

RESOLUTION No.

Adopt the City of Portland Sweatshop Free Procurement Policy and Code of Conduct for Apparel Contractors (Resolution).

WHEREAS, City Resolution 36527, adopted August 29, 2007, established the City's intent to create a sweatshop free procurement policy for uniforms and clothing purchases to be implemented in 2008; and

WHEREAS, the City recognizes that its purchase of uniforms and clothing products have inherent social and human health impacts, and that the City should make procurement decisions that embody the City's ongoing commitment to promote social justice and better working conditions by specifically addressing sweatshop free procurement practices; and

WHEREAS, the City intends to actively participate and collaborate with public agencies and other non-profit organizations to promote sweatshop free procurement practices, the hiring of independent compliance monitors and working with uniform contractors to bring their points of production facilities into compliance with the policy; and

WHEREAS, the City has committed to support the creation of the State and Local Government Sweatfree Consortium to collaborate with other public agencies to share information related to monitoring the suppliers, factory locations and adherence to the Sweatshop Free Policy (or Code of Conduct); and

WHEREAS, once formed, the State and Local Government Sweatfree Consortium is intended to be an advocacy, expertise, standard-setting and resource organization through which the City may collaborate with other government agencies and labor rights advocates regarding needs, opportunities and "best practices" in sweatfree procurement, potentially providing resources and education for vendors, governments, and workers; consultations with government purchasers, bidders and vendors; a sweatfree database of vendors and factories to allow members to share data on suppliers with regard to labor practices; and other services; and

WHEREAS, as a founding member of the Consortium, the City has the opportunity to shape its work and direction, based on the guidelines and principles outlined in the Code of Conduct and Sweatshop Free Purchasing Policy (appendix A and B); and

WHEREAS, City Resolution 36527, adopted August 29, 2007, established a nine member Policy Committee to recommend a Code of Conduct and a Sweatshop Free Procurement Policy; and

WHEREAS, the Policy Committee is recommending the City adopt the attached Sweatshop Free Procurement Policy and the Code of Conduct for Apparel Contractors; and

NOW, THEREFORE, BE IT RESOLVED, that the City of Portland Sweatshop Free Procurement Policy attached hereto as Exhibit A and the City of Portland Code of Conduct for Apparel Contractors attached hereto as Exhibit B, is adopted; and

BE IT FURTHER RESOLVED, the Bureau of Purchases will prepare a budgetary decision package in conjunction with the City's Annual Budget submittal process to allocate resources not to exceed 1% of the cost of uniforms and clothing purchased during the previous calendar year to secure independent

monitoring, cooperative sweatshop free apparel procurement, and a list of approved uniform contractors in concert with the State and Local Government Sweatfree Consortium, the State of Oregon, public procurement associations and/or other appropriate bodies; and

BE IT FURTHER RESOLVED, that this resolution is binding city policy and supersedes prior sweatshop free procurement strategies adopted in Resolution No. 36527.

Adopted by the Council:

GARY BLACKMER
Auditor of the City of Portland
By

Commissioner Sam Adams
Prepared by: Kimberly Schneider
October 8, 2008

Deputy

A Code of Conduct should govern the behavior of supply chain partners, notably on social and environmental matters. Guidelines should generally cover workplace issues such as wages, health and safety, working hours, disciplinary practices, freedom of association, child labor and when applicable, environmental impact of suppliers' activities. There are inherent commercial benefits in adopting and adhering to these guidelines on social and environmental issues that result in sound business practices. Voluntary initiatives to ensure supply chain responsibility are complementary to, but not a substitute for, the necessary role of government in enacting and enforcing appropriate legislation.

**City of Portland Code of Conduct for Apparel Contractors
Adopted October 15, 2008**

This Code of Conduct specifies minimum standards and is based on the principle that contractors, subcontractors and suppliers within the supply chain of the prime contractor, including cut and sew manufacturers, comply with all applicable laws and regulations in their business activities. Labor practices are based upon the core conventions of the International Labor Conventions (ILO), the United Nations' Universal Declaration of Human Rights and the United Nations conventions on the rights of the child and the elimination of all forms of discrimination against women.

1. Labor Standards

a. Freedom of Association and Right to Collective Bargaining

Contractors and their subcontractors will recognize and respect that workers, without distinction, have the right to join and form trade unions of their own choosing and to bargain collectively, and will remain strictly neutral on the matter of workers' choice to unionize or not unionize. Workers shall not be subjected to harassment, intimidation, or retaliation as a result of his or her efforts to freely associate or bargain collectively.

Contractors and their subcontractors shall not initiate, dominate or support organizations in which workers participate or are represented. Contractors and their subcontractors will negotiate in good faith with any union or other representative worker body duly constituted by the workers. Where the right of freedom of association and collective bargaining is restricted under law, the supplier will not hinder the development of parallel means for independent, free association and bargaining.

b. Freely Chosen Employment

Employment must be on a voluntary basis, respecting the rights of employees to decide to work or not. Contractors and their subcontractors will not use forced, illegal, or prison labor, including indentured labor or any other form of compulsory labor. Contractors and their subcontractors will not require workers to lodge deposits or their identity papers as a condition employment, or financially penalize workers for resigning.

c. Child Labor Avoidance

Contractors and their subcontractors will not employ any person that is under the age of 15, under the age interfering with compulsory schooling, or under the minimum age established by law.

Contractors and their subcontractors acknowledge that according to the UN Convention on the Rights of the Child, a person is a child until age of 18. Contractors and their subcontractors will ensure young workers in the age group 15-17 are employed according to the protective restrictions prescribed by the law of the jurisdiction of the manufacturing facility.

d. Humane Treatment & Disciplinary Practices

Employees shall be treated with respect. Corporal punishment and other forms of coercion, abuse or harassment, whether psychological, verbal, sexual or physical, is prohibited.

e. Non-Discrimination

No worker shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of race, nationality, age, religion, disability, gender, pregnancy, maternity leave status, sexual orientation, union affiliation, marital status, political opinion, or social or ethnic origin.

No contractor or subcontractor shall require or compel any worker to use contraceptives or take pregnancy tests.

f. Regular Hours of Work

Workers shall not be required to work a regular work week of more than the lesser of 48 hours per week or the limits on regular hours allowed by the law of the country of manufacture and will be provided with at least one day off during every seven-day period, unless the point of assembly facility in which the labor is performed is party to a collective bargaining agreement that permits mandatory overtime, and any mandatory overtime hours are worked in conformance with a collective bargaining agreement.

g. Overtime

Workers shall be compensated for overtime hours, such as a premium rate, when legally required in the country of manufacture or point of assembly or, in those locations where such laws do not exist, at a rate of at least one-and-one-half their regular hourly compensation.

h. Wages and Benefits for Regular Hours of Work

The point of assembly facilities shall pay wages that meet the higher standard of (a) the legal minimum wage; (b) the prevailing wage in the industry in the country of production; or (c) a non-poverty wage as defined as follows. "Non-poverty wage" in the U.S. is the level of wages required for a full-time worker to produce an annual income equal to or greater than the United State Department of Health and Human Services' most recent poverty wage is a comparable nationwide wage and benefit level, adjusted to reflect the local cost of living.

Workers must be paid directly and provided with clear, written accounting of hours worked, deductions and regular and overtime wages. Deductions from wages not provided for by the laws of the countries where goods are made, shall not be permitted without the express permission of the employee. Point of assembly facilities shall also maintain verifiable wages and hour records for each employee that contain the following: (a) name and job classification; (b) a general description of the work the worker performed each day and the rate of pay (including rates of contributions for, or costs assumed to provide fringe benefits); (c) the daily and weekly number of hours worked; (d) deductions made; and (e) actual wages paid.

i. Just Cause Termination

Point of assembly facilities shall not engage in any reprisal, coercion, intimidation or take any other adverse action against workers for filing complaints, giving evidence, or otherwise cooperating with monitoring, enforcement, remediation or other activity by the City of Portland or any other entity authorized by the City of Portland to monitor or enforce obligations under this Code.

Point of assembly facilities shall not terminate workers without just cause. Contractors shall provide for a mediation or grievance process to resolve workplace disputes. For production in the United States such disputes are limited to those not regulated by the National Labor Relations Board.

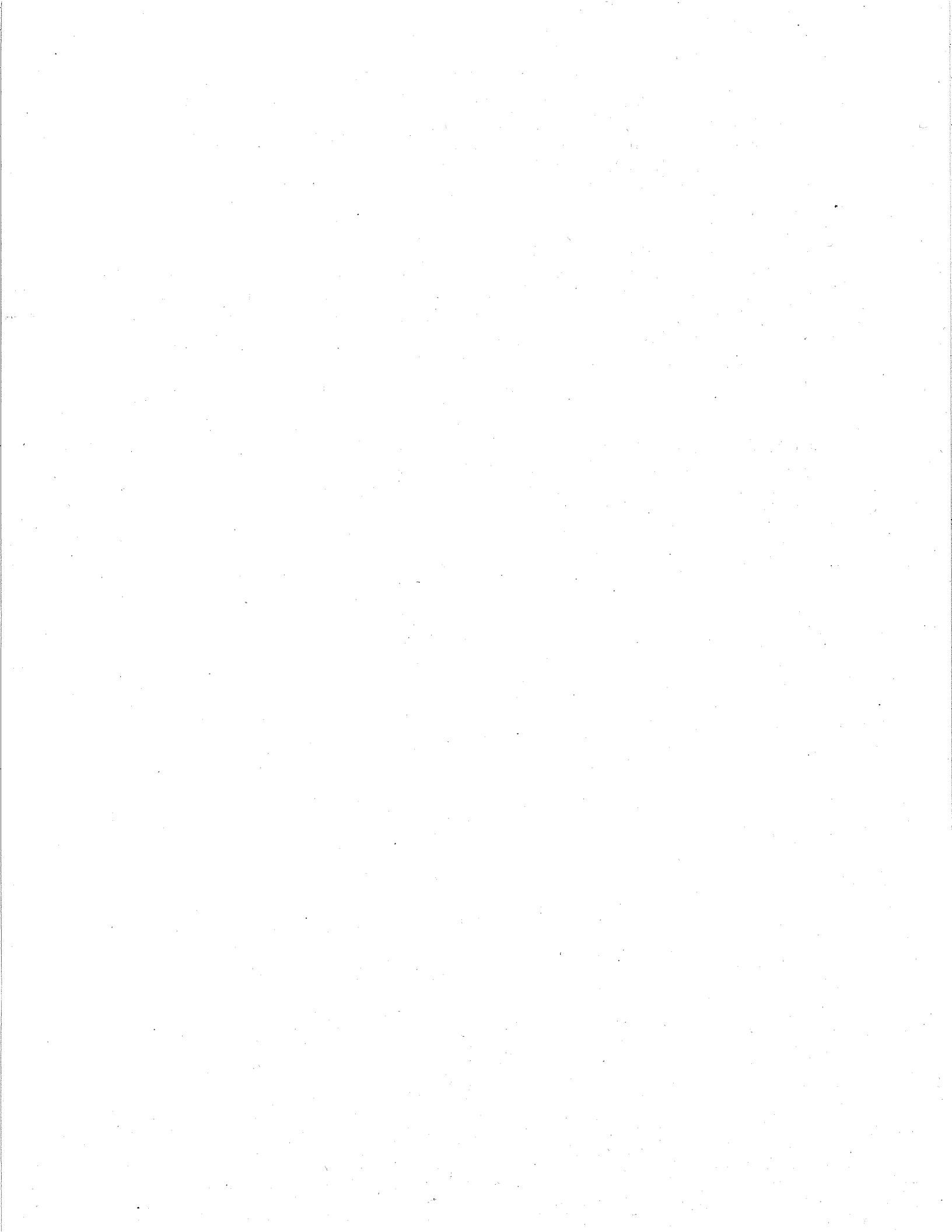
2. Health and Safety

a. Management of Health and Safety

Workers will be provided with a safe and healthy work environment. Conditions in all work and residential facilities shall be safe, clean, and consistent with all applicable laws and regulations regarding health and safety. The contractors and their subcontractors shall provide written health and safety guidelines for employees in terms of equipment, training, management, and work practices in the local language(s) of the employees.

3. Cut and Run

Contractors, subcontractors including point of assembly facilities shall not shut down or reduce orders to a point of assembly facility in order to deny workers any right or standard protected by this code, or to otherwise avoid complying with this code, including their right to freely associate.



Sweatshop Free Procurement Policy City of Portland

Overview

Following adoption of this policy, the Bureau of Purchases is authorized to adopt administrative rules reasonable or necessary for the implementation of this program. These rules will include objective performance metrics for the purpose of evaluating the success of the program. The intent is eventually to extend the scope of the policy from uniforms and clothing to other goods and to compliment the overarching social equity component of the City's Sustainable Procurement Policy

1. Purpose

In accordance with the City of Portland Sustainable City Principles [1994] the City of Portland [the City] recognizes its responsibility to promote better working conditions while supporting a diverse, equitable, and vibrant community and economy. The City recognizes that its purchase of uniforms and clothing products has inherent social and human health impacts, and that the City should make procurement decisions that emphasize its commitment to social justice by specifically addressing sweatshop free procurement practices.

This Sweatshop Free Procurement Policy is intended to:

- identify anti-sweatshop criterion that shall be incorporated into procurement decisions;
- provide implementation authority;
- comply with applicable standards to ensure sweatshop free practices;
- educate and empower employees to be innovative and demonstrate leadership by promoting anti-sweatshop labor factors into procurement decisions;
- complement Citywide and Bureau-specific sustainability goals and related policies; and
- communicate the City's commitment to sweatshop free procurement.

2. Policy

2.1 General Policy Statements

City employees will procure uniforms and clothing in a manner that integrates sweatshop free procurement practices that include social equity, fiscal responsibility, and community and environmental stewardship. The standards established in the City of Portland Code of Conduct for Apparel Contractors [Code of Conduct] as referenced in Exhibit A are based on the principle that contractors will comply with all applicable laws and regulations in their business activities. This policy applies to formal contracts for uniforms and clothing, other than specialized safety components of uniforms as outlined in Appendix B.

2.2 Criteria for Sweatfree Procurement

City employees will incorporate the Code of Conduct when writing specifications for, or purchasing uniforms or clothing. The Code of Conduct shall complement other sustainability factors as guided by the City's Sustainable Procurement Policy.

2.3 Use of Best Practices

City employees will utilize best practices in sweatshop free procurement as they evolve. As it applies to this policy, best practices in sweatshop free procurement are those that utilize leading edge standards and procedures in an efficient, effective and enforceable way that is successful and replicable. This includes but is not limited to using staff to verify contractor compliance with the Code of Conduct and/or using third-party Independent Compliance Monitoring services with expertise in onsite cut and sew factory monitoring. The City will leverage its resources and collaborate with other public agencies for the purpose of ensuring the most effective deployment of this policy.

3. Responsibilities

3.1 Uniform and Clothing Standards

City Bureaus shall be responsible for:

- Ensuring that bureau staff utilize product standards and best practices that comply with this policy;
- Ensuring internal policies and procedures reference this policy and incorporate the use of sweatshop free products that meet the intent of this policy.

The Bureau of Purchases shall be responsible for:

- Providing resources for assisting bureaus with standards and best practices in sweatshop free procurement.
- Handling and/or assigning responsibility for education, specifications within contracts, data collection and performance reporting

3.2 Resources

The City shall commit to providing the appropriate dedicated staff levels and related funding to support the implementation and ongoing application of this policy. This includes but is not limited to activities such as employee training and resources; contracting professional services including consultants, independent compliance monitors, trainers and subject matter experts; coordinating and collaborating with other interested public agencies; and preparation and dissemination of educational materials.

3.3 Oversight and Policy Review

The City shall establish an oversight committee to assist the Bureau of Purchases in the implementation and enforcement of this policy and to evaluate and make recommendations regarding the policy, the Code of Conduct, its procedures and implementation. The oversight committee will report to the City Council on an annual basis or as requested on the implementation of this policy including the status of contractors' compliance and any proposed policy changes including but not limited to options for expanding the provisions to cover additional commodities purchased by the City. Members of the oversight committee shall be appointed by the Mayor and confirmed by City Council. The oversight committee shall consist of eight persons representing the following groups: four members from advocates for labor rights and just working conditions in apparel, footwear and textile industry; two members from an organization representing uniform-wearing public employees; one member who is an expert in global economics and supply chains; the City Purchasing Agent or designee. Persons serving on the oversight committee must volunteer to avoid bidding on city contracts overseen by the Committee and must not have a conflict of interest with any part of this Policy during their term of service.

3.4 Procedure Development

Within six months of City Council's approval of this Policy, the Bureau of Purchases shall, in conjunction with a procedure development subcommittee of the oversight committee, develop and adopt administrative rules and procedures to implement and enforce this policy. These rules and procedures shall incorporate the following elements:

- Supporting the goal of bringing existing and potential suppliers into compliance with :
 - A weighted evaluation procedure to incorporate contractors compliance with the Code of Conduct
 - A procedure to provide a remediation process to move suppliers toward increasing compliance with the Code of Conduct
- Ensuring compliance with Code of Conduct and/or the agreed-upon remediation plan with:
 - Language developed for inclusion in contracts that requires contractors to sign an affidavit stating full compliance with the Code of Conduct or adherence to a mutually agreed-upon remediation plan and places responsibility for subcontractor compliance upon the prime contractor;
 - Public disclosure requirements that include relevant information such as the street addresses and other contact information for points of assembly;
 - A procedure for monitoring contractor compliance with the Code of Conduct
 - A procedure that establishes a process for handling complaints, violations, remediation and sanctions in a transparent and robust manner while ensuring worker complainants maintain anonymity.

3.5 Monitoring and Cooperation

The City shall actively support sweatshop free contracting, monitoring, and establishing and evaluating sweatshop free standards and procedures. The City will collaborate with other public agencies and labor rights advocates to share information regarding best practices in sweatshop free procurement and the hiring of Independent Compliance Monitors. Organizations engaged to perform contract compliance in accordance with this policy will make recommendations to the Bureau of Purchases and the oversight committee to further these efforts expressed in this policy.

4.0 Severability

If any part or provision of this policy, or the application of this policy to any person or circumstance, is held invalid, the remainder of this policy, including the application of such part or provisions to other persons or circumstances, shall not be affected by such holding and shall continue in full force and effect. To this end, the provisions of this policy are severable.

APPENDIX A

Definitions

Independent Compliance Monitor – An organization that works with the City or its agents for the purposes of monitoring services associated with factory labor disclosure. The Independent Compliance Monitor is an organization with expertise in monitoring factory working conditions deemed free of a conflict of interest based on revenue base or income sources.

Sweatshop Labor - Serious and repeated violations of laws of the jurisdiction within which the work is performed pertaining to: wages; employee benefits; health and safety, including without limitation exposure to hazardous toxic substances; labor, including without limitation collective bargaining rights; environmental conditions; nondiscrimination, harassment or retaliation, including without limitation all laws prohibiting workplace and employment discrimination; freedom of association; and building and fire codes. In addition, it includes work performed by any person under a contract or subcontract that constitutes foreign convict or forced labor, or abusive forms of child labor or slave labor.

Uniform and Clothing - All garments or items of clothing any part of which is textile produced by weaving, knitting, sewing or felting; and all shoes and other footwear. Includes uniforms and clothing that are leased or rented on a recurring basis.

APPENDIX B

References

Related City Resolutions, Ordinances, and Code as of October 2008

City Code

- 5.33, Portland City Code
- 5.33.080: Environmentally Preferable Procurement
- 3.100 Equal Employment Opportunity

Resolutions & Policies

- Resolution 35338: *Adopt the City of Portland Sustainable City Principles that promote a sustainable future that meets today's needs without compromising the ability of future generations to meet their needs* (November 1994)
- Resolution 36061: *Adopt Sustainable Procurement Strategy: A Joint City of Portland and Multnomah County Effort* (March 2002)
- Sustainable Procurement Policy (July 2008)
- Code of Conduct for Apparel Contractors (Insert date of acceptance)

Examples of Included and Exempted Clothing Items

The following examples represent those items that would typically fall under this policy:

Clothing Examples:

Dress Shirts
T-Shirts
Trousers
Polo shirts
Sweatshirts
Footwear
Baseball caps

Excluded Clothing Examples:

Safety harness and/or safety related accessories
Duty belts/holsters
Ballistic vests

