



Pepsi Bottling Group Contract Questions & Answers

1. Why did the Board switch from Coke to Pepsi for beverage vending?

The Board issued an RFP and Pepsi provided a superior response.

2. How many companies responded to the Board's RFP?

Two companies responded to the RFP – Pepsi Bottling Group (PBG) and Coca Cola Canada.

3. How was Pepsi chosen?

A committee comprised of superintendents, principals and staff from our Purchasing Department reviewed the responses to the RFP, and interviewed representatives from each of the responding companies. The committee recommended Pepsi Bottling Group based on the interviews and written response as the company which most closely matched the Board's RFP.

4. When did the Board approve this recommendation from the Committee?

Trustees received this information at the Administration & Finance Committee meeting on April 3, 2006 and recommended the contract be awarded to Pepsi Bottling Group at the Board meeting on April 25, 2006 (Board Motion #151).

5. Is every school required to participate in the Board-Pepsi agreement?

No. Principals and school councils may decide not to participate in the agreement. However, schools that do not participate, may not substitute other soft drinks, juice or water products for Pepsi products. Milk may be substituted for Pepsi or Pepsi products.

6. What is the benefit to schools in this agreement?

Elementary schools will have juice and water. Secondary schools will have the flexibility to select juice and/or water, or a range of Pepsi products. Pepsi will provide and maintain vending machines according to Board and Ministry guidelines.

Schools also receive revenues based on the net sales of any Pepsi products. These products include Pepsi and other Pepsi soft drinks, juice and water.

7. What happens to the Board's share of revenues from the Pepsi agreement?

The Board's share of revenues will go to a reserve fund, which will be used to support board-wide initiatives.

8. Can School Councils or Principals purchase Pepsi products from other retailers for use at the elementary Pizza Days or other special lunch days at school?

Yes. Elementary Principals and/or School Councils may purchase Pepsi products or other brand name products from any retailer for school Pizza Days or other special lunch days.

9. If elementary Principals or school councils want to purchase Pepsi products for Pizza Days or other special lunch days, is there a discount?

No. There is no discount, however Pepsi will provide free delivery directly to the school as long as a minimum of 15 cases of 24 pack are ordered, and at least two weeks lead time is given.

10. How is the school share of the agreement calculated?

All monies paid by Pepsi to the Board are based on sales. The school receives revenues based on consumption paid to the Board.

11. Can students bring beverages other than Pepsi products in their lunch?

Yes. Students may bring beverage products other than Pepsi in their lunch.

12. Can outside agencies (third parties) bring other soft drink brands into the school for use in their activities?

Yes. Third parties may use other brands of beverage products for their activities, although the agreement prohibits the advertisement of other beverage products.

13. Can teachers donate soft drinks, juices, or water products to the school?

Yes. Donations are exempt from the agreement between the Board and Pepsi. Pepsi would like to have first option on donation of products.

14. When will revenues derived from the agreement be distributed to schools?

Revenues will be distributed to schools directly on a monthly basis.

For more information, please contact Donna L. Reid, Manager of Purchasing at 905-890-0708 ext. 24258