



CITY COMMISSION STAFF REPORT

DEPARTMENT: Administration

DATE: December 9, 2025

SUBJECT: Authorize the City Manager to execute a licensing agreement with Madison AI Assistant, a software platform providing artificial intelligence tools tailored for municipal operations.

CITY MANAGER RECOMMENDATION:

The City Manager recommends the authorization to execute a licensing agreement with Madison AI Assistant for an amount not to exceed \$50,000.

BACKGROUND OF ITEM:

The city continues to explore innovative tools to enhance efficiency, transparency, and service delivery across departments. Artificial intelligence (AI) technology has increasingly been adopted by local governments to assist with public communications, records management, data analysis, and staff support.

Madison AI Assistant is an AI-driven platform built by government, offering capabilities such as:

- Madison AI Assistant connects securely to the City's documents, policies, forms, and procedures, then auto-indexes them each week so staff always receive accurate and up-to-date responses.
- The platform functions as a private, city-specific AI assistant—not a public model—ensuring that answers come only from City-approved information.
- Staff can interact with the system like they would with a colleague: by asking questions, requesting drafts, summarizing long documents, or generating reports.

City staff evaluated several AI-based solutions and determined that Madison AI Assistant best meets the City's needs based on functionality, data security, compliance with municipal IT policies, and cost-effectiveness. It is the staff's recommendation to issue approval of one module at a time and not progress until we have determined the success of each module.

ANALYSIS:

The licensing agreement with Madison AI Assistant will allow the city to deploy the AI platform on a pilot basis across selected departments—such as City Clerk, Administration, Human Resources, Finance and Procurement and Community Development—to assess operational improvements and resident engagement outcomes.

The Madison AI Models that the city staff is recommending deploys 3 modules:

- a. Internal Administration and Management (\$20,000 annual subscription fee)
- b. Procurement and Contracts (\$20,000 annual subscription fee)
- c. Elected Officials and Boards (\$10,000 annual subscription fee)

Specific Use Cases:

- Internal Administration and Management
 - Draft meeting minutes and meeting recap letter from transcripts
 - Quickly find previous resolutions, ordinances, or staff reports
 - Auto-generate responses to public records questions using only approved documents
 - Generate talking points or communications for meetings
- Procurement & Contracts
 - Draft scopes of work and RFP templates
 - Compare vendor proposals
 - Draft contracts
- Elected Officials & Boards
 - Generate concise briefings on upcoming agenda items
 - Summarize complex staff reports, contracts, or development proposals into easy-to-review formats
 - Quickly access historical decisions, past votes, and policy context
 - Prepare talking points or questions for upcoming meetings
 - Produce prep packets that highlight key issues, risks, and recommended actions

All modules include:

- Unlimited staff to use
- Auto-Indexing weekly
- Usage tokens with a limit of \$250 per month or \$3,000 per year
- Custom LLM set up and configuration
- Data processing and metadata extraction
- Up to 3 custom developed reports/outputs
- Rollout and Training – 2-3 team training sessions, to be recorded for future use

PROCUREMENT:

Approval of a bid waiver to acquire the Madison AI platform to significantly improve operational efficiency, accelerate policy research, and reduce the administrative burden on staff and elected officials. Madison AI will create cost savings by automating staff report writing, research, and meeting minutes, reducing errors by using verified documents and cross-checking citations, and auto-generating reports and workflows to streamline staff accountability by directly referencing source materials.

This purchase will be made in accordance with Sec. 2-258(i) of the Cooper City Procurement Code.

DELEGATED AUTHORITY:

The City Manager or his designee has the authority to execute all contract amendments and renewals for amounts of \$20,000 or less. The City Mayor or his designee has the authority to execute all contract amendments and renewals exceeding \$20,000.00, in accordance with Sec. 2-255(3)(4) of the Cooper City Procurement Code.

FISCAL IMPACT:

<u>General Ledger Acct. Number</u>	<u>Budgeted Amount</u>	<u>Requested Amount</u>	<u>Remaining Amount</u>
001-190-599000-519-0000	\$1,011,439	\$50,000	\$961,439

ATTACHMENTS:

1. Madison AI Proposal
2. Madison AI Licensing Agreement
3. Cooper City Professional Service Agreement
4. Procurement Non-Competitive Purchase Request