



# City of Austin

## Recommendation for Action

**File #:** 25-1868, **Agenda Item #:** 36.

9/25/2025

### **Posting Language**

Authorize additional expenditures for the construction contract for the Town Lake Center Major Renovations and Remodeling Project with Muckleroy and Falls, to increase the contract amount by \$2,312,693, for a revised total contract amount not to exceed \$19,230,775. Funding: \$2,312,693 is available in the Capital Budget of the Building Services Department.

### **Lead Department**

Financial Services Department.

### **Managing Department**

Building Services Department.

### **Amount and Source of Funding**

Funding is available in the Capital Budget of the Building Services Department.

### **Purchasing Language:**

Additional Authorization.

### **MBE/WBE:**

This contract was awarded in accordance with the City Code Chapter 2-9A (Minority-Owned and Women-Owned Business Enterprise Procurement Program). Current participation to date is 28.83% MBE and 16.72% WBE.

### **Prior Council Action:**

November 21<sup>st</sup>, 2024 - Council approved a contract with Muckleroy and Falls for the Town Lake Center Major Renovations and Remodeling project.

### **For More Information:**

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at [FSDCentralProcurementRCAs@austintexas.gov](mailto:FSDCentralProcurementRCAs@austintexas.gov) or 512-974-2500.

### **Additional Backup Information:**

The Town Lake Center (TLC), constructed in the early 1980s and served as Austin Energy's headquarters until 2023 remained vacant until renovations began in April 2025. In December 2024, the City awarded a \$15,384,620 renovation contract to Muckleroy and Falls, including a 10% contingency of \$1,538,462, for a total authorized amount of \$16,922,082.

After the contract was executed and before construction, the Greater Austin Area Telecommunications Network (GAATN) requested the addition of a telecommunications hub within the building. While GAATN agreed to fund the work, their request came after the bid award and was not part of the original design. As a result, construction costs for the hub were drawn from the contractor's contingency-reducing funds intended for

unforeseen project conditions.

Due to the building's age and extended vacancy, additional deficiencies not captured in the original scope have emerged. The sanitary sewer system, composed primarily of corroded cast iron piping, now requires complete replacement. Additionally, key heating, ventilation, and air conditioning systems are non-operational and need repair or replacement to ensure optimal air quality and occupant comfort. To address these issues, staff requests Council approval to increase the contractor's contingency authority from the current 10% (\$1,533,462) to the state-allowed maximum of 25% (\$3,846,155). This represents an increase of \$2,312,693 in spending authority.

#### **AUTHORIZATION HISTORY**

AMOUNT	DATE	DESCRIPTION
\$15,384,620.00	11/21/2024	(Council) - Construction services for the Town Lake Center Major Renovations and Remodeling Project
\$1,533,462.00	11/21/2024	(Council) - 10% Contingency
\$2,312,693.00	09/24/2025	Proposed (Council) - Additional funding will be used to correct additional deficiencies not captured in the original scope.
\$19,230,775.00	<i>Total Contract Authorization</i>	