

SweatFree Procurement Forum for Purchasing Officials

Conference Call #3 Minutes

May 22, 2008

Present:

Farshid Yazdi, City of Los Angeles

Harold Jackson, State of California

Greg Hopkins, State of Oregon

Henry Oyekanmi, City of Berkeley

Paul Stembler, WSCA Cooperative Development Coordinator

Assistant Director, Materials Management Division

Minnesota Department of Administration

Monica Wilkes, New York State

Vicki Kaplan, SweatFree Communities, facilitator

Bjorn Claeson, note taker

Topic: Cooperative Sweatfree Purchasing

Announcement

SweatFree Communities is preparing to release a report on the working conditions at a number of factories worldwide that make uniforms and other apparel for the U.S. public procurement market. Prior to the release, scheduled for July 1, we will be contacting procurement officials in some of the cities and states that procure goods from the brands named in the report in order to ask for your assistance in working with the companies that source from applicable factories. We hope that companies will respond constructively to the report by engaging with supplier factories to remedy any substantiated worker rights violations. Please contact Bjorn Claeson if you have questions about the report or about our engagement with brands.

Presentation, Paul Stembler

Feel free to contact Paul Stembler with any questions about cooperative contracting. It is easiest to use email.

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Background

NASPO is a 501(c)(3) nonprofit organization formed by the 50 states. NASPO is divided regionally.

In middle 1980s pharmacists in Minnesota and Wisconsin started talking about ways for the two states to buy drugs together. In 1989, the two states formally created a multi-state contract for pharmaceutical products. By 1992/93 nine states had joined the contract. At the NASPO meeting that year, western state directors started talking about multi-state contracting for other products than drugs. They created the Western States Contracting Alliance (WSCA).

Fifteen states are WSCA members. Twelve of those states are usually actively involved in figuring out terms of solicitation. Their purchasing directors talk once a month about cooperative contracting, and can be reimbursed by WSCA for travelling

and other expenses associated with cooperative contract development. One state will lead each contract, but all states can join. For example, 45 states are using the WSCA cooperative PC contract. Cooperative solicitations almost always result in multiple award contracts. In all, WSCA contracts amount to \$4billion/year.

Sweatfree Cooperative Contracting

In the case of sweatshop issue, eastern directors have been talking about a NASPO cooperative contract for sweatfree monitoring and certification. Maine and Pennsylvania have been most active. New York has expressed interest. Outside of the eastern region, Ohio and Oregon are also interested so far.

The process involves one state volunteering to take the lead, in this case most likely Pennsylvania. Several states may help to put together the solicitation, talk until there is common ground, but the solicitation goes out under the laws of a single states.

The first time there is a solicitation for sweatfree monitoring contract maybe we can only get four or five states together. We don't start it as a huge contract. But the eastern directors want to go forward, so we will figure out how to make it work.

Questions and Answers

Q: Who can use the solicitation?

A: States and other levels of government, including cities and counties. There has also been a question about Canadian entities participating in sweatfree cooperative contracts put together by states. We can ask responders if they are willing to do business in Canada and honor the pricing scheduling we give them. But we cannot require them to do so because Canada is a sovereign entity. We can force responders to deal with, say, New York and comply with New York law, but not with Canadian law.

Q: As states that piggyback on a contract have to incorporate their own law in the solicitation, what happens if states have different codes of conduct, slightly different sweatfree standards? Do cooperative contracts depend on states having uniform standards?

A: No. If one state defines sweatfree differently from everyone else then we would simply put that into the solicitation. So standards don't need to be uniform across the board.

Q: How many vendors are part of the computer cooperative contract?

A: There are 17 separate manufacturers for a \$2.5 billion contract. The solicitation covers specific different kinds of computers. There is a dollar limit and a service warranty and guarantee.

Q: How do you coordinate all these parts of the contract?

A: The 12 states that are represented talk on the phone once a month and decide what ought to be on the contract. We're now in the 10th year of the contract.

Q: How is WSCA funded?

A: By collecting on some of the contracts. On the computer contract 1/20 of 1% of the contract pays for managing the contract and goes to WSCA. Minnesota also collects 1/2 of 1%.

Q: So are all fees collected in one place and divvied up and distributed to those who work on the contract?

A: No, the fees that are collected don't get divvied up. In the computer contract companies pay to WSCA. Now, some states also have the option or requirement to collect fees. They will put that into the solicitation. So each state can collect on a WSCA or NASPO contract and do whatever they want with it. (For example, in New York there is a new law that requires ½ % fees in all central contracts to offset the general fund. That fee goes to the tax department).

Q: What will be the process for the cooperative sweatfree contract?

A: Eastern directors will make a recommendation to the NASPO cooperative committee which is made up of the chair and vice chair of all regions. This committee decides if the contract goes forward as NASPO or as an eastern region contract (technical distinction), and what a reasonable administrative fee is.

Q: Is there a difference between what NASPO and WSCA does (in terms of cooperative contracting)?

A: There is no difference. It's only that WSCA has been doing it for 15 years. WSCA has a name for itself in the market place that NASPO doesn't yet have.

Q: If one state leads the effort, does that benefit the state?

A: Yes, because in the case of Minnesota, I collect the cost for the salary of one buyer from the computer contract, which is not unreasonable given the size of the contract. WSCA and NASPO also reimburse Minnesota for part of my salary. In the case of the sweatfree contract, Pennsylvania, as the lead state, would get reimbursed for the cost of doing the contract.

Q: Have you come across cooperative contracts for apparel? And would it not be difficult to do apparel products given that the product is not as uniform as computers or road salt?

A: There is a NASPO contract for apparel led by Massachusetts. Emblems and things unique to states are not included in that contract, but the underlying clothing can come off a common contract. Robert Irwin is the contact person for that contract.

Suggestions for next calls:

- Discussion of wage and labor standards?
- Shared database for affidavits?
- Cost projections for sweatfree goods?
- What needs to be in a sweatfree ordinance? How does it get teeth?

Next call: Thursday, June 26, 4 pm EDT/3 pm CDT/2 pm MDT/1 pm PDT

Call 218-486-1600

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