

	STANDARD OPERATING POLICY AND PROCEDURE Community Development and Public Works	Number: 1-14
Subject: Valuation Determination		Approval Date: May 9, 2007
Approval: Chuck King, Building Official		Effective Date: May 9, 2007

1.0 PURPOSE

Describes factors in determining a building's valuation and the applicant's requirements when the stated valuation is at dispute.

2.0 DISTRIBUTION

Public, Community Development and Public Works (CDPW) Personnel

3.0 REVISION HISTORY

August, 2015

4.0 CODE REFERENCE

2012 International Building Code (IBC), Section 109.3

5.0 POLICY

The valuation of construction is an important element when determining the cost of permitting. Valuation is affected by inflation, changes in the economy, and changes in the cost of materials and labor. An average assessment of cost to construct various structures is identified by the "Town of Oro Valley Valuation Data Schedule and Construction Permit Fee Schedule". This adopted fee schedule shall be used to check the stated valuation provided by the applicant at the time of permit application. The higher of the valuation stated in this schedule or in the estimate noted below shall be used.

IBC, Section 109.3, states:

"The applicant for a *permit* shall provide an estimated *permit* value at time of application. *Permit* valuations shall include total value of work, including materials and labor, for which the *permit* is being issued, such as gas, mechanical, plumbing, equipment and permanent systems. If, in the opinion of the *building official*, the valuation is underestimated on the application, the *permit* shall be denied, unless the applicant can show detailed estimates to meet the approval of the *building official*. Final building *permit* valuation shall be set by the *building official*."

Applicants shall provide a detailed cost estimate to substantiate stated valuations for new construction projects. This shall be completed by a certified estimator or shown as part of a construction contract that clearly identifies the full scope of work to be performed. Estimates shall include all material and labor costs, regardless of who purchases the material or completes the installation. If the contractor's scope of work is not inclusive of the full project cost, the estimate will need to be supplemented with the owner or otherwise supplied materials and labor cost. This includes all material or equipment that is affixed to the wall, floor or ceiling, as well as any material or equipment that is hard wired, ducted, or plumbed. Moveable items such as furnishings, architectural costs, permit fees, and grading costs associated with a separate grading permit, are not considered a part of the cost of the construction estimate, and are not required to be included. The *building official* will review this submittal and provide the determination of final building permit valuation and associated fees. If the estimate is less than the permit fees based on the adopted fee schedule for such work, the higher of the two valuations will be used.