

## STAFF REPORT

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**Date:** April 12, 2023

**To:** Mayor and City Council

**Thru:** Doug Thornley, City Manager

**Subject:** Staff Report (For Possible Action): Approval of Agreement for Consulting Services with Bureau Veritas North America, Inc. for building permit plan review services that are outside the scope and expertise of City staff regarding structural engineering and complex building design in the amount not to exceed \$1,000,000. (Building Enterprise Fund)

**From:** Spencer Schultz, Management Analyst

**Department:** Development Services

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### **Summary:**

In February 2022, Council approved an Amended Agreement with Bureau Veritas for third party building permit plan review and inspection services. The amended two-year contract is set to expire on April 23, 2023. Bureau Veritas is a consulting firm that provides third party building permit plan review and inspection consulting services. The consulting firm will be utilized to review high rise buildings and complex building permits that are outside the expertise of City staff. This is a one-year contract with the option to renew for five additional one-year terms upon written notice. Staff recommends Council approve the Agreement with Bureau Veritas in an amount not to exceed \$1,000,000 with the option to renew.

### **Alignment with Strategic Plan:**

Economic and Community Development

### **Previous Council Action:**

February 9, 2022 - Council unanimously approved an amended consultant agreement with Bureau Veritas to increase the not to exceed amount by \$500,000 from an initial not to exceed amount of \$500,000.

April 28, 2021 - Council unanimously approved a consultant agreement with Bureau Veritas for a two-year contract not to exceed \$500,000.

**Background:**

The City of Reno does not have adequate staffing to review building permits for high rise buildings or specialty permits which require additional certifications and engineering licenses. The City of Reno uses consulting firms with expertise in permit review performed by qualified personnel. Bureau Veritas was selected through a Statement of Qualifications (SOQ) review process and is listed on the City of Reno 2022-2024 Ranked Consultant List for building plan review and inspection services. There is a current two-year contract in place with Bureau Veritas set to expire on April 23, 2023.

Bureau Veritas has maintained a high level of professional review for building permits while also adhering to the expeditious building permit review timeline provided by the Development Services Department. In order to continue to provide large-scale projects within the City of Reno access to thorough and expedient building plan review for complex and specialty projects, City staff seeks to continue providing access to Bureau Veritas as a third party consulting option through a new Agreement. Over the course of the past two years, the City has paid approximately \$919,861.98 in review fees to Bureau Veritas. Staff are anticipating similar growth and development projections and this contract is requested for \$1,000,000 to cover those review fees. It should be noted that the applicant pays for the review fees through the Building Enterprise Fund and no money is expended through the General Fund.

**Discussion:**

The number and types of building permits needing third party review varies between projects and market conditions. In the past 12 months, approximately 13 complex or specialty building permits have been submitted requiring third party review. As the Agreement is service based and City staff will control which projects are sent for third party review, market conditions will not significantly affect the total funds coming out of the Building Enterprise Fund as a result of this agreement.

Under this agreement the building permit review fees are paid by the applicant to the City and the City pays the consultant a fee of 80 percent of the permit fee for projects with a valuation under \$2,000,000 (with 20 percent retained for administrative processes). For projects with a valuation over \$2,000,000, the applicant would pay building permit review fees to the City and the City pays the consultant a fee of 68 percent of the permit fee (with 32 percent retained for administrative processes). In general, permit fees will vary depending on the type of building and construction. For example, the building permit fee for a four story building is approximately \$16,000 compared to a 12-story building with permit fees closer to \$70,000.

**Financial Implications:**

The City of Reno will administer the agreement with Bureau Veritas. Building permit review

fees are paid by the applicant and deposited in the Building Enterprise Fund. After the third party building permit review is completed, Bureau Veritas sends an invoice to the City of Reno and the funds collected through the building permit review process are used to pay for the service. The service does not require any General Fund contribution.

**Legal Implications:**

Legal review completed for compliance with City procedures and Nevada law.

**Recommendation:**

Staff recommends Council approval of the agreement with Bureau Veritas North America Inc., for third party building permit plan review services in an amount not to exceed \$1,000,000 with the option to renew upon written notice and authorize the Mayor to sign.

**Proposed Motion:**

I move to approve staff recommendation.

**Attachments:**

Exhibit A – 2022 Building Permits Reviewed by 3rd Party Consultant

Exhibit B – Bureau Veritas North America, Inc. Professional Service Agreement