CITY OF HIGH POINT AGENDA ITEM



TITLE: City Beverage Contract	
FROM: Lee Tillery, Director – Parks & Recreation	MEETING DATE: August 19, 2024
PUBLIC HEARING: N/A	ADVERTISED DATE/BY: March 22, 2024
ATTACHMENTS: Proposal – Pepsi Bottling Ventures Bid Recommendation Form	

PURPOSE: City Council consideration of a proposed three-year contract with Pepsi Bottling Ventures with an additional two, one-year renewal options.

BACKGROUND: A Request for Proposals was issued in March for these services. Pepsi Bottling Ventures was the sole responder. The City's previous contract for beverages services was also a five-year agreement with Pepsi Bottling Ventures and it recently expired. In that previous contract, we altered the agreement to only purchase drinks for the five locations below and all vending would then become full service from Pepsi. There are 32 vending locations throughout the various City Departments and their sites. The change allowed us to eliminate storage and vending responsibilities while simply collecting a commission from vending sales. The five locations that purchase directly from Pepsi include:

- Washington Terrace Pool
- City Lake Park Concession Stand
- City Lake Park Pool
- Oak Hollow Golf Course Grill Room
- Blair Park Golf Course Grill Room

Additional benefits of the contract with Pepsi include:

- Annual Sponsorship of the Uncle Sam Jam \$5,000 (\$25,000 Overall Value)
- Up to 60 Donated Cases of Cups Overall Value \$19,500
- Up to 30 Donated Cases of Lids Overall Value \$4,300
- Up to 100 Cases of Donated Water to be used for a variety of Parks & Recreation Events and Programs -Overall Value - \$5,300
- Vending Machine Commissions Estimated to be \$72,500 Value over 5-year period

BUDGET IMPACT: Estimated expenses over the five-year period for the five Parks & Recreation locations are not to exceed \$295,000. Funds are available in the current year's budget.

RECOMMENDATION/ACTION REQUESTED: The Parks & Recreation Department recommends approval of this proposal and that appropriate City officials be authorized to execute the contract with Pepsi Bottling Ventures on the City's behalf.







CITY OF HIGH POINT AND PEPSI BOTTLING VENTURES PARTNERSHIP AGREEMENT





Request for proposals # 31-041824 City-wide beverage services City of high point

Due date: April 18, 2024

Vendor

Pepsi Bottling Ventures
390 Business Park Dr.
Winston Salem, NC 27107
Bo Covington – Key Account Manager
919-819-6181
NC Sales & Use Tax Reg # 600225595
Fed ID: 22-3657794

Business

City of High Point
Attn: purchasing division
Candy Harmon, Purchasing Manager
816 East Green Street
High Point, NC 27261
336-883-3222



PROPOSAL OUTLINE



Title Page ~ Company Name, Address, Phone and Authorized Rep, Proposal Number

Executive Summary

Organization and Staffing

Statement of Work

Equipment

References

Exhibit A

Proposals

- 5 YEAR RFP PROPOSAL
- Alternative Offer 1: 5 YEAR PROPOSAL
- Alternative Offer 2: 7 YEAR PROPOSAL
- Alternative Offer 3: 10 YEAR PROPOSAL

Pepsi Partnership





EXECUTIVE SUMMARY

EXECUTIVE DOMINIMA



PEPSI BOTTLING VENTURES



Pepsi Bottling Ventures (PBV) is the largest privately-held bottler for Pepsi-Cola products in North America – manufacturing, selling, and distributing some of the world's most recognized consumer brands. PBV is a privately-held company, operating 18 bottling and distribution facilities and serving consumers in North Carolina, South Carolina, Virginia, Maryland and Delaware. Our corporate offices are in Raleigh, North Carolina.

PBV is organized as a joint venture with PepsiCo serving as a partial owner. Under this agreement the two companies work together to develop industry leading practices. We are a committed, experienced and proven performer with strong partnerships with many city-wide agreements and other townships across several states. PBV is proud to submit this proposal to the City of High Point.

PBV is very proactive in engaging with the City of High Point for events that will make lasting memories for your staff and guests. With the associations of PepsiCo's local, national, and international business partnerships, we will demonstrate the strength of our brands and along with innovations that will result in beverage sales growth.



NORTH CAROLINA IMPACT



PBV's largest presence is in North Carolina where we employ over 2,000 employees with a distribution territory which ranges from Elizabeth City to Charlotte and up to Avery County. Forsyth County represents three of our facilities including one of our two production locations and is our second largest employee base.

To support this statewide sales and distribution network, we operate 14 facilities throughout the state, including two production sites in Garner and Winston-Salem.

Almost all products served at City of High Point will be produced, bottled and distributed from our Winston Salem facility. PBV is proud to distribute Pepsi Products in the state where Pepsi-Cola was born and is excited to share that with the City of High Point.

Our team is focused on a singular goal: to be our customers' best supplier of exciting beverages. With one of the broadest portfolios of soft drinks, juices, waters, fountain syrups, and specialty beverages. PBV has the selection and service to compete in every market we serve.





ORGANIZATION AND STAFFING

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Bo Covington
Food Service
Representative

(919) 819-6181 Bo.Covington@pbvllc.com

MY COMMITMENT TO THE CITY OF HIGH POINT

- To offer assistance and help maximize selling opportunities for the City of High Point that will grow their revenue and enhance the overall business partnership
- Assist the City of High Point when needed for the following:
 - Delivery of products/Equipment needs
 - -Business opportunities/Community events
 - Resolve concerns/beverage planning
 - Implement brands/innovations
- Data analysis with the City of High Point to ensure Pepsi is providing service excellence
- Provide any additional assistance needed for the duration of the Agreement
- Strive to exceed the City of High Point's expectations as a Beverage Partner







Ronnie Shupe
Food Service Manager

(336) 813-2251 Ronnie.Shupe@pbvllc.com

MY COMMITMENT TO THE CITY OF HIGH POINT

- To supervise and help manage the Food Service Representative (FSR) to build a strong partnership with the City of High Point that will maximize revenue potential and enhance the beverage experience
- Accompany the FSR when needed for the following:
 - -Discuss general operations
 - -Discover opportunities
 - Issue resolution
 - Share Pepsi innovation
- To maintain constant, regular communication with the City of High Point to ensure Pepsi is providing service excellence
- Responsible for The Execution Elements Of The Agreement
- Exceed the City of High Point's expectations as a total Beverage Category Manager





CITY OF HIGH POINT PEPSI TEAM

TERRITORY SALES MANAGER Brent Johnson – 8 Years 336-239-4310

EQUIPMENT SUPPORT David Boyles – 15 Years 336-317-2987

BUSINESS REPRESENTATIVE Bo Covington – 24 Years 919-819-6181

FOOD SERVICE MANAGER Ronnie Shupe – 16 Years 336-813-2251

CORPORATE SUPPORT

Byron Brooks– 34 years

VP of Food Service
248-225-9425

Randy Peak – 34 years Director Food Service 336-688-7553 Roy Taylor – 38 years Director of Equipment 919-819-4240





STATEMENT OF WORK



STATEMENT OF WORK



If PBV retains the bid, the Food Service Representative will be contacting the City of High Point's main contacts and will set up a time at each location to determine if each vendor, cooler, and/or fountain models, graphics, location, position and amount of equipment needs to be replaced, updated, or convert current equipment. A date parameter will be mutually agreed upon for the work to begin at which time PBV will execute all agreed upon placement of assets. It is our intentions to change some locations over to glass front vendors (GFV) and to update others tha may have become sun faded or damaged. The FSR will then order each piece of equipment with specific instructions that have been agreed upon at each location.

Once the schedule date arrives the Equipment Delivery team will be onsite to delivery the equipment and make sure that every piece is placed accordingly. We will provide professional service through efficient and effective operations as well as maintain all PBV equipment throughout the City of High Point.

The FSM or FSR will provide updates with the point of contacts throughout the process. Once the equipment is in position, PBV will fill vendors to ensure the City of High Point faculty, staff, and guests have immediate access to Pepsi beverages. We will provide any phone numbers that are needed to the City of High Point so that the beverage ordering processes are made clear and precise.



VENDING EQUIPMENT













- Technology Enhancements & Cashless
- 2 Tier Pricing Structure
- Cash discount of .15 per unit
- Average +26% Volume lift by adding credit card readers

All vendors will have credit card readers

All vendors will have option of .15 cash discount on purchases

Several stack to Glass Front conversions to be planned for increased sales

Coolers provided as needed for concessions and bottles to go locations





PROPOSERS REFERENCES

THOLOGIA DELEDENARY



WE STAND BEHIND OUR PARTNERSHIPS AND ENCOURAGE YOU TO CONTACT OUR REFERENCES



SCHOOL/ENROLLMENT	CITY	STATE	CONTACT NAME/TITLE	PHONE #/EMAIL ADDRESS
Greensboro Coliseum Complex	Greensboro	NC	Scott E. Johnson Special Projects Manager	(336)-373-7449 scott.johnson@ci.greensboro.nc.us
WS – Forsyth County Schools	Winston-Salem	NC	John W Mann Jr Director of Procurement Services	(336)-727-2635 jwmann@wsfcs.k12.nc.us
Winston-Salem Dash	Winston-Salem	NC	Kurt Gehsmann Chief Financial Officer	(336)-714-6863 kurt.gehsmann@wsdash.com
Winston-Salem Fairgrounds	Winston-Salem	NC	Robert Mulhearn Winston-Salem Fairgounds Manager	(336)-734-1599 rmulhearn@cityofws.org
City of Burlington	Burlington	NC	Sonja Cross Purchasing Director	(336)-222-5016 scross@ci.Burlington.nc.us















EXHIBIT A

TEXALITY DISTRICT



EXHIBIT A



PRODUCT	SIZE	UNITS/ Case	YEAR 1 PRICE	YEAR 2 PRICE	YEAR 3 PRICE	YEAR 4 PRICE	YEAR 5 PRICE
CARBONATED	20 oz. BOTTLES	24	\$20.25	\$20.86	\$21.48	\$22.13	\$22.79
CARBONATED	12 oz. CANS	24	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26
JUICE	10 oz. BOTTLES	24	\$19.45	\$20.03	\$20.63	\$21.25	\$21.89
JUICE	15.2 oz. BOTTLES	12	\$13.25	\$13.65	\$14.06	\$14.48	\$14.91
GATORADE, G2, PROPEL	20 oz. BOTTLES	24	\$23.00	\$23.69	\$24.40	\$25.13	\$25.89
BOTTLED WATER	20 oz. BOTTLES	24	\$15.50	\$15.97	\$16.44	\$16.94	\$17.45
NON CARBONATED	20 oz. BOTTLES	24	\$20.25	\$20.86	\$21.48	\$22.13	\$22.79
NON CARBONATED	12 oz. BOTTLES	24	\$10.00	\$10.30	\$10.61	\$10.93	\$11.26
ENERGY & STARBUCKS ENERGY	16 oz. CANS	12	\$26.75	\$27.55	\$28.38	\$29.23	\$30.11
LIFE WATER	20 oz. BOTTLES	24	\$27.75	\$28.58	\$29.44	\$30.32	\$31.23
FRAPPUCCINO	13.7 oz. CANS	12	\$26.75	\$27.55	\$28.38	\$29.23	\$30.11
FOUNTAIN SYRUP	5 GALLON	GALLON	\$20.00	\$20.60	\$21.22	\$21.85	\$22.51
FOUNTAIN SYRUP	2.5 or 3 GALLON	GALLON	\$20.50	\$21.12	\$21.75	\$22.40	\$23.07
CO 2	20 LBS.	EACH	\$30.00	\$30.90	\$31.83	\$32.78	\$33.77
CO 2 TANK DEPOSIT	TANK	EACH	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00
CUPS	16 oz.	1000	NO COST				
CUPS	24 oz.	1000	NO COST				
CUPS	32 oz.	1000	NO COST				
LIDS	16 oz./24 oz.	2000	NO COST				
LIDS	32 oz.	2000	NO COST				





PBY BOTTLE & CAN PORTFOLIO



KICKSTART 16 OZ.

Orange Citrus Fruit Punch Black Cherry Midnight Grape Pineapple Orange Mango

AMP ENERGY Original 16oz

ROCKSTAR 16 OZ. Original

Punched **Recovery Orange** Recovery Lemonade Recovery Berryade

ROCKSTAR FOCUS 16 OZ.

White Peach Lemon Lime Orange Pineapple

CELSIUS 12 OZ.

Sparkling Orange Sparkling Grape Sparkling Wild Berry Sparkling Watermelon Sparkling Strawberry Guava Sparkling Kiwi Guava Sparkling Fuji Apple Pear Sparkling Strawberry Lemonade Raspberry Acai Green Tea Peach Mango Green Tea Peach Vibe Tropical Vibe Artic Vibe

CELSIUS ESSENTIALS 16 OZ.

Blue Crush Cherry Limeade Dragonberry Orangesicle Mango Tango

Galaxy Vibe

Fantasy Vibe

MUSCLE MILK 14 OZ.

Chocolate Vanilla Pro 40 Knockout Chocolate Pro 40 Intense Vanilla Pro 40 Chocolate Peanut Butter





















FAST TWITCH ENERGY DRINK 12 OZ. Cool Blue

Glacier Freeze Strawberry Watermelon Grape



GATORADE

GATORADE THIRST QUENCHER

Fruit Punch 20oz / 28oz Cool Blue 20oz / 28oz Lemon Lime 20oz / 28oz Orange 20oz / 28oz Fierce Grape 20oz / 28oz Glacier Cherry 20oz / 28oz Glacier Freeze 20oz / 28oz Lime Cucumber 28oz Fierce Strawberry 28oz Fierce Green Apple 28oz Fierce Blue Cherry 28oz Frost Blitz 28oz Frost Icy Charge 28oz

GATORADE ZERO THIRST QUENCHER

G Zero Fruit Punch 28oz G Zero Grape 28oz G Zero Orange 28oz G Zero Glacier Cherry 20oz / 28oz G Zero Glacier Freeze 20oz / 28oz G Zero Berry 28oz G Zero Lemon Lime 28oz

GATORLYTE RAPID REHYDRATION 20 OZ.

Strawberry Kiwi Orange Watermelon **Cherry Lime Cucumber Lime** Mixed Berry **Glacier Freeze** Zero Sugar Lemon Lime Zero Sugar Strawberry Kiwi Zero Sugar Fruit Punch













PEPSI

PEPSI





PEPSI

MARCH, 2024





PBV BOTTLE & CAN PORTFOLIO



Pepsi Diet Pepsi Pepsi Zero Sugar Pepsi Wild Cherry

Pepsi Zero Sugar Wild Cherry MTN DEW 20 OZ. Mtn Dew

Diet Mtn Dew

Starry

Crush Peach

Mtn Dew Zero Sugar Mtn Dew Major Melon Mtn Dew Code Red

Mountain Dew Voltage STARRY 20 OZ.

Starry Zero Sugar CRUSH 20 OZ. Limited markets

Crush Orange Crush Grape Crush Strawberry

SUNKIST 20 OZ. Limited markets Sunkist Orange

Diet Sunkist Orange Sunkist Grape **Sunkist Pineapple** Sunkist Strawberry

DR PEPPER 20 OZ. Dr Pepper

Diet Dr Pepper Dr Pepper Zero Sugar Dr Pepper Cream Soda Dr Pepper Cherry

Dr Pepper Cherry Zero Sugar MUG ROOT BEER 20 OZ.

CHEERWINE 20 OZ. SCHWEPPE'S GINGER ALE 20 OZ.

SOUIRT 20 OZ.

Item availability varies by location



NON-CARBONATED AND TEAS

NATURE'S TWIST 20 OZ. Lemonade

Orangeade Sugar Free Lemonade Sugar Free Strawberry Lemonade Sugar Free Blueberry Lemonade

LIPTON 20 OZ. Green Tea

Diet Green Tea Peach Iced Tea Brisk Lemon Iced Tea

PURE LEAF 18.5 OZ. Pure Leaf Extra Sweet Tea Pure Leaf Raspberry Tea

Pure Leaf Sweet Tea Pure Leaf Unsweet Tea Pure Leaf Lemon Tea Pure Leaf BlackberryTea Subtly Sweet Tea Pure Leaf Zero Sugar Sweet Tea















DOLE 15.2 OZ. Orange Juice Apple Juice Ruby Red Grapefruit

GOOD 2 GROW

Apple (6 oz & 10 oz)

Grape (6 oz & 10 oz)

Fruit Punch (6 oz & 10 oz)

Fruit Fusion (6 oz & 10 oz)

Tropical Fruit (6 oz & 10 oz)

Organic Chocolate Milk 8 oz

Organic Vanilla Milk 8 oz

Strawberry Kiwi (6 oz & 10 oz)

OCEANSPRAY 15.2 OZ. Cranberry Cran-Grape



FRUIT SHOOT

10.107.

Berry Burst



STARBUCKS RTD COFFEE

FRAPPUCCINO 13.7 OZ. Coffee

Mocha Vanilla Caramel

White Chocolate Mocha Oat Milk Dark Chocolate Brownie Oat Milk Caramel Waffle Cookie

NITRO COLD BREW 9.6 OZ. Unsweetened, Black Vanilla Sweet Cream

ESPRESSO 6.5 OZ. Espresso & Cream **Espresso Salted Caramel Cream**

DOUBLESHOT ENERGY 15 OZ. Mocha Vanilla

TRIPLESHOT ENERGY 110Z French Vanilla Caffe Mocha

Dark Caramel COLD BREW 11 OZ. Vanilla Sweet Cream

Salted Caramel Cream **Chocolate Cream** CAFE FAVORITES COCONUT MILK DRINKS 14 OZ.

Pink Drink Paradise Drink







Diet Pepsi Pepsi Zero Sugar Pepsi Wild Cherry Mtn Dew Starry Starry Zero Sugar Dr Pepper

Crush Orange

Cheerwine



Tonic Water Diet Tonic Water Club Soda

SCHWEPPES 1L Tonic Water **Diet Tonic Water** Club Soda



HYDRATION

Aquafina 20oz Aquafina 1 Liter LIFEWTR LifeWTR 20oz

LifeWTR 750mL LifeWTR 1Liter **BUBLY 12 OZ. & 16 OZ. CANS**

Lime

Blackberry BUBLY BURST 16.9 OZ.

Triple Berry **Peach Mango** Watermelon Lime Pineapple Tangerine

Cherry Lemonade Tropical Punch PROPEL 20 OZ.

Strawberry Lemonade Kiwi Strawberry Grape Watermelon

Black Cherry PROPEL FITNESS WATER 1L

Kiwi Strawberry Berry Grape

GATORADE WATER 1L Twist-off or Sport Cap

VITA COCO

Coconut Water 500mL , 16.9oz PET, 1L Tetra Pressed Coconut Water 500mL, 16,9oz PET, 1L Tetra Pineapple Coconut Water 500mL, 16.9oz PET, 1L Tetra Peach & Mango Coconut Water 500mL Tetra Farmers Organic Coconut Water 500mL & 1L Tetra Coconut Juice Drink with Pulp 16.9 oz Can Coconut Juice Drink with Mango 16.9 oz Can





NAKED JUICE 15 OZ. Mighty Mango Blue Machine Strawberry Banana













PBY FOUNTAIN PORTFOLIO







PROPOSAL OPTION

5 YEAR PROPOSAL OPTION

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FULL SERVICE VENDING COMMISSIONS TABLE

7								
Commission Standard								
	20oz CSD	<u>NC 20oz</u>	Aquafina 20oz	Gatorade 20oz	<u>DoubleShot</u>	16oz Celsius	16oz RockStar	<u>KickStart</u>
Case Count	24	24	24	24	12	12	24	12
Vend Price	<u>\$1.75</u>	<u>\$1.75</u>	\$1.7 <u>5</u>	<u>\$2.00</u>	<u>\$3.50</u>	<u>\$3.25</u>	<u>\$3.00</u>	<u>\$2.00</u>
Commission	\$4.06	\$4.06	\$4.06	\$4.64	\$4.06	\$3.77	\$6.96	\$2.32
Comm Percentage	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

^{*}Commissions paid on cash vend rate gross revenue

^{*}PBV is responsible for paying all state taxes

^{*}PBV does not charge delivery fees for Full-Service Vending

^{*}Vend prices on table are cash discounted prices

^{*}There will be a \$.25 increase on vendors during the summers of 2025 and 2027. If any other increases are needed, this will be discussed with the City of High Point before any action is taken.





5 YEAR PROPOSAL

Funding Sporsorships	Year 1 Amount Payments & Values	Year 2	Year 3	Year 4	Year 5	5 Year Amount Payments & Totals
Annual Sporsorship	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$25,000.00
Up to 60 donated cases of (1,000) cups @ \$65.00 per case (current pricing)	\$3,900.00	\$3,900.00	\$3,900.00	\$3,900.00	\$3,900.00	\$19,500.00
Up to 30 donated cases of (1,000) lids @ \$43.00 per case (current pricing)	\$860.00	\$860.00	\$860.00	\$860.00	\$860.00	\$4,300.00
Up to 100 cases of donated cans/.5 L Bottles @ annual pricing rate years 1-5	\$1,000.00	\$1,030.00	\$1,060.00	\$1,090.00	\$1,120.00	\$5,300.00
Plus commissions, 2,400 case assumptions	\$10,094.00	\$11,534.00	\$11,534.00	\$12,974.00	\$12,974.00	\$59,110.00
Funding Sponsorship Totals	\$20.854.00	\$22,324.00	\$22.354.00	\$23,824.00	\$23.854.00	\$113.210.00

^{*}The annual funding that is provided to the customer will be used at their discretion and for the purpose of the ice machine maintenance

*Vend prices on table are cash discounted prices.

^{*}Annual sponsorship payments are earned over the term for which they are paid

^{*}Free cases are not for re-sale

FINANCIAL SERVICES

Purchasing Division



BID RECOMMENDATION

DEPARTMENT Parks	and Recreation						
COUNCIL AGENDA DATE: August 19, 2024							
BID NO.: 31-04182	<u>24</u> co	NTRACT NO.	DATE C	OPEN: April 18, 2024			
DESCRIPTION:							
A City-Wide Beve	rage Vending Serv	vices Contract for 3-	years with two one-	year renewal options.			
PURPOSE:		,					
To provide bevera		es in various Parks	& Recreation location	ons and vending			
COMMENTS:							
Not to exceed am	Not to exceed amount for purchases for five Park & Recreation facilities over a five year period						
RECOMMEND AWAR JUSTIFICATION:	Pepsi Bot	tling Ventures	AMOUN	\$295,000			
A COCHINE IN CHINE							
ACCOUNTING UNIT	ACCOUNT 529181	ACTIVITY	CATEGORY	BUDGETED AMOUNT			
101431	529181	101001050250 101001050010	52030 52030				
101431	529181	101001050010	52030				
101431	529181	101001050150; 101004450020	52030				
101-101		ETED AMOUNT	02000				
DEPARTMENT HEAD: Lee Tillery Digitally signed by Lee Tillery Date: 2024.07.31 17:02:54 -04'00' DATE: 7/31/2024 The Purchasing Division concurs with recommendation submitted by the Parks and Rec and recommends							
award to the lowest responsible, responsive bidder Pepsi Bottling Ventures in the amount of \$295,00.00							
PURCHASING MANAGER: Candy E. Harmon Digitally signed by Candy E. Harmon Date: 2024.07.31 17:13:34 -04'00' DATE:							
FINANCIAL SERVICES DIRECTOR: Bobby Fitzjohn Digitally signed by Bobby Fitzjohn DATE: 8/6/24							
Approved for Submission to Council							
CITY MANAGER: For City Council Approval Only)			DATE:				