



# City of Oceanside

300 North Coast Highway,  
Oceanside, California 92054

## Staff Report

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**File #:** 25-1114

**Agenda Date:** 12/17/2025

**Agenda #:** 10.

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**DATE:** December 17, 2025

**TO:** Honorable Mayor and City Councilmembers

**FROM:** Financial Services Department

**TITLE: AMENDMENT 3 TO THE PROFESSIONAL SERVICES AGREEMENT WITH ADVANCED UTILITY SYSTEMS TO UPGRADE THE CUSTOMER INFORMATION SYSTEM AND PROVIDE IMPLEMENTATION SERVICES, AND APPROPRIATION OF FUNDS THEREFOR**

### **RECOMMENDATION**

Staff recommends that the City Council approve Amendment 3 to the Professional Services Agreement with Advanced Utility Systems, in the amount of \$471,118 for a revised contract amount of \$2,625,108, to upgrade the Customer Information System (CIS), to a modern, cloud-based solution; approve \$246,000 for temporary staffing and other professional services; appropriate \$306,855 from Water unrestricted fund balance and \$306,855 from Wastewater unrestricted fund balance; and authorize the Financial Services Director or their designee to execute the Amendment.

### **BACKGROUND AND ANALYSIS**

On October 7, 2015, the City Council approved the Software License and Services agreement with Advanced Utility Systems, a division of N. Harris Corporation, for the installation and implementation of a Customer Information System (CIS). CIS is a Utility Billing system and is a core software application used by the Finance and Water Utilities Departments. Supported services include managing customer accounts, billing, payments, and service requests for water, wastewater, and other utility services. Since its initial implementation, the CIS system has become outdated and is increasingly challenged to meet the City's growing needs for customer service, billing, data analytics, and system integrations, and is not compatible with forthcoming Municipal Finance Regulations by the State of California. The requested Amendment would allow the City to upgrade the current system to meet future needs.

On June 22, 2016, the City Council approved Amendment 1 to the Professional Services Agreement, adding \$351,000 to the project funding for additional analytics and mobile system modules.

On November 6, 2024, Amendment 2 was administratively approved to add a fee of \$12,750 for the implementation of the integration of CIS Infinity and iNovah central cashing system, adding an additional \$5,000 to the annual maintenance and support fees.

The proposed upgrade to the CIS will transition the City's existing on-premise system to the latest cloud-based version supported by Advanced Utility Systems. This upgrade will modernize the City's utility billing operations by improving data security, system performance and accessibility for staff. The new CIS version provides enhanced functionality for billing accuracy, reporting and offers improved integrations with multiple City platforms. Moving to the cloud will allow for more efficient system updates, reduce internal server maintenance and ensure the City remains current with security requirements.

Staff have thoroughly reviewed the scope of work, system requirements, and implementation plan with Advanced Utility Systems. The proposed upgrade includes system configuration, staff training and post-implementation support. City staff will continue to coordinate closely with the vendor to ensure a smooth transition with minimal service disruption to customers.

In addition to the CIS upgrade, there are additional costs necessary to ensure a successful implementation. The project will require significant staff time to test and review data. In order to maintain daily operation during the nine to twelve-month implementation period, temporary staffing will be needed to backfill positions and support the project.

Additionally, there are third-party software system and vendors that interface with the CIS system and will require service hours to develop and test the necessary integrations with the new platform. These include systems related to payment processing, work order management, new meter setup and reporting to the general ledger.

Therefore, staff is requesting additional funding, in the amount of \$246,000, as detailed in the Fiscal Impact section, to cover temporary staffing and integration support costs.

### **FISCAL IMPACT**

The total cost of the Customer Information System upgrade services, including installation, configuration, training, and support is \$471,108 under the proposed Amendment 3 to Professional Services Agreement with Advanced Utility Systems. The one-time cost of \$312,710 is for the version upgrade and a cost of \$158,398 for annual recurring maintenance and support.

In addition, staff is requesting supplemental funding in the amount of \$246,000 to cover additional costs associated with project implementation. These costs include temporary staffing support to backfill critical positions during the upgrade period and professional service hours required by third-party vendors to develop integrations with the new CIS platform.

The combined project cost of \$717,108 will be funded through Water account 711.3100.0002 and Wastewater account 721.3100.0002. Current ongoing annual support and maintenance costs will continue under the City's existing agreement with Advanced Utility Systems that is budgeted within the annual budget cycle.

Account	Amount	Funding Source	Amount Available
Water	\$ 306,855	711.3100.0002	\$7,862,709
Wastewater	306,855	721.3100.0002	5,732,902
Information Technologies	103,398	155167841.5355.0009	144,410
Total	\$717,108		

Project Cost	Detail Description	Amount
Advanced Utility System	CIS Infinity V5 Upgrade	\$ 312,710
Annual Maintenance	CIS Infinity Cloud Hosting	158,398
Integrations	Multiple Vendor Integrations	100,000
Temporary Help	Backfill City Staff	146,000
Total		\$ 717,108

**COMMISSION OR COMMITTEE REPORT**

Does not apply.

**CITY ATTORNEY'S ANALYSIS**

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Donna Trevizo, Financial Services Division Manager

Reviewed by: Jill Moya, Financial Services Director

Submitted by: Jonathan Borrego, City Manager

**ATTACHMENTS:**

1. Staff Report
2. Amendment 3 to PSA