



Safety, Wellness, and Youth Committee Memorandum

City of Arts & Innovation

TO: SAFETY, WELLNESS, AND YOUTH COMMITTEE **DATE: SEPTEMBER 18, 2024**

FROM: PUBLIC WORKS DEPARTMENT **WARDS: ALL**

SUBJECT: ALTERNATE APPROACH TO ABANDONED SHOPPING CART RETRIEVAL

ISSUE:

Consider an alternate approach to retrieving shopping carts.

RECOMMENDATION:

That the Safety, Wellness, and Youth Committee receive a report and provide input on an alternate approach to retrieving shopping carts.

BACKGROUND:

On July 17, 2024, the Public Works Department presented a review of the shopping cart program to the Safety, Wellness, and Youth Committee, in anticipation of entering in a new agreement for shopping cart retrieval services. The Committee voted to continue the discussion, directed the Public Works Department to delay advancing an agreement, and requested that the City Attorney's Office return to the Committee in September with a presentation on sections of the Business and Professions Code that are relevant to shopping cart theft.

The City Manager's Office is interested in establishing an ordinance related to shopping carts that is similar to what other cities have done to address catalytic converter theft. This topic will be researched and discussed separate from the Public Works Department shopping cart retrieval program.

DISCUSSION:

Outsourced Program Overview

On April 18, 2024, Request for Proposal (RFP) No. 2362 was issued for shopping cart retrieval services. Upon releasing RFP 2362, a bid broadcast notified 500 external companies, and 22 City of Riverside registered companies utilizing the City's solicitation portal PlanetBids in an effort to increase the competitiveness of the RFP process. However, despite these efforts, only one proposal was received.

Key aspects of RFP 2362 include:

- Patrol Hours: Drivers patrol designated areas from 6:00 am to 6:00 pm, 7 days a week.
- Response Times: Carts reported before 3:00 pm shall be retrieved the same day and any abandoned carts retrieved after 3:00 pm shall be delivered immediately the following day.
- Delivery: Any abandoned shopping carts that were retrieved during regular patrol hours shall be delivered within 24 hours of retrieval.
- Resources: Deploy two drivers and two trucks daily.
- Cost: The City pays \$120,000 annually for these services.

In Fiscal Year 2023/2024, the Public Works contractor, CarTrac, responded to approximately 1,180 service requests or an average of 98 service requests per month. They collected 8,294 carts in Fiscal Year 2023/2024, or approximately 691 carts per month, with the majority of carts collected proactively rather than in response to service requests. CarTrac also made over 6,000 cart deliveries to retailers in that 12-month span.

Alternative Approach

Public Works staff requests consideration of in-housing retrieval of abandoned shopping carts as an alternative to continued use of contracted services. The proposal to bring shopping cart retrieval services in-house involves several key considerations:

Staffing Requirements

To maintain a comparable level of service to what is requested in the recent RFP, Public Works would request 2.0 FTE new positions which would then become an ongoing cost. Due to a high turnover rate in the Streets Division General Service Worker Full-time positions, Public Works staff recommend using the Maintenance Worker I job classification for shopping cart retrieval. These positions would be scheduled to work schedules that provide 8-9 hours of daily service, 7 day per week. A comparison of the personnel costs is displayed below:

- General Service Worker full-time:
 - Annual Salary: \$35,784 – \$52,860
 - Annual Benefits: Approximately \$16,237
 - Total Annual Cost per Worker: \$52,021 – \$69,097
- Maintenance Worker I:
 - Annual Salary: \$47,160 – \$57,360
 - Annual Benefits: Approximately \$17,018
 - Total Annual Cost per Worker: \$64,178 – \$74,378

Equipment Needs

There would be a one-time startup cost of a vehicle and trailer purchase required to bring this work in-house. The estimated cost of acquiring a new Ford F-150 for shopping cart retrieval is approximately \$55,000. This truck would be equipped to transport carts and/or haul a trailer. A 12-foot-long utility trailer with 6-foot mesh sides is approximately \$6,200. A trailer would enable staff to load/offload carts safely without having to lift them, provide secure storage for carts, and handle the operational demands of the service.

Operational Considerations

Bringing the service in-house could offer several advantages:

- Direct Control: The City would have greater control over the program's operations, allowing for quicker adjustments in response to changing needs or issues.

- **Cost Management:** While the initial startup costs of new staff and equipment are significant, over time, the City could potentially realize savings compared to the ongoing annual cost of \$120,000 for outsourced services.
- **Community Engagement:** In-house services could enhance the City’s ability to engage with the community and business community, respond more quickly than a contractor, and potentially improve satisfaction with the program.
- When there is a lull in shopping cart retrieval demand, staff assigned to this program could be used to assist with other Streets Division work such as graffiti abatement or pothole patching.

However, there are some potential challenges to consider:

- **Upfront Costs:** The initial investment in staff and equipment is substantial. The Public Works Department recommends submitting the request for staff and a vehicle as a mid-cycle supplemental budget appropriation, with funding beginning July 1, 2025, if approved by City Council.
- **Operational Burden:** Managing the cart retrieval service in-house would require additional administrative oversight and coordination, potentially straining existing resources within the Public Works Department. Costs associated with gas and general maintenance for a truck that is required to patrol the City 7 days a week are currently unknown. Additionally, taking on the demanding task of collecting an average of 691 carts and making an average of 500 deliveries each month may introduce challenges staff is not currently able to anticipate. Two staff providing 7 day per week could be augmented with Work Release Participants, to ensure that there is always a two-person team on duty since two staff cannot be scheduled together to work all 7 days. This would be subject to the availability of WRP participants.
- **Flexibility:** An in-house program may lack the flexibility to quickly scale up resources in response to emergencies or unforeseen spikes in abandoned carts, a capability currently provided by CarTrac through their regional network. Should there be a sudden surge in abandoned shopping cart volume, Public Works may have to divert resources from other work to assist with retrieval.
- An interim contract through June 30, 2025, would be required, to provide Public Works time to hire staff and purchase a vehicle.
- Overtime may be required to provide service when either or both staff assigned to this program are off work.
- Analyst support to identify total cost to run the program. Goal is to improve the 92% cost recovery rate in running the program.

Cost Comparison

To evaluate the financial implications, a comparison of the cost associated with this service is essential:

- Outsourced Service cost is \$120,000 annually.
- The shopping cart retrieval program cost recovery rate is 92%.
- In-House Service Estimated Cost:

Description	Details	Cost Min.	Cost Max
2.0 FTE General Service Workers	Salary + Benefits, 2 Workers	\$104,042	\$138,194
2.0 FTE Maintenance Workers	Salary + Benefits, 2 Workers	\$128,356	\$148,756
Ford F-150 (Gas Vehicle)*	Maintenance & Fuel Not Included	\$55,000	\$55,000
Straight Deck Utility Trailer*	6.4'x12' with 6ft Mesh Sides	\$6,200	\$6,200
Total Estimated Startup Cost, Year 1	Personnel + Non-Personnel	\$165,242	\$209,956
Total Estimated Cost After Year 1	On-Going Personnel Costs	\$104,042	\$148,756

*One-time purchase, not including fuel, maintenance, depreciation, and future replacement costs.

While the in-house option presents higher initial costs, it offers the potential for better service and long-term savings, particularly if Public Works can optimize operations, increase education and outreach to retailers in an effort to reduce shopping cart theft, and ultimately reduce the need for frequent cart collections and deliveries.

Further exploration of the in-house shopping cart retrieval option may be beneficial. This could involve:

1. Evaluating the operational impact on existing Public Works services and resources.
2. Consulting with other municipalities that have transitioned to in-house cart retrieval to identify best practices and potential pitfalls.
3. Identifying potential opportunities for enforcement through coordination with other City of Riverside departments and divisions, such as CAO, RPD, and PSET.

The transition to an in-house shopping cart retrieval program would be a first for the City and presents both opportunities and challenges. While it involves start-up costs and potential operational complexities, it could provide the City with greater control, faster responsiveness, and potential long-term savings.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 6 – Infrastructure, Mobility & Connectivity** and **Goal 6.2 – Maintain, protect, and improve assets and infrastructure within the City’s built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.**

This item aligns with each of the Cross-Cutting Threads as follows:

1. **Community Trust** – The retrieval of abandoned shopping carts enhances the aesthetic appeal of our community and fosters a sense of responsibility and orderliness throughout the City.
2. **Equity** – Project outcomes will benefit the entire community.
3. **Fiscal Responsibility** – Consistent and timely retrieval of abandoned shopping carts demonstrates efficient use of resources.
4. **Innovation** – Project utilizes innovative strategies; partnerships are leveraged with community members.
5. **Sustainability and Resiliency** - Project improvements aid our sustainability initiatives by minimizing waste and promoting responsible resource management among retailers, thereby contributing to a more resilient environment.

FISCAL IMPACT:

There is no immediate fiscal impact associated with this report. However, should the Committee direct Public Works to advance an in-house approach to abandoned shopping cart retrieval, the potential personnel and non-personnel costs could range from \$165,242 to \$209,956 and would necessitate a mid-cycle supplemental budget appropriation to be presented to City Council for

approval. These costs do not include fuel, maintenance, depreciation, or future vehicle/equipment replacement costs.

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Attachment:	Presentation
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