

**FIRST AMENDMENT TO FUNDING AND SUPPORT
AGREEMENT FOR THE ALAMO AREA COMMUNITY
NETWORK**

FOR VALUE RECEIVED, the receipt and sufficiency of which is acknowledged, this First Amendment to the Funding and Support Agreement for the Alamo Area Community Network (hereinafter referred to as "First Amendment") is entered into by and between the City of San Antonio, a Texas Municipal Corporation, (hereinafter referred to as "City"), acting by and through its City Manager, pursuant to Ordinance No. _____ passed and approved on _____, 2025, and the Alamo Area Community Network ("AACN"), a Texas non-profit entity, both of which may be referred to as the "Party" or collectively as the "Parties".

RECITALS

WHEREAS, the AACN is an alliance of community organizations in and around San Antonio, Bexar County, and surrounding counties (the "**Network**") formed to improve the health and well-being of individuals and families in the San Antonio region; and

WHEREAS, the Parties entered into that certain Funding And Support Agreement for the Alamo Area Community Network (hereinafter referred to as "Agreement"), dated June 27, 2024, for City to commit funding toward the success of the Network and the HIPAA-compliant, cloud-based AACN Platform used by the Network for client case management, referrals, and coordination of social services, and to expand the features and functionalities of the AACN Platform to better serve City's workforce training programs; and

WHEREAS, the Parties now wish to amend the Agreement to increase Year 2 funding to support AACN's continued operation of the Platform in connection with City's recently-expanded SA Ready to Work Program, and to add necessary provisions to safeguard City's increased investment.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Agreement, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. **Section 3.1(b)(ii)** is hereby deleted in its entirety and replaced with the following:

(ii) Year two (January 1, 2025 – December 31, 2025): \$115,000.00 within thirty (30) calendar days of January 1, 2025 and \$200,000 within thirty (30) calendar days of July 1, 2025, provided City's has received a correct invoice for each.

2. The following language replaces Section 13 as follows:

13. Fiscal Responsibilities

13.1 The utilization of any funding provided under this Agreement toward administrative overhead costs for operation of the platform shall not exceed twenty percent (20%).

13.2 AACN costs or earnings claimed under this Agreement may not be claimed under another contract or grant from another agency, organization, business entity or governmental entity.

- 13.3 AACN shall not use funds awarded from this Agreement as matching funds for any federal, state or local grant without the prior written approval of the City's Workforce Development Office ("WDO").
- 13.4 AACN warrants that any and all taxes that the AACN may be obligated for, including but not limited to, federal, state, and local taxes, fees, special assessments, federal and state payroll and income taxes, personal property, real estate, sales and franchise taxes, are current, and paid to the fullest extent liable as of the execution date and throughout the term of the Agreement.
- 13.5 AACN shall maintain financial stability and operate in a fiscally responsible and prudent manner. City may immediately terminate this Agreement if the City finds, in its sole discretion, that AACN's financial condition may impact performance under this Agreement. The City may consider:
- (a) evidence such as the apparent inability of AACN to meet its financial obligations;
 - (b) items that reflect detrimentally on the credit worthiness of AACN;
 - (c) pending litigation, liens and encumbrances on the assets of AACN;
 - (d) the appointment of a trustee, receiver or liquidator for all or a substantial part of AACN's property; or
 - (e) institution of bankruptcy, reorganization, rearrangement of or liquidation proceedings by or against AACN.

AACN shall provide any records requested by City that City deems necessary to make such a determination.

- 13.6 The City's Director of Finance, the City Auditor, or a person designated by WDO may review and approve AACN's systems of internal accounting and administrative controls before the release of funds. The City may, in its sole discretion, require the AACN to use any and all of the City's accounting or administrative procedures used in the planning, controlling, monitoring and reporting of all fiscal matters relating to this Agreement.
- 13.7 AACN must have or shall comply with the following regarding personnel management:
- (a) An employee ethics or integrity policy that outlines a) the requirements for employees to conduct themselves in an ethical manner consistent with the values of the AACN; and b) the process for identifying, investigating, and enforcing potential breaches of the policy.
 - (b) Internal project management procedures to mitigate the risk of theft, embezzlement, improper inducement, obstruction of investigation or other criminal action, and to reasonably prevent fraud and program abuse. These procedures shall specify the consequences to AACN's employees and vendors involved in such illegal activities to include but not be limited to termination and prosecution where necessary.

(c) The employee ethics policy and the project management procedures will be provided to WDO upon request.

(d) AACN shall immediately notify the City if any unethical, illegal, or potentially fraudulent activity involves or is related to funds provided by the City and shall provide the City with timely updates on any investigation or inquiry into the activity.

(e) AACN represents and warrants that it has conducted a criminal background check, at its own expense, for employees providing services related to this Agreement. No employee of AACN shall be eligible to perform services related to this Agreement if he or she, (1) has been convicted of, or was placed in a pre-trial diversion program for, any crime involving dishonesty or breach of trust including, but not limited to, check kiting or passing bad checks; embezzlement, drug trafficking, forgery, burglary, robbery, theft, perjury; possession of stolen property, identity theft, fraud, money laundering, shoplifting, larceny, falsification of documents; and/or (2) has been convicted of any weapons or violent crime including but not limited to homicide, attempted homicide, rape, child molestation, extortion, terrorism or terrorist threats, kidnapping, assault, battery, and illegal weapon possession, sale or use; or 3) is listed on the national register of sex offenders.

(f) The AACN agrees to establish internal procedures that assure employees of an established complaint and grievance policy. The grievance policy will include procedures to receive, investigate, and resolve complaints and grievances in an expeditious manner.

(g) Chief Executive Officers (CEOs), directors and other management positions may not supervise a spouse, parents, children, brothers, sisters, and in-laws standing in the same relationship, (“Relatives”) who are involved in any capacity with program delivery supported through City funds. Relatives may be co-workers but only in non-supervisory roles.

(h) AACN represents and warrants that AACN’s employees and its subcontractors have the requisite training, license or certification to provide the services required under this Agreement, and that they meet all licensing, training, and competency standards promulgated by relevant authoritative or professional bodies. The AACN will provide the City with the names and license registration of any employees of AACN regulated by state law whose activities contribute towards, facilitate, or coordinate the performance of this Agreement.

(i) AACN must include written job descriptions in personnel folders for each position in the organization funded through this Agreement.

(g) The Contractor shall comply with all applicable local, state, and federal employment laws including, but not limited to:

1. worker’s compensation;
2. unemployment insurance;
3. timely deposits of payroll deductions;
4. filing of Information on Tax Return form 990 or 990T, Quarterly Tax Return Form 941, W-2’s, Form 1099 on individuals who received compensation other

than wages, such as car allowance, Forms 099 and 1096 for contract or consultant work, non-employee compensation, etc.;

5. Occupational Safety and Health Act regulations; and
6. Employee Retirement Income Security Act of 1974, P.L. 93-406.

- 13.8 AACN shall provide to WDO all information requested relating to the AACN's Board functions, including, but not limited to:
 - (a) Roster of current Board Members (name, title, address, telephone number and e-mail address);
 - (b) Current and any amendments to Bylaws and Charter;
 - (c) Terms of Officers;
 - (d) Schedule of anticipated board meetings for current Fiscal Year; and
 - (e) Board Agendas or approved meeting minutes upon request.
 - 13.9 The City may conduct or have an audit conducted or conduct a review of the use of funds and documentation associated with this Agreement. City is entitled to determine the scope of any audit. The City Internal Audit Staff, a Certified Public Accounting (CPA) firm, or other personnel as designated by the City, may perform such audit(s) or reviews. AACN must make available to City all accounting and records related to Platform operations.
 - 13.10 AACN, during normal business hours, and as often as deemed necessary by City and/or the applicable state or federal governing agency or any other auditing entity, must make available the books, records, documents, reports, and evidence with respect to all matters covered by this Agreement for a minimum period of three (3) years or whatever period is determined necessary based on the Records Retention guidelines established by applicable law for this Agreement. The records shall be maintained for the required retention period, except if there is pending litigation or if the audit report has not been accepted, then the AACN shall retain the records for as long the City requires retention. The auditing entity shall have the authority to audit, examine and make excerpts, transcripts, and copies from all such books, records, documents and evidence, contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to matters covered by this Agreement.
 - 13.11 At such times and in such form as may be required by WDO, AACN shall prepare and submit to WDO any additional reports, records, data, statements, policies, procedures and information, pertaining to the performance of this Agreement.
 - 13.12 Any expenses for the collection of delinquent debts owed by AACN are the sole responsibility of the AACN and shall not be paid from any funds provided under this Agreement.
 - 13.13 For any sum of funds provided by City later determined to have not been spent in accordance with the terms of the Agreement, or to have not been supported by adequate documentation to fully justify the expenditure as for AACN's operation of the Platform, City reserves the right to request return of said funds to City, which shall be returned within ten (10) working days, or shall be proportionately held from future disbursement, as decided by City.
3. As a result of the addition of **Section 13. Fiscal Responsibility** pursuant to Section 2 of this First Amendment, the former **Section 13** shall become **Section 14** and its subsections thereafter shall be

renumbered accordingly.

4. The Parties acknowledge that as of the execution of this First Amendment, City has provided AACN \$115,000 in funding in accordance with the terms of the Agreement.
5. All other terms, conditions, covenants and provisions of the Agreement are hereby continued and shall remain in effect in their original form, except for the provisions expressly modified by this First Amendment.

This First Amendment has been fully executed as of the date of signature of the last party to sign. The Parties represent, warrant, assure and guarantee that they possess the legal authority to enter into this Agreement and to perform the responsibilities set out hereunder.

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

ALAMO AREA COMMUNITY NETWORK

Erik Walsh
City Manager
Date: _____

Natasha Lane

Date: _____

APPROVED AS TO FORM:

ASSISTANT CITY ATTORNEY