

Contractual Comforts

Benefits are pouring in from UNL's Pepsi deal

BY ERIN GIBSON
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Despite a shaky beginning, the UNL-Pepsi Cola beverage alliance finished strong this year in the minds and the pocketbooks of university students, faculty members and staff.

Those on campus said the high level of Pepsi contributions — about \$1.65 million this year — helped them ease into the new alliance, which benefited both Pepsi and the university.

The alliance gave Pepsi the exclusive rights to sell beverages on campus in exchange for about \$24.2 million over 12 years.

So far, the University of Nebraska-Lincoln has allocated about \$729,000 of the money it will receive in contract revenue this year.

Top beneficiaries included the university's Asian students, the Athletic Department, residence hall snack bars, the QwiKick convenience store and Student Affairs.

Soothing the masses

In spite of Pepsi's donations, many on campus weren't pleased with the alliance when it took effect in July.

At that time, Pepsi had a difficult time maintaining the quality of vending service on campus, said Sandy Watmore, UNL vending service liaison to local Pepsi distributor LinPepCo.

Her phone rang daily with dozens of complaints, most about understocked machines or from people wanting to buy another product on campus, she said.

"We had some growing pains, if you will, at the beginning," said

LinPepCo President Steve Ford.

But, Watmore said, Pepsi quickly learned the consumer patterns of campus and "bent over backwards" to fix the problems, she said.

Pepsi also complied with any department's vending requests, even if those requests included moving entire vending areas two or three times.

"They could really be angry for as many times as I've had to call them with special requests," Watmore said. "But they never complain about it, they always do it."

And now, almost eight months into the alliance, complaints have almost disappeared.

"I think it's going well," she said.

"Amazingly well," said James Main, assistant vice chancellor for business and finance, who oversees the Pepsi contract. "The fact that we made this transition last summer, and we did it without a lot of calamity, was a big surprise to me."

Drinking it up

Ford said the alliance is now "everything that (Pepsi) wanted it to be."

The alliance's biggest accomplishment has been its contributions to students, Ford said.

But Pepsi also sees benefits in its raised level of community outreach and its exposure, he said.

"The university reaches the entire state and actually, nationally, and that's been good from our perspective," Ford said.

Ford agreed Pepsi also benefits by developing product loyalty among students.

"If we didn't have the exposure on



SHANE ROKAHR, a UNL sophomore, crushes a Diet Pepsi can during a contest for the Earth Day celebration April 22. The beverage company donated Pepsi products to 72 student organizations' events this year, which was the first of 12 years in which the company has exclusive vending rights at UNL.

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campus, then somebody else would have," he said.

Main said the key to a smooth transition was open communication about the alliance, its purpose and its benefits to the university.

The smooth transition also was aided by the gradual dissolution of student discontent with the idea of one beverage provider, said Curt Ruwe, former president of the Association of Students of the University of Nebraska.

Ruwe was president when the beverage contract was signed.

"With that general discontent being done, students are starting to realize (the alliance) is creating a few opportunities they didn't have before," Ruwe said.

For many, those opportunities were most evident during September's giveaway-laden Pepsi Week and during this week's pop discounts in campus vending machines.

Another highly visible benefit was a \$49,500 allocation made to Student Involvement, which allowed the office to buy Pepsi products and offer them to student groups for free.

Lisa Fitzpatrick, a graduate student who works in Student Involvement, said 72 student groups received free Pepsi products so far this year.

Many of those groups, including the University Program Council, received free Pepsi products several times, Fitzpatrick said.

Brian Kennedy, UPC adviser, said the free Pepsi saved the council about \$50 on each event featuring free pop.

The Living Before Dead Week celebration held April 24 involved a larger co-sponsorship with Pepsi and included free T-shirts, pop and prizes.

On the dole

But other, sometimes more subtle

benefits have sprouted this year, according to records held by Kim Phelps, UNL finance director.

These benefits have risen from \$1.1 million in funds given directly to UNL and from the \$550,000 in interest UNL collects annually from an \$11 million endowment to the NU Foundation, Phelps said.

The following allocations were made from the fund containing \$1.1 million:

- \$120,400 to the Athletic Department, which used \$60,000 to start new women's sports programs in riflery and bowling.

- The rest of the money given to the Athletic Department paid for season tickets given to LinPepCo and to reimburse the department for ending an older contract with a bottled water provider.
- \$75,000 to Student Affairs, including \$30,000 to the LeaderShape program held in Ashland for 58 UNL students during spring break.

- The money paid for about half of the students who participated, said Marilyn Bugenhagen, director of Student Involvement.

- Another \$25,000 of the Student Affairs allocation went to the Social Responsibility Committee, which works to prevent substance abuse on campus.

- Bugenhagen, committee co-chairwoman, said the money paid for consultants to develop ideas for combating binge drinking on campus and to help UNL apply for a \$700,000 Robert Wood Johnson Foundation alcohol-prevention grant. The university has not received the grant.

- Student Affairs' last \$20,000 in allocated funds went to assist campus diversity programs.

- \$49,500 to Student

Involvement for providing free Pepsi products to student groups.

- \$100,000 to renovate residence hall snack bars.

- \$60,000 to improve campus vending sites.

- \$90,000 to help create the QwiKick convenience store now open in the Stadium Parking Garage.

- \$34,000 to reimburse UNL Landscape Services and custodial services for keeping vending areas clean and accessible.

- \$25,000 to pay Watmore's salary.

Only one allocation has been made thus far from the fund containing this year's interest on the \$11 million endowment. That \$120,000 allocation helped Asian students from Pan-Pacific countries by temporarily funding their tuition after their countries' economies crashed.

A committee of administrators, faculty members and students will decide May 14 how to spend the remaining \$430,000 in interest from the endowment.

Two more allocations of contract revenue are imminent.

Phelps said the university will split about \$54,000 between the Office of University Housing and the Nebraska Unions.

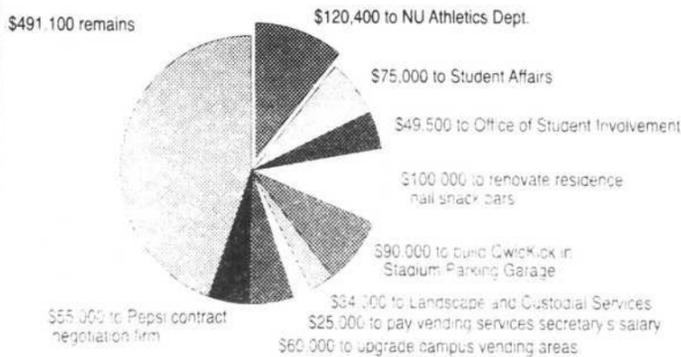
Ford said UNL should divide another \$40,000 into equal scholarships for 40 incoming freshmen who have distinguished themselves in volunteerism.

Money not allocated this year from either Pepsi fund will remain available for more student-oriented funding next year, Phelps said.

"I think it's providing some good opportunities for students," UPC adviser Kennedy said. "But I do think it's mutually beneficial for both Pepsi and for students."

Pepsi contract funds received and allocated by UNL

Allocations from \$1.1 million annual Pepsi donation



Allocations from interest on \$11 million Pepsi endowment



Source: UNL Office of Fiscal Affairs

JON FRANK/DN