



# City Council Report

**Date:** November 4, 2024  
**To:** City Council  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Kristy Garcia, Procurement Administrator  
**Subject:** Use of a Cooperative Term Contract for Advanced AI Assisted Services for Sewer Condition Inspection and Assessment for the Water Resources Department (**Funded by Wastewater Utility Revenue Obligations**) (**Citywide**)

## Recommendation

Council is requested to approve the award as recommended.

The Water Resources Department and Procurement Services recommend authorizing the purchase using the Houston-Galveston Area Council (HGACBuy) cooperative contract with Sewerai Corporation at \$550,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

## Background / Discussion

The Water Resources Department performs sewer condition assessments to evaluate the current state of the City's sewer infrastructure to identify potential problems before they escalate into major failures. Sewer condition assessments are essential in preventing costly repairs, minimizing service disruptions, managing risk, meeting regulatory compliance, and extending asset life. This contract will enable the department to conduct more sewer assessments than is currently possible through traditional service contracts.

The HGACBuy contract has been competitively bid and meets the City's procurement requirements. Utilizing the contract allows the City to receive competitive rates based on a formally solicited agreement. The City believes the pricing is fair and reasonable. Sewerai offers a 5% discount on the services provided under this contract.

## Purchase Information

Action: Award  
Procurement Type: Cooperative Contract Use  
Contract Number: 2025071  
Contracting Agency/Contract Numbers: HGACBuy/SC06-24  
Local Consideration: Policy did not apply to this procurement method  
Initial Contract Term: 11/4/2024 – 5/31/2028  
Possible Renewals: None  
Funding Source: Wastewater Utility Revenue Obligations