

COUNTY OF MILWAUKEE
Inter-Office Communication

DATE : October 24, 2017
TO : Supervisor Sheldon Wasserman
FROM : Brian Dranzik, Airport Director
SUBJECT : Requested Information from October 13 Budget Hearing Org. Unit 5040

Per your request related to uniform pricing in contracts and its application, in particular to fresh fruit. The airport concessions contract that it has with its vendors contains the following language:

Obligations of Concessionaire

B. Quality and Pricing

(2) Concessionaire acknowledges and hereby further agrees to comply with County's Competitive Pricing Policy for all concessions at the Airport, which is designed to provide the traveling public and other Airport visitors with high quality products and a high level of service at prices similar to those found in similar establishments that are not located at the Airport ("off-Airport"). Specifically, Concessionaire agrees to only charge a price for a particular item that is either the same as the manufacturer's suggested retail price or is no greater than 110% of the average price for a comparable product at Benchmark Locations. In no event will prices changed by Concessionaire exceed to prices displayed on the items being sold.

Airport vendors are required to follow the County's Competitive Pricing Policy with an allowance to mark up an item up to 110% by contract.

In the example that you pointed out in committee of the price of apples, market data for the prices of apples in retail outlets in the Milwaukee area shows an average price of an apple at \$0.87, with the mark up allowed under contract, the price that vendors are allowed to charge is \$1.99.