



# Memo

To: Hedy Boone, Deputy Director of Recreation

From: Chris Conway, Recreation Manager

Date: February 22, 2013

RE: Exclusive soda purchase and service contract

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In keeping with the purchasing ordinance, sealed formal bids were solicited for an exclusive business partnership for the purchase of nonalcoholic, carbonated and non-carbonated beverages, services and equipment to The Pointe at Ballwin Commons and North Pointe Aquatic Center, Ballwin Golf Course, Banquet Center and Public Works. Nonalcoholic beverages are sold in vending machines and soda fountain machines at city facilities. Currently the City has a contract with PepsiCo Foodservice that expires May 31, 2013.

Requests for proposals were sent to three beverage vending companies in the St. Louis area and the notice to bid was posted on the Ballwin website. On February 21, two sealed bids were received, opened and read aloud at the Ballwin Government Center. Attached are the bid results.

After a comprehensive review of the bid results including pricing as well as marketing incentives, I am recommending the award of a five year agreement to Coca-Cola. Coca Cola's pricing is lower on the items that we purchase the most of and they offer a \$1,000 more in marketing incentives.

If you have any questions regarding the recommendation or proposal please let me know.

Soda RFP Bid comparison 3 year contract						
Item	yr 2012 qty	Pepsi		Coke		Difference
All 20 oz	708 cases	\$22.18 cs avg. =	\$15,705.80	\$16.85 cs avg =	\$11,929.80	\$3,776.00
3 gal or equiv	228 Units	\$14.08 per gal x 684 gal =	\$9,630.72	\$14.86 per gal x 684 gal =	\$9,867.04	\$236.32
5 gal	355 units	\$67.60 per 5 gal BIB =	\$23,998	\$68.65 per 5 gal BIB =	\$24,370.75	\$372.75
Annual Funding		\$4,000		\$4,000		\$0.00
Marketing		Custom menuboards, clocks umbrellas		Custom Menu boards, menus, POP		
Service		All preventative and service call at no charge		All preventative and service call at no charge		
Price increase		4-6% each year		5% each year		

Soda RFP Bid Comparison 5 year contract						
Item	yr 2012 qty	Pepsi		Coke		Difference
All 20 oz	708 cases	\$22.18 cs avg. =	\$15,705.80	\$16.85 cs avg =	\$11,929.80	\$3,776.00
3 gal or equiv	228 Units	\$13.08 per gal x 684 =	\$8,946.72	\$14.86 per gal x 684 gal =	\$9,867.04	\$920.32
5 gal	355 units	\$62.60 per 5 BIB =	\$22,223	\$68.65 per 5 BIB =	\$24,370.75	\$2,147.75
Annual Funding		\$5,000		\$6,000		\$1,000
Marketing		custom menuboards, clocks umbrellas		Custom Menu boards, menus, POP		
Service		All preventative and service call at no charge		All preventative and service call at no charge		
Price increase		not to exceed 6%		not to exceed 5% each year		

Coke has the advantage on both bid proposals. Quantities and amounts are based on purchases made in 2012 from Pepsi.

In the three year proposal Coke has lower pricing on all 20 ounce bottled drinks. Pepsi has lower bag in the box (BIB) premix, but we purchase less BIB throughout the year. Each is offering \$4,000 in annual funding.

In the five year proposal Coke's pricing went unchanged. Pepsi dropped its price per gallon on BIB, but with Coke's lower 20 ounce bottled product prices and \$6,000 in annual funding they still have the better proposal.

Both Coke and Pepsi are offering similar marketing packages, offering menu boards and banners. Pepsi offers umbrellas and Coke may have a "few" to give for free, otherwise we can purchase additional.

Preventative Maintenance and Service Calls are no charge with each plan.

Coke and Pepsi will provide the equipment as requested in the RFP.

**CITY OF BALLWIN  
 BID SHEET  
 58 MONTHS *Coke***

	QUANTITY	UNIT PRICE	TOTAL PRICE
<b>20 oz soda</b>	<b>24/case</b>	\$ .86	\$ 20.74
<b>20 oz sport drink</b>	<b>24/case</b>	\$ .76	\$ 18.36
<b>20 oz bottled water</b>	<b>24/case</b>	\$ .48	\$ 11.45
<b>3 gal bag in the box</b>	<b>1 BIB</b>	Per Gallon \$ 14.86	2.5 Gallon BIB \$ 37.15
<b>5 gal bag in the box</b>	<b>1 BIB</b>	Per Gallon \$ 13.73	\$ 68.65
<b>Commission of full service soda vending machine</b>	15%		
<b>Annual Funding</b>	<b>Per year</b>	\$6,000 Per Year	\$30,000
<b>Product Donations</b>	Coca-cola is giving annual funding that can be used towards purchasing products; however, Coca-Cola will not donate products to the city.		
<b>Marketing</b>	Custom menu boards and banners can be made for the City of Ballwin. Coca-Cola has "Look of success" items such as; Menus, combo messaging, menus, that can be used to help promote products.		
<b>Equipment Service Preventative &amp; Service calls</b>	All preventative and Service calls are no charge to the City and will be completed has needed to get the equipment up and running.		

**CITY OF BALLWIN  
 BID SHEET  
 58 MONTHS Pepsi**

2013  
 \* Net case cost  
 after rebate

	QUANTITY	UNIT PRICE	TOTAL PRICE
20 oz soda	24/case	\$ 1.01	\$ 24.30
20 oz sport drink	24/case	\$ 1.05	\$ 25.17
20 oz bottled water	24/case	\$ 0.71	\$ 17.08
3 gal bag in the box	1 BIB	\$ 13.08	\$ 39.24
5 gal bag in the box	1 BIB	\$ 12.52	\$ 62.60
Commission of full service soda vending machine	%	Currently all self-fill machines	Currently all self-fill machines
Annual Funding	Per year	\$5,000/yr	\$25,000
Product Donations	n/a		
Marketing	See page 19 of Powerpoint proposal.		
Equipment Service Preventative & Service calls	See page 12 of Powerpoint proposal.		

**CITY OF BALLWIN  
 BID SHEET**

**34 MONTHS** *Coke*

	QUANTITY	UNIT PRICE	TOTAL PRICE
<b>20 oz soda</b>	<b>24/case</b>	<b>\$ .86</b>	<b>\$ 20.74</b>
<b>20 oz sport drink</b>	<b>24/case</b>	<b>\$ .76</b>	<b>\$ 18.36</b>
<b>20 oz bottled water</b>	<b>24/case</b>	<b>\$ .48</b>	<b>\$ 11.45</b>
<b>3 gal bag in the box</b>	<b>1 BIB</b>	Per Gallon <b>\$14.86</b>	2.5 Gallon BIB <b>\$ 37.15</b>
<b>5 gal bag in the box</b>	<b>1 BIB</b>	Per Gallon <b>\$ 13.73</b>	<b>\$68.65</b>
<b>Commission of full service soda vending machine</b>	<b>15 %</b>		
<b>Annual Funding</b>	<b>Per year</b>	<b>\$4,000 Per Year</b>	<b>\$12,000</b>
<b>Product Donations</b>	Coca-cola is giving annual funding that can be used towards purchasing products; however, Coca-Cola will not donate products to the city.		
<b>Marketing</b>	Custom menu boards and banners can be made for the City of Ballwin. Coca-Cola has "Look of success" items such has; Menus, combo messaging, menus, that can be used to help promote products.		
<b>Equipment Service Preventative &amp; Service calls</b>	All preventative and Service calls are no charge to the City and will be completed has needed to get the equipment up and running.		

CITY OF BALLWIN  
 BID SHEET  
 34 MONTHS Pepsi

2013  
 Net case cost  
 \* after Rebate

	QUANTITY	UNIT PRICE	TOTAL PRICE
20 oz soda	24/case	\$1.01	\$24.30
20 oz sport drink	24/case	\$1.05	\$25.17
20 oz bottled water	24/case	\$0.71	\$17.08
3 gal bag in the box	1 BIB	\$14.08	\$42.24
5 gal bag in the box	1 BIB	\$13.52	\$67.60
Commission of full service soda vending machine	%	Currently all self-fill machines	Currently all self-fill machines
Annual Funding	Per year	\$4,000 / yr.	\$12,000 total
Product Donations	n/a		
Marketing	See page 19 of Powerpoint proposal.		
Equipment Service Preventative & Service calls	See page 12 of Powerpoint proposal.		