



## 2010-2011 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.

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

- *International Labor Rights Forum* for donating the staff time of Bjorn Claeson, who serves as interim coordinator of the Consortium.
- *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.
- *Members of the Board of Directors* who have given generously of their time and expertise.
- *Labor rights experts, corporate leaders, and others* who have shared their expertise and perspectives with Consortium members and other public entities via telephone conferences and webinars.

**For more information please contact us at:**

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**Cover photo by Michael Hallahan**

Dear Friends:

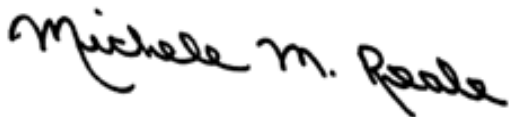
This year has been an exciting one for all of us at the Sweatfree Purchasing Consortium. We have experienced significant growth and are proud to present to you—our members, colleagues, supporters, and friends—our achievements during the past year and highlight our future objectives.

Our first year has been eventful and fruitful. Since incorporating in June 2010, the Consortium has welcomed its first 14 members (three states and eleven cities), attained tax-exempt status as a public charity, held its first general membership meeting, elected a Board of Directors, adopted a budget, and taken several other administrative and financial steps to build a solid foundation. We are nearing completion of an on-line supplier database that will help members ensure contractor transparency and accountability.

We now have the groundwork for the expansion of membership and look forward to exciting work ahead assisting members in developing and enforcing sweatfree procurement policies and ensuring decent conditions for workers that produce the apparel they buy.

We salute those who have allowed us to achieve this much and appreciate their contributions of resources—both human and financial. We are grateful for all who provide leadership to the organization, volunteer their time and talent, and provide us with much needed resources to advance our mission. We hope you will continue to support the Sweatfree Purchasing Consortium through your interest, encouragement, participation, and financial commitment.

In appreciation,



Michele M. Reale  
Board President



Bjorn Claeson  
Interim Coordinator

## SUPPLIER DATABASE

Imagine a transparent supply chain: from the factories where the clothing is cut and sewn to the public entities that buy them for police, fire fighters, and other public employees. Information about factories, what they make, and in what working conditions, is at your finger-tips when you evaluate bids and proposals. This is the promise of the Consortium's supplier database.

This year the Consortium has completed most of the back-end coding of the database and begun testing it with stakeholders who have provided valuable feedback. The Consortium looks forward to the public launch of the database in the coming year. It will offer buyers, vendors, manufacturers, and workers valuable tools to ensure a fair and efficient procurement process, helping to increase compliance with your public entity's code of conduct.

Buyers for public entities will be able to post solicitations, view public entities' supply chains, search compliant suppliers, and access evidence of non-compliance.

Vendors will be able to find solicitations for code of conduct compliant products and identify manufacturers and factories that can meet the requirements.

Manufacturers will be able to upload product and factory information to help vendors market their products. Both vendors and manufacturers will know that they are not competing against unscrupulous businesses that submit false or incomplete information to public entities.

Workers and their advocates will be able to see which public entities buy the products made in their factories and submit complaints of code of conduct violations when needed, helping to create much needed public scrutiny and accountability.

Buyers, vendors, and manufacturers will each pay modest fees to access and use the database. These fees will help fund the Consortium's data collection, verification, and monitoring activities to implement and enforce sweatfree procurement policies.

*" My husband and I went to the factory in search of work and there were long lines of people outside asking for work. They took advantage of the situation to demand certain things. For example, they ask you to take a pregnancy test, and if you are pregnant they don't give you work. ... I am a seamstress and I make the "points" on the grenade bags. My first contract was for 30 days, and since then [three months later] they haven't said anything to me, and they haven't asked me to sign anything else. I make about 13 little grenade bags a day, and every day they raise my production quota. There are times when my husband gets desperate and we think about returning to Chiapas but then we think that if there isn't work there either, how are we going to survive? We don't have any option other than working harder and eating less so that my children can study and don't face the same situation we are facing."*

--Worker in Mexico, makes body armor for sale to U.S. cities and states

## COMPLIANCE INVESTIGATIONS

This year the Consortium conducted its first labor compliance reviews of two major uniform suppliers, the VF Corporation and the Unifirst Corporation, in order to assist two Consortium members evaluate pending contracts. The purpose of the investigations was to verify production locations disclosed by the vendors, assess the risk of code of conduct violations at those locations, and provide recommendations for improved compliance. The Consortium reviewed import records, researched labor law and social security provisions in the applicable production countries, and consulted with monitoring organizations and others with expertise in labor conditions in the relevant regions. In addition, the Consortium worked with the Labour Awareness Resource Centre (LARC), a labor rights non-governmental organization in Kenya, and with Intervención y Innovación en las Ciencias Sociales, A.C., a worker-based non-governmental organization in Mexico to interview workers at uniform factories disclosed by vendors.

## TOOLS AND RESOURCES

The Consortium assessed the accuracy and completeness of the information that vendors disclosed, and indicated risks of non-compliance with legal and code of conduct requirements for wages, benefits, and working hours, freedom of association, and the right to collective bargaining. The compliance reviews are available at [buysweatfree.org/resources](http://buysweatfree.org/resources).

The Consortium also expressed concern to the U.S. Department of Labor about a well-publicized case of harassment of labor rights advocates in Bangladesh who worked the Bangladesh Center for Worker Solidarity (BCWS). The Consortium noted: “BCWS is an important voice for labor rights in Bangladesh. As we move to implement policies to ensure procurement of goods made in decent working conditions, we rely on local grassroots organizations such as BCWS to play a role in the research and monitoring of the apparel industry. The presence and free functioning of such grassroots actors is an important measure of the extent to which ethical production can take place in any garment producing country.”

In the coming year, the Consortium will seek to expand monitoring and investigatory work to respond to code of conduct violations and help ensure decent working conditions in the factories that produce goods purchased by Consortium members.

*“ During the fire I was inside the factory. I am one of the lucky ones who was rescued from that devastating fire. During the rescue my clothes caught on fire but I was able to get out with the help of my co-workers and people outside. I lost four of my closest friends in the fire. ”*

--Worker in Bangladesh, makes underwear for U.S. counties and states

The Consortium released the Sweatfree Purchasing Guide, Version 1.0, to help procurement officials develop and implement policies and rules to attain their public entity’s goal of avoiding the purchase of sweatshop products. The Guide outlines a step-by-step process for developing and implementing a sweatfree procurement policy: 1) assembling a policy team; 2) setting goals; 3) establishing a policy framework; 4) drafting a code of conduct; and 5) crafting the administrative rules, including guidelines for implementing the code of conduct in different procurement phases.

The Consortium has also developed a variety of additional policy resources, including a model certification of compliance form and a code of conduct complaint form, and assembled resources created by public entities.

All resources are available for free download at [buysweatfree.org/resources](http://buysweatfree.org/resources).

The Consortium will continue working with the Harrison Institute for Public Law at Georgetown Law School to determine the optimal legal path for municipalities in different states to adopt sweatfree procurement policies.

*“ Before the buyer or their auditors visit, factory managements cleans the factory and tells us what to say, like ‘We do overtime only for two hours and it is voluntary. They don’t abuse us; they don’t beat us; and we have right to organize and so on.’ We even have a duplicate attendance card to show the buyers where they can learn that we are not working more than ten hours a day and sixty hours in a week. When the buyers leave we are asked to return that card to the management. ”*

--Worker in Bangladesh, makes uniforms for U.S. cities and states

## CONNECTING CONSORTIUM MEMBERS WITH EXPERTS IN LABOR RIGHTS AND PROCUREMENT

The Consortium provides opportunities to interact with experts on a variety of topics of interest to members and other public entities through teleconferences and webinars. Recent presentations have included:

- *Professor Robert Stumberg, Director of the Harrison Institute for Public Law at Georgetown Law School*, discussing preemption threats to sweatfree procurement policies and how to craft rules and regulations to minimize such threats;
- *Kalpona Akter, Executive Director of the Bangladesh Center for Worker Solidarity and former child garment worker*, presenting her organization's research on labor violations in factories in Bangladesh that produce public employee uniforms for export to the United States;
- *Michael O'Donovan, Bureau of International Labor Affairs, U.S. Department of Labor*, discussing labor compliance in Bangladesh;
- *Donnie Hodge, President, Knights Apparel, and Theresa Haas, Director of Communications, Worker Rights Consortium*, discussing Alta Gracia, a new living wage apparel factory; and
- *Brandie Sasser, Bureau of International Labor Affairs, U.S. Department of Labor*, discussing child labor in global supply chains.

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*“ The work is hard and the production quota is killing us. If you don't meet the production quota you don't earn the bonus—just the minimum and that isn't enough for anything, for what is needed at home. ”*

--Worker in the Dominican Republic, makes uniforms for the federal government and states

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## ORGANIZATIONAL ACCOMPLISHMENTS

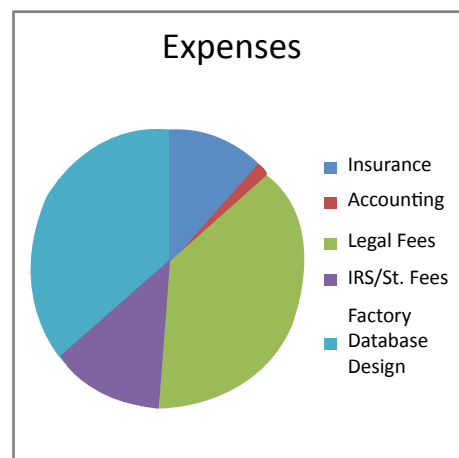
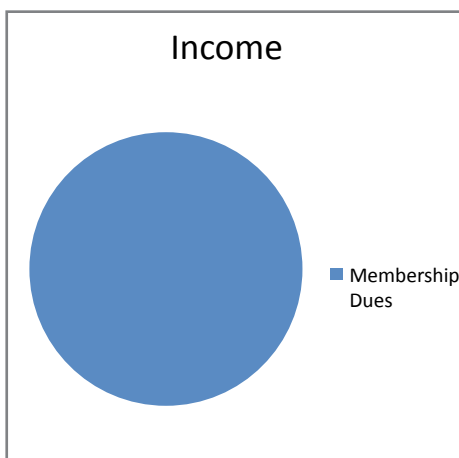
The Consortium took significant steps to build a strong and sound organization by:

- Incorporating and adopting By-laws;
- Attaining tax-exempt status as a public charity under IRS Section 501(c)(3);
- Holding its first annual membership meeting, voting in a Board of Directors with seven members representing public entities and four individual labor rights experts;
- Electing officers and establishing four working committees;
- Approving its first budget and putting in place financial procedures and other organizational policies; and
- Streamlining membership requirements and welcoming its first 14 members.

STATEMENT OF ACTIVITIES (unaudited)

Year ended June 30, 2011

<b>Revenue &amp; Support</b>	
Membership Dues	\$6,480.00
<b>Total Revenue</b>	<b>\$6,480.00</b>
<b>Expenses</b>	
Insurance	\$ 860.00
Accounting/Bookkeeping	\$ 75.28
Legal Fees	\$2,670.00
Start Up IRS and State Fees	\$ 890.00
Factory Database Design	\$2,560.00
<b>Total Expenses</b>	<b>\$7,055.28</b>



## 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

### **Interim Coordinator**

Bjorn Claeson, Director, SweatFree Communities

## MEMBERS

### **States**

Maine

New York

Pennsylvania

### **Cities**

Ashland, Oregon

Austin, Texas

Berkeley, California

Los Angeles, California

Madison, Wisconsin

Milwaukee, Wisconsin

Olympia, Washington

Portland, Oregon

San Francisco, California

Seattle, Washington

University City, Missouri