



City of Austin

Recommendation for Action

File #: 26-1666, **Agenda Item #:** 25.

5/21/2026

Posting Language

Authorize additional contingency for the construction contract for the Fallwell Lane Capital Renewal project for Austin Energy and Austin Water with Posillico Civil, Inc., in the amount of \$3,337,139, for a revised total contract amount not to exceed \$27,809,496. Funding: \$3,337,139 is available in the Capital Budgets of Austin Energy and Austin Water. Funding for the remaining contract amount is contingent upon available funding in future budgets.

Lead Department

Austin Financial Services.

Managing Department

Austin Capital Delivery Services.

Fiscal Note

Funding in the amount of \$3,337,139 is available in the Capital Budgets of Austin Energy and Austin Water.

Funding for the remaining contract amount is contingent upon available funding in future budgets.

Procurement Language:

Additional Authorization.

MBE / WBE:

This contract was awarded in compliance with the City Code Chapter 2-9A (Minority-Owned and Women-Owned Business Enterprise Procurement Program). Current participation to date is 1.08% MBE and 0.00% WBE.

Prior Council Action:

July 24, 2025 - Council approved a contract with Posillico Civil, Inc. for Fallwell Lane Capital Renewal Project.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Austin Financial Services - Central Procurement at FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Additional Backup Information:

Fallwell Lane serves as the main access route to the City's South Austin Regional Wastewater Treatment Plant and the Sand Hill Energy Center, making it essential in the operation of City utilities. On October 31, 2013, and October 30, 2015, Onion Creek floodwaters flowed north into the Colorado River, causing severe bank erosion and requiring extensive restoration and stabilization. In both instances, Falwell Lane sustained severe damage from the flooding, requiring emergency repairs.

The Texas General Land Office recently rejected a request to extend the January 31, 2027 agreement, which may require that the City accelerate completion of the project. The City holds a contract with the General Land

Office for \$8,810,804 in funding under the U.S. Department of Housing and Urban Development Community Development Block Grant Mitigation Program. This grant requires no local match, and the full amount has been obligated to the City's contract with Posillico Civil, Inc.

The request for additional contingency is due to the City's ongoing negotiation of change orders to accelerate the schedule and accommodate additional scope modifications for temporary levee mitigation around the South Austin Regional Wastewater Treatment Plant and the Sand Hill Energy Center that may exceed the current contingency. Since construction is in its early stages, additional change orders are anticipated. The General Land Office has indicated that at least an estimated \$20 million of the project must be completed by January 31, 2027, to fulfill the grant agreement.

The additional contingency in funding is requested to allow for the expeditious processing of any change orders to cover unforeseen construction costs associated with the project. By authorizing the additional contingency funding, Council is authorizing any change orders within the contingency amount.

If this request is not approved, the City will be unable to meet requirements of the grant and risk losing the associated grant funding.

This project is located within zip code 78617 (District 2).

AUTHORIZATION HISTORY

AMOUNT	DATE	DESCRIPTION
\$22,247,597.00	07/24/25	(Council) - Construction services for the Fallwell Lane Capital Renewal Project
\$2,224,760.00	07/24/25	(Council) - 10% Contingency
\$3,337,139.00	05/21/26	Proposed (Council) - Increase in contingency for pending change orders
\$27,809,496.00	<i>Total Contract Authorization</i>	

CONTRACT HISTORY

AMOUNT	DATE	DESCRIPTION (CO%/CUMULATIVE CO%)
\$22,247,597.00	07/24/25	(Council) - Construction services for the Fallwell Lane Capital Renewal Project
\$3,506.00	03/03/26	CO 1 - Tapping Saddle (0.02%/0.02%) for water line connections
\$5,558,393.00	Proposed	Council - Additional Contingency for pending changer orders (24.98%/25%)
\$27,809,496.00	<i>Total Contract History</i>	