



**Annual Membership Meeting**

June 5, 2012

**Members present:** Sam Dominguez, City of Austin, TX; Carmen Herrera, City and County of San Francisco, CA; Michele Reale and Colleen Gardner, State of New York; Scott Andrew and Krin Flaherty, City of Ithaca, NY; Bambi Tefft, State of Maine; Lee Tuneberg, City of Ashland, OR; Farshid Yazdi, City of Los Angeles, CA; Cindy Matz, City of Milwaukee, WI; Monette McGuire, City of Madison, WI; Stacy Foreman, City of Portland, OR; Jerry Hoffstein, University City, MO.

**Additional Board members present:** Eric Dirnbach, Ian Robinson, Judy Gearhart, Bob Ross

**Non-member public entities present:** John Deighan, Allegheny County, PA; Freddie Dunlap, City of St. Louis, MO; Leonora Locket, Cuyahoga County, OH; Robert Rodarte, City of Santa Fe, NM; Daniel Soper, State of Washington.

**Observers present:** Ellen Love, San Francisco; Lauren Bragin, Los Angeles; Cam Duncan, Santa Fe; Laurie Konwinski, Ithaca; Sarah Niccoli, Albany, NY; Kristin Beifus, Seattle, WA.

**Additional presenters present:** Teresa Haas, Worker Rights Consortium; Bob Stumberg, Harrison Institute for Public Law, Georgetown Law School; Bjorn Claeson, Sweatfree Purchasing Consortium.

The meeting was called to order at 1pm EST by Bjorn Claeson, Executive Director.

**1. Election of Board of Directors**

The following individuals were nominated to serve as Directors of the Sweatfree Purchasing Consortium:

Ex Officio representatives of public members: Sam Dominguez (City of Austin), Carmen Herrera (City and County of San Francisco), Jacque Larrainzar (City of Seattle), Michele M. Reale (State of New York), Bambi Tefft (State of Maine), Darlow "Lee" Tuneberg (City of Ashland), and Farshid Yazdi (City of Los Angeles)

Labor rights experts (organizations listed for identification only): Eric Dirnbach (Laborers International Union), Judy Gearhart (International Labor Rights Fund), and Bob Ross (Clark University)

Motion to approve whole slate by Cindy Matz (City of Milwaukee); Seconded, Monette McGuire (City of Madison); unanimously approved.



## **2. Welcome and Report**

Michele Reale, President, reported on the Consortium's main achievements over the past year. These included:

- 501c3 status approved
- Bjorn Claeson approved as part-time Executive Director
- Grant from Naomi and Nehemiah Cohen Foundation
- Completed various forms and documents, now available on our website
- Welcomed Los Angeles and Ithaca as members
- Launched our database, Sweatfree LinkUp!

## **3. Committees: Introductions and Reports**

- a. Finance and Budget Committee – Sam Dominguez, Committee Chair, provided the finance report, May 16, 2011 through July 1, 2012.
- b. Membership Committee – Michele Reale, Committee Chair, reported on the committee's activities.
- c. Communications and Operations Committee – Ian Robinson, Committee Chair, reported on the committee's activities.
- d. Program and Compliance Committee – Eric Dirnbach, Committee Chair, reported on the committee's activities.

## **4. Factory Investigation: The Case of Robinson Textiles**

Carmen Herrera (Contract Compliance Officer, Office of Labor Standards Enforcement, City and County of San Francisco) explained how her office contracts with the Worker Rights Consortium (WRC) to monitor and enforce its overseas contracts. Theresa Haas (Director of Communications, Worker Rights Consortium) described the criteria that the WRC used to decide which factories to inspect, how they conduct their investigations, the many violations they found at the ITIC factory supplying Robinson Textiles. ITIC refused to remedy any of the violations and Robinson Textiles decided not to seek renewal of its contract with San Francisco, rather than use its leverage (as purchaser of about 50% of ITIC's production) to encourage ITIC to alter its behavior. Carmen noted that San Francisco is now considering longer contracts as a way of increasing the incentives for vendors like Robinson. Eric Dirnbach proposed a letter to Robinson expressing our concern, and that we contact other vendors who use ITIC to let them know the situation. Theresa suggested the SPC members could also directly contact any of their vendors that source from ITIC.

The Consortium has invited Robinson to send a response to the WRC report and recommendations but has yet to receive a reply.



## **5. A New Model for Sweatfree Purchasing**

Bob Stumberg, of the Georgetown University Law Center, provided an overview of the new model of sweatfree purchasing that he and his students have developed on our behalf over the last year. Bob explained rationale for new model. Two main drivers: (1) early sweatfree ordinances mandated full compliance before contracts signed, yet compliance is rare => need a model that accepts that suppliers are not in full compliance at the outset, and incentivizes and helps them to come into compliance; and (2) significant legal constraints on cities' capacity to implement sweatfree policies – procurement law requires that contracts be awarded to the “lowest responsible bidder,” most cities (CA is an exception) do not have the authority to amend that requirement, and the courts have generally been skeptical about upholding policies that reject lowest bidder on anti-sweatshop grounds (e.g., New York courts pre-empted NYC's sweatfree policy) => need a model that focuses on the integrity of the bidding process and frames sweatshop production as a form of cheating to achieve competitive bidding advantage, rather than stressing worker rights per se. Bob also discussed the need for more concrete labor standards, retaining the fundamental labor right principles but detailed enough to serve as effective indicators of progress towards full compliance. As part of creating incentives to improve compliance, can use higher wages (or other elements) as tie-breaker in otherwise similar bids, and can encourage suppliers to compete based on standards that allow us to compare which supplier has the greater “capacity” to comply (e.g., awareness of domestic labor standards, disclosure of plan for compliance, disclosure of wages). In response to question, Bob outlined four factors that affect the likelihood that a supplier will want to move toward compliance: (a) size of contract, (b) length of contract, (c) likelihood that supplier can tell whether they are in or out of compliance (enhanced by our more precise compliance criteria), and (d) likelihood that compliance will be considered in selecting the winning bid (enhanced by our improved strategy for defending use of sweat-free criteria in bid selection process against court challenges).

## **6. Sweatfree LinkUp! A New Database to Facilitate Sweatfree Purchasing**

Bjorn Claeson walked us through a demonstration of how Sweatfree LinkUp! works, and reported that there are now approximately 100 factories, 40 manufacturers, 20 vendors and 6 public entities in our database. Bjorn stressed that this is not a database of sweatfree factories/producers; rather, it is a tool to increase transparency, and with it, accountability. Its purpose is thus aligned with the strategy underpinning the new sweat-free purchasing policy outlined by Bob Stumberg. Also important to accountability is the worker complaint form. In response to a question about what incentives various actors have to add their data to SF LinkUp!, Bjorn offered three responses: (a) cities and states can incentivize vendors and manufacturers by making filling out the information in our database a requirement or option; (b) manufacturers only have to upload this information once, no matter the number of different governments with which they have contracts, so our process is very efficient; and (c) members will be able to post bid opportunities on the buyers' forum, and vendors and



manufacturers will want access to the list of such opportunities (access is open to all vendors and manufacturers that register with the consortium).

### **7. Concluding Remarks**

SFC President Michele Reale outlined Consortium goals for the next year and adjourned the meeting at 3pm EST.