



Safety, Wellness, and Youth Committee Memorandum

City of Arts & Innovation

TO: SAFETY, WELLNESS, AND YOUTH COMMITTEE **DATE: JULY 17, 2024**

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

SUBJECT: SHOPPING CART RETRIEVAL PROGRAM

ISSUE:

Receive a report and provide input on the shopping cart retrieval program.

RECOMMENDATION:

That the Safety, Wellness, and Youth Committee receive a report and provide input on the shopping cart retrieval program.

LEGISLATIVE HISTORY:

Chapter 9.58 of the Riverside Municipal Code (RMC) requires that all retailers possessing shopping carts for customer use must either submit a detailed prevention plan explaining how they will prevent shopping carts from leaving their business premises or agree in writing to reimburse the City for shopping cart retrieval services.

On January 18, 2017, the Public Safety Committee recommended that the City Council adopt an Ordinance to amend Chapter 9.58 of the Riverside Municipal Code relating to the retrieval, impound, and disposal of lost, stolen, or abandoned shopping carts.

On February 28, 2017, the City Council unanimously voted to adopt an Ordinance amending Chapter 9.58. The RMC changes addressed retailer comments and incorporated ideas that resulted from meetings with retailers, and included the following “10-step plan”:

1. All retailers utilizing shopping carts, whether they utilize City services or not, must submit a prevention plan stating how they will prevent carts from leaving the business premises;
2. Require the prevention plan to provide details on how the retailer will actively locate carts within one mile of the business premises and respond to complaints from the public or notifications from the City regarding abandoned carts;
3. Require the prevention plan to include an employee training program regarding the prevention plan and state law as they relate to shopping carts;

4. Require retailers who have a minimum of 20 carts and have more than 20% of their carts retrieved in a year to submit an annual evaluation report for that year;
5. Require retailers to install disabling devices if their prevention plan has been revoked more than three times in a four-year period. If the retailer already uses disabling devices, then they will be required to show proof of quarterly maintenance and repairs ensuring the devices are working properly;
6. Require retailers with carts already equipped with disabling devices to test and repair the devices on abandoned carts returned to the retailer by the City's retrieval contractor prior to making them available to customers;
7. Require retailers to pull carts from circulation if disabling devices are not working properly;
8. Allow the City to revoke a retailers prevention plan and require more stringent prevention measures if they have more than 20 carts and more than 25% of their carts are retrieved in a 6-month period;
9. Require retailers to lock up their carts at night; and
10. Require new construction projects that will accommodate large stores utilizing carts to install disabling devices.

BACKGROUND:

On January 17, 2024, the Public Works Department presented a review of the shopping cart program to the Safety, Wellness, and Youth Committee. Following discussion, and in anticipation of soliciting for a new shopping cart retrieval vendor through a Request for Proposals (RFP) process, the Committee voted unanimously to continue the item and requested that the Public Works Department return to the Committee for additional review of the program before advancing a new shopping cart retrieval services agreement to the full City Council for approval.

The Committee requested that Public Works provide a report on the following suggestions and discussion points:

- Identify additional shopping cart retrieval service providers in an effort to cast a wider net and have a more competitive RFP process.
- Improve cost recovery, which is currently at about 92%, and consider the potential increase in cost to retailers for the shopping cart retrieval service.
- Plans to educate retailers and help them understand the program, understand their requirements as it relates to the RMC, and understand that the City is heading towards more proactive enforcement.
- Increase reporting of abandoned shopping carts among residents, City employees, and the business community.

These items are incorporated into staff's plan to enhance the program and increase awareness of the program throughout the City.

DISCUSSION:

Overview of Shopping Cart Retrieval Program

In previous iterations of the City's shopping cart retrieval program, retailers could elect to enter into an agreement with the City for retrieval of abandoned shopping carts by the City's contractor and pay the City a fee of \$20.00 per delivery, regardless of how many shopping carts were delivered that day.

Alternatively, retailers could opt out of the City's shopping cart retrieval program, implement their own retrieval program, and take on the responsibility of retrieving their own carts. If carts owned by these retailers are then retrieved off-site by the City's contractor, the carts are transported by the City's contractor to the City Corporation Yard, and retailers may retrieve their carts from the Yard for a flat fee of \$23.00, regardless of how many shopping carts were transported to the Corporation Yard. During COVID, the practice of returning carts to the City Corporation was stopped, and carts were delivered directly to the non-participating retailers. Public Works will return to receiving shopping carts at the Corporation Yard in Fiscal Year 2024/25.

The Public Works contractor receives service requests (SR) from the City's 311 Call Center. The contractor is then required to collect off-site shopping carts within 24 hours of receiving the service request. Under the current contract that expires June 30, 2024, the contractor is not required to guarantee same day service for calls received by a certain time in the morning.

Request for Proposal

On April 18, 2024, Request for Proposal (RFP) No. 2362 was issued for shopping cart retrieval services. The goal of the RFP was to secure a vendor that would agree to a more robust scope of work, which included the following:

1. Collect carts at least on weekdays within City limits, except for holidays. The ability to respond to requests or proactively retrieve carts seven days per week service is preferred.
2. Retrieve carts within one business day of receipt of service request. Abandoned carts reported to the City's 311 Call Center before 3pm shall be retrieved the same day and any abandoned carts reported after 3pm shall be retrieved immediately the following day, including weekends and non-excepted holidays.
3. Retrieve abandoned shopping carts from non-participating retailers and deposit them at City's Corporation Yard, or another location as designated by the City.
4. Notify non-participating retailers that cart has been deposited at Corporation Yard (or other location as designated by the City) within one business day following retrieval.
5. Maintain a log of carts retrieved and returned to all participating stores, including the number of carts retrieved for each participating store location, date and time contractor was notified, date and time of retrieval and return of each cart, geographic location of retrieval of each cart, and signature of store representative accepting returned carts. This log is due to the City by the 15th of each month for the preceding month.
6. Maintain records of abandoned carts from non-participating retailers or carts without identifying signs retrieved and deposited at the City's Corporation Yard, including the number of carts retrieved, date and time contractor was notified, date and time of retrieval and deposit of each cart, geographic location of retrieval of each cart, and signature of City representative accepting deposited carts. This data will be reported to the City by the 15th

of each month for the preceding month.

7. Monthly reports must be provided to the City of Riverside on the 15th day of each month. Reports shall include retailer business name and name of contact person, number of carts retrieved and deliveries made for each retailer, number of carts deposited at the City's Corporation Yard, and cost of services. Reports will differentiate shopping carts retrieved following a notification from the 311 Call Center from shopping carts retrieved through Contractor's proactive efforts.
8. Attend quarterly meetings with a designated representative of the City.
9. Provide information on locations where carts are most commonly retrieved, and the percentage of carts retrieved for participating retailers versus non-participating retailers.

Public Works staff identified several companies that specialize in shopping cart retrieval services for municipalities and counties throughout Southern California, including the City of Long Beach, City of Los Angeles, County of Orange, and County of San Diego. We asked Purchasing to inform these shopping cart retrieval companies of the deadline to submit proposals in an effort to have a more competitive RFP process. There was a total of fifteen prospective bidders, however, only one proposal was submitted by the deadline of May 21, 2024, by Retail Marketing Services Inc. (RMS), the shopping cart retrieval vendor for the City of Riverside since 2006.

Public Works staff have met with the Proposer to discuss terms, and RMS has agreed to be responsible for the retrieval and return of shopping carts as required in RFP 2362. The total cost for these services will remain the same as the previous contract, which is up to \$120,000.00/year. Pursuant to the terms of RFP 2362, the City will pay the contractor \$20.00 per delivery of carts to each participating retailer and \$23.00 per delivery of carts to each non-participating retailer, regardless of how many shopping carts are delivered that day. The contractor is incentivized to locate and deliver shopping carts throughout the City as they are compensated based on the number of deliveries they make. If they do not retrieve any carts and make 0 deliveries in a given month, then they would not get paid for that month.

Cost Recovery

Current cost recovery for the shopping cart program is approximately 92%. In Fiscal Year 2022/23, this equated to \$111,074 received by the City for this program with \$10,193 provided from the Public Works Department budget to offset the gap.

During Fiscal Year 2022/2023 and Fiscal Year 2023/2024 (through April 2024), the average monthly deliveries was 475 to all participating retailers and roughly 3.5 to all non-participating retailers. The average number of carts delivered each month was 663 to all participating retailers and roughly 3.7 to all non-participating retailers.

Staff is exploring several alternatives that could potentially increase cost recovery for the shopping cart program. Among these are increasing the cost per delivery of carts, charging retailers per cart instead of per delivery, and making participation in the program mandatory for all retailers with shopping carts doing business in the City of Riverside.

As the shopping cart retrieval program is likely subject to California Government Code Sections 6601 and 66016, fees cannot exceed the reasonable cost of providing the service and a cost study may be needed to ensure any adjustments made to the fees charged to retailers are set at the appropriate level. Public Works staff is engaging with the Finance Department and City Attorney's Office on these topics.

Education and Enforcement

The shopping cart retrieval program has shifted among various Public Works divisions and was assigned to Field Operations in late 2022. Enforcement of this program is multi-faceted, and education is critical to improving the overall effectiveness of the program.

Proactive education will be crucial in ultimately reducing the amount of shopping carts abandoned on City streets. Education needs to expand to include retailers, the community, and to bring awareness to City employees, and is an important first step ahead of enforcement. Enforcement of the RMC to ensure retailers are adhering to the 10-step process will require cooperative efforts of Code Enforcement Officers and other City personnel.

In May 2024, Public Works onboarded a new Education Coordinator who will play a pivotal role in ensuring retailers understand their requirements. City staff have reached out to each retailer at least twice in the past year in an effort to get updated contact information, learn more about where they each stand with regards to their shopping cart loss prevention and locking mechanisms, and to inform them that an updated program is on the horizon. The Education Coordinator will follow up on these efforts, maintain an active line of communication with the retailers, and work to get signed agreements acknowledging their participation, or non-participation, in the program.

The Education Coordinator will also work closely with the City's Marketing team to create marketing materials that educate retailers of all facets of the shopping cart program. This will include development of annual correspondence providing a unified deadline for mandatory prevention plans to ensure all retailers are engaged in this process at the same time, a checklist for retailers to identify what tasks they have completed in accordance with RMC requirements, and informative flyers and brochures that will clearly outline the 10-step program, City expectations, and enforcement of the program.

The Public Works Department will also work with the City Attorney's Office to prepare a new contract document for retailers, to help formalize the program and increase awareness of the program's details.

Additionally, the Riverside Municipal Code provides a number of enforcement tools related to shopping carts. A copy of RMC *Chapter 9.58 – Lost, Stolen, or Abandoned Shopping Carts* is included as an attachment to this report. RMC 9.58 offers a number of administrative enforcement tools to Public Works staff, such as *Chapter 9.58.080 – Penalties for failing to submit a prevention plan or evaluation report or to implement prevention measures*.

Increase Reporting of Abandoned Shopping Carts

In order to bring the shopping cart retrieval program current and move toward better enforcement, Public Works Field Operations staff's goal is to educate retailers and the community to increase reporting of abandoned carts through 311.

Public Works developed a heat map that identifies the "hot spots" throughout the City where the largest amount of shopping cart service requests are submitted. Ultimately, Public Works would like to send an annual report to retailers regarding the number of cart retrievals for their establishment, which would include a list of locations and a map identifying abandoned shopping cart activity for the area where their store is located.

The recently hired Education Coordinator will engage with businesses and residents on a variety of topics, including graffiti abatement, the shopping cart retrieval program, residential and

commercial solid waste & recycling, edible food recovery, and trees/landscape. Social Media for Public Works was launched in November 2023 and will be used to help increase awareness of the shopping cart retrieval program and how to report abandoned carts.

The Education Coordinator will look to increase the reporting of abandoned shopping carts among City employees who are in the field on a daily basis and will develop an awareness campaign for all Public Works-related service requests that need to be submitted through 311, including the shopping cart requests. Finally, Public Works will coordinate with the Greater Riverside Chambers of Commerce to schedule presentations at the Chamber's monthly "INSIDE" Business Council meetings in an effort to increase awareness and reporting among the business community as well.

Responding to a service request goes hand-in-hand with reporting of abandoned shopping carts. Currently, City staff sends the service provider a report at the end of the week identifying all SRs the service provider received that week. In the past, the City's retrieval service provider would only inform us whether or not a service request (SR) was closed, but they did not include a date it was closed. Less than a year ago, we asked them to begin including the date an SR was closed as well. We found the average number of days it took an SR to be closed was 4.8 days during the first 3 months following our request to include the date. During this period, the longest number of days between SR received and closing of SR was 14 days, with a total of 30 requests taking over 10 days to close. Since then, that number has dropped to an average of 2.9 days to close an SR. The longest number of days between SR received and closing of SR was 12 days, however, there were only 3 requests that took over 10 days to close.

The City's IT Department has been developing an internal app in coordination with Public Works that allows Public Works staff to self-report reactive and proactive service requests in the field. The Riverside Incident Service Request (RISR) app interfaces with the Call Center to generate an SR and was initially developed for graffiti and concrete-related SRs. Once fully developed and evaluated, Public Works is going to explore using the RISR app to improve reporting of shopping cart retrieval needs. If shopping cart SRs were included as a component of the RISR app, the service provider would be able to receive and respond to the SR through the app itself, eliminating several steps in the chain of communications. In the app, each individual SR would include a picture of the shopping cart, the date and time the request was submitted, and a map that navigates the service provider to the location of the shopping cart. Any SR that has been open for more than our required response time of 24 hours, per our new contract, would be highlighted in yellow or red depending on how long it has been open. Similar to graffiti and concrete, Public Works staff would be able to monitor all open SRs for shopping carts and filter the list so older SRs appear at the top. Staff would be able to communicate this to the service provider who could respond to the aging SR, take a picture of the shopping cart once collected, and close the SR. Additionally, the service provider would be able to submit a proactive SR when they find and collect shopping carts that are not reported as an SR. This would help us identify where all abandoned shopping carts that were collected are located instead of just those shopping carts that were included in an SR. If shopping cart SRs were included in RISR after development of the first iteration of the app is finalized, and the service provider could also report whenever they proactively collect a shopping cart not included in an SR, it would allow us to see when and where the cart was collected and verify its collection with the picture submitted by the service provider. This would ultimately help us get a more accurate snapshot of the "hot spots" throughout the city and focus our education and awareness to retailers nearest these hardest-hit areas of the City.

Moving forward, Public Works would like to evaluate the City's retrieval service provider on a quarterly basis and, depending on performance, consider using funds allocated by the City for the shopping cart retrieval program to help retailers and stores offset costs associated with shopping

cart retrieval, and bring back a recommendation to the Committee for further discussion.

Due to the volume of shopping carts found throughout the City, Public Works staff believes that the updated scope of work in our new contract, along with an enhanced public education program, will improve the reporting and retrieval of shopping carts and raise awareness among retailers about the need to minimize the loss of their carts.

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 fiscal impact associated with this report. The costs associated with the new contract will be included in the staff report to the full City Council for approval of the contract.

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Attachments:

1. Riverside Municipal Code Chapter 9.58
2. Presentation