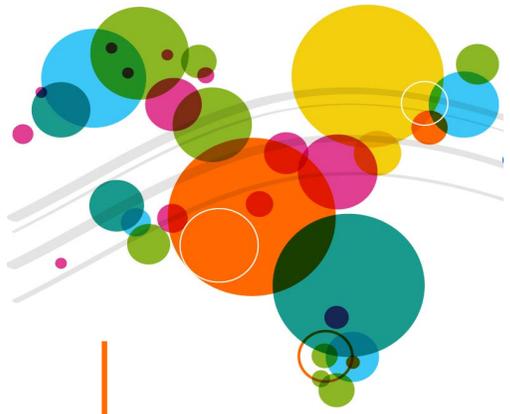




Sustainable Procurement Policy & Labor Best Practices: Following-Up on Council Directive

Fair Contracting Forum
November 13, 2018

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City of Portland Procurement Services



Following Up

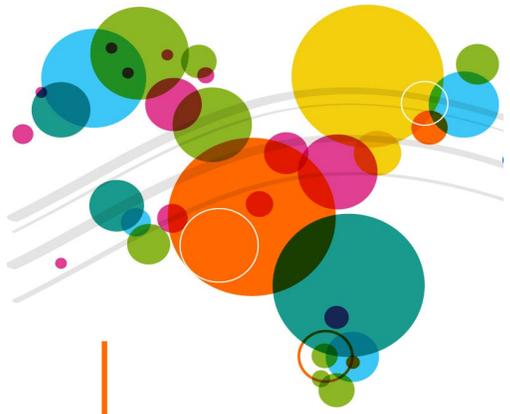
- Following Up from September FCF Meeting Regarding Sustainable Procurement Policy Resolution Directive
 - Strengthen policy requirements related to evaluating the labor practices of City contractors and subcontractors



Council Resolution Amendment

- Resolution directive:

“...that the Office of Management & Finance is directed to work with stakeholder groups, including but not limited to, union labor representatives, community member organization representatives, and contracting trade associations to provide recommendations to this policy for contracted services that address corporate responsibility disclosures, scoring for equity and economic sustainability, best practices in labor relations, and accountability, compliance and monitoring.”



Sustainable Procurement Policy Recap

- Purpose
- Applicability
- Policy Statement
- Guiding Principles
- Prioritization
- Best Practices
 - Baseline and Emerging
- Roles and Responsibilities
- Policy Compliance
- Metrics and Reporting

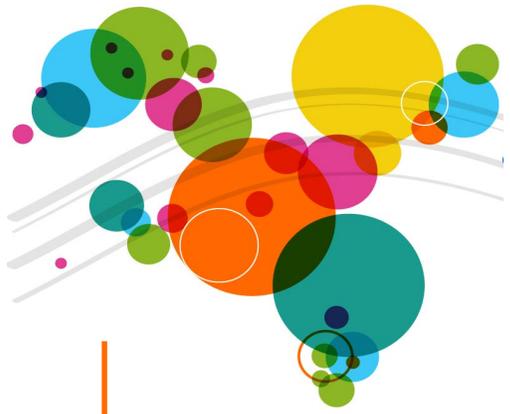
- Policy Update and Continuous Maintenance Process
- Definitions
- Related Sustainability Policies & Resolutions
- Attachment 1: Code of Conduct for Apparel Manufacturers
- Attachment 2: Environmentally Responsible Paper Standard



Recap

- Edit “Emerging Best Practices” Section, Under Supplier Diversity & Safe Supply Chains, Item #3:

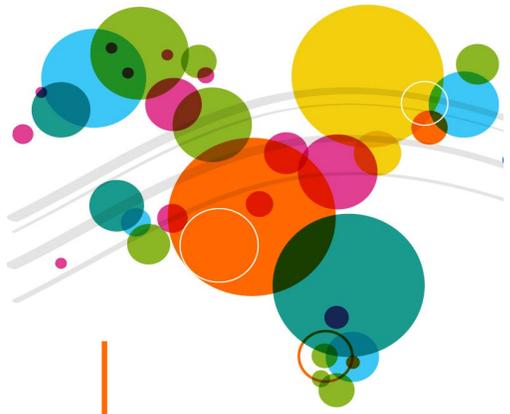
“Develop responsible offeror criteria, procurement criteria and compliance mechanisms that evaluate vendor integrity related to environmental, health and safety, labor, governance and ethical business practices. Focus initially on janitorial, security, and industrial laundry services, such that service provider requirements for these categories address labor best practices including: just cause and progressive discipline, compliance with City Code 3.99 Fair Wage Policies, and disclosure regarding vendor compliance with occupational health and safety, wage and hour, and similar employment laws.”



Recap

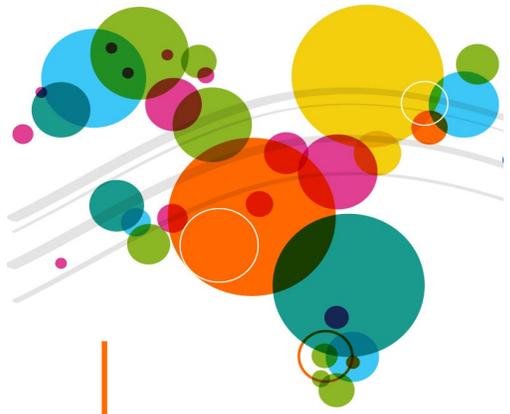
- Expand Apparel Code of Conduct to other “hot spot” industries such as janitorial, security services, and industrial laundry
- Update Code of Conduct language to include language around:
 - Labor Peace Agreements*
 - Require wages/benefits that meet the industry prevailing wage – as defined by the collective bargaining agreement(s) covering the largest number of employees in a given industry*
 - Progressive discipline, and dispute resolution
 - Disclosure of compliance/non-compliance with labor and health/safety laws
 - E.g. Workers compensation law, Federal Davis-Bacon Act, Federal & State Occupational Safety and Health laws, etc.

*Submitted for City Attorney Review



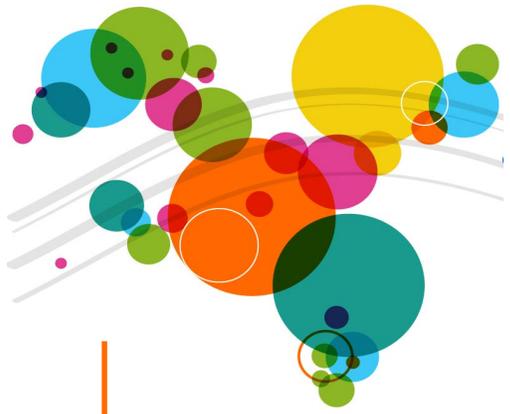
Input Summary

- City Attorney Review
 - Labor Peace Agreements
 - Need to understand risk of labor strikes in targeted industries
 - Risk that City will be viewed as regulator as opposed to market participant
 - Prevailing Wage/Benefit Prevailing tied to CBA
 - Risk factor: City is not party to the CBA
- Additional Concerns from Stakeholders
 - Wage/benefit requirements disproportionately impact smaller firms who may not have capacity to support multiple wage levels per customer; also impacts competitiveness outside of City work
 - Labor Peace Agreements primarily a union practice/terminology



Proposed Recommendations

1. Move forward with proposed edits to Sustainable Procurement Policy (emerging best practices section). **Timeline: Immediate upon City Council Approval**
2. Ensure upcoming Request for Proposals for Security Services (for Portland Building, City Hall, and several other locations) incorporates the labor best practices cited in Sustainable Procurement Policy update. **Timeline: Immediate**
3. Develop a new Supplier Code of Conduct that would apply to all City contractors (not just apparel manufacturers or janitorial/security/industrial laundry providers). Take the time to conduct robust stakeholder engagement. **Timeline: 12-18 months**
4. Pilot test the EcoVadis system for supplier evaluation and ratings. Utilize the pilot to explore how such a system could facilitate vendor accountability related to labor best practices. Also utilize the pilot to assess application (or not) to small firms. **Timeline: 12-18 months**



Next Steps

1. Return to City Council December 13
 - Adopt update to Sustainable Procurement Policy
 - Approve recommended actions
 - Approve including ask in FY19-20 budget process for EcoVadis pilot
2. Begin Implementation of Recommendations

Discussion

