



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 5/28/2024

REQUESTER: Jason Olsen, Director of Parks and Recreation

PRESENTER: Jason Olsen, Director of Parks and Recreation

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT AND/OR POSTPONEMENT OF CONTRACT K-2324-183: A FIVE-YEAR PARTNERSHIP BEVERAGE AGREEMENT BETWEEN COCA-COLA SOUTHWEST BEVERAGES L.L.C., AND THE NORMAN MUNICIPAL AUTHORITY, FOR EXCLUSIVE SALE OF COKE PRODUCTS AT THE YOUNG FAMILY ATHLETIC CENTER, WESTWOOD GOLF COURSE, AND WESTWOOD FAMILY AQUATIC CENTER IN EXCHANGE FOR \$82,500 IN INCENTIVE FEES TO BE PAID OVER THE FIVE YEAR TERM OF THE CONTRACT.

BACKGROUND:

The Norman Forward projects - the Young Family Athletic Center (YFAC), completed and open to the public in 2024, and the Westwood Family Aquatic Center (Westwood), completed and opened to the public in 2019, along with the Westwood Golf Courses, all have high revenue producing concession stand areas. The Parks Department operates both Westwood concession stands and a local business, Beanstalk Coffee and Sno, operates the YFAC concessions.

In February 2019, the Norman Municipal Authority entered into a five-year agreement with Pepsi Beverage Company for exclusive pouring rights at Westwood Park. This package was worth \$38,000 over the entire contract period. With the Pepsi contract ending in February of 2024, the Parks Department asked for proposals from Pepsi and Coca-Cola for beverage agreements at Westwood and the newly opened YFAC. Only Coca-Cola submitted a proposal and was selected as the lone bidder.

DISCUSSION:

The Coca-Cola Southwest Beverages L.L.C. incentive package includes an aggregate payment of \$82,500 for equal payments of \$16,500 over five-years. The incentive package also includes \$.50 for each gallon of post-mix fountain products and \$5.00 per case of product purchased to be resold at Westwood and YFAC. In addition to the \$82,500, the Parks Department will get \$2,000 per year in marketing funding for Coke or Sprite products and an additional \$5,000 per year for marketing BodyArmour products. Coke has also agreed to give the Parks Department up to \$1,250 annually in donated products for events or other programming.

Park staff is recommending that the incentive payment of \$16,500 be split - \$10,000 to the YFAC and \$6,500 to Westwood annually, and marketing funding for BodyArmour of \$5,000 will go to the YFAC and the \$2,000 in marketing funds for Coke or Sprite will go to Westwood.

Rebates collected through both the post-mix fountain mix and the cases will be deposited in a revenue account in the Westwood Fund, and the YFAC portion will be redistributed to Beanstalk Coffee and Sno according to the contract (K-2324-72) approved by Council in November of 2023.

RECOMMENDATION:

It is recommended that Contract Number K-2324-183 be approved with Coca-Cola Southwest Beverages L.L.C. to accept the distribution of the incentives, marketing, and rebates as outlined in the staff report to revenue accounts in the Westwood Fund (297-364168) and the Young Family Athletic Center Fund (247-364168) cost centers.