Austin Financial Services.
- Centralizing compliance for department-managed contracts, including contracts for social services, within Austin Financial Services for proper separation of duties between department-managed contracts and compliance reporting.
- Updating the Austin Grants Standard Operating Procedures (SOPs) to include industry-driven definitions for contracts and grants, including for the City as grant recipient.
- Centralizing compliance for grant agreements awarded by and to the City within Austin Government Relations for proper separation of duties between department grant management and grant compliance reporting; and

WHEREAS, City Council supports the efforts and improvements identified in the management response to the audit; **NOW, THEREFORE,**

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

The City Manager is directed to ensure social services contracts are subject to the City's standard procurement policies, processes, and procedures, including any necessary City Code revisions.

BE IT FURTHER RESOLVED:

The City Manager is directed to ensure all City grants are subject to the City's standard grant policies, processes, and procedures.

BE IT FURTHER RESOLVED:

The City Manager is requested to update all associated procedures, guidelines, and manuals as proposed in the management response to the audit.

BE IT FURTHER RESOLVED:

The City Manager is requested to provide the necessary training on any updates to departments as well as to grant recipients and providers of social services.

BE IT FURTHER RESOLVED:

Additionally, the City Manager is requested to designate one or more staff to provide application, bidding, and compliance assistance for social services contracts and grant applicants consistent with City policies, processes, and procedures regarding applications and proposals, as well as to receive feedback regarding potential improvements or concerns. The City Manager is requested to publicize the appropriate contacts, including, but not limited, to posting their

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contact information prominently on the City website and providing their contact information to potential social services contract and grant applicants.

ADOPTED: _____, 2026 **ATTEST:** _____
Erika Brady
City Clerk

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