



Legislation Details (With Text)

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Title: Approve Sponsorship Agreement with Pepsi Beverages Company to be Exclusive Non-Alcoholic Beverage Provider for the Fresno Convention & Entertainment Center

Sponsors: Office of Mayor & City Manager

Indexes:

Code sections:

Attachments: 1. Fresno Convention Center Agreement CAO9-7 clean.pdf, 2. Supplement - Signed Sponsorship Agreement.pdf

Date	Ver.	Action By	Action	Result
9/20/2018	1	City Council	continued	

REPORT TO THE CITY COUNCIL

September 20, 2018

FROM: WILLIAM OVERFELT, General Manager
Fresno Convention & Entertainment Center/SMG

SUBJECT

Approve Sponsorship Agreement with Pepsi Beverages Company to be Exclusive Non-Alcoholic Beverage Provider for the Fresno Convention & Entertainment Center

RECOMMENDATION

Staff recommends approval of the Sponsorship Agreement, which will provide an annual sponsorship fee of \$20,000 from the year 2018 to 2027, plus a 25 percent commission for vending machines, and \$3.00 rebate per case or gallon sold, in exchange for Pepsi’s designation as exclusive non-alcoholic beverage provider for the Fresno Convention & Entertainment Center.

EXECUTIVE SUMMARY

The Sponsorship Agreement designates Pepsi as the exclusive non-alcoholic beverage provider for the Fresno Convention & Entertainment Center and provides for bulk-rate pricing and maintenance of beverage equipment through December 31, 2027. In exchange for this designation, Pepsi will provide an annual sponsorship fee of \$20,000 from the year 2018 to 2027 (or until minimum volume

thresholds are reached), plus a 25 percent commission for vending machines, and a \$3.00 rebate per case or gallon sold. Such commissions and rebates are paid annually.

BACKGROUND

SMG subcontracts for food and beverage services pursuant to its contract with the City to manage the Fresno Convention & Entertainment Center. Sponsorship Agreements and major subcontracts for supplies and services require City approval prior to SMG entering into them. SMG negotiated the major terms of the Sponsorship Agreement and brings it now to the Council for City Approval.

ENVIRONMENTAL FINDINGS

N/A

LOCAL PREFERENCE

N/A

FISCAL IMPACT

The Sponsorship Agreement will provide \$20,000 annually, plus rebates and commissions for beverage sales. The total fiscal impact will depend upon the number of events held at the Fresno Convention & Entertainment Center, and the sales of non-alcoholic beverages at these events. All revenues from this agreement will be used to support and maintain the Convention Center.

Attachment: Pepsi Beverages Company Sponsorship Agreement