



CITY COUNCIL AGENDA REPORT

MEETING DATE: SEPTEMBER 20, 2005

ITEM NUMBER:

SUBJECT: AWARD OF ANNUAL CONTRACT FOR SHOPPING CART RETRIEVAL SERVICES

DATE: SEPTEMBER 12, 2005

FROM: DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: DONALD D. LAMM, DEPUTY CITY MGR.- DEV. SERVICES DIRECTOR

FOR FURTHER INFORMATION CONTACT: DON LAMM (714) 754-5270

RECOMMENDATION:

Authorize the Mayor to execute a contract with Hernandez Cart Services, Inc., in the amount of \$40,000 for shopping cart retrieval services.

BACKGROUND:

At your meeting on September 6, 2005, City Council continued consideration of our shopping cart retrieval contract. Specifically, Council members expressed a desire to consider alternatives to a contract vendor service. While staff shares Council's concern, every community faces the same dilemma since State law essentially pre-empts local regulation.

State legislation was enacted preempting cart retrieval without first waiting 72 hours for each cart. Additionally, the City is required to inform grocers when we retrieve carts and then store them for a 30 day claim period. Our only ability to impose fines and seek cost recovery is through an impound/claim fee. When we last operated such a program six years ago, Public Works collected so many carts we were forced to rent warehouse space for storage. At one time our warehouse was full with over 1,000 unclaimed and unmarked carts.

In summary, Costa Mesa cannot legislate or force any cart owner to install cart dispensers, parking lot sensors, or other mechanisms to cure the abandoned cart problem. The City is basically limited to three options; 1) do nothing; 2) tag carts for 72 hours and then impound for up to 30 days; or, 3) we retrieve and immediately return to the store of origin (our current program).

How successful is our current program? In staff's opinion it has been very successful in eliminating 90+% of abandoned carts the same day. With assistance from CMPD patrol officers, Code Enforcement Officers, Building Inspectors, Street Maintenance crews, and other field employees, abandoned carts are immediately reported to Hernandez Cart Services who retrieves them.

ALTERNATIVES:

At your Council meeting on May 17, 2004, staff presented the attached Agenda Report entitled, "Six Month Status Report on Shopping Cart Retrieval Program." After reviewing that report, in staff's opinion, your alternatives have not changed since May 2004. However, if Council wishes to end the retrieval program staff requests you at least approve the contract through October 31, 2005, allowing staff time to notify affected cart owners.

FISCAL REVIEW:

Hernandez Cart Services, Inc., has been charging \$4,000 per month since September 2003, for one two-person truck patrolling eight hours daily, seven days per week. With increasing fuel and labor costs, the City cannot provide the same service at that cost. Since we actually share Hernandez services with a few local stores who contract directly, we obtain a discounted rate when compared to what we would pay for exclusively patrolling 56 hours per week. Therefore, this cost sharing keeps our cost down and still provides same day service.

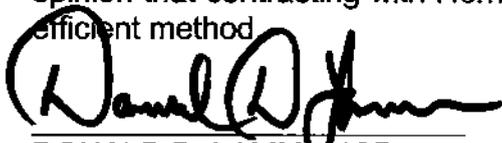
Funding for this contract has been appropriated in the City's FY 2005-06 Development Services Budget. Since the proposed contract covers the period of September 1, 2005 through June 30, 2006, the cost will not exceed \$40,000 for the remainder of this year.

LEGAL REVIEW:

The City Attorney's Office prepared and signed the contract attached to staff's September 6, 2005 agenda report.

CONCLUSION:

If City Council wishes to have abandoned carts retrieved within 24 hours, it is staff's opinion that contracting with Hernandez Cart Services, Inc. is the most cost effective and efficient method



DONALD D. LAMM, AICP
Deputy City Mgr., Dev. Svs. Director

- DISTRIBUTION:
- City Manager
 - City Attorney
 - Police Chief
 - Building Official
 - Chief of Code Enforcement
 - Public Services Director
 - City Clerk (2)
 - Staff (4)
 - File (2)
 - Hernandez Cart Services, Inc.



CITY COUNCIL AGENDA REPORT

MEETING DATE: **MAY 17, 2004**

ITEM NUMBER:

SUBJECT: SIX MONTH STATUS REPORT ON SHOPPING CART RETRIEVAL PROGRAM

DATE: MAY 5, 2004

FROM: DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: JAMES GOLFOS, CHIEF OF CODE ENFORCEMENT

FOR FURTHER INFORMATION CONTACT: JAMES GOLFOS (714) 754-4952

RECOMMENDATION:

Staff recommends Council should decide whether to continue with the current program service level of seven days per week, eight hours per day, or direct staff to negotiate a reduced service level and resulting cost reduction.

BACKGROUND:

On June 17, 2003 the City Council adopted Ordinance No. 03-6, and Resolution 03-42, declaring abandoned shopping carts an eyesore and public nuisance. The ordinance requires retailers in the City to maintain an effective cart containment system. Management of the program was delegated to the Code Enforcement Division in the Development Services Department.

Stores within the City were offered one of three options:

1. Contract with an independent retrieval company, which according to the ordinance allows for (10) ten carts per week to be retrieved from the community prior to being in violation;
2. Retrieve their own carts, or provide an effective containment system. This option allowss for (5) five carts per year to be retrieved from the community prior to being in violation; or,
3. Contract with the City for cart retrieval at a cost of \$ 3.00 per cart without limitation on the maximum number of carts retrieved.

Any store in found in violation of Ordinance No. 03-6 is subject to the civil fine process.

A 120 day waiting period for the ordinance to be implemented, was provided for staff to contact and prepare contracts with stores wishing to participate.

Commencing September 2, 2003, the City's contract cart retrieval service,, Hernandez City Services, Inc., commenced daily patrols and retrieval of abandoned shopping carts. The contract cost to the City is \$4,000.00 per month and provides for retrieval services 8 hours per day, 7 days a week, with one truck assigned to Costa Mesa. The term of

Alternatives, to the current program are basically:

1. Rescind Ordinance No. 03-6, now that the number of abandoned carts is below 500 per month, and request businesses be more responsible in retrieving their own carts. This alternative could be somewhat effective if the top five sources of abandoned carts could control their own problem. We have seen several businesses, such as Target Greatland, step up and contract for its own service. Subsequently, the number of abandoned Target shopping carts retrieved by the City's contractor, has been dramatically reduced.
2. Decrease the number of cart retrieval patrol days from seven to three days per week. Specifically, patrol and retrieving carts on Mondays, Wednesdays, and Fridays, would still ensure carts are removed from City streets within 24-48 hours. This alternative would reduce our current service level from a maximum of 24 hours to remove all carts. By reducing the number of patrol days, the City could renegotiate our current contract and anticipate a reduction in cost.
3. Continue with the program at its current service level of 24 hour maximum retrieval time.

FISCAL REVIEW:

Should City Council select "alternative no. 2", and staff can successfully negotiate a fifty percent reduction in the contract cost, our annual contract expense would drop from \$48,000 to \$24,000. However, the current \$48,000 contract is considerably less expensive than performing the same seven day patrol with City employees.

LEGAL REVIEW:

To date, the City Attorney's office has not reported any legal challenges or threats of challenge to the shopping cart program or Ordinance No. 03-6.

CONCLUSION:

The City's current shopping cart retrieval program is very successful in rapidly removing abandoned carts from the community, is cost effective as a contract service versus providing the same service by City personnel, however, is not a full cost recovery program due to the decreasing number of retrieved shopping carts. As such, reducing the number of retrieval patrol days could reduce the program's cost if the community can accept a 24-48 hour delay in cart retrieval, versus the current 24 hours or less.



JAMES GOLFOS
Chief of Code Enforcement



DONALD D. LAMM
Dep. City Mgr.-Dev. Services Director

WEEKLY CART RETRIEVAL COUNT

MONTHLY RECAP MONTH TO DATE JANUARY 2004

	PAGE	
████████ CITY PROGRAM	ALBERTSONS 1	70
	BEST BUY 2	0
████████ WAIVER PRIVATE PICK UP	EL METATE 3	61
	99 CENT STORE 4	0
████████ NON - PARTICIPANT	GANAHL 5	0
	GROWERS DIRECT 6	3
	HOME DEPOT 7	6
	K-MART 8	0
	LINENS N THINGS 9	0
	LONG'S DRUGS 10	4
	MAINLY SECONDS 11	0
	MARSHALLS 12	0
	MICHAEL'S 13	2
	MOTHER'S MARKET 14	0
	MY DOLLAR STORE 15	0
	OFFICE DEPOT 16	7
	PEP BOYS 17	0
	PETCO 18	0
	RALPHS 19	1
	RITE AID # 8734-6213-8733 20	15
	WALMART 21	0
	JC ANN'S 22	3
	ROSS 23	2
	SALLY'S BEAUTY SUPPLY 24	0
	SAV-ON DRUG 9508 & 9404 25	4
	SMART & FINAL 26	6
	STAPLES 27	2
	STATER BROS # 25-35 28	132
	CROWN ACE HARDWARE 29	0
	TARGET 30	0
	T J MAXX 31	21
	TRADER JOES 32	4
	TUESDAY MORNING 33	3
	VONS # 1736 34	51
	VONS # 2143 35	7
	UNIDENTIFIED CARTS 36	0
	HENRY'S 37	5
	FUTURE 38	0
	MARUKAI 39	0
	PETSMART 40	0
TOTAL CART RETRIEVAL JANUARY 2004:		409

WEEKLY CART RETRIEVAL COUNT

MONTHLY RECAP MONTH TO DATE JANUARY 2005

	PAGE	
████████ CITY PROGRAM	ALBERTSONS 1	73
	BEST BUY 2	0
████████ WAIVER PRIVATE PICK UP	EL METATE 3	56
	99 CENT STORE 4	0
████████ NON - PARTICIPANT	GANAHL 5	0
	GROWERS DIRECT 6	4
	HOME DEPOT 7	6
	K-MART 8	0
	LINENS N THINGS 9	0
	LONG'S DRUGS 10	0
	MAINLY SECONDS 11	0
	MARSHALLS 12	0
	MICHAEL'S 13	1
	MOTHER'S MARKET 14	5
	MY DOLLAR STORE 15	1
	OFFICE DEPOT 16	3
	PEP BOYS 17	0
	PETCO 18	1
	RALPHS 19	3
	RITE AID # 5734-6213-5733 20	10
	IKEA 21	0
	JO ANN'S 22	3
	ROSS 23	1
	SALLY'S BEAUTY SUPPLY 24	0
	SAV-ON DRUG 9508 & 9404 25	19
	SMART & FINAL 26	3
	STAPLES 27	3
	STATER BROS # 25 28	11
	STATER BROS # 35 29	71
	CROWN ACE HARDWARE 30	0
	TARGET 31	0
	T J MAXX 32	16
	TRADER JOES 33	6
	TUESDAY MORNING 34	1
	VONS # 1736 35	54
	VONS # 2149 36	3
	UNIDENTIFIED CARTS 37	2
	HENRY'S 38	9
	MARUKAI 39	1
	PETSMART 40	1
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	TOTAL CART RETRIEVAL JANUARY 2005:	367

WEEKLY CART RETRIEVAL COUNT

MONTHLY RECAP MONTH TO DATE FEBRUARY 2004

	PAGE	
████████ CITY PROGRAM	ALBERTSONS 1	60
████████ WAIVER PRIVATE PICK UP	BEST BUY 2	1
████████ NON - PARTICIPANT	EL METATE 3	94
	99 CENT STORE 4	0
	GANAHL 5	0
	GROWERS DIRECT 6	7
	HOME DEPOT 7	6
	K-MART 8	0
	LINENS N THINGS 9	0
	LONG'S DRUGS 10	5
	MAINLY SECONDS 11	0
	MARSHALLS 12	0
	MICHAEL'S 13	3
	MOTHER'S MARKET 14	1
	MY DOLLAR STORE 15	0
	OFFICE DEPOT 16	4
	PEP BOYS 17	0
	PETCO 18	2
	RALPHS 19	7
	RITE AID # 5734-6213-5733 20	38
	IKEA 21	0
	JO ANN'S 22	2
	ROSS 23	2
	SALLY'S BEAUTY SUPPLY 24	0
	SAV-ON DRUG 9508 & 9404 25	11
	SMART & FINAL 26	4
	STAPLES 27	2
	STATER BROS # 25 28	26
	STATER BROS # 35 29	34
	CROWN ACE HARDWARE 30	0
	TARGET 31	0
	T J MAXX 32	20
	TRADER JOES 33	6
	TUESDAY MORNING 34	6
	VONS # 1736 35	49
	VONS # 2149 36	22
	UNIDENTIFIED CARTS 37	9
	HENRY'S 38	14
	MARUKAI 39	0
	PETSMART 40	2
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	TOTAL CART RETRIEVAL FEBRUARY 2004:	437

WEEKLY CART RETRIEVAL COUNT

MONTHLY RECAP MONTH TO DATE FEBRUARY 2005

	PAGE	
████████ CITY PROGRAM	ALBERTSONS 1	58
████████ WAIVER PRIVATE PICK UP	BEST BUY 2	0
████████ NON - PARTICIPANT	EL METATE 3	59
	99 CENT STORE 4	0
	GANAHL 5	0
	GROWERS DIRECT 6	6
	HOME DEPOT 7	4
	K-MART 8	0
	LINENS N THINGS 9	0
	LONG'S DRUGS 10	1
	MAINLY SECONDS 11	0
	MARSHALLS 12	0
	MICHAEL'S 13	1
	MOTHER'S MARKET 14	1
	MY DOLLAR STORE 15	0
	OFFICE DEPOT 16	4
	PEP BOYS 17	0
	PETCO 18	0
	RALPHS 19	1
	RITE AID # 5734-6213-5733 20	17
	IKEA 21	0
	JO ANN'S 22	5
	ROSS 23	2
	SALLY'S BEAUTY SUPPLY 24	0
	SAV-ON DRUG 9508 & 9404 25	10
	SMART & FINAL 26	4
	STAPLES 27	2
	STATER BROS # 25 28	18
	STATER BROS # 35 29	59
	CROWN ACE HARDWARE 30	0
	TARGET 31	0
	T J MAXX 32	10
	TRADER JOES 33	0
	TUESDAY MORNING 34	1
	VONS # 1736 35	69
	VONS # 2149 36	11
	UNIDENTIFIED CARTS 37	1
	HENRY'S 38	10
	MARUKAI 39	1
	PETSMART 40	0
TOTAL CART RETRIEVAL FEBRUARY 2005:		355

WEEKLY CART RETRIEVAL COUNT

MONTHLY RECAP MONTH TO DATE MARCH 2004

	PAGE	
████████ CITY PROGRAM	ALBERTSONS 1	79
	BEST BUY 2	0
████████ WAIVER PRIVATE PICK UP	EL METATE 3	69
	99 CENT STORE 4	0
████████ NON - PARTICIPANT	GANAHL 5	0
	GROWERS DIRECT 6	8
	HOME DEPOT 7	5
	K-MART 8	0
	LINENS N THINGS 9	0
	LONG'S DRUGS 10	3
	MAINLY SECONDS 11	0
	MARSHALLS 12	0
	MICHAEL'S 13	3
	MOTHER'S MARKET 14	2
	MY DOLLAR STORE 15	0
	OFFICE DEPOT 16	2
	PEP BOYS 17	0
	PETCO 18	0
	RALPHS 19	3
	RITE AID # 5734-6213-5733 20	27
	IKEA 21	0
	JO ANN'S 22	1
	ROSS 23	0
	SALLY'S BEAUTY SUPPLY 24	0
	SAV-ON DRUG 9508 & 9404 25	11
	SMART & FINAL 26	5
	STAPLES 27	0
	STATER BROS # 25 28	37
	STATER BROS # 35 29	98
	CROWN ACE HARDWARE 30	0
	TARGET 31	0
	T J MAXX 32	20
	TRADER JOES 33	2
	TUESDAY MORNING 34	2
	VONS # 1736 35	70
	VONS # 2149 36	3
	UNIDENTIFIED CARTS 37	10
	HENRY'S 38	11
	MARUKAI 39	1
	PETSMART 40	0
	TOTAL CART RETRIEVAL MARCH 2004:	472

WEEKLY CART RETRIEVAL COUNT

MONTHLY RECAP MONTH TO DATE MARCH 2005

	PAGE	
████████ CITY PROGRAM	ALBERTSONS 1	53
	BEST BUY 2	0
████████ WAIVER PRIVATE PICK UP	EL METATE 3	64
	99 CENT STORE 4	0
████████ NON - PARTICIPANT	GANAHL 5	0
	GROWERS DIRECT 6	1
	HOME DEPOT 7	5
	K-MART 8	0
	LINENS N THINGS 9	0
	LONG'S DRUGS 10	5
	MAINLY SECONDS 11	0
	MARSHALLS 12	0
	MICHAEL'S 13	1
	MOTHER'S MARKET 14	4
	MY DOLLAR STORE 15	1
	OFFICE DEPOT 16	1
	PEP BOYS 17	0
	PETCO 18	2
	RALPHS 19	5
	RITE AID # 5734-6213-5733 20	5
	IKEA 21	0
	JO ANN'S 22	3
	ROSS 23	3
	SALLY'S BEAUTY SUPPLY 24	0
	SAV-ON DRUG 9508 & 9404 25	9
	SMART & FINAL 26	4
	STAPLES 27	2
	STATER BROS # 25 28	7
	STATER BROS # 35 29	78
	CROWN ACE HARDWARE 30	1
	TARGET 31	0
	T J MAXX 32	18
	TRADER JOES 33	2
	TUESDAY MORNING 34	1
	VONS # 1736 35	49
	VONS # 2149 36	14
	UNIDENTIFIED CARTS 37	1
	HENRY'S 38	10
	MARUKAI 39	5
	PETSMART 40	0
	TOTAL CART RETRIEVAL MARCH 2005:	354



CITY OF COSTA MESA

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DEVELOPMENT SERVICES DEPARTMENT

**FOR ATTACHMENTS NOT INCLUDED IN THIS
REPORT, PLEASE CONTACT THE CITY CLERK'S
OFFICE AT (714) 754-5121**