



Legislation Details (With Text)

**File #:** ID18-1012    **Version:** 1    **Name:**

**Type:** Action Item    **Status:** Continued in Council

**File created:** 8/23/2018    **In control:** City Council

**On agenda:** 9/20/2018    **Final action:**

**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