

Staff Report

Subject: Beverage Agreement with Coca-Cola or Effingham County Parks & Recreation

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Department: Procurement / Facility Maintenance

Meeting Date: September 2, 2025

Item Description: Consideration to approve Beverage Agreement with Coca-Cola Bottling Company United – East, LLC (Savannah Coca-Cola Bottling Company) for Effingham County Parks & Recreation.

Summary Recommendation: Staff recommends **Alternative 1:** Approve the Beverage Agreement with Coca-Cola Bottling Company United – East, LLC for Effingham County Parks & Recreation, and authorize the County Manager to execute the contract.

Executive Summary/Background:

Effingham County Parks & Recreation has historically maintained beverage vending and sponsorship agreements with vendors for its recreational facilities. Coca-Cola Bottling Company United – East, LLC has proposed a revised Beverage Agreement granting them exclusive beverage and vending rights across all County recreation facilities.

The Procurement and Contracts Manager, working with the County Attorney, reviewed the proposed agreement and negotiated modifications to ensure the County's interests are protected while still providing value through marketing support, rebates, and complimentary products.

Key Terms of the Agreement:

- **Term:** Initial one-year agreement (June 1, 2025 – May 31, 2026), automatically renewing annually with either party able to terminate with **60 days' notice**.
- **Exclusivity:** Coca-Cola maintains exclusive rights for beverage sales and vending across County recreation facilities.
- **Permitted Exceptions:** The County retains the ability to allow **Kona Ice and ICEE-type vendors** at events, tournaments, and fundraisers.
- **Pricing:** Coca-Cola may adjust prices annually; however, **any mid-year increases must be accompanied by documentation and 30-day notice**.
- **Consideration to the County (per year):**
 - \$5,000 in Annual Marketing Fees
 - \$2 per case rebate on eligible products
 - \$750 in in-kind marketing support
 - \$1,000 in complimentary products (approx. 100 cases)
- **Equipment:** Coca-Cola will provide vending and dispensing equipment at no cost under its Equipment Placement Addendum.
- **Use of County Marks:** Any use of County logos must be pre-approved by the County's Communications Department.
- **Indemnification:** Language requiring the County to indemnify Coca-Cola was removed, limiting County exposure.

Financial Impact:

The County will receive a guaranteed \$5,000 annually plus rebates, complimentary product, and in-kind marketing valued at approximately \$6,750.

Alternatives for Commission to Consider:

1. **Approve** the Beverage Agreement with Coca-Cola Bottling Company United – East, LLC as presented.
2. **Reject** the agreement and direct staff to seek alternative beverage and vending arrangements.

Recommended Alternative: 1**Other Alternatives: 2**

Department Review: Procurement, Recreation, County Attorney

Funding Source: N/A

Attachments: Proposed Beverage Agreement – Coca-Cola Bottling Company United – East, LLC, updated August 13, 2025 (final negotiated version)