



# AGENDA REPORT

Economic Development

<b>DATE:</b>	December 17, 2024
<b>4TO:</b>	Mayor Martinez and Members of the City Council
<b>FROM:</b>	Nannette Beacham, Economic Development Director Lizeht Zepeda, Senior Business Assistance Officer Kyle Lam, Management Analyst
<b>Subject:</b>	Contract with Blutot Technologies, Inc. for Buy Local Software Platform
<b>FINANCIAL IMPACT:</b>	The proposed \$200,000 expenditure is included within the approved fiscal year 2024 – 2025 budget, Economic Development Department/Business Division (Account String - \$120,000 – 01361165 – 400201 – 16G23; \$80,000 – 01361165 – 400201 – 36033 Total: \$200,000).
<b>PREVIOUS COUNCIL ACTION:</b>	June 21, 2022
<b>STATEMENT OF THE ISSUE:</b>	The City of Richmond seeks to enhance its local economy and support small businesses through the Buy Local Campaign. To successfully implement this campaign, the City requires a Buy Local software platform. The contract with Blutot Technologies, Inc. will provide the necessary software platform to facilitate the campaign by promoting local businesses, offering tools for economic tracking and reporting, and the administration of an incentive program for shopping local.

<b>RECOMMENDED ACTION:</b>	APPROVE a contract with Blutot Technologies, Inc. for a Buy Local software platform, in an amount not to exceed \$200,000, for the term January 7, 2025, through December 31, 2026 – Economic Development Department (Nannette Beacham 510-621-1306/Lizeht Zepeda 510-620-6653/Kyle Lam 510-620-6802).
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**DISCUSSION:**

Background

On October 27, 2022, the California Strategic Growth Council awarded the City of Richmond a \$35 million Transformative Climate Communities (TCC) Round 4 Implementation Grant, launching the Richmond Rising initiative. This community-led effort focuses on improving the City’s environmental, economic, and social conditions, with an emphasis on the Iron Triangle, Santa Fe, and Coronado neighborhoods.

A core element of the Richmond Rising initiative is the Displacement Avoidance Plan, which integrates policies and programs designed to prevent displacement by fostering opportunities for residents and businesses to thrive within these communities to ensure long-term residency and business presence in the area.

As a key initiative of the Displacement Avoidance Plan, the Buy Local Campaign was launched to support small, locally owned businesses and encourage community members to actively explore and patronize these enterprises. The campaign aims to increase the visibility of local businesses through targeted outreach efforts, including promotional events, marketing campaigns, and collaborations with community organizations.

By driving customer exploration and increased revenue for small businesses, the campaign enables these businesses to reinvest profits into the local economy. This reinvestment supports job creation, strengthens the economic foundation of neighborhoods, and sustains other local businesses through interconnected economic activity.

To achieve the goals of this initiative, the Buy Local Campaign includes an online business directory and a rewards platform designed to boost community engagement and local spending. The directory will act as a centralized resource, increasing the visibility of local businesses and making it easier for residents to discover and support them. The rewards platform will further incentivize shopping locally by allowing residents to earn points or discounts for their purchases, fostering a stronger connection between consumers and neighborhood businesses.

This system benefits consumers with tangible rewards while helping businesses build customer loyalty and encourage repeat patronage. By leveraging technology, the

campaign ensures equitable access to resources for small businesses, stimulates economic activity in underserved areas, and supports long-term economic resilience. Additionally, the reinvestment of revenue within the community strengthens job creation and bolsters the economic fabric of Richmond.

### Request for Qualifications (RFQ)

On October 2nd, 2024, the City of Richmond released a Request for Qualifications (RFQ) to solicit proposals from qualified providers to provide a platform capable of managing a Buy Local Campaign. The ideal platform will allow the City to facilitate reward distribution and support both immediate and long-term small business recovery in a way that fosters economic resilience and community engagement. Proposals were due on October 16th, 2024, and two proposals were received.

### Selection Process

Following the submission of proposals, an evaluation committee was formed to review each proposal based on the following criteria:

<b>Evaluation Criteria</b>	
Service Summary/Model	35%
Relevant and demonstrated qualifications and experience	30%
Cost of proposed services	35%

Proposals were received from the following:

1. Bludot Technologies, Inc.
2. FSH Tech

Using a point-based system, the committee reviewed and scored the proposals. Bludot Technologies, Inc. was the highest scoring proposal.

### Bludot Technologies

Bludot Technologies Inc. is a woman-owned local technology company based in the Bay Area that specializes in providing solutions for economic development. Established in 2019, Bludot has partnered with over 180 public agencies across 30 states to deliver tools that help small to mid-sized cities engage with local businesses and drive community impact. Among its offerings, the Open Rewards platform stands out as a turnkey solution for "shop local" programs that stimulate local economies, foster consumer loyalty, and strengthen community branding. Additionally, Bludot provides tools like a business directory, CRM, and Business Retention and Expansion (BR&E) platform to further support local business engagement and economic growth.

The Open Rewards platform simplifies participation for both consumers and businesses. Consumers can earn rewards for purchases at eligible businesses, regardless of payment method—cash, credit, or debit. This inclusivity ensures that all community

members can benefit equally. Rewards are seamlessly redeemed at participating businesses, encouraging repeat visits and keeping spending local. A major advantage of Open Rewards is that it requires no additional actions from businesses; there's no need to sign up, train staff, or alter operations, ensuring a hassle-free experience while minimizing errors and fraud.

For cities, the platform offers significant administrative efficiencies. Bludot manages all aspects of program setup, maintenance, customer service, and technology backend, reducing the burden on municipal staff. Additionally, cities gain access to a reporting dashboard that provides valuable insights into consumer shopping patterns, frequently visited businesses, and the program's overall impact.

By combining ease of use, equity in access, and minimal administrative overhead, Open Rewards not only boosts local spending but also strengthens consumer-business relationships and enhances the economic resilience of communities. Its proven effectiveness makes it an ideal tool for cities like Richmond to promote their Buy Local campaigns and foster sustainable local growth.

### Recommendation and Next Steps

City staff recommends approval of a contract with Bludot Technologies, Inc. for the Buy Local Software Platform. The contract, valued at \$200,000, will run from January 7, 2025 through December 31, 2026. Of this amount, \$170,000 will be allocated for the Open Rewards Fund, which will be used exclusively for the rewards and incentives earned by customers for shopping locally. These funds, owned and managed by the City of Richmond, will be held and distributed by Bludot exclusively for the campaign's implementation. Any unspent funds at the end of the contract term will revert back to the City.

The remaining \$30,000 will compensate Bludot for its services related to marketing and administering the Open Rewards program. This collaboration aims to foster economic growth, support local businesses, and build a more resilient community.

Following City Council approval, staff will work with the firm to ensure a smooth project launch and implementation. Clear timelines, points of contact, and deliverables will be established, with regular progress meetings scheduled to monitor the project's advancement, address any issues, and ensure the effective execution of the Buy Local Campaign's objectives.

### **POLICY SYNERGIES**

The Richmond Business Recovery Action Plan, Action 2A, identifies the development of a Buy Local Campaign as a critical recovery action within Strategy 2 of the Plan to provide near-term support to businesses to help reduce closures.

**DOCUMENTS ATTACHED:**

- Attachment 1 – Contract with Blutot Technologies, Inc.
- Attachment 2 – Request for Qualifications Posted Online (RFQ)
- Attachment 3 – Scoring Matrix