



## **TOWN OF MINTO**

**DATE:** March 2<sup>nd</sup>, 2016

**REPORT TO:** Mayor and Council

**FROM:** Matthew Lubbers, Recreation Services Manager

**SUBJECT:** Beverage Agreement for Recreation Facilities

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### **STRATEGIC PLAN:**

- 5.5 Pursue, develop and encourage public private partnerships that are fiscally responsible, transparent and mutually beneficial including sponsorships. Establish and maintain appropriate relationships with private business
- 5.7 Adopt and maintain fair and transparent procurement policies and by-laws to ensure the Town receives competitive pricing on tenders and proposals, and that local business has equal opportunity to submit bids.

### **BACKGROUND:**

The Town of Minto's previous two beverage agreements for the arenas and the Norgan Theatre have been with Coca-Cola from 2001-2010 and Pepsi from 2011-2016. The agreement with Pepsi expired in January of 2016.

### **COMMENTS:**

Recreation Facilities Manager Allan Carr contacted both companies and asked each to submit proposed beverage agreements. These were reviewed by staff on February 12<sup>th</sup>. A summary outlining the specifics of each offer was then prepared for the P.R.A.C. meeting on February 29<sup>th</sup>. After careful review, P.R.A.C. made a recommendation to Council in their minutes to accept the beverage agreement proposed by Pepsi. In complement to the financial implications listed below, staff has been happy with the equipment and service provided by Pepsi throughout the 2011-2016 agreement period. They have also been pleasant to work with when ordering and paying for product. They met all obligations of the agreement in a timely manner.

### **FINANCIAL CONSIDERATIONS:**

Both proposed agreements are for a 5-year term. Overall, Pepsi's product costs to the Town during the duration of the agreement period will be slightly lower than those proposed by Coca-Cola. Pepsi's agreement calls for an annual 3% product cost increase cap, while Coca-Cola's proposed cap was unfavourably higher at 3.5%.

Pepsi's offer contained an annual 'development funds' sponsorship of \$3,000 and a significant rebate on Gatorade and Gatorade G2 purchases in exchange for exclusivity. These funds can be used at the Town's sole discretion to help assist youth and family oriented activities and events at our facilities.

Coca-Cola's offer contained a more robust rebate program on all cases of all products in exchange for exclusivity. The rebate increases based on the total number of cases purchased per year.

Both offers include the supply of equipment, namely fridges and vending machines, with a commitment to repair and maintain them throughout the contract term.

**RECOMMENDATION:**

THAT Council accepts the Parks and Recreation Advisory Committees' recommendation that the beverage agreement proposed by PespiCo Beverages Canada be accepted as presented and that a By-law be considered in open session.

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Matthew Lubbers  
Recreation Services Manager