

Review Panel Recommendations, 02/10/15

In its role as advisor to the City according to Uniform Management Program RFP Section 2.6.1.3, which states "The City will evaluate the integrity of the compliance plan and may consult the SPC or outside experts to determine whether or not the compliance plan is adequate and may request an improved compliance plan as necessary", the Review Panel finds that the compliance submission by Galls is incomplete and inadequate. The Panel recommends that Galls submit the following:

1. A "Present Compliance" form (Attachment D, Section IV) must be submitted for the factories of each brand/manufacturer where the total aggregate value of contract items is \$25,000 or higher, in accordance with RFP Section 2.6.1.1. The Panel's understanding is that this would apply to five of the Galls subcontractors: 5.11, Gerber, Elbeco, SanMar and Point Blank. Thus there needs to be a separate form submitted for each one. Additionally, Galls should be aware that if any other brand/manufacturer exceeds the \$25,000 threshold during the course of the contract, a compliance form must be submitted for them as well.
2. A "Plan to Prevent Non-Compliances" form must be submitted for each factory that supplies items valued at \$25,000 or higher, in accordance with RFP Section 2.6.1.3 and Attachment D, Section VII. The Panel expects each section of the form to be completed, which deal with purchasing terms, trainings, the reporting of Code of Conduct violations, and health and safety measures. Additionally, Galls should be aware that if any other factory exceeds the \$25,000 threshold during the course of the contract, a plan to prevent non-compliances must be submitted for them as well.
3. For these and any other compliance submissions, the Review Panel urges transparency and honesty and the City should assure the vendor that this will be rewarded rather than penalized. The Panel would consider compliance plans that disclose violations and discuss ways to address them to be more credible. Accordingly the Panel expects a level of detail that reflects a serious effort at understanding current employment conditions and correcting violations or possible violations. It is not adequate for Galls to rely on the framework expressed in its Appendix A. The past 15 years of U.S., European and other labor monitoring activity should have prepared Gall's suppliers to undertake verifiable reporting and compliance activities that are called for in Madison's ordinance. The city gave Galls ample notice of these requirements. If Galls claims that they are constrained by their role as "distributor," as they state, then the whole monitoring and improvement process--the whole Madison ordinance-- fails. However, history has shown that suppliers are well-advanced in their ability to quickly and efficiently provide this information, more so than distributors may know or be told. It is highly probable that there are up-to-date industry audit reports on every factory that has made or will make the products under the Madison contract. Although those reports may be compromised by conflict of interest and are notorious for not addressing issues that are difficult to measure—such as violations of freedom of association and collective bargaining rights—they are nonetheless a starting point to help Galls take responsibility for violations that are known to the

industry. Galls is expected to work with the brand/manufacturers to provide all information called for in the RFP and contract. Moreover, relevant supporting documentation such as factory monitoring reports, wage and hour statements, brand/manufacturer compliance plans, factory personnel policies, or similar material, would build confidence in this process and be helpful in demonstrating the accuracy of the information disclosed in the compliance forms.