

cityofnovi.org

# CITY of NOVI CITY COUNCIL

**Agenda Item C**  
**March 7, 2011**

**SUBJECT:** Approval of five-year contract with Pepsi Beverages Company for beverage products at city facilities, estimated annual expense of \$20,594, estimated annual cost recovery of \$26,694.

**SUBMITTING DEPARTMENT:** Park, Recreation and Cultural Services

**CITY MANAGER APPROVAL:**

<b>EXPENDITURE REQUIRED</b>	<b>\$20,594 (approximately, offset by \$26,694 in revenue)</b>
<b>AMOUNT BUDGETED</b>	<b>\$20,594</b>
<b>APPROPRIATION REQUIRED</b>	<b>\$0</b>
<b>LINE ITEM NUMBER</b>	<b>PRCS and Ice Arena related accounts</b>

**BACKGROUND INFORMATION:**

Beverages (pop, water, sports drinks, etc.) are sold in a variety of vending machines and concession stands throughout the city, including the Novi Ice Arena. The current seven-year beverage contract, awarded to Coca-Cola Bottling Company in 2004, is up for renewal, therefore proposals were sought from Coca-Cola Bottling Company and Pepsi Beverages Company (attached).

While each has variations, the following is a summary of the five-year proposals from both companies.

**Five-Year Proposals**

<b>Details of Each Proposal</b>	<b>Coco-Cola</b>	<b>Pepsi</b>
Annual Sponsorship Payment	\$2,000	\$3,000
Bottle / Can Direct Delivery Rebate*	\$2 per case	\$3 per case
*applies to Direct Delivery Cases, not Full Vending		
Full Service Vending Commission (percentage by years 1-5))		
12 oz.	20,20,20,15,15%	35% flat
20 oz.	35,35,35,30,30%	35% flat
Cost Per Case (varies by product)		
12 oz. Carbonated Soft Drinks / 24 per case	not provided	\$11
20 oz. Carbonated Soft Drinks / 24 per case	\$12.00	\$15.01
20 oz. Water / 24 per case	\$20.95	\$22.80
20 oz. Sports Water / 24 per case	\$21.75	\$22.80
5 Gallon Syrup Price (or BIB - "Bag in Box")	\$66.00	\$57.40
Annual Case Cost Increase	up to 5%	not defined
<b>In-Kind</b>	<b>Coco-Cola</b>	<b>Pepsi</b>

Donation of Recycle Bins for Parks (to be use for community events)	Yes	Yes
Donation of Cases for Events Upon Request	evaluated per request	
Point / Award System (details attached in proposal)	No	Yes

<b>Guaranteed Cash Value</b>	<b>Coco-Cola</b>	<b>Pepsi</b>
Annual Sponsorship Payment - Year 1-5	\$2,000	\$3,000
Total Sponsorship Payment - All Five Years	\$10,000	\$15,000
Direct Delivery Rebate per case x 1,372 (based off 2010 cases sold)	\$2,744	\$4,116
Total Direct Delivery Rebate - All Five Years	\$13,720	\$20,580
Annual Full Service Vending Commission		
Year 1 (223 cases/5,352 bottles of 20 oz. carbonated bev. sold at \$1.25 each/based off 2010 sales)	\$2,342	\$2,342
Year 2 (223 cases/5,352 bottles of 20 oz. carbonated bev. sold at \$1.25 each/based off 2010 sales)	\$2,342	\$2,342
Year 3 (223 cases/5,352 bottles of 20 oz. carbonated bev. sold at \$1.25 each/based off 2010 sales)	\$2,342	\$2,342
Year 4 (223 cases/5,352 bottles of 20 oz. carbonated bev. sold at \$1.25 each/based off 2010 sales)	\$2,007	\$2,342
Year 5 (223 cases/5,352 bottles of 20 oz. carbonated bev. sold at \$1.25 each/based off 2010 sales)	\$2,007	\$2,342
<b>TOTAL Guaranteed Cash Value Over 5 Years</b> (based on estimated cases above)	<b>\$34,759</b>	<b>\$47,288</b>

<b>Estimated Purchases / Expenditures</b>	<b>Coco-Cola</b>	<b>Pepsi</b>
Direct Delivery (1,372 cases yr / based off 2010 / 20 oz. carbonated beverages)	<b>\$16,464</b>	<b>\$20,594</b>
<b>Overall Cost Recovery</b>	<b>\$18,295</b>	<b>\$26,694</b>

Both companies provide a variety of beverage options within their proposals. Opportunities also exist with each company for full service vending and / or a more staff driven vending model with the potential for increasing cost recovery beyond what is shown in the chart above.

After reviewing both proposals, staff is recommending Pepsi Beverages Company based on the higher cost recovery margin. Included are the proposals and contract.

**RECOMMENDED ACTION:** Approval of five-year contract with Pepsi Beverage Company for beverage products at city facilities, estimated annual expense of \$20,594, estimated annual cost recovery of \$26,694.

	1	2	Y	N
Mayor Landry				
Mayor Pro Tem Gatt				
Council Member Fischer				
Council Member Margolis				

	1	2	Y	N
Council Member Mutch				
Council Member Staudt				
Council Member Wrobel				

## AGREEMENT

This agreement ("Agreement") is between Pepsi Beverages Company (hereinafter referred to as "Bottler"), and the City of Novi, a Michigan municipal corporation (hereinafter referred to as "Account").

WHEREAS, Account owns and operates the Novi Ice Arena and the City of Novi Parks, Recreation and Cultural Services (PRCS) Facilities located in Novi, Michigan ("Facilities") and has the authority to offer certain exclusive advertising and beverage availability rights in such Facilities over a five (5) year term; and

WHEREAS, Bottler desires to advertise certain of Bottler's beverage products and that its beverages be made available for sale in such Facilities.

NOW, THEREFORE, in consideration of the acts and promises contained herein, the parties hereby agree as follows:

A. Defined Terms

1. "Beverages" shall mean all nonalcoholic beverages of any kind, but shall not include fresh brewed unbranded coffee and tea products, unflavored dairy products, water drawn from the public water supply or branded juice squeezed fresh at the Facilities.
2. "Products" shall mean Beverages purchased from the Bottler or from Beverage vending machines owned and stocked by Bottler.
3. "Competitive Products" shall mean all Beverages that are not Products.
4. "Facilities" shall mean and include premises of PRCS Facilities, including without limitation, all existing and future buildings, athletic facilities, concession and vending locations, and programs owned and/or operated by PRCS.

B. Responsibilities of Bottler. Bottler hereby promises that it shall:

1. Pay Account a monthly commission, detailed by machine, of 35% of all Beverage vending sales at the Facilities. Commission rates and initial vending prices are set forth in Exhibit A
2. Pay Account 35% of vending revenue to be used at Account's discretion. Payment shall be made monthly and provided with detailed statements.
3. Pay Account three dollars (\$3.00) per standard physical case of **self-fill** or **direct delivery**. Products to be used at Account's discretion. Payment shall be made annually and provided with a detailed statement.
4. Pay Account annual marketing fund / sponsorship of Three Thousand Dollars (\$3,000) annually at the beginning of each contract year. Payment will be made within ninety (90) days after receipt of requesting invoice from Account.

5. Donation of recycling bins for parks/community events and donation of beverages upon request, to be evaluated per request.
6. Comply with the terms and conditions of the Proposal attached as Exhibit B, incorporated herein.

C. Responsibilities of Account. Account hereby promises that it shall:

1. Cause the Products (specifically Pepsi Beverages®) purchased from Bottler to be the only Beverages sold or made available at the Facilities, including all concessions, coolers and vending machine locations. **No Competitive Products shall be made available in the Facilities or at events controlled by the Account. This provision shall not apply to rentals of the Facilities by third parties or for specific events, or to any alcoholic beverages allowed to be consumed within the Facilities pursuant to City policy and rules.**
2. Grant exclusive Beverage advertising rights in the Facilities to Bottler and not grant advertising rights at the Facilities with respect to any Competitive Products.
3. Grant to Bottler the exclusive Beverage vending rights at the Facilities. Type and number of beverage vending machines in mutually agreed upon locations at the Facilities.
4. Allow access by Bottler personnel to change its advertising messages on its equipment in the Facilities, such changes to be in Bottler's sole discretion and at Bottler's expense.

D. Equipment

1. During the Term, Bottler will loan to Account, pursuant to the terms of Bottler's equipment placement agreement, at no cost, that Beverage dispensing equipment reasonably required and as mutually agreed upon to dispense Beverages at the Facilities and any additional equipment reasonably required by Account in order to replace defective or worn out Beverage dispensing equipment ("Equipment").
2. Account agrees that it will execute any UCC Financing Statements, or other documents evidencing Bottler's ownership of the Equipment, upon request of Bottler. The Equipment may not be removed from the Facilities without Bottlers written consent, and Account agrees not to encumber the Equipment in any manner or permit the Equipment to be attached thereto except as authorized by Bottler. Account will be responsible to Bottler for any loss or damage to said Equipment, reasonable wear and tear excepted.

E. Indemnification.

1. The parties agree, to the extent permitted by all applicable laws, to defend, indemnify and hold each other harmless from and against all claims, suits, liabilities, costs and expenses, including reasonable attorneys' fees, for any injury, damage or loss to persons, including death, whether they be third persons or employees of either of the parties hereto, or any injury, damage or loss of property arising out of its performance of this Agreement.
2. This indemnity shall survive the termination of this Agreement and shall not apply to any injury, damage or loss caused by the negligence of Bottler.

F. Term and Termination.

1. The term of this Agreement shall be for a period of five (5) years from March 7, 2011 ("Term") to March 7, 2016.

2. If Account fails to perform any of the promises set forth in this Agreement, then as an option but not as its sole remedy, Bottler may terminate this Agreement, and Account shall return the Equipment to Bottler.

3. If Bottler fails to perform any of the promises set forth in this Agreement or fails to provide service to Account as required by Account, then as an option but not as its sole remedy, Account may terminate this Agreement. If the Agreement is terminated by Account, Account shall, to extent the same is not needed to defend a breach of contract claim return the Equipment to Bottler.

4. Notwithstanding the other provisions of this Agreement, if any federal, state or local law, rule, regulation or order prohibits, restricts, or in any manner interferes with the sale or advertising of Beverages at any time during the Term of this Agreement or if for any reason the use of the Facilities declines, then Bottler may terminate this Agreement and Account shall return the Equipment to Bottler.

5. Account represents and warrants that it has full right and authority to enter into this Agreement and to grant and convey to Bottler the rights set forth herein. Upon expiration or revocation of such authority, then as an option but not its sole remedy, Bottler may terminate this Agreement, and Account shall return the Equipment to Bottler.

G. Billing. Billing shall be by mutually-agreed upon arrangement between Bottler and Account. Billing shall be by Facility (e.g., Ice Arena, City buildings separately).

H. Miscellaneous. This Agreement and its Exhibits constitutes the entire understanding of the parties and no terms may be altered or waived except by the mutual written consent of both parties. This Agreement may not be assigned by or otherwise conveyed by Account without Bottler's written consent. Each of the parties hereto agrees that it will, in its performance of its obligations hereunder, fully comply with all applicable laws, regulations and ordinances of all relevant authorities and shall obtain all licenses, registrations or other approval required in order to fully perform its obligations hereunder.

**PEPSI BEVERAGES COMPANY**

**CITY OF NOVI**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name:\_\_\_\_\_

Printed Name:\_\_\_\_\_

Title:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

By: \_\_\_\_\_

Printed Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT A

### Five-Year Proposal

<b>Details of Each Proposal</b>	<b>Pepsi</b>
Annual Sponsorship Payment	\$3,000
Bottle / Can Direct Delivery Rebate*	\$3 per case
*applies to Direct Delivery Cases, not Full Vending	
Full Service Vending Commission (percentage by years 1-5))	
12 oz.	35% flat
20 oz.	35% flat
Cost Per Case (varies by product)	
12 oz. Carbonated Soft Drinks / 24 per case	\$11
20 oz. Carbonated Soft Drinks / 24 per case	\$15.01
20 oz. Water / 24 per case	\$22.80
20 oz. Sports Water / 24 per case	\$22.80
5 Gallon Syrup Price (or BIB - "Bag in Box")	\$57.40
Annual Case Cost Increase	not defined
<b>In-Kind</b>	<b>Pepsi</b>
Donation of Recycle Bins for Parks (to be used for community events)	Yes
Donation of Cases for Events Upon Request	evaluated per request
Point / Award System (details attached in proposal)	Yes
<b>Guaranteed Cash Value</b>	<b>Pepsi</b>
Annual Sponsorship Payment - Year 1-5	\$3,000
Total Sponsorship Payment - All Five Years	\$15,000
Direct Delivery Rebate per case x 1,372 (based off 2010 cases sold)	\$4,116
Total Direct Delivery Rebate - All Five Years	\$20,580
Annual Full Service Vending Commission	
Year 1 (223 cases/5,352 bottles of 20 oz. carbonated bev. sold at \$1.25 each/based off 2010 sales)	\$2,342
Year 2 (223 cases/5,352 bottles of 20 oz. carbonated bev. sold at \$1.25 each/based off 2010 sales)	\$2,342
Year 3 (223 cases/5,352 bottles of 20 oz. carbonated bev. sold at \$1.25 each/based off 2010 sales)	\$2,342
Year 4 (223 cases/5,352 bottles of 20 oz. carbonated bev. sold at \$1.25 each/based off 2010 sales)	\$2,342
Year 5 (223 cases/5,352 bottles of 20 oz. carbonated bev. sold at \$1.25 each/based off 2010 sales)	\$2,342
<b>TOTAL Guaranteed Cash Value Over 5 Years</b> (based on estimated cases above)	<b>\$47,288</b>
<b>Estimated Purchases / Expenditures</b>	<b>Pepsi</b>
Direct Delivery (1,372 cases yr / based off 2010 / 20 oz. carbonated beverages)	<b>\$20,594</b>
<b>Overall Cost Recovery</b>	<b>\$26,694</b>



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**Pepsi Beverages Company**

**&**

**The City of Novi**

**2010 Exclusive Beverage Proposal**

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## Partnering With Pepsi

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### **Today, we will demonstrate...**

- **Strong long-term relationships with various recreation accounts – experience in meeting your needs**
- **Unmatched Product Portfolio and Packages**
- **World Class Equipment and Service**
- **Pepsi Commitment To the City of Novi**

**...“The Pepsi Partnership Advantage” !**

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# Pepsi Partners

Pepsi has established many exciting partnerships...





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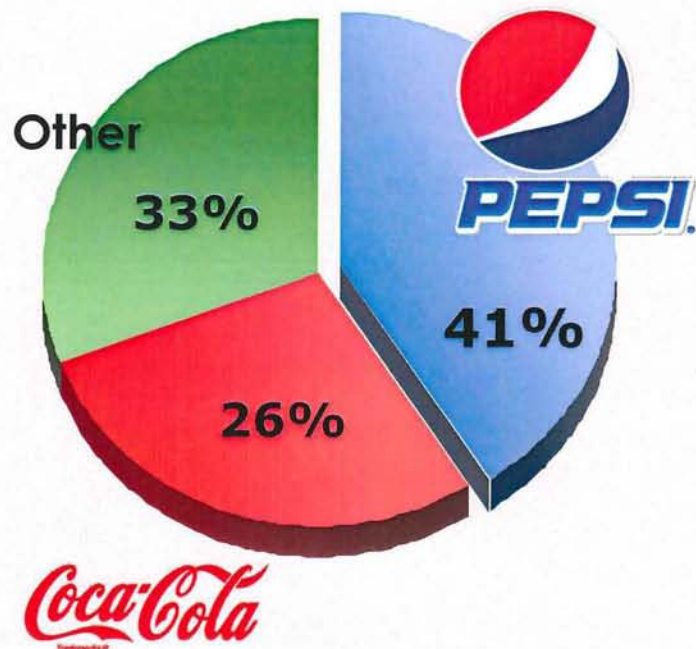
# Market Share

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# Michigan Beverage Category



## Local Market Share in Convenience Stores



**Pepsi has preferred brands!**

## Powerful Trademarks



**PEPSI.** *Coca-Cola*

Category	Share	Share
Carbonated Soft Drinks	50.8%	27.8%
Water	30.5%	29.7%
Juices & Juice Drinks	13.8%	25.8%
Tea	17.5%	5.3%
Coffee	98.8%	0.3%
Energy	19.2%	50.9%



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# Equipment & Service

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# Repair Service and Equipment

## Best Service in the Industry

- FREE service
- Certified Service Technicians from Local Pepsi Bottler
- NO 3rd Party Agents
- Radio dispatched Pepsi employee trained to maintain your equipment in your neighborhood
- 4 hour targeted response time
- 24 hour, 7 days a week dispatch
- Service performance scorecarded



Equipment is loaned at no cost to you!



Minimum Requirements  
100 cases per year per cooler door

We are better positioned to consistently provide you with the service you expect!!



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# Pepsi Reward Plus

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A program that has been designed to reward you for all  
your business with Pepsi Bottling Group



- Buy Pepsi beverages
  - Bottles & Cans
  - Fountain
- Earn points
  - Standard points on every purchase
  - Bonus points on select products during promotional periods
  - Once enrolled, points are automatically credited upon delivery

# Pepsi Reward Plus

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- Redeem points for valuable rewards
    - Pepsi-branded business merchandise
    - Free cases of Pepsi beverages
    - Gear, electronics and more
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# Financial Support

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# 20010-2011 Bottle & Can Pricing

PACKAGE DESCRIPTION	PRICE	UNITS PER CASE	COST PER UNIT
Carbonated Soft Drinks, Tropicana, Lipton 20oz	\$22.80	24	\$0.95
Aauafina 20 oz	\$15.01	24	\$0.63
Aquafina Flavorsplash 20oz	\$18.72	24	\$0.78
Aquafina 1L	\$15.75	15	\$1.31
SoBe LifeWater 20oz	\$14.76	12	\$1.23
Propel 20oz	\$24.96	24	\$1.04
Lipton Pure Leaf 160z	\$14.28	12	\$1.19
Dole/Ocean Spray Juice 15.2oz	\$14.28	12	\$1.19
SoBe Juices/Tea 20oz	\$16.08	12	\$1.34
Frappuccino 9.5	\$16.92	12	\$1.41
Frappuccino 13.7	22.08	12	\$1.84
Starbucks Doubleshot	\$39.12	24	\$1.63
Starbucks Doubleshot + Energy	\$22.56	12	\$1.88
Gatorade/G2 20oz	\$22.80	24	\$0.95
G2 32oz	\$20.55	15	\$1.37
Amp/Sobe Energy Drinks 16oz	\$21.96	12	\$1.83
Rockstar Energy Drinks	\$35.25	24	\$1.47
Rockstar Roasted Coffee Drinks	\$38.40	24	\$1.60
Muscle Milk	\$25.92	12	\$2.16
Carbonated Soft Drinks, Tropicana & Brisk 12oz	\$10.50	24	\$0.44.
Carbonated Soft Drinks, Tropicana & Brisk 2 liter	\$12.45	8	\$1.56

Pricing subject to annual increases.

# Exclusive 5 Year Agreement – Financial Summary



5-YEAR AGREEMENT		
	PER YEAR/CASE	5-YEAR TOTAL
ANNUAL MARKETING FUNDS	\$3,000	\$15,000
BOTTLE AND CAN REBATE	\$3.00	TBD
FULL SERVICE VENDING COMMISSIONS	35%	TBD



# Our Personal Commitment

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As A Local Beverage Company With Long Term Committed Personnel We Take Great Pride In Maintaining Long Term Relationships With Our Key Venues In Michigan.

Our Commitment is Built on Integrity and Trust:

## **We Will:**

- Honor All Commitments Agreed to.
- Be Available and Visible to Your Organization.
- Service Your Organization Like You Deserve.

## **We Will NOT:**

- Ø Forget About the City of Novi's Parks and Recreation Dept.
  - Ø Promise Things We Can't Execute.
  - Ø Be a Difficult Company to Deal With.
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# Why Pepsi?



## What "The Pepsi Difference" means to you

### SUPERIOR PRODUCTS & PACKAGES



A portfolio of brands positioned for the future

Industry leading innovation

Greater customer satisfaction

### "GOLD STANDARD" SERVICE



Global resources, local commitment

Superior service & equipment support

Visible, dedicated account ownership

Proven, customer-centric relationships

**City of Novi**

### POWERFUL PARTNERSHIP SUPPORT

Innovative, flexible promotion tools

Leverage our top brands to reach your key demographics

Strong financial support

Extras that build *relationships*



**PEPSI REWARDS PLUS**

# **Customer Program Overview**

**March 2010**



# What Is It?

A program that has been designed to reward you for all your business with Pepsi Bottling Group

- Buy Pepsi beverages
  - Bottles & Cans
  - Fountain
  
- Earn points
  - Standard points on every purchase
  - Bonus points on select products during promotional periods
  - Once enrolled, points are automatically credited upon delivery
  
- Redeem points for valuable rewards
  - Pepsi-branded business merchandise
  - Free cases of Pepsi beverages
  - Gear, electronics and more

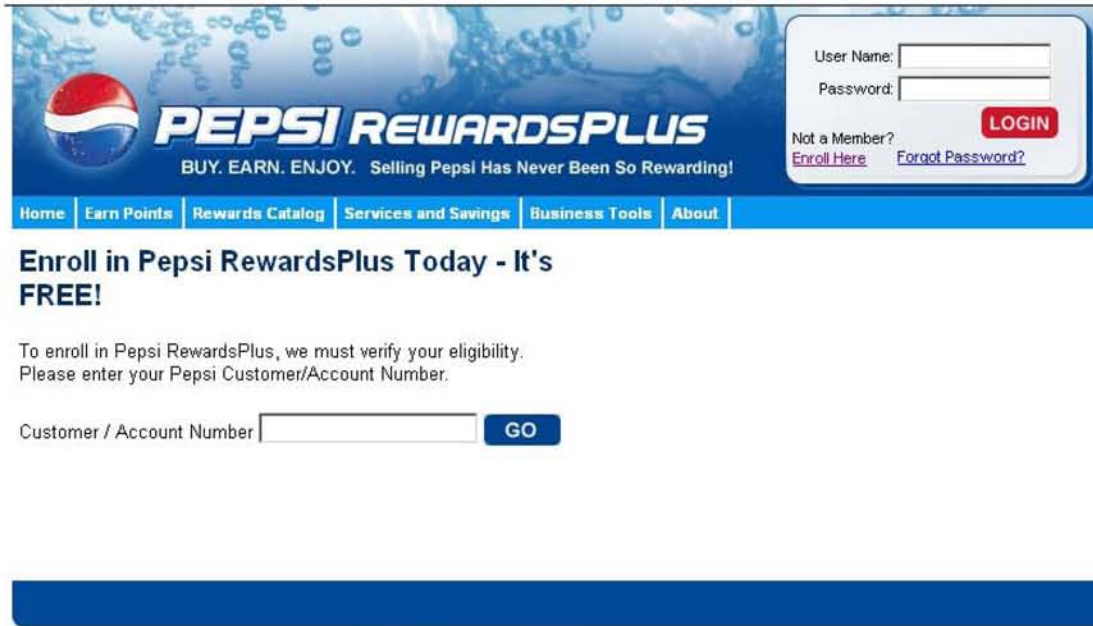


The screenshot shows the PEPSI REWARDSPLUS website interface. At the top left is the logo with the tagline "BUY. EARN. ENJOY. Selling Pepsi Has Never Been So Rewarding!". To the right is a login form with fields for "User Name:" and "Password:", a "LOGIN" button, and links for "Not a Member? Enroll Here" and "Forgot Password?". Below the header is a navigation menu with links for "Home", "Earn Points", "Rewards Catalog", "Services and Savings", "Business Tools", and "About". The main content area features a large promotional banner with the text "Buy Pepsi Earn Points Enjoy Great Rewards" and a list of three bullet points: "Every case you purchase earns valuable points. Bonus points accelerate your earning power!", "Valuable rewards categories, including merchandise for your business, Pepsi products and personal gear.", and "Your secure, personalized online account details your purchases, provides up-to-date point totals, and makes online redemption fast and easy." Below the banner is an "Enroll Now" button and a play button icon. To the right of the banner is a photo of a smiling man in a white apron standing behind a counter in a store. Below the banner are two columns of content. The left column is titled "Reward Yourself and Your Business" and contains text about earning and redeeming points, accompanied by an image of a silver digital camera and a smartphone. The right column is titled "Most Popular Business Tools, Resources, and Forms" and lists three bullet points: "Market Your Business", "Grow Your Sales", and "Operate Your Business", with a "See All Tools" link below. At the bottom of the page are two service boxes. The left box is for "element payment services" and offers a 7-10% discount on credit card processing fees. The right box is for "CaveoBenefits Powered by Benefit/Planet" and offers health insurance and benefits without cost or hassle.

- [www.PepsiRewardsPlus.com](http://www.PepsiRewardsPlus.com)
- Must enroll or log-in to enter the program



# Enrollment – Step 1



The screenshot shows the top section of the Pepsi RewardsPlus website. It features the logo and tagline 'BUY. EARN. ENJOY. Selling Pepsi Has Never Been So Rewarding!'. A navigation bar includes links for Home, Earn Points, Rewards Catalog, Services and Savings, Business Tools, and About. A login box contains fields for User Name and Password, a LOGIN button, and links for 'Not a Member? Enroll Here' and 'Forgot Password?'. Below the navigation bar, the main heading reads 'Enroll in Pepsi RewardsPlus Today - It's FREE!'. A sub-heading states 'To enroll in Pepsi RewardsPlus, we must verify your eligibility. Please enter your Pepsi Customer/Account Number.' A form field for 'Customer / Account Number' is followed by a 'GO' button.

- Need valid Pepsi Customer number to enroll
- New customers, allow 7-10 days for your customer number to be valid in the program

# Enrollment – Step 2

## Enrollment Information

### Enroll with Pepsi RewardsPlus

Please complete the following form to enroll in PepsiRewardsPlus. Your temporary Password will be emailed to you immediately upon receipt of your registration.

For information on how we use your information, review our [Privacy Policy](#).

### Corporate Contact Information

This data reflects what is on file with your bottler, and cannot be changed by the Pepsi RewardsPlus program. If you would like to change this information, please contact your Pepsi representative.

Customer/Account #: 7118376  
Business Name: AH SA WAN  
Address: 200 S 6TH ST  
Address 2:  
City: MINNEAPOLIS  
State: MN  
Zip Code: 554021403  
Phone Number: 6123382366

### Program Contact Information

This data is used by Pepsi RewardsPlus to credit your points, ship your rewards and notify you of new earnings or redemption opportunities. You can change it at any time, but if not accurate, you may not receive important program updates.

\* Indicates a Required Field

Contact First Name:

Contact Email:

Contact Last Name:

Contact Phone Number:

Mail Address Line 1:

Mail Address Line 2:

City:

State:

Zip:

Select a User Name:

By enrolling in this program you have agreed to receive periodic program communications, such as points statements, program changes, and other upgrades. In addition, you may agree to receive additional valuable offers and communications as designated below.

Yes I would like to receive Bonus Point Update emails.

Yes I would like to participate in periodic customer surveys or research panels for Bonus Points.

Yes I would like to be notified of special offers from partners of the RewardsPlus Program.

Submit

- Confirm information and supply email address to enroll
- In-force contract required for redemption (new customers: allow 4 – 6 weeks for your contract to be in the system)

Points earning available to most customers in Independent Restaurant and Rec/Amusement segments. Customers in ineligible segments can use Services and Tools only.

**Points Summary** [Logout](#)

Welcome admin

Customer/Account #

You have: **0 points**

[View Account History](#)

[Home](#)
[Earn Points](#)
[Rewards Catalog](#)
[Services and Savings](#)
[Business Tools](#)
[About](#)
[My Account](#)
[Admin](#)

**Earn Points** [See all Point Offers](#)

Every case you purchase earns valuable points

**Featured Bonus Offers** [Details](#)

Purchase by February 23, 2008 to earn bonus Points

**200 points**  
per case

**100 points**  
per case

**200 points**  
per case

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**Standard Offers** [Details](#)

Earn at least 5 points per case on most Pepsi products

- 5 points per gallon for Fountain Products
- 10 points for 12-count cases
- 20 points for 24-count cases

\* Products and points earning amounts subject to change

**Enjoy Rewards** [See all Rewards](#)

Use your points to get exciting rewards

**Business Merchandise**

Everything you need to spruce up your restaurant

**Logo Case**  
3,700 Points

**Neon Sign**  
16,000 Points

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**Pepsi Beverages**

Valuable rebates on your favorite products

**Aquafina Case**  
1,600 Points

**Pepsi Case**  
1,400 Points

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**Personal Merchandise**

Gear, electronics, and more

**Video iPod**  
22,284 Points

**Outdoor Grill**  
40,555 Points

\* Rewards availability and pricing subject to change

**Services & Savings for a Smarter Business** [See all Services and Savings](#)

**Credit Card Processing**

Save an average of 7-10% on credit card processing fees!

[Learn More](#)

**Employee Benefits**

Offer health insurance and benefits without cost or hassle to you!

[Learn More](#)

**Logo Wear & Apparel**

Save an average of 20% on logo wear and apparel needs

[Learn More](#)

**PROPRIETARY & CONFIDENTIAL**

- Points Summary
- Earn Points Offers
  - Bonus Points
  - Standard Points
- Reward Categories
  - Business Merch
  - Pepsi Beverages
  - Personal Merch
- Services & Tools

6



**Points Summary** [Logout](#)

Welcome Augeo

Customer/Account # 999999991

You have: **0 points**

[View Account History](#)

Home | Earn Points | Rewards Catalog | Services and Savings | Business Tools | About | My Account



### Earn Points with Every Purchase

Pepsi RewardsPlus Members earn Points for every case of Pepsi product purchased. And BONUS Points for featured products purchased during the promotional period.


Bonus Point-earning opportunities will change every period, so check back regularly to see the fastest ways to earn!

**Featured Bonus Point Offers - January 27 - February 23, 2008** [See all Bonus Offers](#)

Purchase these products by February 23, 2008 to earn Bonus Points

<p><b>Aquafina</b> Earn Bonus Points every case</p>  <p><b>200 points per case</b></p>	<p><b>SoBe LifeWater</b> Stock up on all flavors</p>  <p><b>100 points per case</b></p>	<p><b>Lipton Iced Tea</b> Earn bonus points on all flavors</p>  <p><b>200 points per case</b></p>
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**Standard Point Offers** [See all Standard Point Offers](#)



In addition to any Bonus Points earned, Pepsi RewardsPlus Members will earn points on every case of Pepsi product purchased, based on the following schedule:

- 5 points per gallon on Fountain product
- 10 points per 12-count case of B&C product
- 20 points per 24-count case of B&C product

- Highlights featured promotional products and Bonus Point timeframes
- Access to complete points-earning lists



[Points Summary](#) [Logout](#)


Welcome admin

Customer/Account #

You have: 0 points

[View Account History](#)

[Home](#)
[Earn Points](#)
[Rewards Catalog](#)
[Services and Savings](#)
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[My Account](#)
[Admin](#)






**Redeem Points for Valuable Rewards** [See all Rewards](#)

Pepsi RewardsPlus Members with a valid contract can redeem their Points for exciting rewards. From free Pepsi product, to in-store support materials, to the latest consumer electronics, Pepsi RewardsPlus offers a wide selection of rewards.

**Featured Reward Items** [See Entire Rewards Catalog](#)

A sampling of available rewards

<p><b>Business Merchandise</b> <a href="#">See all</a></p> <p>Spruce up your Restaurant.</p>  <p style="text-align: center;">From 1,000 points</p>	<p><b>Pepsi Beverages</b> <a href="#">See all</a></p> <p>Coupons for Cases of Free Pepsi</p>  <p style="text-align: center;">From 1,400 points</p>	<p><b>Personal Merchandise</b> <a href="#">See all</a></p> <p>Gear, Merchandise &amp; More</p>  <p style="text-align: center;">From 1,500 points</p>
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- Business Merchandise
  - Permanent merchandise
  - Logoed items
  - Nostalgia
  
- Pepsi Beverages
  - Free cases of product
  
- Personal Merchandise
  - Electronics
  - DVDs
  - Home & Garden
  
- Shipping included on all rewards



## PEPSI REWARDSPLUS

BUY. EARN. ENJOY. Selling Pepsi Has Never Been So Rewarding!

**Points Summary** [Logout](#)

Welcome admin

Customer/Account #

You have: **0 points**

[View Account History](#)

[Home](#)
[Earn Points](#)
[Rewards Catalog](#)
[Services and Savings](#)
[Business Tools](#)
[About](#)
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### Services & Savings For Your Business

Pepsi RewardsPlus Members can take advantage of significant savings on over 20 essential products and services, developed exclusively for Pepsi customers. Choose to use as few or as many of the programs to fit your business needs. Just another way you can profit from being part of the Pepsi family!

Check out the offers below, and see how Pepsi RewardsPlus will help you:

- Save money and increase your bottom line
- Save time to focus on your customers and employees
- Simplify your operations to focus on your business operations

#### Business Tools CD [Details](#)



FREE to Pepsi Advantage Members

#### Changing Stations and Highchairs [Details](#)



**Members receive exclusive national discount pricing!**

- Save 35%
- Baby changing stations only \$199 - reg. price \$320
- Highchairs for only \$118 - reg. price \$182

#### Computers & Technology [Details](#)



Save up to 10%

- Access to business-grade products with up to 3-year warranties
- Full line catalog and total technology solutions with access to Hewlett-Packard's customer service department

#### Credit Card Processing [Details](#)



Save an average of 7-10% in your credit card processing fees!

- Extremely competitive interchange rates for all categories of credit card transactions
- Excellent transaction rates and low statement fees
- Great service, consistent, low pricing on



Save 15% on your entire order with a purchase of Safe T StepR shoes

#### Most Popular Products/Services


1. [Credit Card Processing](#)
2. [Health Insurance and Benefits](#)
3. [Office Supplies](#)
4. [Logo Wear and Apparel](#)
5. [Payroll Processing](#)
6. [Wireless Communications](#)

#### Most Popular Business Tools, Resources, and Forms

1. [29 Ways to Boost Your Sales](#)
2. [Energy Saving Tips](#)
3. [Internet Resources for Restaurants](#)
4. [Marketing Ideas for Your Restaurant](#)
5. [Spanish Phrases for Restaurants](#)
6. [BOTTLES To Go Selling Story](#)
7. [Pepsi Direct Order Form](#)

[See All Tools](#)

- Valuable, exclusive discounts and services for your business



[Points Summary](#) [Logout](#)  
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### Business Tools & Forms

Helping you manage your day-to-day business more efficiently

Are you doing everything you can to save time and manage your business effectively? Business tools and forms from Pepsi RewardsPlus save you time and make managing your business easier!




**Tool and Form Categories**

Select a category to choose from dozens of valuable tools designed especially for Pepsi Customers


- [Business Planning](#)
- [Cost Control](#)
- [Customer Service and Communications](#)
- [Employee Management and Motivation](#)
- [Financial Forms and Templates](#)
- [Human Resources Forms, Lists and Letters](#)
- [Interviewing, Selection and Training](#)
- [Maintenance and Cleaning Tools](#)
- [Sales Building Tools and Tips](#)
- [Signs and Posters](#)
- [Technology and Internet Resources](#)

The tools on this page require one of the software packages below to open. If you do not have one of these software programs, you may download a free viewer package by clicking the appropriate link under 'Viewer Download'.

Note: These software packages are standard on most computers so you may want to test opening a particular report before choosing to download.

Icon	File Type	Viewer Download
	Microsoft Excel	<a href="#">Microsoft xlViewer</a>
	Adobe PDF	<a href="#">Adobe Acrobat Reader</a>
	Microsoft Word	<a href="#">Microsoft Word Viewer</a>

The Business Tools and Forms on this website are for informational purposes only and do not constitute legal, business or financial advice. Pepsi RewardsPlus and its associates, agents and affiliates assume no liability whatsoever for any claim resulting from the customer's use of these materials. The customer should seek independent legal or other professional advice as the customer deems appropriate.



Save 15% on your entire order with a purchase of Safe T StepR shoes

**Most Popular Products/Services**

1. [Credit Card Processing](#)
2. [Health Insurance and Benefits](#)
3. [Office Supplies](#)
4. [Logo Wear and Apparel](#)
5. [Payroll Processing](#)
6. [Wireless Communications](#)

**Most Popular Business Tools, Resources, and Forms**

1. [29 Ways to Boost Your Sales](#)
2. [Energy Saving Tips](#)
3. [Internet Resources for Restaurants](#)
4. [Marketing Ideas for Your Restaurant](#)
5. [Spanish Phrases for Restaurants](#)
6. [BOTTLES To Go Selling Story](#)
7. [Pepsi Direct Order Form](#)

[See All Tools](#)

- Helpful tools and business forms that make running your business fast & easy

# My Account/Points History



**Points Summary** [Logout](#)  
Welcome admin  
Customer/Account #  
You have: 0 points  
[View Account History](#)

[Home](#) [Earn Points](#) [Rewards Catalog](#) [Services and Savings](#) [Business Tools](#) [About](#) [My Account](#) [Admin](#)

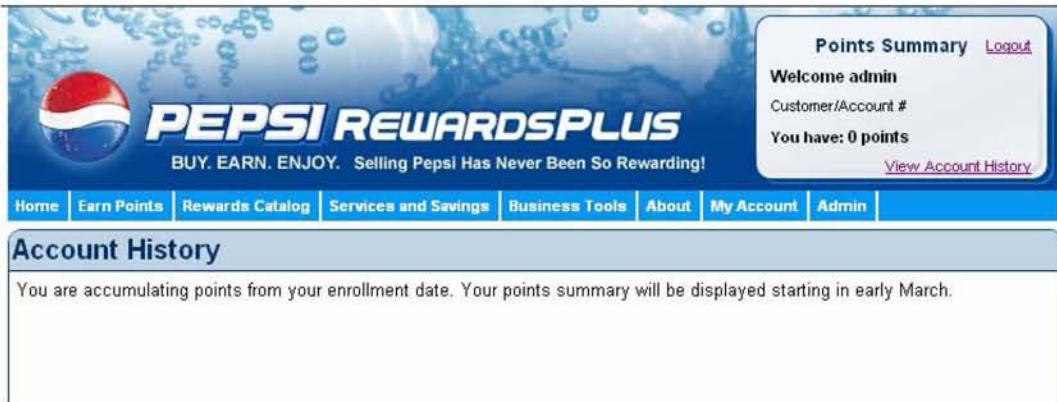
### Account Details

See [Account History Report](#)  
Displays your points earnings and redemption activity in the program.

View/Change [Contact Information](#)  
Make changes to your address, email, and communication preferences.

[Change Password](#)

- View Account History; points earned, redeemed and balance
- Points will accrue from date of enrollment



**Points Summary** [Logout](#)  
Welcome admin  
Customer/Account #  
You have: 0 points  
[View Account History](#)

[Home](#) [Earn Points](#) [Rewards Catalog](#) [Services and Savings](#) [Business Tools](#) [About](#) [My Account](#) [Admin](#)

### Account History

You are accumulating points from your enrollment date. Your points summary will be displayed starting in early March.



# **City of Novi**

**Business Partnership Review and Proposal  
December 13th, 2010**

# Coca-Cola delivers the leading beverage portfolio

Sparkling



Hydration



Still & Emerging



# Coca-Cola's portfolio is outperforming the still and emerging beverage categories

Category Growth

Energy <b>+19.4%</b>				
S.S. Water <b>-3.7%</b>				
Sports Drink <b>-5.7%</b>				
Juice/Drinks <b>+13.2%</b>				
RTD Teas <b>+4.4%</b>				
RTD Coffee <b>+46.6%</b>				
Vegetable Juice <b>+13.9%</b>				

Coca-Cola Portfolio Growth

Energy <b>+25.1%</b>
S.S. Water <b>+8.9%</b>
Sports Drinks <b>-20.2%</b>
Juice/Drinks <b>+14.3%</b>
RTD Teas <b>+4.9%</b>
RTD Coffee <b>+162.5%</b>
Vegetable Juice <b>+13.9%</b>

Still & Emerging Beverage Categories **+8.9%**  
 CCE Still & Emerging Beverages **+16.5%**

# Concession Combo Meal Examples

## Breakfast Combo Meal

Concessions

ENJOY A COMBO!

\$2.99



## Lunch Combo Meal

Concessions

made to go together



## Snack Combo Meal

Concessions

made to go together



*Coca-Cola* Refreshments

# Financial Proposal

*Coca-Cola* Refreshments

# Funding - Rebates

<b>Package &amp; Brands</b>	<b>Rebate Per Case*</b>
20oz Dasani	\$2.00
20oz Dasani Flavors	\$2.00
20oz Glaceau Vitamin Water & VW Zero	\$2.00
20oz Glaceau Smart Water	\$2.00
16oz Energy	\$2.00
20oz PowerAde & PowerAde Zero	\$2.00
15.2oz Minute Maid Juices	\$2.00
20oz Sparkling Soft Drinks	\$2.00

\* Funding will be paid at the end of each contract year on all Direct Delivery cases and does not apply to Full Service Vending cases.



# Full Service Commissions

<b>Commission</b>	<b>Commission Year 1</b>	<b>Commission Year 2</b>	<b>Commission Year 3</b>	<b>Commission Year 4</b>	<b>Commission Year 5</b>
20oz Sparkling	35%	35%	35%	30%	30%
20oz DASANI	35%	35%	35%	30%	30%
12oz Sparkling	20%	20%	20%	15%	15%

\* Commissions are paid based on actual cash receipts collected by CCE from the beverage vending equipment (after deducting taxes, recycling fees, shortages, refunds, state-mandated container deposits and associated handling fees, and debit/credit card fees, if any). Full Service Commissions will decline in year 4 of the contract.

*Coca-Cola* Refreshments

# Exclusive Sponsorship

**Annual Exclusive Sponsorship  
\$2,000**

Coca-Cola Refreshments proposal includes an annual sponsorship to City of Novi in the form of a check paid at the beginning of each contract year.

*Coca-Cola* Refreshments



# Sponsorship Summary

<b>Financial Commitment</b>	<b>Annual Spend</b>	<b>5 Year Total Commitment</b>
<b>Rebates from Direct Delivery cases*</b>	<b>\$2,907</b>	<b>\$14,535</b>
<b>Full Service Commissions*</b>	<b>\$1,875</b>	<b>\$9,235</b>
<b>Exclusive Sponsorship</b>	<b>\$2,000</b>	<b>\$10,000</b>

\* Funding and Commissions are based on prior year history of 1,372 cases in annual sales from Direct Delivery and 223 cases from Full Service Vending.

**5 Year  
Package  
\$33,770**

*Coca-Cola* Refreshments

# Product Pricing

<b>Product / Brand</b>	<b>Case Cost</b>
20oz Sparkling Soft Drinks	\$20.95
12oz Dasani	\$9.95
20oz Dasani & Dasani Flavors	\$12.00
20oz Glaceau VW & VW Zero	\$26.00
20oz Glaceau Smart Water	\$22.50
15.2oz Minute Made Juice	\$24.90
20oz PowerAde & PowerAde Zero	\$21.75
16oz Energy	\$34.00
5.0 gallon BIB	\$66.00
2.5 gallon BIB	\$35.75
2.5 Frozen BIB	\$45.00

\*Pricing subject to 5% increase annually.





***THANK  
YOU!***

*Coca-Cola* Refreshments