

REPORT

To the Honorable Mayor and City Council
From the City Manager

October 13, 2003

Subject

Amendment to Agreement for Shopping Cart Retrieval Services.

Recommendation

Authorize the City Manager to execute an amendment to extend the agreement for shopping cart retrieval services with DeMichele's Shopping Cart Retrieval Services.

Background

The City Council authorized the execution of the agreement with DeMichele's Shopping Cart Retrieval Services on January 14, 2002. Since that time, the contractor has provided very good service to the City, retrieving 24,121 carts in Fiscal Year 2002-2003. The agreement expired on June 30, 2003, and needs to be extended. The amendment will include annual renewal and termination provisions and extend the agreement for five years, to June 30, 2008.

Alternative

Not extend the agreement and terminate the cart retrieval program. This is not recommended since the program has made a noticeable improvement in the City's appearance for a minimal fiscal impact.

Fiscal Impact


The Fiscal Year 2002-2003 net direct costs for cart retrieval services were \$6,758.

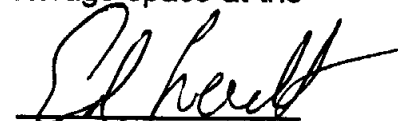
	\$84,423 paid to DeMichele's Shopping Cart Retrieval Services
	-77,465 collected from the participating businesses
	- 200 from the sale of abandoned carts
Total	\$ 6,758

The net direct costs will be reduced by the amount our collection agency can recover on the \$5,842 of billings over ninety days due. If all overdue bills are paid, the annual net direct costs are approximately \$1,000 (the cost of retrieving carts that are not identified or from non-participating businesses).

In addition to the direct costs, there are indirect costs for the staff time to operate the program (about forty hours per year) and for the value of the cart storage space at the corporation yard.


Gary Lepori
Senior Building Inspector


Bruce Liedstrand
Community Development Services
Director


Ed Everett
City Manager

Attachment

- 1. Amendment to Agreement for Shopping Cart Retrieval Services

**AMENDMENT NO. 1 TO EXTEND AND AMEND AGREEMENT FOR
SHOPPING CART RETRIEVAL SERVICES
DEMICHELE'S SHOPPING CART RETRIEVAL SERVICES**

This Amendment No. 1 is entered into and effective as of the ____ day of _____, 2003, extending and amending the agreement dated January 16, 2002 (the "Agreement") by and between the City of Redwood City, a charter city and municipal corporation of the State of California ("City"), and DeMichele's Shopping Cart Retrieval Service, ("Contractor") (collectively, the "Parties") for shopping cart retrieval services.

RECITALS

A. The Parties desire to extend the Agreement for a period of five (5) years and effective from June 30, 2003, with an annual renewal provision.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, the Parties agree as follows:

1. The Agreement, as may have been amended from time to time, is hereby extended for a period of five (5) years ending on June 30, 2008. The Agreement shall renew annually on July 1st of each year, unless terminated by either Party by written notice not less than thirty (30) days prior to the July 1st renewal.

2. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect.

3. All requisite insurance policies to be maintained by the Contractor pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

4. The individuals executing this Amendment and the instruments referenced in it on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Amendment.

CONTRACTOR

DeMichele's Shopping Car Retrieval
Service
1895 Bagpipe Way
San Jose, CA 95121

CITY of REDWOOD CITY, a charter city
and municipal corporation of the State of
California

By:

By:

(sign here)

Ed Everett, City Manager

(print name/title)

ATTEST:

Patricia Howe, City Clerk