



WEATFREE PURCHASING
CONSORTIUM



2011-2012 ANNUAL REPORT

MISSION

The mission of the Sweatfree Purchasing Consortium is to end public purchasing from sweatshops and help its members make sweatfree purchases more effectively and less expensively than any single one could accomplish on its own.

PURPOSE

The Sweatfree Purchasing Consortium is organized exclusively for educational and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Consortium's purpose is to coordinate and represent public officials and others who seek to ensure that taxpayer dollars are not spent on products made in sweatshops. The Consortium serves as a coordinating body and resource center for public entities and other organizations that share this goal, seeking to improve the economy and efficiency of procurement policies designed to eliminate sweatshop labor from supply chains.

For more information please contact us at:

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Or visit our website:
<http://buysweatfree.org>

Cover photo by Michael Hallahan

The Sweatfree Purchasing Consortium gratefully acknowledges the support of the following organizations and individuals:

- *The Naomi and Nehemiah Cohen Foundation*, for generously funding the activities of the Sweatfree Purchasing Consortium.
- *The Kalmanovitz Initiative for Labor and the Working Poor*: for supporting the legal research of the Harrison Institute for Public Law, Georgetown Law School, in support of the Consortium's activities.
- *The International Labor Rights Forum*, for supporting a part time coordinator until January 1, 2012.
- *Members of the Board of Directors* who have given generously of their time and expertise.

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Dear Friends:

This has been a year of significant progress for the Sweatfree Purchasing Consortium. We have welcomed new members and launched our database, Sweatfree LinkUp! Our budget has grown from about \$6,000 to nearly \$60,000 and we have hired a part-time executive director.

That means traceability and accountability in the industry is further along, best sweatfree procurement practices among public entities more widely adopted, and more compliant vendors receive opportunities for government contracts—all of which are necessary steps towards better conditions in apparel factories around the world.

We would like to take a moment to thank those who have supported the Consortium's work this year, either through contributions of time, talent or money or a combination thereof. Without your contributions the successes that we have achieved would not be possible.

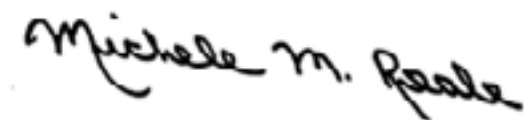
As we begin a new year, we look forward to continuing these initiatives and launching new programs that will make it easier for vendors to sell and public entities to buy sweatfree apparel.

More information on these initiatives will be forthcoming shortly and may also be found on our website at <http://buysweatfree.org>.

This report presents our achievements during the past year and highlights our future plans and challenges. As you read, we hope that you will be as excited about the Consortium's accomplishments as we are. We also hope that if you are not a member of the Consortium, it will inspire you to join us in our efforts to make sweatfree purchasing the standard for procurement.

It is our pleasure to present our continued success story to you.

In appreciation,



Michele M. Reale
Board President



Bjorn Claeson
Executive Director

INTRODUCING THE SWEATFREE LINKUP! DATABASE

A new tool for transparency and labor rights accountability in the government apparel procurement market

On June 5, 2012, the Sweatfree Purchasing Consortium launched Sweatfree LinkUp! This is a new database of apparel factories, manufacturers, and vendors in the government procurement supply chain. It is designed to help government entities buy from suppliers that are transparent about where and how the clothes they sell are produced and take effective measures to protect labor rights in their supply chains.

“We are excited about the potential to bring together industry partners committed to sweatfree production and government buyers looking for code-compliant suppliers through Sweatfree LinkUp!,” said Michele Reale, President of the Sweatfree Purchasing Consortium and Associate Attorney at the New York State Office of General Services. “We invite all stakeholders, including workers, manufacturers, vendors, and government buyers to learn how they can use this new tool to create demand and supply for sweatfree products.”

City of Los Angeles, California

“The City of Los Angeles has been an active supporter of the anti-sweatshop movement since the adoption of its sweat-free ordinance in 2004. However, joining the Sweat-Free Purchasing Consortium provided a great platform for systematic collaboration with like-minded entities. Our combined efforts will have a much greater impact in the fight to eliminate sweatshops globally.”

—Department of General Services

Sweatfree LinkUp! builds on the pioneering work of several U.S. cities and states that have obtained information about factories that make the uniforms and other apparel they buy in order to evaluate compliance with sweatfree standards and regulations. The database helps to make this

information accessible and useful to a wide range of stakeholders, while protecting product information that industry partners consider sensitive and confidential.

At launch time Sweatfree LinkUp! included information about 22 vendors and 47 manufacturers, as well as 106 factories that make the products they sell. Vendors, manufacturers, and public entities do not make any claims about labor compliance to the Consortium when submitting supply chain information. However, in making information accessible—information that otherwise may be hidden—they encourage the connections that support good conditions and the scrutiny that helps to rectify violations and improve conditions where needed.

All stakeholders in the supply chain can use the database in order to “LinkUp!” For example, government buyers can search for compliant vendors and existing contracts for certain products and contact the contracting agency about piggyback possibilities. Vendors can connect with government entities interested in buying products made in decent working conditions. Workers in factories listed in the database can discover who buys what they make and, if needed, begin to remedy workplace violations by submitting the online worker rights complaint form.

By linking supply chain participants we hope to foster the collaboration that can leverage better conditions for workers. We invite you to take a look and see what connections you can make.

City of Madison, Wisconsin

“The City recognized that by collaborating with other public purchasing entities that share our goals, we can achieve greater impact through joint policy enforcement. Membership with the consortium will facilitate access to monitoring resources, factory information and policy implementation. Overall, it is really beneficial for us to be engaged with a strong network of agencies that can provide each other with guidance and feedback.”

—Monette McGuire, Purchasing Services

A NEW MODEL SWEATFREE POLICY

Many public entities have asked for guidance in drafting sweatfree procurement laws to ensure their maximum effectiveness. This year the Consortium took an important step forward toward this goal. On June 5, 2012, the Board of Directors approved a new Sweatfree Model Policy. The result of many months of research and discussions with experts and stakeholders, this Policy is a recommendation of language for public entities when crafting their sweatfree procurement laws and rules. The Policy was drafted by Professor Robert Stumberg and his students, T. Lloyd Grove and Lindsey Scannell, of the Harrison Institute for Public Law at the Georgetown University Law School. They worked as consultants to the Consortium, with the support of the Kalmanovitz Initiative for Labor and the Working Poor.

State of New York

“Membership in the Sweatfree Purchasing Consortium allows for the exchange of ideas with other governmental entities with the goal of achieving sweatfree purchasing. New York is pleased to take a leadership role in this vital endeavor to eliminate sweatshops.”

—Michele Reale, Office of General Services

The premise of the new model policy is that fair and open competition for public contracts requires decent working conditions in the supply chain. If contractors can gain a competitive advantage from sourcing their production in illegal sweatshops with the lowest-cost labor in the least-regulated locales they discourage law-abiding producers from competing for public contracts and undermine the integrity of the competitive procurement process. To safeguard fair and open competition for public contracts public entities should review contractors' capacity to ensure compliance with domestic labor laws in the country of production and international standards of decent work. The new model policy helps them to do this by explaining how contractors should meet international labor standards and providing specific examples of non-compliant

behavior. The model policy also includes living wage implementation language, including a “wage ladder” where wages are gradually increased over time.

LABOR COMPLIANCE RESOURCES

The Consortium will make this Policy available to public entities that are considering sweatfree procurement. We hope it will help to harmonize standards and procedural requirements, increase compliance with labor standards, improve working conditions in the supply chain, and ensure fair competition for public apparel contracts.

City of Portland, Oregon

“The Consortium is a valuable professional network that helps the City promote fair and safe labor conditions in the garment manufacturing industry. By sharing knowledge and resources at the Consortium level, the City can be more efficient in meeting its Sweatshop Free Procurement directives.”

—Christine Moody, Procurement Services

Declaration of compliance form

“Sweatfree” government entities require bidders or contractors to declare compliance with a sweatfree code of conduct. A code of conduct typically consists of core labor standards, acceptable conditions of work, and requirements relating to wages and remuneration. The Consortium has developed a model Declaration of Compliance form designed to harmonize standards and procedural requirements and help contracting entities evaluate bidders' and proposers' capacity to comply with their code of conduct. If allowed by the contracting entity, bidders and contractors can use the Consortium's on-line form to declare compliance. Because this form is linked to the Consortium database, the form can give bidders and contractors automatic access to information about the factories where products in their supply chain are made. This information can facilitate the proposal process with those government entities that require information about factories where products are made.

Labor compliance questionnaire

The Consortium has developed a labor compliance questionnaire to help public entities assess vendors' knowledge of applicable labor standards and compliance levels in factories that produce goods under an existing or pending public contract. The questionnaire is not a substitute for factory monitoring and in-person investigations and cannot yield conclusive findings of compliance or violations. However, vendors' awareness of legal standards and their knowledge of actual wages, hours, benefits, and conditions in a factory is an important benchmark of compliance. The questionnaire can help public entities assess risks of non-compliance and may indicate areas that need further investigation.

Complaint form

The Consortium has also developed an online Worker Compliant form. Anyone with knowledge of a possible violation of a government sweatfree purchasing code of conduct can submit the Consortium's form safely and confidentially. Generally, a violation of a government sweatfree purchasing code of conduct is a worker rights violation at a factory that makes uniforms or other apparel for companies that sell products to U.S. government agencies.

The Sweatfree Purchasing Consortium will notify all member agencies upon receipt of a genuine and legitimate complaint of a code of conduct violation. Individual member agencies may decide to conduct their own investigations. The Consortium may also itself conduct complaint investigations if at least one member purchases the products made in the factory in question and the complaint is pertinent to the member's code of conduct. Investigations may vary in scope and extent, depending on the problems identified and the needs of member agencies.

City of Milwaukee, Wisconsin

"The City of Milwaukee has found the Sweatfree Purchasing Consortium to be a good tool for raising awareness of the need for improving workplace environments and wages in the worldwide textile industry. The shared learning of the membership, and available tools, have both been valuable resources that assist with improving existing processes to meet common interests and goals."

—Rhonda Kelsey and Cynthia Matz, Procurement Services

MEMBERS ELECT NEW BOARD

More than 50 individuals, representing a range of public entities across the United States and interested observers participated in the Consortium's annual meeting webinar June 5, 2012. The webinar featured a presentation on the Consortium's new model sweatfree policy and a report on an investigation of a prison uniform factory in the Dominican Republic conducted for the City and County of San Francisco.

The members of the Sweatfree Purchasing Consortium also elected a new Board of Directors at the annual membership meeting. The Consortium thanked two outgoing board members for their outstanding service, Monette McGuire, Buyer for the City of Madison, and Rini Chakraborty, who served as a labor rights expert.

We welcomed three new board members: Carmen Herrera, the Contract Compliance Officer with the Office of Labor Standards Enforcement at the City and County of San Francisco, California; Jacque Larrainzar, the Policy and Outreach Manager for the Office for Civil Rights at the City of Seattle, Washington; and Robert J.S. Ross, Professor of Sociology and Director of the International Studies Stream at Clark University in Worcester, Massachusetts. Professor Ross is the author of *Slaves to Fashion: Poverty and Abuse in the New Sweatshops*.

Also joining the Board of Directors this year was Farshid Yazdi, representing the City of Los Angeles, Bambi Tefft, representing the State of Maine, and Judy Gearhart, Executive Director of the International Labor Rights Forum. We thanked outgoing board members, Bama Athreya and Betty Lamoreau, for their service to the Consortium.

- We redesigned and reorganized our website (buysweatfree.org) and launched an e-newsletter. An online buyers' forum is also developed but not yet launched.
- We elected a new Board of Directors at a well-attended annual meeting.
- Our budget expanded and we were able to hire a part-time executive director midway through our year.

City and County of San Francisco, California

"The Sweatfree Purchasing Consortium is key to the City of San Francisco's goal of ensuring that our textile and garment vendors and their suppliers use fair labor practices. We recognize that by pooling information and coordinating enforcement with other jurisdictions, we can have a much greater impact on the vendors and their suppliers than any single jurisdiction could have alone. We have already made use of the Consortium's database of vendors and suppliers, and we believe the joint purchasing power of the Consortium's members will help us achieve more transparency and a greater respect for labor law in the global textile industry."

—Donna Levitt, Office of Labor Standards Enforcement

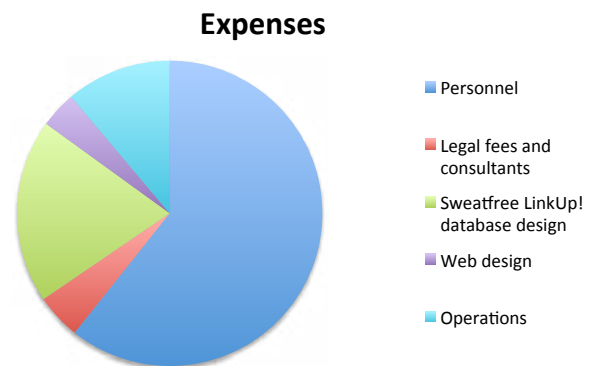
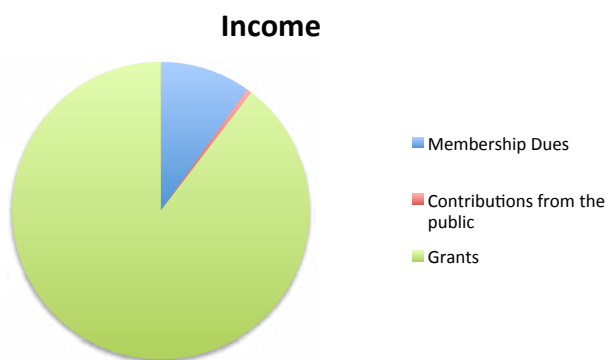
ORGANIZATIONAL GROWTH

- We welcomed the cities of Los Angeles, California; Ithaca, New York; and Santa Fe, New Mexico to the Consortium.

STATEMENT OF ACTIVITIES (unaudited)

Year ended June 30, 2012

Revenue and Support	
Membership dues	\$5,500
Contributions from the public	\$300
Grants	\$50,000
Total	\$55,800
Expenses	
Personnel	\$19,000
Legal fees and consultants	\$1,500
Sweatfree LinkUP! Database design	\$6,100
Web design	\$1,200
Operations	\$3,500
Total	\$31,300



BOARD OF DIRECTORS

President

Michele M. Reale, Associate Attorney, Office of General Services, State of New York

Vice President

Eric Dirnbach, Researcher, Laborers International Union of North America (LiUNA)

Secretary

Betty Lamoreau, Acting Director, Bureau of General Services, State of Maine

Treasurer

Darlow "Lee" Tuneberg, Administrative Services and Finance Director, City of Ashland, Oregon

Rini Chakraborty, Western Regional Director, Amnesty International USA

Sam Dominguez, Material Control Manager, City of Austin, Texas

Judy Gearhart, Executive Director, International Labor Rights Forum

Monette McGuire, Buyer, City of Madison, Wisconsin

Christine Moody, Chief Procurement Officer, City of Portland, Oregon

Ian Robinson, Ph.D., Lecturer and Research Scientist, Department of Sociology and the Residential College of the University of Michigan, Ann Arbor

Dolly Small, Contracting Equity Manager, City of Seattle, Washington

Directors representing governmental entities serve as ex-officio representatives of the respective public members.

STAFF

Executive Director:

Bjorn Claeson

MEMBERS

States

Maine

New York

Pennsylvania

Cities

Ashland, Oregon

Austin, Texas

Berkeley, California

Ithaca, New York

Los Angeles, California

Madison, Wisconsin

Milwaukee, Wisconsin

Olympia, Washington

Portland, Oregon

San Francisco, California

Santa Fe, New Mexico

Seattle, Washington

University City, Missouri