



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 11, 2022

FROM: PUBLIC WORKS DEPARTMENT WARDS: ALL

SUBJECT: FIRST AMENDMENT TO AGREEMENT FOR CART RETRIEVAL SERVICES WITH RETAIL MARKETING SERVICES, INC. DBA CARTRAC TO INCREASE CONTRACT BY \$60,000 FOR A REVISED CONTRACT TOTAL OF \$360,000 THROUGH JUNE 30, 2022 – SUPPLEMENTAL APPROPRIATION

ISSUES:

Approve the First Amendment to Agreement for shopping cart retrieval services with Retail Marketing Services, Inc. dba CarTrac, of Burbank, CA to increase the contract amount by \$60,000 (20%) for the revised contract amount of \$360,000 through June 30, 2022 and authorize a supplemental appropriation of \$60,000.

RECOMMENDATIONS:

That the City Council:

1. Approve the First Amendment to the Agreement for shopping cart retrieval services;
2. Approve an increase of the contract amount by \$60,000 for a revised total of \$360,000 through June 30, 2022; and
3. With at least five affirmative votes, authorize the Chief Financial Officer, or his designee, to record a supplemental appropriation in the amount of \$60,000 in the General Fund Shopping Cart Retrieval program in FY 2021-22, fully offset by corresponding revenues.

BACKGROUND:

Abandoned shopping carts constitute a nuisance, create safety hazards, cause blight, and interfere with pedestrian and vehicular traffic within the City of Riverside. In order to reduce these hazards, the City has contracted for the removal of abandoned shopping carts within the public right-of-way with CarTrac since 2006.

On March 15, 2019, the City issued Request for Proposal (RFP) 1905 to solicit proposals from qualified companies to provide shopping cart retrieval services within public right-of-way throughout the City.

On April 4, 2019, the City received one proposal in response to RFP 1905 from CarTrac, the City's current service provider. The proposal was complete and responsive.

On June 18, 2019, the City Council approved a Professional Consultant Services Agreement with Retail Marketing Services, Inc., dba CarTrac, in the amount of \$300,000 from the Public Works Department Budget for cart retrieval services at various locations for July 1, 2019, through June 30, 2022.

DISCUSSION:

The proposed First Amendment to the Professional Consultant Services Agreement maintains the same levels of compensation and services that are currently in effect. Because of the ongoing COVID-19 crisis, customer's shopping habits have been altered, resulting in an increase of shopping carts leaving the grounds of retail stores. The demand for cart retrieval services has increased during the pandemic.

Dates	Number of Deliveries	Avg. per Month
July 2019 to February 2020 (8-month period)	3582	448
March 2020 to October 2020 (8-month period)	4331	529
November 2020 to June 2021 (8-month period)	4239	530
July 2021 to November 2021 (5-month period)	2804	561

Retailers choosing to utilize the City for cart retrieval services have their shopping carts retrieved from the City right-of-way and returned to them by the City's contractor. The retailers receive an invoice from the City for the direct cost of the retrieval services with no additional charge for administrative costs or overhead.

Retailers who choose not to utilize the City for cart retrieval services are required to prepare and implement a prevention plan to keep abandoned shopping carts from leaving the business premises. Stray shopping carts retrieved from City right-of-way which belong to retailers not participating in the City program are delivered to the City's Corporation Yard in accordance with the Riverside Municipal Code.

The Purchasing Manager concurs that the recommended action to approve the amendment is in compliance with Purchasing Resolution 23812.

STRATEGIC PLAN ALIGNMENT:

This contract aligns with **Strategic Priority 6 – Infrastructure, Mobility, and Connectivity** and specifically **Goal 6.2**, to maintain, protect, and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

Furthermore, this shopping cart retrieval service aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Since 2006, CarTrac has worked with the City of Riverside to collaboratively address the issues pertaining to abandoned carts.
2. **Equity** – This service protects the general public's health, safety, and environment by keeping shopping carts out of the right-of-away and returning carts to retailers where they can be cleaned.

3. **Fiscal Responsibility** – Costs associated with this contracted service have not increased and are secured through the remainder of the contract.
4. **Innovation** – CarTrac has multiple systems in place to report cart locations, including website reporting, toll-free phone line, iPhone app, and they work directly with the 311 Call Center.
5. **Sustainability & Resiliency** – Daily retrieval of abandoned shopping carts addresses the nuisance caused by this issue. It also addresses an immediate need while maintaining resiliency related to public health and safety.

FISCAL IMPACT:

This item has a net zero impact on the City budget, with billed revenues fully offsetting the requested supplemental appropriation: retailers utilizing the City's retrieval service reimburse the City at the contracted rate of cart retrieval. Upon Council approval, an increase in revenues will be recorded in the General Fund Shopping Cart Retrieval account number 7241400-374430 and funds will be appropriated in the General Fund Shopping Cart Retrieval account number 7241400-440301.

Prepared by: Gilbert Hernandez, Public Works Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. First Amendment
2. Executed Agreement