



A Network for Local Action Against Sweatshops

## Procurement Officials in the Sweatfree Movement

November 2007

### *Introduction*

Purchasing agents for states, cities, and other public entities occupy key positions in the sweatfree movement, relating directly with several important constituencies with a stake in policy development and implementation. These constituencies include vendors, public employees, and sweatfree advocates.

- For vendors, purchasing agents are the gatekeepers to a large and constant market. Larger distributors, especially, specialize in customer service, sales, and marketing, giving purchasing agents an impression of value. The end result is relationships of trust and understanding that facilitate the work of purchasers.
- Public employees in uniform depend on purchasing agents to provide good quality work wear in a timely fashion. Daily quality of work life is at stake, especially when the uniform is an indispensable piece of equipment, such as a bullet proof vest.
- For advocates, purchasing agents are responsible for turning policy into reality for workers who produce goods for public consumption. While implementing other social or environmental purchasing criteria may be as simple as checking a label, sweatfree purchasing is still a developing field requiring purchasing agents to study and interpret legal documents that often do not provide clear direction, design new tools of implementation, and educate their own, sometimes hesitant, staff and vendors regarding new requirements and procedures.

While advocates well understand the importance of educating legislators and other policy makers, reaching out to those who must implement policy and deal directly with companies is just as important. An effort to educate procurement officials and learn about the rules and constraints that guide their work can result in the development of regulations that are both feasible to implement and meaningful for workers, and an everyday practice of public purchasing guided by the spirit of the sweatfree policy.

### *Survey Overview*

In the spring to summer of 2007 SweatFree Communities conducted an initial survey of purchasing officials who are charged with the responsibility of implementing sweatfree procurement policies.<sup>1</sup> Our goal was to elicit broad perspectives regarding the challenges of

<sup>1</sup>Tyler Boone, a public policy graduate student and SweatFree Communities intern, was the principal researcher. SweatFree Communities staff Bjorn Claeson and Liana Foxvog also participated in the research process; Claeson is the principal author of this report. We are deeply grateful to the purchasing officials who spent valuable time sharing their experiences and knowledge through our survey. We would also like to thank Chris O'Brien, Director of the Responsible Purchasing Network at the Center for the New American Dream, and Leslie Silletti at the Legislative Reference Bureau of the City of Milwaukee, for invaluable guidance on research design and analysis. Neither one is responsible for any mistakes or misrepresentations of the views of purchasing officials. The complete survey is

implementation and the resources needed. The survey was also a first step towards a process of collaboration among purchasing officials and advocates to develop practices, tools, and resources that will ensure that sweatfree procurement policies achieve their intended effect.

We sent the survey successfully to 41 purchasing officials of cities, counties, states, and school districts; 20 of them responded, representing all types of public entities with annual apparel purchasing volume ranging from \$5,000 to \$3-4 million. Nineteen of the respondents said that they had a policy of prohibiting goods made in sweatshops; two said that one was in the planning stages; and one did not know. Over 70% of respondents said that their policy applied to uniforms and apparel; 29% said it applied to all purchases. Over 80% said the policy applied to both contracts and purchase orders; 35% said it applied to rentals as well. An even 80% said that labor standard in the policy applied to the contractor, sub-contractor, and the place garments are cut, assembled, finished. Over 70% said the standards also applied to the sub-subcontractor.

Because of the small sample, and low response rate to some of the questions, the survey results are not conclusive. While pointing to some themes and issues of importance to the sweatfree movement, the survey should be seen as a work in progress.

### ***Survey Results - Perspectives of Purchasing Officials***

#### ***➤ Sweatfree purchasing is not a high priority***

In general, half of the respondents (6 out of 12) rated purchasing sweatfree goods as a low priority; only one said it was a high priority compared to other purchasing criteria. When rating the importance of several different purchasing criteria, 70% gave "quality or durability" of the product the highest ranking, followed by "price" at 56%, and environmental impact at 25%. Only one person out of the eight who rated importance of "working conditions" in purchasing decisions said it was of the highest importance. Yet, the fact that only five out of nine respondents said that price was the most important consideration indicates a possibility for social criteria to gain in importance. (See Appendix 1 for survey responses).

#### ***➤ The relationship with vendors is uneasy in context of sweatfree purchasing***

Purchasing officials' relationship with vendors seemed to be marked by worries in the context of sweatfree policy implementation. Four out of ten respondents said bidders and vendors had reacted negatively to the sweatfree policy; the remainder had not received comments from vendors or did not know. No one said that vendors reacted positively to the new policy. While only one out of nine respondents said that fewer companies were bidding since they began implementing the sweatfree policy, six out of seven thought that stricter policy enforcement would nevertheless result in fewer businesses submitting bids. Furthermore, most respondents expressed a strong desire for "more bidders and vendors offering sweatfree goods and services." (See Appendix 2 for survey responses).

Two of the respondents sympathized that the information gathering required under the sweatfree policy puts a strain on vendors.

*"They can't control what their subcontractors are doing. They can't verify information all the way down the supply chain,"* said one.

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available upon request from [info@sweatfree.org](mailto:info@sweatfree.org)



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*"Vendors are concerned that the initiative makes the process of preparing and submitting bids too cumbersome,"* according to another.

Two other respondents indicated that even if vendors have access to the information required they may be reluctant to share it with public entities.

*"We have problems with vendors who refuse to submit affidavits, thus disqualifying them from receiving an award,"* according to one.

*"Vendors have been reluctant to disclose how much they pay subcontractors and how much workers are paid; some vendors have also objected to disclose international factory locations. Some vendors have provided first tier subcontracts and others have not,"* explained another.

And two others doubted if the information they received from vendors could be trusted. One speculated:

*"Information required on compliance forms may not be reliable. Vendors may simply be filling in information to get our business without confirming data is accurate."*

Another explained that the absence of disclosure of code violations may not reflect a reality of code compliance:

*"There have been no complaints alleging vendor code of conduct violations; however lack of complaints does not necessarily mean that there are no compliance issues. The issue is how to identify noncompliance."*

➤ *Reliable, qualitative information is needed*

Anxieties about obtaining accurate information from vendors create a desire for alternative sources of information. In response to a question about the resources needed to implement the policy, seven out of eight respondents felt that "ability to verify contractors and subcontractors working conditions" would be helpful or very helpful; five out of eight felt that "funding to hire an independent monitor to investigate working conditions" would be very helpful; and six out of seven said that "a national consortium that pools resources to investigate working conditions" would be very helpful. Respondents were more split on the question of whether or not their own staff should have funding to conduct investigations of working conditions; five out of seven said it would be helpful or very helpful, but two did not think it would be helpful. (See Appendix 3 for survey responses).

Reliable investigations of working conditions would, in turn, create other valuable resources for policy implementation. Eight out of eight respondents desired a list of good and bad factories, and seven out of ten a preferred vendors list.

By contrast, respondents seemed to value other resources less highly than reliable sources of information. For example, only three out of seven said that additional procurement staff would be very helpful; two out of six felt that stronger sanctions for vendors that violate the policy would be very helpful; and the same proportion, two out of six, said that less price sensitivity in our purchasing would help them implement the policy more effectively.

## Conclusions

The survey indicates both challenges and opportunities for sweatfree advocates to ensure effective implementation of sweatfree purchasing policies. Translating legislative victories into victories for workers requires a plan for engaging professional staff of procurement offices, people with significant specialized roles in the sweatfree movement.

The low priority accorded sweatfree purchasing by respondents to this survey compared to environmental considerations is not a surprise. The sweatfree movement is relatively young and not yet as visible as the movement for environmentally preferable purchasing. While the environmental movement has largely succeeded in linking issues such as pollution and natural resource preservation to our self-interest and has also developed clear action plans, the sweatfree movement has yet to elevate issues such as workers' health and safety to the same level of importance as consumer health and safety. For many of us, ending sweatshop labor is a laudable cause, but not a cause inextricably linked to our own sense of security, safety, and self-preservation. It is up to the advocacy community to develop and execute a plan for public education and consciousness-raising that effectively links our fate to the improvement of working and living conditions of sweatshop workers in our own neighborhoods and worldwide.

One recent positive development is that many sweatfree campaigns appear to have developed productive working relationships with procurement officials in their jurisdictions, an essential step towards effective action plans. Seventy percent of survey respondents said they had received feedback from advocacy groups about the sweatfree policy. Purchasing officials described their relationship with these groups as "positive" or "very good;" some indicated an ongoing working relationship, saying "we work well together," "groups used for information purposes," and "[the group] helped develop the regulation and review the annual results." One respondent made sure to praise the local sweatfree campaign in a space for extra comments, saying: "The coalition locally did a great job working on this issue," indicating one activist in particular. None of the respondents said anything negative about local advocacy groups.<sup>2</sup>

As advocates, we can build on these relationships. Purchasing staff are perhaps naturally cautious about altering purchasing practices and potentially upsetting long-standing relationships with vendors. But they may not be unwilling to make changes. One respondent, who has dealt with two lengthy contract challenges alleging code of conduct violations, indicated that vendors, too, make adjustments over time and learn to cope with the new policy. Describing an evolving relationship with vendors, she said: "*They were upset and complained at first but are getting used to it.*"

With better tools for gathering information about working conditions at factories producing for public entities we should expect that procurement officials will play valuable roles in the sweatfree movement, engaging productively with companies, and ensuring that the policies make a real difference in the lives of workers. At the time when such tools begin to be available, further research should be conducted to determine how access to reliable

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<sup>2</sup> We received a comment from a purchasing official on an early draft of this report indicating that respondents may not have been willing to disclose negative relationships with local advocacy groups. The commentator wrote: "I have to say that our working relationship with the local advocacy group has not been a very positive experience and has instead been adversarial at times." Yet, he expressed the hope that the committee of advocates and city officials now in charge of drafting the sweatfree policy "can produce a sweatshop free procurement policy that actually works while effecting change in the uniform supplier market."



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information about working conditions impacts the relationship between procurement officials and vendors. Will stricter policy enforcement based on better information cause potential vendors to walk away from bid opportunities as some procurement officials appear to fear? Will most vendors make the necessary changes in their business practices to ensure compliance with sweatfree codes of conduct and continued access to government procurement markets? And what new challenges will arise as procurement officials negotiate new expectations with vendors?

**Appendix 1 – Most Important Factors in Purchasing Decisions**

<b>Considering all types of purchases, which factors are most important in purchasing decisions? (1 is lowest and 4 is highest)</b>					
<b>answer options</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Response Count</b>
Quality or durability	2	0	1	7	10
Price	0	1	3	5	9
Environmental impact	1	2	3	2	8
Social impact	1	3	2	1	7
Working conditions	1	4	2	1	8
Purchasing quotas	3	2	1	0	6



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**Appendix 2 – Relationship to Vendors**

<b>How would you characterize bidders and vendors reactions to your sweatfree policy?</b>		
<b>answer options</b>	<b>Response Percent</b>	<b>Response Count</b>
Positive comments	0.00%	0
Negative comments	40.00%	4
No comments	50.00%	5
I do not know	10.00%	1

<b>Since you implemented your policy, have you noticed any changes in how many companies are bidding for contracts?</b>		
<b>answer options</b>	<b>Response Percent</b>	<b>Response Count</b>
Yes, there are more companies bidding for contracts	0.00%	0
Yes, there are fewer companies bidding for contracts	11.11%	1
There has been no change	55.56%	5
I do not know	33.33%	3

<b>Do you think stricter enforcement of the sweatfree procurement policy would affect competitive bidding?</b>		
<b>answer options</b>	<b>Response Percent</b>	<b>Response Count</b>
Yes, positively: more businesses would submit competitive bids	0.00%	0
Yes, negatively: fewer businesses would submit competitive bids	85.71%	6
Not at all	14.29%	1
We do not require competitive bidding	0.00%	0

**Appendix 3 – Resources Needed for Effective Policy Implementation**

<b>What would help you implement your sweatfree policy more effectively? (1 is lowest and 4 is highest)</b>					
<b>answer options</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Response Count</b>
More competitive pricing of sweatfree goods	0	1	4	4	9
More bidders and vendors offering sweatfree goods and services	1	0	4	5	10
Education on the global economy and sweatshop working conditions	0	2	4	1	7
Help from an advocacy group	1	4	3	0	8
Training or education on how to procure sweatfree goods	0	3	1	4	8
Clearer policy directives	1	3	1	3	8
Less price sensitivity in our purchasing	0	3	1	2	6
Changes to our purchasing procedures	0	3	3	1	7

<b>On a scale where 1=NOT HELPFUL and 4=VERY HELPFUL, please rate how helpful these resources would be for implemented your policy:</b>					
<b>answer options</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>Response Count</b>
Able to verify contractors and subcontractors working conditions	1	0	4	3	8
Funding to hire an independent monitor to investigate working conditions	1	0	2	5	8
An enforcement policy with stronger sanctions for vendors that violate the policy	0	2	2	2	6
Collaborating with procurement officials from other jurisdictions to share experiences and knowledge	0	1	4	2	7
Additional procurement staff	1	1	2	3	7
A list of good and bad factories	0	0	4	4	8
A preferred vendors list	0	3	3	4	10
Funding for our staff to conduct investigations of working conditions	1	1	2	3	7
Collaborating with other jurisdictions to investigate factories	2	1	2	2	7
A national consortium that pools resources to investigate working conditions	1	0	1	5	7
Other	0	0	0	2	2