



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Meeting Minutes - Draft SWEATFREE PURCHASES, COMMITTEE ON

Tuesday, November 9, 2010

12:00 PM

210 Martin Luther King Jr Blvd
Room 103A (City-County Building)

Telephone Conference Bridge:

The call in number is: 1-877-336-1829

The access number is: 4268950

The host number is: 8124

CALL TO ORDER / ROLL CALL

Present: 3 -

Jonathan D. Rosenblum; Mary E. Bottari and Carol Bracewell

Excused: 2 -

Satya V. Rhodes-Conway and Daniel Cox

GUESTS:

Lara Mainella, City of Madison Asst. Attorney,
Steven Klett, City of Madison Purchasing
Bjorn Claeson, Interim Coordinator, Sweatfree Purchasing Consortium
Josh Bergman, Senior Account Manager, Galls Inc.
Ed Friedler, Asst. Gen. Counsel ARAMARK / Galls
Dani Halfhill, Team Leader, Central Team, Galls, Inc.
Brian McBrayer, Sales Manager, Galls, Inc.
Benny Belcher, Galls, Inc.
Missi Miller, Sales Contract Associate, Elbeco, Inc.
Roy Spiewak, CEO, Spiewak & Sons, Inc.
Sol Jacobs, Vice-president of Sales, Spiewak & Sons, Inc.
Jeremy Jenniges, President, Streichers

PUBLIC COMMENT

None

ITEMS TO BE CONSIDERED

1. [20341](#) Introduction Vendor Forum

Exhibit A - Invitation to Vendors

Mary Bottari welcomed participants and introduced the committee's function to look at the ordinance that was passed in 2005. She also stated the purpose of the meeting to hear from vendors as to their concerns and challenges in complying with the City's ordinance.

Jonathan Rosenblum provided the context for the discussion by describing actual factory conditions that pose dire health and safety risks for workers that include children. A 2008 study by Sweatfree Communities documents a series of issues ranging from ergonomic issues to verbal, physical and sexual abuse, etc. in these factories that have resulted in numerous deaths. While on one hand, the apparel industry is a productive one that fills an important need for goods and services, it also represents a human condition, which in some ways, we, as citizens are all responsible for. In the last 10-15 years, there has been an important trend to ensure that the products and services that are purchased by governmental bodies are produced under fair and safe conditions. Organizations have created a basic monitoring system that require manufacturers, suppliers and licensees to agree in their contracts to comply with minimum standards under US law or international labor conventions. This process of supplying information to municipalities and states has gained momentum and has had useful results for monitoring entities like Fair Labor Association and the Worker Rights Consortium. The City of Madison sweatfree committee is engaged in developing and overseeing an open process that also provides opportunities for vendors to engage in these standards for compliance. The information provided by vendors can be processed to ensure fair labor standards, ensure worker health and safety and ultimately save lives.

No formal action was taken on this item.

2. [20343](#) Brief Background of the Intent of the Ordinance

Madison General Ordinance (MGO) 4.25 was created to ensure that city procurements of apparel of \$5,000 or more are not made from sweatshops. Minimum workplace standards, which are intended primarily for suppliers located outside the US where applicable law or practices do not already provide the minimum protections necessary, must be complied with by contractors and subcontractors.

No formal action was taken on this item.

3. [20344](#) Overview of the Role of the Sweatfree Purchasing Consortium

Exhibit C - Sweatfree Purchasing Consortium Introduction

SPC assists member agencies to pool resources, efforts, information, technology to meet their goal of sweatfree purchasing. Current Members include 4 States – ME, NY, PA, WI and 8 Cities - Ashland, Oregon, Austin, Texas, Berkeley, California, Madison, Wisconsin, Milwaukee, Wisconsin, Portland, Oregon, San Francisco, California, Seattle, Washington

SPC has 2 functions: 1) develop a database that would connect government purchasers to pre-screened sweatfree suppliers and 2) coordinate complaint-based investigations of working conditions.

Participants asked questions about:

- **Role of the consortium in helping with investigations or following up with complaints or violations- (Mainella/City). SPC is an independent organization still in the process of developing such guidelines. Website: www.buysweatfree.org- (Claeson/SPC)**

- **Source of revenue of SPC (Jeremy/Streichers) – Currently, funding comes from dues from member organizations like Madison who paid \$500. Future source of funding is being discussed. - (Claeson/SPC)**

- **What does SPC offer that other preceding organizations have not offered, e.g. Worldwide Responsible Apparel Production (WRAP)? - (Belcher/Galls). WRAP is a program for factories that monitor working conditions and is mainly industry based, whereas SPC is a non-profit organization that provides monitoring services to government agencies and seeks transparency in supply chains related to public procurement processes. - (Claeson/SPC). Rosenblum offered that as one who has been involved in the development of these monitoring processes over the years, the key word to distinguish these organizations is transparency. There is concern about the degree of public accountability and assurances that labor standards are met when industry is itself sponsoring its own monitoring. SPC seems to be following the models of code of conduct that organizations like Fair Labor Org. and industry/vendors alike have participated in developing.**

- **The relationship between/among SPC, Unite and Sweatfree Communities. (Spiewak/Spiewak) SPC is an independent organization whose members are comprised of two-thirds government member agencies and one-third, labor rights experts. SPC is not an advocacy group and has no board members from either Unite or Sweatfree Communities.**

No formal action was taken on this item.

5. [20016](#) Dates and agenda for future meetings

Discussion of comments and results from vendor forum

4. [20345](#)

Discussion

Exhibit B - Vendor Forum Questions2

Exhibit D - Seatfree Bidder Disclosure Statement

General comments, concerns and questions from vendor participants:

- **Vendors expressed their support and concern about this issue. Compliance is important as well as honoring their commitment in protecting workers throughout the world.**
- **The ordinance has broad requirements for vendors or distributors to certify compliance of manufacturers/factories/brands with local, national or international standards, e.g. OSHA or ILO conventions. How would vendors certify back to the City of Madison that local US (OSHA) laws are complied with in factories outside the US? (Friedler/Galls)**

- **Disclosure of factory locations puts businesses at a competitive disadvantage. If provided to government agency, can some of the information be withheld, as in some federal processes that use the Federal Freedom of Information Act? (Friedler/Galls, Spiewak/Spiewak). Rosenblum commented that companies who previously withheld these information actually found it more valuable to disclose the information than the perceived value or experience in the competitive industry in that it added to the profile of the sweatfree debate. Asst. City Attorney stated that the City could not withhold such information unless it would be considered intellectual property or trade secret.**

- **Brands struggle with finding factories that can comply with fair wage and labor standards, are reliable and produce quality items. Most factories in Asia will not comply with fair wage. The only way to comply would be to segregate portions of the factory that produces uniforms under the contract. This is a competitive process in the industry. (Spiewak/Spiewak)**

- **The forms are structured to be filled out by bidders who rely on actual manufacturers to provide the information, who in turn, do not have a lot of control down the supply chain. Even as manufacturers, they are somewhat removed from the factories that they contract with. (Belcher/Galls, Spiewak/Spiewak)**

- **Increase cost of bidding. Need to ascertain the practical considerations of charging bidders without the benefit of a contract. (Belcher/Galls)**

- **Concern about how the City would deal with complaints from competitors who try to undermine the award of the contract. (Spiewak/Spiewak)**

- **Need to look at enforcement mechanisms that encourage compliance rather than a process that is driven by penalties. Acknowledge the process as one that provides opportunities for corrective action and seeks continuous improvements in the industry. (Belcher/Galls)**

- **From a business and profitability standpoint, it is important for bidders/vendors/manufacturers to understand the evolution and timing of these rules to ensure that they can provide for cost strategies and mechanisms to recoup these costs into multi-year contracts. (Belcher/Galls)**

End of Vendor Forum

No formal action was taken on this item.

6. [19185](#) Announcements

None

ADJOURNMENT

A motion was made by Bottari, seconded by Bracewell, to Adjourn. The motion passed by voice vote/other.