



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: February 10, 2026

DATE: January 16, 2026

TO: Board of County Commissioners

FROM: Dwayne Smith, P.E., Division Director, Engineering and Capital Projects
Community Services, 775-328-2043, desmith@washoecounty.gov

THROUGH: Eric Crump, Director,
Community Services, 775-328-3625, ecrump@washoecounty.gov

SUBJECT: Recommendation to (1) approve the Guaranteed Maximum Price #2 Construction Agreement with Plenum Builders, Inc., the authorized Construction Manager at Risk (CMAR), for the Washoe County Behavioral Health Remodel Project (Project), [not to exceed \$20,325,158.00]; and, (2) authorize a project allowance in the amount of [\$5,350,000.00] for sole use by Washoe County to support and deliver the Project to include items such as furniture, fixtures and equipment, security equipment and systems, and other components necessary for the Project; and (3) if approved, authorize County Manager Kate Thomas to act on behalf of Washoe County to execute and deliver any and all instruments and to enter into all modifications or amendments to Project documents and agreements. Pursuant to Nevada Revised Statute (NRS) 338.1685 to NRS 338.16995, the selection and award for contracts involving CMARs are exempt from the competitive bidding process. The Washoe County Behavioral Health Facility project located at 1248 East 9th Street, Reno, involves the comprehensive renovation and improvements of an existing 47,000 square foot building to provide a range of behavioral health services, with a specialized focus on children and adolescents. Project work is anticipated to commence on or about March 2, 2026. (Commission District 3.) FOR POSSIBLE ACTION.

SUMMARY

The Community Services Department Engineering and Capital Projects Division is requesting the Washoe County Board of County Commissioners (Board) authorize the Guaranteed Maximum Price Agreement GMP #2 (GMP #2) for the Washoe County Behavioral Health Facility (WCBH) (Project). GMP#2 is the second of two construction agreements with the Project Construction-Manager-At-Risk (CMAR), Plenum Builders, Inc. The Project, located at 1248 E. 9th Street, involves the comprehensive renovation and improvements of an existing 47,000 square foot building, purchased in March 2024, to provide a range of behavioral health services, with a specialized focus on children and adolescents. Key services include psychiatric residential treatment, crisis stabilization, respite care, and specialized services for Commercial Sexual Exploitation (CSE) victims,

AGENDA ITEM # _____

alongside outpatient support and dedicated training spaces. The Project is funded through a Coronavirus State and Local Fiscal Recovery Funds (SLFRF) subgrant award from the State of Nevada, that was approved by the Board on March 23, 2024, assigning responsibility for grant award and management to Washoe County.

Approval of the GMP #2 Agreement will direct the CMAR to complete the necessary work on the WCBH Facility building under the negotiated project schedule and cost structure. GMP #2 includes General Conditions, Owner contingency, as well as CMAR profit and associated construction bonds and insurance. GMP #2 represents the maximum price for the final phase of construction of this project. The first GMP agreement identified and included necessary construction items such as building permits, demolition and asbestos abatement of the interior spaces, removal and replacement of old roof structure, removal of obsolete equipment such as an inefficient central power plant as well as other items necessary to prepare the building shell for the necessary work included in this final work package.

A project allowance of \$5,350,000.00, separate from the Construction Agreement, has been identified to support the Project which includes necessary items such as furniture, fixtures and equipment (FF&E) that will be installed at the end of the project. FF&E includes items such as beds, tables, desks, window coverings, chairs, etc. necessary for both the patients and the staff working in the facility. Other allowance items include security systems such as cameras, door controls and necessary computer equipment that will be installed with the input and direction of Washoe County Security Administrator and facility operator. Use of the Project allowance will be at the sole discretion of the County Manager, Kate Thomas. This approach allows the County to efficiently deliver the final elements of the Project, avoiding project delays and additional costs.

Plenium Builders was selected for CMAR Pre-Construction Services on March 14, 2024, through a competitive CMAR RFP process and has participated in the development of the project through a pre-construction agreement, authorized by the Washoe County Purchasing and Contracts Manager on August 8, 2024, in the amount of \$62,548.00.

Staff verified in the System for Award Management Exclusions that no bidder is excluded from receiving federal government contracts as a result of being debarred; thus, none of the bidders are prohibited by NRS 338.017(2) from being awarded a public works contract.

Washoe County Strategic Objective supported by this item: Fiscal Sustainability: Long-term sustainability.

PREVIOUS ACTION

On February 10, 2026 – The Board approved an augmentation from the Fiscal Year 2026 General Fund budget, which will be appropriated as a transfer to the Capital Improvements Fund (F402) to support the Washoe County Behavioral Health Remodel Project in the amount of \$17,000,000.00.

On January 20, 2026 – The Board approved an augmentation to utilize unbudgeted revenues from the sale of 10 Kirman Avenue (Assessor's Parcel Number 012-150-012) to support the Washoe County Behavioral Health Remodel Project in the amount of \$749,042.12.

On August 19, 2025 – The Board authorized Plenium Builders, Inc. as the project Construction Manager at Risk (CMAR) and approved the Guaranteed Maximum Price #1 Construction Agreement for the Washoe County Behavioral Health Remodel Project, not to exceed \$6,422,445.00.

On August 19, 2025 – The Board approved an Agreement for Services between Washoe County and H&K Architects for the Washoe County Behavioral Health (WCBH) Facility project in the amount of \$1,090,000.00 for final architectural and engineering design services necessary to complete the project. These services included architecture, civil, mechanical, electrical, and structural engineering design and construction administration support for bidding, project delivery and close-out.

On October 14, 2025 – The Board approved the de-obligation of previously approved SLFRF allocations and approved increased allocation to the Washoe Behavioral Health Center (formerly West Hills) Facility Upgrades in the amount of \$637,899.47.

On October 28, 2025 – The Board approved additional SLFRF allocation to the Washoe Behavioral Health Center Facility Upgrades in the amount of \$197,017.96.

On April 8, 2025, the Board approved an Agreement for Services with H&K Architects in the amount of \$675,000.00 for initial architectural and engineering design services for the Washoe County Behavioral Health Facility. This agreement encompasses architecture, civil, mechanical, electrical, and structural engineering design, as well as consultation with a specialty behavioral health advisor.

On January 31, 2025, the Purchasing and Contracts manager approved a professional services agreement with Plenium Builders in the amount of \$62,548.00 for CMAR Pre-Construction services.

On January 28, 2025, the Board received a presentation on the status of the project and provided input on several options provided by staff.

On December 17, 2024, the Board approved the allocation of State and Local Fiscal Recovery Funds to support the remodel of the Washoe Behavioral Health Center, in the amount of \$3,218,285.00.

On July 1, 2024, the Purchasing and Contracts manager approved a professional services agreement with H&K Architects in the amount of \$299,800.00 for Initial Programming and Feasibility study.

On March 23, 2024, the Board approved a Coronavirus State and Local Fiscal Recovery Funds subgrant award from the State of Nevada, for the West Hills Facility Rehabilitation, in the amount of \$14,500,000.00; no county match.

On November 28, 2023, the Board approved the allocation of an additional \$60,000.00 of SLFRF to cover acquisition closing costs for the purchase of 1240 E. Ninth Street, formerly West Hills Hospital.

On December 20, 2022, the Board approved the allocation of SLFRF to support the purchase of 1240 E. Ninth Street, formerly West Hills Hospital, in the amount of \$4,800,000.00.

BACKGROUND

The Washoe County Behavioral Health Remodel Project is a direct response to the region's escalating behavioral health needs, particularly among children and adolescents.

Behavioral health disorders, including mental health and substance use challenges, have been identified as significant public health concerns in Washoe County, prompting a coordinated effort to expand and modernize service delivery infrastructure. The facility at 1248 E. 9th Street, Reno, was acquired by Washoe County with the intent of transforming it into a comprehensive behavioral health facility, building on a series of prior investments and planning initiatives aimed at strengthening the local behavioral health system. The project's development has been guided by extensive stakeholder engagement, including input from behavioral health professionals, service providers, and community representatives, to ensure alignment with community priorities and regulatory requirements. This engagement identified a critical need for specialized services such as pediatric psychiatric beds, psychiatric residential treatment for children, subacute psychiatric residential treatment for adults, and supportive housing for individuals with behavioral health challenges. The project also leverages the expertise of H&K Architects, selected for their experience with similar facilities and their role in the design of the Northern Nevada Public Health Tuberculosis (TB) Clinic, which is co-located at the same site. The funding model for the project, which includes a grant from the State of Nevada Governor's Office that requires no local match, reflects a strategic approach to minimizing financial impact on the County while maximizing service delivery capacity.

The funding structure for the WCBH Facility underscores its importance at both the state and local levels. The grant from the State of Nevada Governor's Office eliminates the need for matching funds, reducing financial strain on the County while ensuring compliance with state and federal guidelines for grant-funded projects. This approach mirrors the funding model used for other public health initiatives, such as the TB Clinic, which was similarly supported by a no-match grant from the State of Nevada Department of Health and Human Services.

After completing significant due diligence regarding the viability of the facility as a behavioral health resource for the community, the Board of County Commissioners approved the purchase of the facility in August 2023. Washoe County closed escrow on the facility on February 28, 2024.

Plenium Builders was selected for CMAR Pre-Construction Services on March 14, 2024, through a competitive CMAR RFP process and has participated in the development of the project through a pre-construction agreement, authorized by the Washoe County Purchasing and Contracts Manager on August 8, 2024, in the amount of \$62,548.00.

On January 13, 2026, the CMAR received sub-contractor bids for all sub-contractor work packages drawn from a list of pre-approved sub-contractors and vendors. The CMAR provided transparent access to all bids and is awarding the various work packages to the appropriate responsive and responsible bidders. Washoe County participated in scope clarifications and negotiations with the sub-contractors and those work elements with associated costs were incorporated into the CMAR's Guaranteed Maximum Price Agreement.

The following table breaks out the various cost items for GMP #2, including Owner contingency and allowances. Owner allowances and contingencies are included in the event and additional scope items need to be added to the project or to support changes to specifications. Owner contingency is included in the event there are changed site conditions discovered during work and these funds may be used should actual costs exceed the programed amount. Other items identified are the general conditions costs,

costs incurred to manage and support the work as well as the CMAR profit. Also identified are the Project insurance and bond costs.

WCBH Remodel Project – GMP 2	
Cost of the Work (<i>excluding General Conditions</i>)	\$16,041,896.00
CMAR's General Conditions Cost	\$1,683,219.00
NEGOTIATED CMAR OVERHEAD w/overhead, profit, General Liability and P & P Bond	\$859,668.00
Builders Risk (0.75%)	\$152,439.00
Technology Fee (0.4%)	\$81,301.00
CMAR Contingency (2.5%)	\$443,128.00
Owner's Contingency (6%)	\$1,063,507.00
Total Guaranteed Maximum Price (GMP)	\$20,325,158.00

FISCAL IMPACT

Sufficient budget authority for this Construction Agreement is available in the FY26 budget in the Capital Improvement Fund (402) for the Washoe County Behavioral Health Remodel Project.

RECOMMENDATION

It is recommended the Board of County Commissioners (1) approve the Guaranteed Maximum Price #2 Construction Agreement with Plenum Builders, Inc., the authorized Construction Manager at Risk (CMAR), for the Washoe County Behavioral Health Remodel Project (Project), [not to exceed \$20,325,158.00]; and, (2) authorize a project allowance in the amount of [\$5,350,000.00] for sole use by Washoe County to support and deliver the Project to include items such as furniture, fixtures and equipment, security equipment and systems, and other components necessary for the Project; and (3) if approved, authorize County Manager Kate Thomas to act on behalf of Washoe County to execute and deliver any and all instruments and to enter into all modifications or amendments to Project documents and agreements.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to (1) approve the Guaranteed Maximum Price #2 Construction Agreement with Plenum Builders, Inc., the authorized Construction Manager at Risk (CMAR), for the Washoe County Behavioral Health Remodel Project (Project), [not to exceed \$20,325,158.00]; and, (2) authorize a project allowance in the amount of [\$5,350,000.00] for sole use by Washoe County to support and deliver the Project to include items such as furniture, fixtures and equipment, security equipment and systems, and other components necessary for the Project; and (3) authorize County Manager Kate Thomas to act on behalf of Washoe County to execute and deliver any and all instruments and to enter into all modifications or amendments to Project documents and agreements."