



Legislation Text

File #: 13-0374, **Version:** 1

Resolution to Approve a 5-year Services Agreement with Coca-Cola Refreshments for Cold Beverage Concessions in Various City of Ann Arbor Parks and Recreation Facilities (Estimated Expenditure \$25,000.00 Annually)

Attached for your review and action is a resolution to approve a Services Agreement with Coca-Cola Refreshments for cold beverage concessions at various Parks and Recreation facilities.

In 2003 the Parks and Recreation Services Unit entered into a ten-year agreement with Pepsi Bottling Group of Michigan to supply fountain beverage, cold beverage vending and over the counter cold beverage concessions at various Parks and Recreation facilities. Currently, concessions and vending are offered at Leslie Park Golf Course, Huron Hills Golf Course, Veterans Memorial Park, Buhr Park Pool and Ice Rink, Fuller Park Pool, Mack Indoor Pool, Gallup Park Canoe Livery and Argo Canoe Livery. This agreement has proved successful as it has helped streamline purchasing, provide product line and pricing continuity across the parks system and decreased staff time spent on vending. The existing ten-year agreement is set to expire in June of 2013.

A Request for Proposal (RFP #848) was advertised on the Michigan Inter-Governmental Trade Network as well as on the City of Ann Arbor Purchasing website.

Two bids were received, but one was disqualified for failing to meet the deadline. Coca-Cola Refreshments provided a unit price structure for non-vending sales items that results in an estimated \$25,000 in expenses annually, based on current sales volume. These expenses are anticipated to annually generate revenue in the amount of \$47,500. Coca-Cola Refreshments will provide an annual sponsorship fee in the amount of \$10,000 to the Parks & Recreation Services Unit as well as a \$.96 per case rebate on actual cases purchased. In addition, Coca-Cola Refreshments will annually provide 50 cases of free product to be used at public special events, sponsor four special events with product sampling and free giveaways, and provide recycling containers with credit for returnable items.

It is requested that a Services Agreement be approved for five-years, with annual expenditures for non-vending sales items estimated at \$25,000. Funding will be contained annually within the general fund operating budget for each recreation facility.

The Park Advisory Commission recommended approval of this contract at their April 16th, 2013 meeting.

Coca-Cola Refreshments meets the living wage and prevailing wage requirements and received Human Rights approval on April 8, 2013.

Prepared by: Jeff Straw, Parks & Recreation Services Deputy Manager

Reviewed by: Colin Smith, Parks & Recreation Services Manager
Sumedh Bahl, Community Services Area Administrator

Approved by: Steven D. Powers, City Administrator

Whereas, Currently, concessions and vending are offered at Leslie Park Golf Course, Huron Hills Golf Course, Veterans Memorial Park, Buhr Park, Gallup Park Canoe Livery and Argo Canoe Livery;

Whereas, The existing ten-year agreement with Pepsi Bottling Group is set to expire in June 2013;

Whereas, Of the two bids received, Coca-Cola Refreshments provided the responsible bid to supply fountain beverage, cold beverage vending and over the counter cold beverage concessions at the various parks and recreation facilities;

Whereas, This agreement will provide a sponsorship fee in the amount of \$10,000 annually;

Whereas, PAC unanimously recommended approval of this agreement at their April 16th, 2013 meeting;

Whereas, Funding will be contained annually within the general fund operating budget for each recreation facility; and

Whereas, Coca-Cola Refreshments received Human Rights approval on April 8, 2013.

RESOLVED, That City Council approves a 5-year Services Agreement with Coca-Cola Refreshments for Cold Beverage Concessions in various City of Ann Arbor Parks and Recreation facilities for an estimated amount of \$25,000; and

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney.