

**Attachment B**  
**3/30/2011 Meeting Agenda - Committee on Sweatfree Purchases**  
**Sweatfree Compliance Gate Short Form**

**Increasing competitiveness of Sweatfree Compliance on City of Madison apparel bids.**

**Summary**

- Points are awarded in competitive areas of apparel bids.
- Local preference is defined to earn 5% of the total points in the contract.
- Sweatfree compliance has been mandatory, so it has not been awarded points, thus vendors are not competing on compliance.

To remedy this situation without devaluing Sweatfree compliance, Purchasing will adopt two strategies:

1. A minimum threshold level of Sweatfree compliance (a "gate").
2. A competitive "range" of points earned for higher compliance.

A vendor's "Percent of Compliance" will be determined based on the completion of Bidder Disclosure Forms for each apparel item. (See "Calculating Percent of Compliance" below.)

**Gate**

- Only vendors with a Percent of Compliance above the established gate level will go on for further evaluation.
- The gate can be set at less than 100% to start, and increased from year to year, moving toward 100% compliance.

**Range**

- The Percent of Compliance above the gate will be translated into a percentage of the available bid points established for Sweatfree Compliance for the given bid.
- The range from the gate% to 100% compliance shall be mapped to a range of 0% to 100% of the available bid points established for Sweatfree Compliance.
- % of available points awarded =  $(\text{compliance\%} - \text{gate\%}) / (100\% - \text{gate \%})$

Example 1: In Year 1, the gate is **50%** and Vendor A Compliance is **65%**

$$(65 - 50) / (100 - 50) = 15 / 50 = 30\% \text{ of avail SF points}$$

Example 2: In Year 2, the gate is **60%** and Vendor B Compliance is **65%**

$$(65 - 60) / (100 - 60) = 5 / 40 = 12.5\% \text{ of avail SF points}$$

## Calculating Sweatfree Compliance

- Vendor will complete a Bidder Disclosure Form (BDF) for each apparel item listed on the bid evaluation spreadsheet.
- Items made at the same facility can be grouped onto one BDF, but each item will count separately toward compliance on the spreadsheet.
- Purchasing Staff will evaluate each BDF and enter a percent compliance for each.
- Total Percent of Compliance for the whole bid is calculated automatically by the spreadsheet.
- **Facility information** that is accurate and complete will earn up to 75% of form compliance.
- The goal is to determine the "cut-and-sew" factory, not the business headquarters of an apparel company.
- **Wage information** that is accurate and complete will earn up to 25% of form compliance.
- Compliance for an item is also weighted based on what dollar portion of the total contract the item represents.

### Calculating Sweatfree Compliance by item

Item weight = \$ Value of Item / \$ Total Value of Contract

Item scores 75% credit for accurate Location (L)+ 25% credit for Wage details (W)

$(L + W) \times \text{Item Weight} = \text{Weighted Compliance}$

Sum of all items Weighted Compliance = Total Percent of Compliance

See spreadsheet for example:

Existing Bid Spreadsheet:					\$11,000.00 Total					
#	Description	Unit Price	Ext Price	Product quantity	Item Weight (% of total \$)	Factory location	Factory Credit	Wage Details	Wage Credit	Weighted Compliance
18	Under Armor t-shirts, etc, men's	\$3.50	\$3,500	1000	31.82	Yes	0.75	Yes	0.25	32
19	Under Armor t-shirts, etc, women's	\$3.50	\$3,500	1000	31.82	Yes	0.75	No	0	24
20	Under Armor t-shirts, long-sleeved	\$4.00	\$4,000	4000	36.36	No	0	No	0	0
					100.00					56
										<b>Total % Compliance</b>