

Attachment 1: Code of Conduct for Apparel Manufacturers and Service Providers

The following Code of Conduct for Apparel Manufacturers and Service Providers may be updated in between policy revisions per the [continuous maintenance process](#).

Covered service providers include those in the industrial laundry (including linens and uniforms), janitorial, and security industries.

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. In the case of service providers, this Code of Conduct aims to protect the City's proprietary interests by requiring vendors to provide evidence of substantive measures taken to minimize risk of service disruption due to labor disputes.

Labor practices are based upon the core conventions of the International Labor Organization (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 interfere with, manipulate, or control 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. Labor Peace Agreements

In the case of Service Providers, contractors shall provide satisfactory evidence that it, and any subcontractor who will provide services, are a party to labor peace agreement(s) with any labor organization that represents any group of the contractor's or subcontractor's employees who are or will be involved in providing collection services, and with any labor organization that represents employees providing similar services in the states of Oregon or Washington, and that seeks to represent any group of a contractor's or subcontractor's employees who are or will be involved in providing services. A labor peace agreement is an enforceable agreement between a contractor or subcontractor and a labor organization (as defined by 29 U.S.C. §152(5)) that contains provisions under which the labor organization for itself and its members agrees to refrain from engaging in any picketing, work stoppages, or any other economic interference with the contractor's or subcontractor's performance of collection services.

Nothing in this section requires a contractor or subcontractor to recognize a particular labor organization or to enter into a collective bargaining agreement establishing the substantive terms and conditions of employment. Nor is this section intended to enact or express any generally applicable policy regarding labor/management relations, or to regulate those relations in any way, or to provide a preference for any outcome in the determination of employee preference regarding union representation.

Any failure to comply with these requirements and any service disruption as a result of a labor dispute will be subject to liquidated damages and possible termination of the service contract.

b.c. 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.d. 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.e. 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.f. 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.g. Regular Hours of Work in Apparel Manufacturing

Workers in apparel manufacturing 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.h. Overtime in Apparel Manufacturing

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.i. Wages and Benefits for Regular Hours of Work

In the case of apparel manufacturing, The-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 living wage as defined as follows. For the purposes of this section, a “living wage” is the piece-rate or hourly equivalent of what a full-time worker needs to earn in annual income that exceeds the poverty threshold for a family of three. In the United States, the living wage is based on the poverty threshold set by the U.S. Department of Health and Human Services for a family of three plus an additional 20 percent to provide for expenses that include healthcare, childcare, education, travel, and retirement savings. For other countries of production, the U.S. living wage may be adjusted to reflect a different cost of living by using an index for purchasing power parity, which is calculated by the World Bank.

In the case of service providers, contractors and subcontractors shall pay wages and benefits that meet the higher standard of (a) the legal minimum wages and benefits; (b) the prevailing wages and benefits in the industry in the Portland Metro region. For the purposes of this section, prevailing wages and benefits are defined by the collective bargaining agreement(s) covering the largest number of employees in a given industry in the Portland Metro area, including paid time off, health insurance, and retirement. When assessing whether an employer’s wages and benefits meet the prevailing wages and benefits, the City shall consider the cost of employer and employee contributions for health insurance, retirement, and the like. The City shall also consider wages and benefits at time of hire, after one year of full-time or equivalent hours, and after two years full-time employment or equivalent hours.

All wWorkers covered by this Code of Conduct 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.

h.j. Just Cause Termination

Contractors and subcontractors, including apparel pPoint 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.

Contractors and subcontractors, including apparel Point of assembly facilities, shall not terminate workers without just cause. Contractors and subcontractors 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.

k. Progressive Discipline and Dispute Resolution

In the case of service providers, contractors and subcontractors shall use progressive discipline and a bona fide grievance process to resolve workplace disputes.

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 and 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.

4. Disclosure: Corporate Responsibility

In the case of service providers, contractors and subcontractors shall disclose with bids their records of compliance, or non-compliance, with laws and regulations related to their operations during the previous five years, including:

- Worker's Compensation Law,
 - Labor Contractor Law [ORS 658.405-658.511],
 - Federal Service Contracts Act,
 - Federal Davis Bacon Act,
 - Federal and Oregon Minimum Wage laws,
 - Oregon Wage Collection laws
 - Oregon Prevailing Wage laws,
 - Unemployment Compensation laws
 - Federal and Oregon Occupational Safety and Health Laws,
 - Federal and Oregon Family/Medical leave Acts,
 - National Labor Relations Act and Civil Rights Laws.
- a. Such disclosures will name any and all judgments or administrative orders of record, including the jurisdiction or agency, case or file number, and current status.
- b. The public shall have an opportunity to view and comment on proposers' disclosures before the City issues a notice of intent to award.
- c. The City shall consider all public comments and issue a written assessment of the concerns raised, including whether and how each concern influenced the City's contracting decision.

5. Lines of Accountability

Contractors shall not subcontract to franchisees.