

SweatFree Procurement Forum for Purchasing Officials
Conference Call #1 Minutes
March 27, 2008

Present:

Mark Rosaaen, San Francisco, CA
Henry Oyekanmi, Berkeley, CA
Farshid Yazdi, Los Angeles, CA
Bill McAvoy, MA
George Noel, MA
Tom Jones, MA
Mary Ellen Voelz, Milwaukee, WI
Byron Johnson, Austin, TX
Urcha Dunbar-Crespo, Austin, TX
Cynthia Gonzalez, Austin, TX
Sam Dominguez, Austin, TX
Colleen Gardner, NY State
Monica Wilkes, NY State
Betty Lamoreaux, Maine
Jeff Baer, Portland, OR
Bjorn Claeson, SweatFree Communities, facilitator
Vicki Kaplan, SweatFree Communities, note taker
Nancy Steffan, Worker Rights Consortium, guest presenter

Introduction

- Polling of procurement officials indicated interest in participating in discussion forums
- Polling also indicated need for support in gathering factory information from vendors and suppliers, hence the topic of today's call will be factory disclosure
 - o Even though disclosure is a part of sweatfree policies, there is difficulty in streamlining a common process and set of guidelines, and getting complete and accurate information from vendors
 - o SFC developed a document for feedback, which is discussed on this call

What have been your experiences in gathering factory information from vendors?

- Maine has had anti-sweatshop legislation since 2001 and disclosure is now just part of the way we do business. Get affidavits from vendors providing apparel, textiles, and footwear. At first, got pushback from vendors because they thought it would cost more and would be sharing trade secrets. Now, Maine almost never gets a bid from someone who hasn't supplied the appropriate documentation. And they don't complain.
- Milwaukee's concern is with affidavit; vendors sometimes refuse to submit it. Some vendors send us their code of ethics, but does that count? Are we asking for too much information—wage and hour info?
- **Betty and Bjorn will send affidavits and other materials** we've collected via email. We hope to develop a common form.
- Maine's affidavits certify that the manufacturing plant that we purchase our goods from meets our guidelines; not everyone the vendor does business with.
- Milwaukee's policy requires wage and hour info.

- San Francisco's policy requires lots of information and did require complete compliance; in 2 years, no one completely complied with ordinance. Deal breakers were: 1. the right to inspect factories; 2. liquidity to damage clause. Amended ordinance allows city to award contract to most compliant bidder even if that bidder isn't 100% compliant.

Guest presentation, Nancy Steffan, Worker Rights Consortium:

- Outsourcing is now the rule.
- Terms:
 - o Manufacturer/Brand: places order for products. Important level of supply chain because they decide what factories to hire and therefore have control over labor practices. Examples: Blauer, Dickies.
 - o Factory: production facility; this is where labor standards apply for sweatfree policies. Referred to as "cut and sew." Additional embellishment, ie uniform nametags, may be done somewhere else. Most are "full package" factories (cut, sew, iron, package, apply price tag).
 - o Agent and parent company: manufacturer sometimes uses an agent to hire factories. If you ask for agent and parent info, you are more likely to get accurate factory disclosure info.
- Austin's problem has been that we're only getting very basic info. Bidder will generally be local company, and they'll disclose the manufacturer, but manufacturer only names the country where the factories are, not the location of the factory. Blauer wants us to sign a confidentiality agreement.
- Maine can't get an affidavit from Blauer either. We got a higher quality jacket for \$45 less each from a compliant company and will get the name for you.
- Byron would like to see this kind of information on SweatFree Communities website so that we can share that information
- We'd like to find a happy medium where we're asking for information that we will actually get v. asking for so much that we don't get anything.
- Portland suggested that it would be helpful if we use the same definitions for "factory" and other parts of the supply chain as those in the State and Local Government SweatFree Consortium White Paper (available here: <http://www.sweatfree.org/whitepaper>). Over time, we should be working to have a more visionary achievement where we do drill down to more detailed levels.
- Austin agreed that we need a starting point to go on, and then once we get going we can ask for more information.
- In Los Angeles, Dickey's was not disclosing at first, but came around. This enabled us to do factory investigations, with some very good results.
- Austin suggested a system that would make a business eligible in one city if they were eligible in another.
- Bjorn's added that our ability to make the disclosure process easier for vendors and more productive for us will be helped by having: 1) common disclosure forms; 2) State and Local Government SweatFree Consortium
- **Bjorn will send out list of manufacturers** that have provided factory info and affidavits
- Maine agreed that the Sweatfree Consortium would allow us to verify that what companies are telling us is true; none of us on our own have a budget to do the investigations that the Consortium would allow us to do.

- A suggestion was made to eventually create a certification program for sweatfree certification similar to green certification.
- Bjorn: Right now the type of information that is being collected includes location, types of products, type of production, wage and hour question (not all cities and states require it, but some do). How to ask for this info? The problem with even asking for it is that wages are so low across the board in the apparel industry that unless you're looking at certain North American suppliers, there are hardly any factories that pay what our policies define as a non-poverty wage. If they want the contract, they have to say that they comply. We don't want to give companies incentive to provide false information. A potential solution to this dilemma is to ask for commitment/timelines from vendors to achieve non-poverty wages; this would create a partnership between city and company.
- Austin is concerned that this could get us into a gray area of judging which companies are making an effort in the right direction. We would need to require something specific in order to use a gatekeeper type of approach.
- Massachusetts would like to see the disclosure document on the website; Bjorn explained that it is in draft form now and he will post it once we've received comments and edited it.

Next calls:

- There was consensus for monthly calls (at least start with monthly and we can evaluate in the future). Calls will be the 4th Thursday of every month, from 4 pm Eastern/3 pm Central/2 pm Mountain/1 pm Pacific, lasting one hour.
- Colleen suggested the next call topic be wage and labor standards; there is also interest in reviewing the outcomes of the Cambodia study
- **Bjorn will send out website info for where to find our list of policies**