



ADMINISTRATION COMMITTEE

Agenda Report

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File #: 2026-4882

Agenda Date: 5/13/2026

Agenda Item No: 5.

FROM: Robert Thompson, General Manager
Originator: Wally Ritchie, Director of Finance

SUBJECT:

CAPITAL FACILITY CAPACITY CHARGE SUPPORT SERVICES, SPECIFICATION NO. CS-2026-717BD

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

- A. Approve a Professional Consultant Services Agreement to CityTech Solutions, Inc. to perform Capital Facility Capacity Charge (CFCC) Support Services, Specification No. CS-2026-717BD, for a total amount not to exceed \$178,970; and
- B. Approve a contingency of \$17,897 (10%).

BACKGROUND

OC San assesses Capital Facilities Capacity Charges (CFCCs) to fund new capital projects or improve existing capital projects. CFCCs are a one-time charge imposed at the time a building or structure is newly connected to OC San's System, or an existing structure or category of use is expanded or increased.

In the 1970s, OC San entered into agreements with cities and agencies in the OC San service areas to issue permits and collect charges for CFCCs on OC San's behalf. The cities and agencies are provided a fee of 5% of the amounts collected while acting as the agent for OC San. These agreements can be terminated by either party by giving 180 days' written notice.

Effective July 1, 2024, the City of Seal Beach elected to terminate their agreement to act as OC San's agent for CFCCs. Since then, OC San staff has been processing and collecting charges directly for all applicants in the City of Seal Beach. Starting July 1, 2026, OC San staff will also be collecting directly for newly transferred areas from the Irvine Ranch Water District (IRWD). Other cities have indicated that they may be interested in terminating their agreements. Staff intends to explore the expansion of this program to other cities and agencies that are currently acting as agents.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Maintain collaborative and cooperative relationships with regulators, stakeholders, and

neighboring communities

PROBLEM

Several OC San member cities and agencies have expressed an interest in OC San processing CFCC applications directly instead of through the cities and agencies. OC San currently processes the applications for one city, starting July 1, 2026, OC San will also be processing CFCCs for applications within the recently transferred IRWD areas. OC San does not currently have the resources to accommodate substantial expansion of these services using internal staff.

PROPOSED SOLUTION

Approve the Professional Consultant Services Agreement with CityTech Solutions, Inc. to perform CFCC support services to provide timely customer service and collect revenue from applicants.

TIMING CONCERNS

Proposals are valid for 180 calendar days from submittal and will expire on September 8, 2026.

RAMIFICATIONS OF NOT TAKING ACTION

OC San and city staff will continue to process CFCC applications and collect payment. OC San most likely will not be able to expand the service to other member cities or agencies.

PRIOR COMMITTEE/BOARD ACTIONS

N/A

ADDITIONAL INFORMATION

On February 5, 2026, OC San issued a Request for Proposals (RFP) and on March 19, 2026, OC San received one proposal. The proposal was evaluated in accordance with OC San's policies and procedures and by a team consisting of the Finance Manager, Accounting Supervisor, Senior Accountant, Senior Staff Analyst, and a Senior Engineer. A Purchasing representative chaired the team as a non-voting member.

Proposals were individually scored based on the following criteria:

CRITERION	WEIGHT
1. Qualifications & Experience of Firm	20%
2. Staffing & Project Organization	20%
3. Work Plan	40%
4. Cost	20%

The evaluation team first reviewed and scored the proposal based upon the criteria listed above, other than cost.

Rank	Proposer	Criterion 1 (Max 20%)	Criterion 1 (Max 20%)	Criterion 1 (Max 40%)	Subtotal Score (Max 80%)
1.	CityTech Solutions, Inc.	17%	16%	34%	67%

The proposal was accompanied by a sealed cost proposal. The cost proposal was opened and negotiated.

Rank	Proposer	Subtotal Score without Cost (Max 80%)	Cost (Max 20%)	Total Weighted Score (Max 100%)
1.	CityTech Solutions, Inc.	67%	20%	87%

Based on these results, staff recommend awarding a Professional Consultant Services Agreement to CityTech Solutions, Inc. The Agreement is a 3-year term with two (2) one-year renewal options.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San’s Purchasing Ordinance. This item has been budgeted (Proposed Budget FY 2026-27 and 2027-28, Section 6, Page 16, Professional & Contractual Services) and the budget is sufficient for the recommended action.

<u>Date of Approval</u>	<u>Contract Amount</u>	<u>Contingency</u>
5/13/2026	\$178,970	\$17,897

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Professional Consultant Services Agreement