

## **ADMINISTRATION RECOMMENDATION/REPORT**

The administration recommends that the Board of Trustees approve a contract for beverage vending and pouring rights services with PepsiCo for the College.

## **BACKGROUND**

In 2009, Coca-Cola (Coke) was awarded the College's beverage vending and pouring rights contract. Coke met and at times exceeded the College expectations; however, after the sale of Coke's Texas manufacturing and distribution to Arca Continental in 2017, the College began experiencing service, delivery, and product related issues. As a result, it was recommended the College go back to the market to select a new beverage supplier.

A request for proposals, Project Number 18-27, was issued to procure beverage vending and pouring rights services. Three (3) responses were received and evaluated by a team representing Auxiliary Services, Campus Services, and Foundation staff who determined the proposal submitted by PepsiCo would provide the best value to the College.

## **IMPACT OF THIS ACTION**

Adoption of this recommendation will enable the College to be serviced with beverage vending and provide reasonable rates for College purchases. All vending machines sales will generate a commission and rebate payable to the College. The agreement also includes annual sponsorship payments and product donations.

PepsiCo demonstrates the importance of providing quality products and service and will work to ensure the College's needs are met; this includes maintaining equipment and providing the product mix preferred by our College community. With this supplier's attention to service, delivery and product variety offered, sales and commissions are expected to increase.

## **BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)**

The estimated annual expenditure is \$90,000. This expenditure is funded from the Auxiliary Services department's 2017-2018 operating budget and subsequent year budgets.

## **MONITORING AND REPORTING TIMELINE**

The initial award term will be three (3) years, with renewal options of two (2) additional one-year terms.

## **ATTACHMENTS**

Attachment 1 - Tabulation

**RFP # 18-27**  
**Regular Board Meeting May 7, 2018**

**Consideration of Approval to Contract for Beverage Vending and Pouring Rights**

**RESOURCE PERSONNEL**

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**Project Name** Beverage Vending and Pouring Rights  
**Project Number** RFP 18-27  
**Number of Evaluators** 4

Stated Criteria	Criteria Explanation	Total Points Available	Coca Cola Southwest Beverages	Gilly Vending, Inc.	PepsiCo
Commission Terms/Tiers Based on Sales	Percentage of sales paid to the College	80	60	62	73
Qualifications and Experience of Firm	Firm's references, reputation and experience	40	35	36	38
Product Line/Product Mix	Product mix and equipment operational features	80	59	76	65
Price of Products	College purchase price and proposed vending pricing	80	61	66	65
Maintenance Plan/Schedule	Preventative maintenance, service plan, service and delivery schedule.	80	40	74	72
Financial Return to the College	Minimum capital investment to be provided to the College: cash incentives, rebates, value added services, free product	40	26	31	33
<b>100 Points Each x 4 Evaluators</b>		<b>400</b>	281	345	<b>346</b>
			<b>Total Points Received</b>		

<b>Final Ranking</b>	
Vendor Name	Total Score
<b>PepsiCo</b>	<b>346</b>
Gilly Vending, Inc.	345
Coca Cola Southwest Beverages	281