Background

- Keller ISD and Coca Cola Bottling Company of North Texas are parties to an exclusive beverage contract that runs through April 30, 2013.
- This contract grants exclusivity to Coca Cola with respect to carbonated and non-carbonated beverages that are sold, dispensed, provided, and consumed on district property, subject to certain very narrow limitations.
- In exchange for the granting of sole and exclusive beverage rights to Coca Cola, the district receives substantial annual sponsorship fees from Coca Cola.
- The district is responsible for encouraging that only approved products pursuant to the agreement are used in all district facilities and encouraged at all district sponsored or affiliated events and activities.
- The penalties for breaching the exclusive beverage contract could result in liquidated damages or termination of the contract, resulting in the loss of major funding for the district.

Statement of Exclusivity

- The contract with the Coca Cola Bottling Company of North Texas grants exclusive rights to Coca Cola for the sale and distribution of Coca-Cola products in and on facilities owned and operated by the school district.
- The district is responsible for ensuring that any KISD approved person or group that is selling or serving beverages in or on district facilities purchases and provides only Coca Cola products.
    - Any and all requirements, provisions or restrictions contained in the agreement with Coca Cola apply equally and without exception to booster clubs, PTAs, student organizations, and any other person or group that is selling or serving beverages in or on district facilities.
    - The requirements and provisions of the agreement shall also apply equally and without exception to any outside organization using a facility of the school district.
- For purposes of clarification and reference, the specific language in the agreement relating to exclusive rights granted to Coca Cola Bottling Company of North Texas and the ensuing obligations of the district is provided as follows:
    - *Advertiser (Coca Cola) shall have the exclusive right to make Beverages available for sale and distribution on campus. District agrees that Products shall be the exclusive Beverages sold, dispensed, served, or sampled at all locations and at all functions on the Campus. District agrees that District and all other persons serving Beverages on Campus, including without limitation concessionaires, food service vendors, team use, and booster clubs, shall purchase and provide only and all Products Advertiser produces and distributes.*

Beverage or Beverages Defined

- The terms Beverage and Beverages are carefully defined in the contract and apply specifically and exclusively to all beverage products used by the district, as follows:

- All hot and cold, carbonated and non-carbonated, non-alcoholic beverages, including but not limited to the following:
  - carbonated soft drinks
  - frozen carbonated and non-carbonated beverages
  - packaged waters
  - natural or artificially flavored fruit juices
  - fruit juice-containing drinks and fruit-flavored drinks (sweetened or unsweetened)
  - tea products
  - hypertonic, isotonic, and hypotonic drinks
  - energy and fluid replacement drinks
- All drink or beverage bases, whether in the form of syrups, powders, crystals, non-concentrates or otherwise, from which such drinks and beverages could be prepared.
- The following are not included in the definition of Beverage or Beverages:
  - fresh-brewed unbranded coffee and tea products
  - milk
  - water drawn from the public water supply
  - unbranded juice squeezed fresh on the Campus (see definition of Campus below)
  - fruit juices served in the District's cafeteria serving lines
  - other product purchased by food service facilities

- A complete listing of all approved Coca Cola beverages is available from the Purchasing Department.
-

Definition of Campus

- The term Campus as used in the contract does not refer solely to instructional campuses of the district, but to all district-owned and operated facilities, to-wit:
  - *The entire premises of each and every School and facility owned or operated by District either now or in the future, including without limitation, all elementary, middle, high, post secondary and alternative schools, athletic grounds, parking lots, all buildings which are a part of the location, all cafeterias, faculty and staff lounges, dining facilities, branded and unbranded food service outlets, concession stands, press rooms, sky boxes, stadium suites, vending locations, players benches, sidelines and locker rooms.*

Specific Prohibitions

- Items such as water coolers may not be placed on any district owned or operated property if the source of the water is not from one of the public water supplies serving the district.
  - In most cases, the water used in vendor-provided water coolers is not from a public water supply and is therefore not to be used in or on any district owned or operated facilities.

- Employees may bring competitive beverage products from home for their own personal consumption, however, they are prohibited from distributing such products to others while on district owned or operated property.
-

This administrative regulation does not prohibit the occasional use of donated non-coke products as long as district employees have not solicited non-coke products.