

**ADMINISTRATION RECOMMENDATION/REPORT**

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

**BACKGROUND**

To ensure all students, faculty, and staff beverage vending needs are met, the College has historically and consistently provided beverage machines on college locations. The machines offer a variety of options including sparkling beverages, water, tea, juices, sport, and energy drinks. In addition, beverage options are also available for purchase in all café locations.

Request for proposals #23-15 was issued on January 13, 2023, to procure beverage vending and pouring rights services, which complies with the competitive procurement requirements per Texas Education Code §44.031(a). Four responses were received and evaluated by a team comprised of representatives from auxiliary services, student financial services and food services who determined the proposal submitted by Keurig Dr. Pepper will 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 machine sales and café purchases will generate a commission or rebate payable to the College. The agreement also includes annual sponsorship payments and product donations.

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

The estimated annual expenditure is \$70,000 for primary cafeteria operations and will be funded from the auxiliary services department’s 2023-2024 operating budget and subsequent year budgets. The total projected revenue over the contract term is estimated at \$724,000.

**MONITORING AND REPORTING TIMELINE**

The initial three-year award term will commence on August 1, 2023 with two one-year renewal options.

**ATTACHMENTS**

Attachment 1 - Tabulation

**RESOURCE PERSONNEL**

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**RFP 23-15**  
**Beverage Vending and Pouring Rights**  
**Attachment 1 – Tabulation**

**QUALIFICATIONS**

<b>Vendors</b>	<b>Section 1: Firm / Personnel</b>	<b>Section 2: Product Line / Mix</b>	<b>Section 3: Maint. Plan &amp; Schedule</b>	<b>Section 4: Value Added Services</b>	<b>Section 5: References</b>	<b>Sections 6-7: Price</b>	<b>Total Points</b>	<b>Interview</b>
<i>Total Points</i>	<i>20</i>	<i>15</i>	<i>10</i>	<i>10</i>	<i>10</i>	<i>35</i>	<i>100</i>	
Keurig Dr. Pepper	14.80	10.20	6.80	5.90	6.10	29.99	<b>73.79</b>	<b>Yes</b>
PepsiCo	15.40	10.50	7.20	6.80	6.60	26.57	<b>73.07</b>	<b>Yes</b>
Canteen Vending	16.20	12.30	7.10	5.70	6.20	24.84	<b>72.34</b>	<b>Yes</b>
Coca-Cola Southwest	13.20	9.75	5.10	6.00	7.10	16.85	58.00	<b>No</b>

**FINAL SCORES**

#		<b>Qualification</b>	<b>Interviews</b>	<b>Final Score</b>
	<i>Total Points</i>	<i>100</i>	<i>40</i>	<i>140</i>
1	Keurig Dr. Pepper	73.79	33.60	<b>107.39</b>
2	Canteen Vending	72.34	33.60	<b>105.94</b>
3	PepsiCo	73.07	27.55	<b>100.62</b>
4	Coca-Cola Southwest	58.00	NA	<b>58.00</b>

**FINANCIAL RETURN TO THE COLLEGE**

<b>Company</b>	<b>Commission Sales Percentage</b>	<b>Annual Commission of Estimated Sales \$206,000</b>	<b>Annual Sponsorship Payment</b>	<b>Annual Product Donation Value</b>	<b>Total Revenue Over Contract Term</b>
Keurig Dr. Pepper	20%	\$41,200	\$100,000	\$3,600	\$724,000
Canteen Vending	31%	\$63,860	\$22,500	\$0	\$431,800
PepsiCo	35%	\$72,100	\$22,000	\$2,500	\$483,000
Coca-Cola Southwest	15%	\$30,900	\$25,000	\$0	\$279,500