

Sweatfree Purchasing Consortium Interim Steering Committee

July 7, 2009- 1:00-2:15pm ET

Present

- Bama Athreya, International Labor Rights Forum (facilitator)
- Liana Foxvog, SweatFree Communities (note taker)
- Bjorn Claeson, SweatFree Communities
- Roxana Dietz, State of Pennsylvania
- Colleen Gardner, State of New York
- Betty Lamoreau, State of Maine
- Carmen Herrera, City of San Francisco
- Farshid Yazdi, City of Los Angeles

Agenda review

The agenda was reordered to prioritize discussion for the beginning because Roxana had to leave early.

PA independent monitoring contract: Roxana raised a question about whether a funder of the Consortium could join it – that may be a conflict of interest. Bama thought that having U.S. DOL fund the Consortium should be a priority above having the agency join the steering committee. Bama and Roxana suggested softening the language in the first sentence. If we ask U.S. DOL to join the committee, it may restrict their ability to participate as a funder.

Decision: The group supported the text of Michaud's letter with the following edits: Colleen's correction shared over email and changing "member of the committee" to "liaison to the committee." Bjorn will make these edits.

Should have a forum for joint decision-making and coordination. The Consortium is the vehicle through which that can happen: it will provide the database, shared knowledgebase, and a forum for discussion and decision-making.

Need to provide a comprehensive set of monitoring services and these services need to be accessible to all public entities that want the services. The PA contract for independent monitor can achieve this.

The most challenging question is cost-sharing possibilities. There could be several options, which Bjorn outlined in the least practical to the most practical.

- 1) One city/state pays for all monitoring expenses and then gets reimbursed from others. Practically these reimbursements could be difficult.
- 2) One city/state collects all revenues from vendor fees (for ex. on basis of cooperative apparel contract) and then pays for all the cooperative independent monitoring services. Stembler thought that it's theoretically possible but practically difficult; Minnesota tried this and it took a long time and there were accounting issues.

- 3) The Consortium collects all the fees on a cooperative apparel contract and then pays for all the monitoring. This is similar to how NASPO and WSCA operate – expenses are approved by the members and administration is done through the Consortium.
- 4) The monitor bills each city/state up front for their share of the monitoring based upon a formula that would need to be determined. Each city/state would issue its own purchase order to the monitor and issue separate checks. Stembler thought this would be easiest.

Comments: Betty liked #4. Had concern with #3 because not all of Maine's vendor fee income is allotted to go to monitoring. Bjorn clarified that under #3, it would be fees from cooperative apparel contracts not on Maine's fee on vendors and Betty agreed that could be workable.

Farshid encouraged going with the simplest, most practical option. Suggested going with xxx option.

Bama agreed that we are trying to look for the most streamlined option, which would also be the most cost-effective. But it may be that the streamlined option may not be feasible under city/state contracting laws.

Roxanne: PA received a copy of the IM contract from CREA today. It has now gone to OH and OR for their signatures and then will be ready for usage. If you need worker outreach and education, you can have CREA come back and provide a quote on the cost. Bama asked whether Option A (Consortium arranging for the monitoring of its members and providing a decision-making function) would work with PA contract.

Bjorn: There's a difference between the Consortium being the decision-maker and the contracting agent. Farshid does not think there is a conflict of interest with

Colleen said that she had assumed it would be Option A, and thinks it's the best option. Assumed that part of the dues to the Consortium would include the contract with the monitoring agent. What is the cost for a contract with an independent monitor? Roxana said that an investigation would run about \$15,000.

Bjorn clarified that under Option A the Consortium would contract out the monitoring.

What's the universities' cost? Farshid: LA's cost is \$50,000 annually, which includes two full-scale investigations of \$12,000 each. Bjorn: Each university that is a member of the Worker Rights Consortium pays 1% of licensing fees. Bama said that it's a non-profit organization that raises funding from foundations to support their costs. B

Bjorn: We need to clarify whether XX is a conflict of interest? Farshid thought that it isn't.

Roxana: With CREA or WRC there should not be a conflict of interest.

[fill in other notes]

Roxana: Wondered about this possibility: if all states directed 1% vendor fee to the Consortium, State could issue purchase orders to monitor and ask them to send the invoice to the Consortium. Possible problem is that

Farshid shared that LA is not charging that 1% and many others aren't either. LA's funding is specifically funded appropriation.

Bjorn: An alternate proposal would be for the Consortium to collect the 1% on the cooperative apparel contract. Since all states will probably not be able to be part of same contract, may need various options for monitoring. Question: Will #4 (above) be possible

Farshid will ask LA city attorney about cost-sharing possibilities under LA contract and ordinance.

Key question to answer: If the Consortium is the primary contracting agent, how to people pay into the contract? Farshid: The deliverables are spelled out in the contract and the WRC sends invoices which the city pays. Every full investigation is set to cost \$12,000; reports and outreach have specific dollar amounts attached to them. Believes that the Consortium could issue invoices to each city/state.

Bama: The useful role for the Consortium is to evaluate information and to identify past knowledge and reports on the factory/brand.

Bjorn: Three scenarios for payment:

- 1) The Consortium collects money from members as needed and then combines these payments to pay the monitor.
- 2) The Consortium holds the members' money and then pays the monitor as needed.
- 3) The monitor invoices each entity separately.

Updates

Consortium invitation mailing: Mailing to 88 cities/counties/states should be out by the end of the week. Bjorn personalized the letters. All public entities

Consortium financial report: On income side have \$1200 (\$500 from Austin and \$700 from Milwaukee) and on expense side have \$200 for printing of letters and envelopes.

Maine's 1% fee: Got the first check under the new vendor fee. There was not any negative reaction from the vendor. It is now a part of the way Maine does business and it's feels good to have institutionalized that.

Next meeting:

The group agreed to move our meetings to First Wednesdays of the month at 10am Pacific / 1pm Eastern for 1 hour. Our next meeting is on Wednesday, August 5 at 10am Pacific / 1pm Eastern.

For the agenda: Spell out the two lead options more clearly. Invite Paul Stembler to join. Certain members of the group. (Update following the meeting: Bjorn received confirmation

from Paul Stembler, Cooperative Development Coordinator & Kathryn Offerdahl, Analyst, WHISCA/NASPO that they will join the Aug. 5 meeting.)