



COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION

Office of the Comptroller

**DATE:** October 25, 2016  
**TO:** Theo Lipscomb, Sr., Chairperson, County Board of Supervisors  
**FROM:** Scott B. Manske, Comptroller  
**SUBJECT:** Amendment to Vendor Permit Agreement with Sprecher Brewing Company, Inc.

**Issue**

My office received questions regarding File No. [16-579](#), *From the Director, Department of Parks, Recreation, and Culture, requesting authorization to amend its Agreement with Sprecher Brewing extending the term through December 31, 2022, to allow Milwaukee County to use Sprecher's equipment in the operation of the traveling beer garden concession.* We were asked to discuss 1) the effect of the Amendment on the terms of the Vendor Permit Agreement and 2) the value of the Agreement and Amendment.

**1) Terms**

Under the original Agreement, DPRC and Sprecher agree to work together in the operation of two traveling beer garden concessions throughout the Parks System for a term from March 23, 2015, through December 31, 2017. Sprecher shall donate at least \$32,000 each summer season to The Park People, Inc., for improvement projects at parks visited by the traveling beer garden. Sprecher shall provide a mobile food and/or beer unit, equipment, and seating at each concession. The County shall manage the operation of the concession through staffing, service, and sales of food and beverages; purchase food and beverages from Sprecher for sale at the concession; purchase bottled root beer for marketing; and retain all revenue from food and beverage sales.

The pending Amendment makes the following changes. It recognizes the original Agreement scheduled through 2017; extends the Agreement through 2022; requires Sprecher to provide a larger truck for one tour and provide additional refrigeration equipment for another tour; removes the page listing prices the County will pay Sprecher for food; and clarifies that the beer garden shall exclusively sell Sprecher

beverages while the County may contract with other food vendors to sell additional food options.

## 2) Value

The pending Amendment and the original Vendor Permit Agreement do not result in a monetary transaction between DPRC and Sprecher. The County, not Sprecher, is operating the traveling beer garden, so the Agreement is technically not granting a vendor permit. The arrangement can instead be viewed as a license or lease of equipment within a park. Deputy Corporation Counsel Paul Kuglitsch has explained that DPRC is in effect leasing equipment under formal contract issued via the Request for Proposals process for use on County property. That lease is the question before the Finance and Audit Committee.

The purchase of food and beverages from Sprecher is controlled by a price agreement which follows Chapter 32 of the Milwaukee County Code of General Ordinances. While the original Agreement (lease) calls for the somewhat exclusive purchase from Sprecher for the two tours and the Amendment tightens the exclusive use of Sprecher's beverages, the price of the beverages will be controlled by bids and purchase rules. Under the price agreement DPRC purchased \$147,350 in Sprecher products for retail in 2015, for example. That price agreement is not before the Committee. The County Board and its committees currently do not review price agreements. Milwaukee County is still evaluating the impact of 2013 Wisconsin Act 14 on procedures for the purchase of goods and commodities.

The price agreement could exist independently if DPRC only wanted to purchase beverages. However, under the lease, Sprecher provides equipment for the traveling beer gardens.



Scott B. Manske  
Comptroller

Cc: Supervisor Peggy A. West, Chairwoman, Finance and Audit Committee  
Chris Abele, County Executive  
Finance and Audit Committee  
Paul Kuglitsch, Deputy Corporation Counsel  
Colleen Foley, Interim Corporation Counsel  
John Dargle, Jr., Director, Department of Parks, Recreation, and Culture (DPRC)  
Megan Haeger, Contracts and Projects Manager, DPRC  
Kelly Bablitch, Chief of Staff, County Board  
Raisa Koltun, Chief of Staff, Office of the County Executive  
Teig Whaley-Smith, Director, Department of Administrative Services  
Steve Cady, Research & Policy Director, Research Services, Office of the Comptroller  
Jessica Janz-McKnight, Research Analyst, Research Services, Office of the Comptroller  
Janelle Jensen, Senior Committee Coordinator, Office of the County Clerk