



**Proposal for Food and Beverage Vending Machine Services and Jug Water Services.**

Friday, June 22th, 2020

Mrs. Darlene Kloeppel  
Executive Assistant to the County Executive  
Champaign County Administrative Services  
Brookens Administrative Center  
1776 East Washington Street  
Urbana, Illinois 61802

Food and Beverage, Vending Machine Services, and Jug Water Services

Dear Mrs. Kloeppel,

We respectfully submit for consideration our proposal in response to the referenced RPF. A total of 4 copies are included (1 original, 2 hard copies and 1 electronic copy on). As required, our proposal follows the outline provided in the RFP with our responses highlighted in **bold** to facilitate your review. Furthermore, the attachments (both the required and optional) have been indexed and tabbed for your convenience.

The attached proposal is complete as submitted. The terms and conditions of our proposal remain valid for a period of 15 days from the date first written above.

Respectfully Submitted,  
Pepsi-Cola Champaign-Urbana Bottling Co.,

Nick Carter  
Vice President of Sales and Marketing

## **1. COMPANY INFORMATION**

### **A. Company name/address/telephone/fax numbers/e-mail address:**

**Pepsi-Cola Champaign Urbana Bottling Co. Inc., 1306 West Anthony Drive, 217-352-4126**

### **B. Identify name, address, telephone and e-mail of key team members and what role they will play:**

**Pepsi-Cola main office, 1306 West Anthony Drive, 217-352-4126, Response Team. Nick Carter, 1306 West Anthony Drive, 217-722-3599, [ncarter@pepsicolacu.com](mailto:ncarter@pepsicolacu.com), Vice President of Sales and Marketing. Travis's direct supervisor. Response Team, Full Line Vending Route Supervisor, Route Trained. Travis Swinford, 1306 West Anthony Drive, 217-649-9421, [swinfordt@pepsicolacu.com](mailto:swinfordt@pepsicolacu.com), The Route driver's direct supervisor. Henry Carter, 1306 West Anthony Drive, 217-352-4126, Route Driver.**

### **C. Provide details on staffing/management structure:**

**Key Personnel providing service on the account: Travis Swinford – Full Service Vending Supervisor (Route Trained) – 16 year employee, Nick Carter – Vice President of Sales and Marketing (Route Trained) – 20 year employee, Amanda Price – Vice President of administration and Operations a 16 year employee, Michael Comet - Corporate Officer & Executive Staff Member (BS & MBA Degrees) – 24 year employee, John Comet – Corporate Officer & Executive Staff Member (BS, MBA & JD Degrees) – 24 year employee. Current Credentials – there are no necessary licenses, certification, or registration local, State or Federal level necessary to engage in the vending business.**

### **D. Provide your company's mission statement:**

**We are a small family owned operation that has been servicing the Champaign-Urbana community for more than 67 years. We are recognized in the community for providing superior friendly, competent, and competitive service on a local level. We serve the Champaign, Vermilion, and the north third of Douglas counties which together comprise our franchise area. Our sole philosophy is that without our customers we have nothing; so, the service we provide to them is the key to our success and our future.**

### **F. Provide narrative and description of relevant comparable vending contracts:**

**Christie Clinic; Pepsi Beverage, snack, sandwich, and coffee vending  
Bromley Residence Hall; Pepsi beverage and snack vending  
Carle Hospital; Pepsi beverage, snack, sandwich, and coffee vending  
Champaign Park District; Pepsi beverage and snack vending  
Urbana Park District Pepsi beverage and snack vending  
Flex-N-Gate; Pepsi Beverage, snack, sandwich, and coffee vending  
Caterpillar ILC; Pepsi Beverage, snack, sandwich, and coffee vending  
Vista Outdoors; Pepsi Beverage, snack, sandwich, and coffee vending  
Federal Express; Pepsi Beverage, snack, sandwich, and coffee vending**

## **2. FINANCIAL/LEGAL INFORMATION**

**A. Provide evidence of financial resources with a minimum of two (2) financial references, and previous two (2) years of audited financial statements.**

As a privately held, family owned business we are not in the habit of providing our financial statements for review. We have been in business for more than 67 years as a viable franchise of the Pepsi Cola Company. For the past 40 years we have had our books and records audited by an independent auditing firm, not at the request of any outside interest, but at our own request to insure accurate and proper internal controls and reporting. As part of the required disclosure, we are willing to submit banking references, allow contact with our accounting and auditing firm, and provide anyone interested with questions access to our controller for a question and answer session. We are very interested in providing the Offeree with a clear indication that our organization is with sufficient financial capability to manage the business contemplated under this agreement. We are by no means trying to hide anything, it's just that our financial records disclose what you might say is our "secret formula" to our success and our ownership has been very close to the vest with this information.

**B. Provide insurance coverage certification.**

See Exhibit "A"

**C. Provide statement of current pending legal actions relating to current or past projects.**

None

**D. Provide a start-up plan – installation of vending machines and replenishment schedule.**

Pepsi-Cola plans to install credit/debit card readers on all machines.

As well as install "energy misers" on all machines to cut back on electricity consumption. Energy misers will save the County \$150.00 dollars per machine per year, which is a reduction of 46%kWH a year per machine.

Pepsi-Cola will update problematic machines were needed, and convert can machines into 20oz bottle machines. These machines are highlighted in yellow on the Exhibit "B" equipment list. Pepsi-Cola will replace machines with new glass front machines in high traffic areas like the Champaign County Court House, and Brookens Center. Highlighted in green in Exhibit "B"

Court house machine: insert machine serial #145900504

Brookens Center machine: insert machine serial #151100263

The difference between a glass front and a normal bottle machine is people buy with their eyes and we can vend different variety's of products the normal bottle machines will not vend for example: Frapachinos, Lipton Tea flavors, and sparkling water flavors. With the changes listed above would increase revenue for the county and increase sales for Pepsi-Cola



### 3. MARKETING and CUSTOMER SERVICE PLAN

#### A. Provide a marketing plan for promoting vending.

**Glass front machines, and flavor and brand rotations – Drive interest in trying new and exciting Pepsi products which will drive incremental volume and additional revenue for the county.**

**Healthier alternatives – Keep all vending machines to 30% Healthier alternatives to drive better choices for a more health conscious society.**

#### B. Describe your philosophy as it related to customer service in your profession and provide methods for managing customer service.

**Any of our administrative staff are capable of fielding the county's calls (5 member total) so that anyone who calls at any time will speak with a live "operator" to address their issue without hold or electronic voice mail with never ending loops. The direct supervisors cell phone numbers will also be provided to the key contact persons so someone will always be available to handle issues. Our process is simple; technical or product service on an emergency basis is handled immediately – within the hour. Non-emergency items (i.e. snack machine is out of pretzels, beverage machine out of Diet Pepsi, dollar bill validators not working (but unit taking quarters and giving change) are handled within 2-4 hours. If call comes late in the day (after 3pm) we ask that our staff attempt to resolve the service call that afternoon or first thing in the morning. Any repeat call for a non-emergency item becomes an automatic emergency. We also offer 24-hour 7 day per week technical service on all equipment with a guaranteed turnaround of not more than 2-4 hours. This service kicks in during non-business hours 8am Monday through Friday and after 4 pm every weekday, all day Saturday and Sunday). Access number to this service is posted on all equipment; but is made available to whoever in the County system needs to have it.**

#### c. How will business opportunities for local, small, socially, and economically disadvantaged and women owned businesses be provided for vending operations?

**Pepsi-Cola CU Bottling Company is in part owned by Mrs. Artemis Trebellas, whose involvement within the community has been recognized. Pepsi-Cola CU Bottling Company is a family owned business that is owned by six family members in which four of those members are women. All our employees are residents of Champaign County and support local and small businesses with their payroll dollars. Pepsi-Cola CU Bottling Company is a strong supporter of various Champaign county community organizations like: Don Moyer Boy's and Girl's Club, Champaign County United Way, Big Brothers and Big Sisters of Champaign, and the Make a wish Foundation.**

**4. PRODUCT and PRICING:**

**A. A Full list of products will be provided upon request.**

**B. Enclose copy of your current price list.**

**12oz cans \$1.00  
20oz bottles \$1.50  
20oz Gatorade \$1.75  
15.2 oz Dole Juice / 16.9oz Lipton Tea \$1.75  
16oz Energy Drinks \$2.25  
13.9oz Frapachinos \$2.25  
14oz Muscle Milks \$2.50**

**Snack machine pricing**

**Chips \$1.25  
Candy Bars \$1.25  
Cookies \$1.00  
Pastries \$1.50**

**Jug water pricing**

**\$6.56 a 5-gallon Jug with a \$6.00 deposit.**

**All jug water coolers monthly rental of \$6.95 waived for the first 10 machines.**

**This is a total saving of \$417.00 a year.**

**C. Document the revenue sharing proposal through commission to be paid to the County.**

**\$2.00 a case commission on every case of 24pk cans sold.  
\$4.00 a case commission on every case of 24pk 20oz bottles sold.  
10% of total snack machine revenue minus the sales tax.  
Estimated yearly commissions should be around \$3,400**

**If the County chooses to add, replace, or remove any existing Pepsi-Cola vending machine with a competitor's machine, the "revenue sharing" percentage and per case dollar amounts will be reduced by 50%. In addition, if the County chooses to remove or reduce beverages served in plastic bottles the "revenue sharing" percentages and per case dollar amounts will be reduced by 50%. For example: (5% of total snack machine revenue less applicable sales tax, \$1.00 a case commission on every case of 24pk cans sold and \$2.00 a case commission on every case of 24pk 20oz bottles sold)**

**5. EQUIPMENT**

**A. Enclose copy of manufacturer cut sheets of the vending machines.**

**See Exhibit "B"**

**6. REFERENCES**

**A. List of references on Page 4 section F.**

**OPERATING AGREEMENT – FOOD, SNACKS & BEVERAGES VENDING SERVICES AND JUG  
WATER SERVICES.**

This **OPERATING AGREEMENT** (the “Agreement”) is made as of July 1, 2020 between the **County of Champaign**, hereinafter know as County with offices at 1776 East Washington Street, Urbana, Illinois 61802 and **Pepsi-Cola Champaign-Urbana Bottling Company**, a Delaware Corporation, hereinafter known as **Pepsi-Cola**, having its principal place of business at 1306 West Anthony Drive, Champaign, Illinois.

**WITNESSETH:**

1. **AGREEMENT & TERM:** The County hereby grants to Pepsi-Cola the right to provide food, snacks & beverage vending services for County staff and visitors at Champaign County buildings located in Urbana, Illinois. Pepsi-Cola hereby agrees to furnish a variety of food, snacks and beverages to County staff and visitors in accordance with this Agreement.

The term of this agreement will be for a three-year period with the County reserving the right to renew the agreement for an additional 24 months. In no event shall the term plus renewal exceed five years.

2. **OPERATIONAL RESPONSIBILITIES:**

**A. Facilities & Equipment:** Pepsi-Cola shall at its expense will provide the County with adequate, state of the art beverage, snack, sandwich and coffee equipment by mutual agreement at the County’s facilities completely equipped and ready to operate as required for the efficient performance of the Agreement.

Pepsi-Cola will provide a lease agreement for each machine placed on County property. Each agreement will detail the location of each machine as well as the serial number of each machine. Each agreement will be signed by the County Administrator and Pepsi-Cola. A sample lease agreement is attached to this operating agreement as Exhibit C. The vending equipment will be owned throughout the contract period by Pepsi-Cola, the County shall have no title to the vending equipment during the contract period. Pepsi-Cola will notify the proper County personnel of the need for equipment repairs or replacement. Service calls on an emergency basis will be handled immediately, within the hour, and County personnel will be notified when action has been taken. Non-emergency items are handled within two hours, and County personnel will be notified when action has been taken. Any repeat call for a non-emergency item will be considered an emergency. In addition, Pepsi-Cola will provide County personnel with “out of order” signage to be affixed to the vending equipment as needed.

We currently have lease agreement in place for all current equipment placed on County property as of today. “sample attached see Exhibit “C” All new equipment will require a new lease agreement.

**B. Refund Policy:** Pepsi-cola will provide County personnel with a refund bank, the amount to be determined by Pepsi-Cola. The refund bank will be used to refund County employees. There will be a decal

located on each machine providing a local phone number for the public to use when calling in a complaint or requesting a refund. Champaign County will not provide refunds to the public.

**C. Vending Services:** Pepsi-Cola will be responsible for ensuring vending machines are stocked with nationally advertised products meeting USDA requirements. All products must be date coded where appropriate to ensure quality of freshness. Pepsi-Cola shall maintain a product balance of 30% low fat products in all vending machines. Offered products will be approved by the proper County personnel. Pepsi-Cola will always keep all machines adequately stocked with quantities and products consistent with demand in each building. Pepsi-Cola will work to accommodate all reasonable requests for products made by the proper County personnel. Pepsi-Cola personnel will fill machines twice per week or as needed. Deliveries and restocking of machines must be scheduled to not occur or interfere with individual County start and closing times. The Sheriff shall have final approval of food/drink containers, packaging, delivery schedule, and delivery process.

**D. Personnel:** Pepsi-Cola shall provide to the County Administrator a list of all personnel who will be servicing this Agreement, with this list to be updated with information as to any new Pepsi-Cola personnel who are servicing this Agreement, during this Agreement term. The names will be forwarded to the Sheriff for review. Any individual failing a background screening will not be allowed access to County facilities. The County Administrator shall be notified immediately of deletions or additions to the personnel list. Pepsi-Cola employees will wear the firm's uniforms and display identification.

### **3. FINANCIAL ARRANGEMENTS AND REVENUE SHARING:**

**A. Cost & Pricing Issues:** Cost for the food, snack & beverage products, for the first twelve months of the Agreement, to be provided by Pepsi-Cola to the County will conform to the response made by Pepsi-Cola to the County as detailed in this proposal.

After the first twelve months of this Agreement, should Pepsi-Cola desire to negotiate a cost increase for these products with the County, the said cost increase will be negotiated between the County & Pepsi-Cola, with cost increases to be limited to cost increases in the normal retail prices at area supermarkets in Champaign County, Illinois. Pepsi-Cola must provide a comparison of the product cost pursuant to this agreement, retail price in vending machines, and average retail price for the same period in area supermarkets, with the said retail prices not to include special promotions or weekend or holiday specials.

**B. Commission:** Pepsi-Cola will pay the County a commission of 10% on all snack revenues minus sales tax, and \$2.00 on 24pk can cases sold, and \$4.00 on all 24pk 20oz bottles sold on all beverage revenues. Pepsi-Cola will submit bi-annually sales data by facility and per vending machine, which said report shall detail calculation of commission amounts and total paid per machine, to the County Administrator, together with the commission check. Champaign County will have the right to audit these reports. If the County chooses to add, replace, or remove any existing Pepsi-Cola vending machine with a competitor's machine, the "revenue sharing" percentage and per case dollar amounts will be reduced by 50%. In addition, if the County chooses to remove or reduce beverages served in plastic bottles the "revenue sharing" Percentages and per case dollar amounts will be reduced by 50%. For example: (5% of total snack machine revenue less applicable sales tax, \$1.00 a case commission on every case of 24pk cans sold and \$2.00 a case commission on every case of 24pk 20oz bottles sold)

**4. TERMINATION OF AGREEMENT:**

**A. Termination for default:** Either party may terminate this Agreement upon a breach or default of this Agreement by the other party which is not cured within sixty (60) days after receipt by the defaulting party of a notice from the non-defaulting party, specifying the nature of such breach or default.

**B. Termination for Convenience:** Either party may terminate this Agreement for convenience, at any time during the term or any renewal or extension, upon sixty (60) days' notice to the other party.

**C. Consequences of Termination:** If this Agreement is terminated under any circumstances, the County shall pay Pepsi-Cola for any products provided pursuant to this Agreement prior to the termination date in accordance with the terms and conditions of this Agreement.

**5. INSURANCE & INDEMNIFICATION:**

Pepsi-Cola shall furnish certificates of insurance as follows:

Worker's Compensation insurance as required by law. Comprehensive General (Public) Liability to include (but not be limited to) the following: Premises/operation; independent contractors; personal injury; products/completed operation; contractual liability with a combined single limit for bodily injury and property damage of \$1,000,000.00 per occurrence. Pepsi-Cola may satisfy these requirements through a combination of primary and excess coverage.

Pepsi-Cola shall at all times during the duration of this agreement keep its equipment fully covered by its own insurance for any losses or damages caused by theft, vandalism, fire and other hazards.

Pepsi-Cola agrees to defend, indemnify and hold harmless the County, its officers, employees, agents and servants for claims for death, bodily injury and damage to tangible property caused by the sole negligence or a wrongful act of Pepsi-Cola in the performance of this Agreement, and to pay all claims, damages, judgments, legal costs, adjuster fees and attorney fees related thereto. None of the County's officers, employees, agents, servants or contractors are or will be deemed to be agents or employees of Pepsi-Cola and no liability is or will be incurred by Pepsi-Cola to such persons, except for bodily injury to such persons caused by Pepsi-Cola's sole negligence. The County agrees to defend, indemnify, and hold Pepsi-Cola harmless from any liability claim caused by the County's officers, employees, agents, servants, or contractors. Each party shall promptly notify the other of any claim for which indemnity is sought and shall cooperate with the other party in the defense of such claim. The indemnifying party shall have the sole discretion to defend and settle such claim.

**6. ENTIRE AGREEMENT:** This Agreement represents the entire Agreement and understanding between the County and Pepsi-Cola and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the County and Pepsi-Cola.

**7. SEVERABILITY:** If any provision hereof or the application thereof to any person or circumstance is held to any extent, to be void, invalid or unenforceable, the remainder of this Agreement, and the application of such provision to other persons or circumstances, shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.



8. **WAIVER:** The failure of Pepsi-Cola or the County to exercise any right or remedy available under this Agreement upon the other party's breach of the terms, covenants and conditions of this Agreement or the failure to demand the prompt performance of any obligation under this Agreement shall not be deemed a waiver of such right or remedy; or the requirement of punctual performance; or of any subsequent breach or default on the part of the other party.

9. **ASSIGNMENT:** Pepsi-Cola may not assign this Agreement without the County's prior written consent.

10. **GOVERNING LAW:** This Agreement shall be construed, enforced, and considered made in accordance with the laws of the State of Illinois. Any lawsuit filed in connection with this Agreement may be brought in, or removed to, the appropriate state court or the federal court situated in Illinois.

**IN WITNESS WHEREOF,** the parties hereto have caused this Agreement to be signed by their duly authorized representatives as of the day and year first above written.

**Pepsi-Cola Champaign-Urbana Bottling Co.**  
**A Delaware Corporation**

By:   
Name: Nick Carter  
Title: Vice-President of Sales and Marketing

**County of Champaign**  
**State of Illinois**

By:   
Name: Darlene Kloeppel  
Title: Champaign County Executive

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

Witness: TRAVIS A SWINFORD

Witness: 

**Exhibit "B"**

**Equipment List**

Machine Number	Current Retailer DBA	Machine Type	Model Number	Serial Number
11314	CHAMP CTY-MARK SHEL-WATER	WATCO	ALPINE JUG	08050668
11340	CHAMP CTY-ADMIN-WATER	WATCO	ALPINE JUG	08051121
11518	CHAMP CTY-LAUREL PRUS-WAT	WATCO	ALPINE JUG	09051555
12296	CHAMP CTY COURTHOUSE-FS	BEV	RV 350	12871372
12364	CHAMP CTY-STATES ATT-WATE	WATCO	ALPINE JUG	13120445
12542	CHAMP CTY COURTHOUSE	BEV	RV 650	145900504
12551	CHAMP CTY SHERIFFS OFF-NR	BEV	RV 650	146201010
12562	CHAMP CTY JUVENILE CT-FS	BEV	RV 650	147300667
12592	CHAMP CTY JUVENILE CT-SN	SNACK	SN 167	15008
12655	CHAMP CTY ADMIN SERV-FS	BEV	RV 650	151100253
12682	METCAD-CHAMP CTY-FS	BEV	RV 650	151500796
12716	CHAMP CTY COURTHOUSE-NR	BEV	RV 650	153001347
12757	CHAMP CTY SHERIFFS OFF-SN	SNACK	SN 158	15912361
12835	CHAMP CTY ADMIN SERV-NR	BEV	RV 650	164700174
12871	CHAMP CTY CORRECTION-SN	SNACK	SN 167	167048135
12920	CHAMP CTY ADMIN SERV-SN	SNACK	SN 167	167065283
12938	CHAMP CTY HIGHWAY MAIN-SN	SNACK	SN 167	167073480
12974	CHAMP CTY COURTHOUSE-SN	SNACK	SN 167	16726759
12975	CHAMP CTY ADMIN SERV-SN	SNACK	SN 167	16726760
13006	CHAMP CTY COURTHOUSE-SN	SNACK	SN 168	16814504
13113	CHAMP CTY COURTHOUSE-NR	BEV	RV 650	20002100086
13114	CHAMP CTY MAINTENANCE-NR	BEV	RV 650	20002100087
13248	CHAMP CTY ADMIN SERV-NR	BEV	HVV 780	2004231A00005
13265	CHAMP CTY HIGHWAY MAIN-NR	BEV	RV 654	200509KA00053
13338	CHAMP CTY CORRECTION-NR	BEV	RV 780	2006151A00010
13396	CHAMP CTY SHERIFFS OFF-NR	BEV	RV 654	200806KA00012

13558	CHAMP CTY CIRCUIT CLERK-W	WATCO	ALPINE JUG	2070387
13693	METCAD-CHAMP CTY-SN	SNACK	SN 148	27369
14603	CHAMP CTY COURTHOUSE-CF	COFF	COFF 675	675010705