



Annual Membership Meeting

Notes from Proceedings, June 4, 2013

1. Election of Board of Directors

Roll call by the Executive Director, Bjorn Claeson, established that 13 representatives of public entity Consortium members were present and participating in the Board of Directors election.

Mr. Claeson went over Section 4.02 of the By-Laws, which govern the election, asked for questions, and went through the list of nominees for the two-year term that starts today.

All seven people on the slate—Christine Moody, City of Portland; Cindy Matz, City of Milwaukee; Monette McGuire, City of Madison; Steven Stenton, City of Austin; Forrest Gillette, City of Seattle; Ian Robinson, labor rights expert; and Stephen Wishart, labor rights expert—were approved unanimously by the public entity reps voting.

2. Welcome—Michele Reale, State of New York, President, Sweatfree Purchasing Consortium

Ms. Reale noted the number of people who indicated that they planned to participate in today's conference, by category:

- State and local government representatives: 26 participants
- Federal government representatives: seven participants
- Labor rights experts: 10 participants

Ms. Reale also noted exciting developments since our last annual meeting:

- Newsletter: 3 issues published
- Sweatfree LinkUp database up and running and growing
- Santa Fe, NM joined
- Continued support of Cohen Foundation and many individual donations
- Initiated discussions with European sweatfree procurement efforts to work with them on the electronics sector



- Issued Principles of Social Compliance in response to the factory fires in Bangladesh and Pakistan
- Submitted comments jointly with International Labor Rights Forum on the implementation of Executive Order (E.O.) 13627, *Strengthening Protections Against Trafficking In Persons In Federal Contracts*, and Title XVII of the National Defense Authorization Act, Public Law 112-239, the *End Trafficking In Government Contracting Act (ETGCA)*
- Discussions with a couple of other governments about joining the Consortium.

3. Highlights of Consortium Activities

a. **Overview of Sweatfree Buying Tools**—*Bjorn Claeson, Executive Director, Sweatfree Purchasing Consortium*

- Mr. Claeson explained the rationale for the model policy and the strategy (not all or nothing, immediate compliance, but instead building capacity and creating incentives to reach compliance over time)
- Labor Compliance Questionnaire—not a substitute for monitoring but a useful starting point
- Worker complaint form—anyone with knowledge of a violation can submit confidentially; we can then notify all affected member agencies; they can then take investigatory action, or in some cases the Consortium can do so
- Sweatfree Link-Up database explained

b. **New Request for Proposal Model**—*Stacey Foreman, City of Portland, Oregon, Program & Compliance Committee*

- Ms. Foreman walked through slides, explaining the value of this model
- Two paths: Path 1 builds level of compliance into scoring system; Path 2 requires compliance only from the high-scoring candidate
- Scoring system explained
- Contract performance requirements explained

c. **Development of a Pilot Sweatfree Cooperative Contract**—*Monette McGuire, City of Madison, Wisconsin, Program & Compliance Committee*

- Ms. McGuire argues that the cooperative contract is well timed to incorporate the RFP provisions we have developed; they also permit pooling of efforts to save time
- City of Madison Fire Dept supports this idea and seeks to promote the idea among other fire departments around the country



- Ways of developing such a cooperative contract—piggyback vs. joint solicitation—we should probably begin with the piggyback model. To do that, identify core needs here in Madison, and then invite others to jump on board on any of the items that they also need
- Risks and limitations discussed
- Aim to have contract in place by January 2014: focus will be on apparel for this first effort; in future contracts, might be extended to fire fighting gear
- Five goals for first and subsequent coop contracts identified

4. **Ending Human Trafficking and Forced Labor in Government Contracting—Mathew Blum**, Office of Federal Procurement Policy, and **Alison Friedman**, Office to Monitor and Combat Trafficking in Persons

Ms. Friedman began by talking about overarching issues and how President Obama’s new Executive Order, *Strengthening Protections Against Trafficking In Persons In Federal Contracts*, related to them.

- What does trafficking in persons mean? “modern slavery” or “compelled servitude” through use of force, fraud or coercion; not just sex trafficking but other kinds of forced labor, usually associated with cross-border recruitment; but the victim have to be moved across national or even state borders.
- Key legislation bearing on this matter noted, expanded scope re. who can be sued explained.
- Scale of the problem: 21 million people.
 - Unscrupulous labor practices contributing to these losses (e.g., recruitment fees, document confiscation, illegal salary deductions, misleading characterizations of what the jobs would entail)

Mr. Blum picked up the story with more detail on the Executive Order signed by President in September 2012.

- U.S. government buys \$500 billion in goods and services each year—largest purchaser in the world—our responsibility flows from that.
- U.S. had long been a zero tolerance policy on human trafficking but despite that, recent studies (e.g., commission on war-time contracting in Iraq and Afghanistan) have shown that prime federal contractors were not knowingly violating law, but were not monitoring with a view to eradicating this problem.



- The new Executive Order aims to address the shortcomings identified in this research by clarifying definition of trafficking and the obligations of contractors to develop compliance plans and to certify that neither their employees nor those of companies the contract with engage in, or are complicit with, trafficking in their supply chain. The Executive Order is also serious about penalties for non-compliance, though sensitive to argument that terminating contract may not be the best way forward.
- Congress passed complimentary legislation last fall, the *End Trafficking In Government Contracting Act (ETGCA)*.
- Procurement Interagency Task Force (PTIF) is overseeing revisions to government procurement regulations and procedures to incorporate this initiative.
- A PTIF working group is also identifying industries with a history of trafficking, and developing industry-specific responses.

Discussion

- Question about forced labor violations documented in Jordan: he is not aware of any penalties being imposed in response, despite the labor provisions of our bi-lateral trade agreement with Jordan. Ms. Friedman says that those who drafted the new Executive Order were aware of this case, but it only covers work performed in the government procurement supply chains, as distinct from goods sold to private entities.
- Alison Kinn Bennett of EPA says she is helping to develop new sustainable government procurement standards under another federal Executive Order and invites collaboration between that group and the one working on labor issues; said there has been much progress in her area and some of it is relevant to what we are doing on the labor side.
- Question about implementation: have the changes made been incorporated into federal procurement contracts yet? Mr. Blum says not yet. One key preliminary step is doing all we can collaboratively with government departments (e.g., Dept of Labor) and NGOs that have been working on these issues.

5. The Accord on Fire and Building Safety in Bangladesh and Public Entity Procurement—Judy Gearhart, International Labor Rights Forum

- Ms. Gearhart has just returned from Bangladesh (BD) where she attended meetings on worker safety
- Ms. Gearhart thanks the Consortium for its statement of support for the Fire and Building Safety Accord



- The Accord focused attention on brand accountability, longer term contracts with factories making good faith effort to comply, increased role for unions
- Accord is now in implementation planning phase. Accord signed on May 23rd between global brands and global and Bangladeshi labor unions; NGOs like ILRF signed as observers only.
- Currently 41 signatories; affect 1,500 factories and one million workers
- Structure of Accord explained; funding by brands proportional to their production in Bangladesh with a ceiling on max contributions
- Credible inspections: rigorous standards by investigators beyond reproach and public reporting of both findings and remediation plans
- Remediation plan: want to be sure not to cost workers their livelihood if factory has to be shut down temporarily for repairs or permanently closed
- Training through local trade unions
- All factories must have a functioning health and safety committee, and training is required to make that a reality
- Complaints process at factory level: tried to find a system that builds on National Action Plan that came out of Tazreen factory fire aftermath
- Transparency and Reporting—need to make sure not to penalize firms that are complying in good faith but are not fully in compliance
- Brands required to offer commercial terms that are compatible with compliance (e.g., how much paid per unit, length of contract, etc)

Discussion

- Question about why so few US brands signed the Accord. Ms. Gearhart replied the costs of legal liability have been exaggerated by Gap and others and the benefits not fully recognized. We're continuing to talk with a number of US brands. The Europeans have a much stronger tradition of social dialogue, so signing an agreement with national and international unions is not such a foreign idea there.

6. **Closing Comments**—Eric Dirnbach, Vice President, Sweatfree Purchasing Consortium

- Mr. Dirnbach reviewed plans for coming year.

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Presenters

Mathew Blum is the Associate Administrator at the Office of Federal Procurement Policy (OFPP), Office of Management and Budget (OMB). He manages the development of legislation, regulations, and policies to promote sound acquisition practices.

Mr. Blum's management responsibilities cover a range of initiatives, including the development and review of acquisition legislation, competitive sourcing, interagency contracting, commercial item acquisitions, use of other transactions authority, and emergency procurement flexibilities. As a senior attorney, Mr. Blum supported initiatives addressing task order contracting, simplified acquisitions, electronic commerce, cooperative purchasing, share-in-savings contracting, prompt payment, innovative acquisition tests, past performance, protests, and contract disputes.

Mr. Blum is a contributing author to a variety of government contract publications, including articles that have appeared in *Contract Management*, *The Government Contractor*, *The Procurement Lawyer*, and *the Administrative Law Journal of the American University*.

Mr. Blum is a Phi Beta Kappa graduate from the College of William and Mary. He received a Juris Doctor, with honors, from the George Washington University. He is a member of the District of Columbia Bar, the Virginia Bar, and the Federal Executive Institute Alumni Association.

Bjorn Skorpen Claeson, Ph.D., is the Executive Director for the Sweatfree Purchasing Consortium and Senior Policy Analyst with the International Labor Rights Forum. Mr. Claeson was a founder of SweatFree Communities and the lead organizer of PICA's Bangor (Maine) Clean Clothes Campaign, a national model for community-based anti-sweatshop activism. He is the recipient of the Maine Initiatives Social Landscape Artist Award 2006 and the Dirigo Social Movement Leader Award in 2004.

Stacey Foreman manages the City of Portland's Sustainable Procurement Program and strives to find the best value for the City while reducing negative environmental and human health effects associated with procurement decisions. Over the past decade, she has presented to a variety of organizations on the topic of sustainability in public procurement, including the International Conference on Green Products in Taiwan. Stacey is a LEED Green Associate and holds a Master's degree in Environmental Management and Policy.

Alison Kiehl Friedman is Deputy Director of the U.S. Department of State Office to Monitor and Combat Trafficking in Persons. She was appointed to this position in September 2011 after working for two years as the Office's Senior Coordinator for Public Engagement. Ms. Friedman oversees the Office's foreign assistance grant program, which supports anti-trafficking efforts in 37 countries around the world, and the Office's public engagement efforts, which



include public and media outreach, partnerships with civil society, and coordination of the U.S. Government's interagency anti-trafficking work. She also serves as senior advisor to Ambassador-at-Large to Monitor and Combat Trafficking in Persons Luis CdeBaca.

Prior to her service at the Department of State, Ms. Friedman was Executive Director of the Alliance to Stop Slavery and End Trafficking (ASSET), a California NGO. Her work at ASSET was instrumental in the passage of the California Supply Chain Transparency Act, a first-of-its-kind law that requires companies doing business in California to publicly disclose what anti-slavery policies they have put in place.

Ms. Friedman previously served as District Director for former U.S. Representative Jane Harman (CA), California Policy Director for People For the American Way, and National Student Director for the Gore/Lieberman 2000 presidential campaign.

Ms. Friedman is a native of the National Capital Area and a graduate of Stanford University. She lives in Washington, DC.

Judy Gearhart is the Executive Director of the International Labor Rights Foun since March 2011 and a member of the Sweatfree Purchasing Consortium Board of Directors. Judy is also an adjunct professor at Columbia University's School for International and Public Affairs, teaching the course Human Rights and Development Policy since 2002. Previously, Judy served as the Program Director at Social Accountability International (SAI) where she led research on voluntary labor standards and coordinated training programs for workers and trade unions on how to use codes conduct to claim their rights at work. Prior to SAI, Judy worked on democratization, women's rights and labor rights programs for Mexican NGOs, UNICEF-Honduras and the ILO's International Program to Eradicate Child Labor (IPEC). Judy holds a Master of International Affairs from Columbia University.

Monette McGuire, Buyer for the City of Madison, Wisconsin, coordinates and implements the procurement and contracting functions of the organization. Ms. McGuire holds a Certified Public Purchasing Buyer (CPPB) designation, a B.S. in Psychology and is a lead resource to staff for compliance and best practices in purchasing and sustainability strategies. She served on the Executive Board of the Wisconsin Association of Public Purchasers (WAPP), a chapter of the National Institute of Government Purchasing (NIGP) for five years in different officer positions including president in 2011. Ms. McGuire continues to be active in provide leadership roles within the organization in its charge to advance the professional competency of its members and uphold the highest ethical, transparent and responsible standards of the public procurement profession.



Emcee

Michele M. Reale, President of the Sweatfree Purchasing Consortium, is an Associate Attorney at the New York State Office of General Services (“OGS”) where she is responsible for providing support to the Bureau of Real Property Management & Development and the Procurement Services Group. Ms. Reale also works on a number of special projects and provides assistance to the Advisory Council on Procurement Lobbying and the Sweatfree Purchasing Workgroup. Before joining OGS, Ms. Reale was a Senior Attorney at the New York State Insurance Department. She earned a J.D. from Boston University School of Law, where she was an editor of the Boston University Public Interest Law Journal; and a dual B.A. in English and Political Science from Canisius College.