

**CITY
ANTI-SWEATSHOP
ORDINANCE**

Report by the
Office of City Controller

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July 2007

City of Pittsburgh



Pennsylvania

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July 10, 2007

To the Honorables: Mayor Luke Ravenstahl
and Members of Pittsburgh City Council:

The Office of City Controller is pleased to present this performance audit of the *City Anti-Sweatshop Ordinance*, conducted pursuant to the Controller's powers under Section 404(c) of the Pittsburgh Home Rule Charter.

EXECUTIVE SUMMARY

A sweatshop is a manufacturing workplace that treats its workers inhumanely, paying low wages, imposing harsh and unsafe working conditions and demanding high levels of productivity (long hours and big quotas) that are harmful to the workers. Although sweatshops still exist in the United States, the term "sweatshop" is increasingly associated with factories in developing countries such as India, China, Bangladesh and Honduras.

The Controller was directed by City Council to "conduct a Performance Audit to assure compliance with Ordinance 32 of 1997 to prevent the purchase, lease, rental or taking on consignment, any goods, or products made under sweatshop conditions". The main objectives of this audit are to determine if City purchasing is in compliance with the City's anti-sweatshop ordinance and if the City's current vendor certification requirement adequately prevents the purchase of materials made under sweatshop conditions.

Findings and Recommendations

Section 161.16 of the Pittsburgh Code requires vendors who have a contract with the City for goods or products to sign a statement certifying "that nothing has come to his/her attention that would lead him/her to believe that any of the goods/products provided herein were made or provided under sweatshop conditions".

Effectiveness of City Anti-sweatshop legislation

Finding: A review of contracts entered into by the City indicates that the anti-sweatshop certification is signed and attached to all City service and commodity contracts.

Finding: **This written anti-sweatshop certification, however, does not ensure that the products purchased by the City are sweatfree.** A statement by the vendor that he/she has no knowledge that his/her goods are made under sweatshop conditions is not assurance that they are not made in sweatshops. **Therefore, the Department of Finance, Bureau of Procurement, Facilities and Fixed Assets, is not meeting the intent of Ordinance 32 which is to prevent sweatshop purchases.**

Finding: The most effective way to ensure that purchases are sweat free is to have independent monitoring of the conditions of production. To do so requires factory location disclosure which the current City certification form does not provide.

RECOMMENDATION NO.1:

If the City intends to effectively enforce its anti-sweatshop code, a City-County sweatfree policy must be developed that includes as many goods as possible. The City should take the lead in determining a dollar amount threshold for sweatfree purchases, rather than wholesale exclusion of explanatory purchases.

RECOMMENDATION NO. 2:

The City should replace its vendor certification with a factory disclosure form that ensures compliance with the code of conduct specified in Section 161.02(e) of the Pittsburgh Code.

RECOMMENDATION NO. 3:

At a minimum, the disclosure form should contain factory location and wage information. This would allow a third party independent monitoring organization to verify wage and working conditions at that factory.

RECOMMENDATION NO. 4:

The disclosure information should be certified by the product manufacturer and not by the local vendor. Factory locations and wage disclosure requirements also would

allow companies to monitor production origins and comply with anti-sweatshop conditions.

Finding: This disclosure form would not place an undue burden on the manufacturer. Most corporations already track their goods to the subcontractor or factory level in order to monitor the quality of their products.

Finding: Adoption of disclosure forms could be accomplished under the City's existing ordinance. However, the factory disclosure requirement would have to be added to section 161.16, *Required Provisions in Contracts*, of the Pittsburgh Code.

Finding: The City's anti-shop certification requirement does not apply to explanatory purchases.

Explanatory purchases are purchases for \$1000 or less from any source and are supposed to be used only for emergency or occasional purchases. However, explanatory purchases could be improperly used to circumvent buying from a vendor under contract.

City-County Purchasing Merger

Finding: The City and County are considering raising the explanatory purchase limit as part of the City-County purchasing merger. A City-County anti-sweatshop policy that includes higher dollar value explanatory purchases could inadvertently cause the City to purchase more goods made under sweatshop conditions.

City Purchases from County Contracts

Finding: The City's vendor certification requirement is being circumvented by allowing uniform purchases from County contracts which have no sweatfree affidavit requirements.

Auditor Field Work Results

The auditors visited numerous departmental sites to obtain the brand or manufacturer and country of origin of uniforms worn by the employees. The auditors submitted a list of these apparel manufacturers to Pittsburgh Sweatshop Alliance, an anti-sweatshop activist group, to determine if any of the manufacturers were known to produce goods under sweatshop conditions.

Finding: Without factory location-disclosure, it is impossible for a third party sweatshop monitoring organization to determine if City uniforms are made in sweatshops.

Finding: The current affidavits used by the City are not useful for enforcing the City ordinance. The City does not require vendors to disclose or obtain information from their supply chain. Therefore, it is impossible to track specifically in which factory the clothing items were manufactured.

Finding: Other cities and states have anti-sweatshop enforcement laws, and their approach to enforcement is more aggressive than current City enforcement policy. These enforcement approaches include public disclosure of factory locations and wages and independent monitoring of factory conditions.

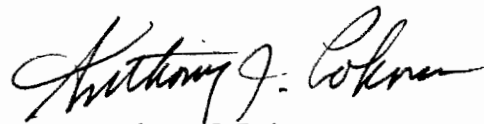
Factory Disclosure and City-County Purchasing Agreement

RECOMMENDATION NO. 5:

This factory disclosure requirement should be a part of any joint City-County purchasing agreement. Such disclosure would meaningfully comply with Allegheny County Council's proposed sweatfree purchasing ordinance.

We are pleased that the Department of Finance, Bureau of Procurement, Fleet and Asset Services agrees with the general findings of our audit and will review some of our recommendations with the City Law Department for possible implementation.

Sincerely,



Anthony J. Pokora
Deputy Controller

INTRODUCTION

This performance audit of the City Anti-Sweatshop Ordinance was conducted pursuant to section 404 (c) of the Pittsburgh Home Rule Charter. Generally accepted governmental auditing standards established by the federal General Accounting Office were followed.

The Controller was directed by City Council through resolution No. 2007-1187 to “conduct a Performance Audit to assure compliance with Ordinance 32 of 1997 to prevent the purchase, lease, rental or taking on consignment, any goods, or products made under sweatshop conditions”. Section 161.02(e) of the Pittsburgh Code prohibits the City from purchasing goods or merchandise produced under sweatshop conditions. The main objectives of this audit are to determine if City purchasing is in compliance with the City’s anti-sweatshop ordinance and if the City’s current vendor certification requirement adequately prevents the purchase of materials made under sweatshop conditions.

OVERVIEW

Sweatshops

The concept of a sweatshop originated between 1830 and 1850 in England and the United States as a type of workshop in which a middleman, or ‘sweater’, directed others in garment making under arduous conditions such as long hours, low pay and poor physical working conditions. Between 1850 and 1900, sweatshops attracted the rural poor to rapidly-growing cities, and attracted immigrants to places like the East End of London and New York City’s Lower East Side garment district. Sweatshops also attracted critics who cited them as crowded, poorly ventilated, and prone to fires and rat infestations, because much of the work was done by people crowded into small tenement rooms. In the United States, the International Ladies’ Garment Workers’ Union was founded in 1900, in an effort to improve the conditions of these workers.

Criticism of garment sweatshops became a major force behind workplace safety regulation and labor laws. Trade unions, minimum wage laws, occupancy codes, and labor laws have made sweatshops (in the original sense) rarer in the developed world. Today, the term “sweatshop” is increasingly associated with factories in developing countries.

In a report issued in 1994, the United States Government Accounting Office, using a definition of a *sweatshop* as any "employer that violates more than one federal or state labor law governing minimum wage and overtime, child labor, industrial homework, occupational safety and health, workers’ compensation, or industry registration" found

that there were still thousands of sweatshops in the United States. This recent definition eliminates any historical distinction about the role of a middleman or the items produced, and focuses on the legal standards of developed country workplaces.

An area of controversy between supporters of outsourcing production to developing countries and the anti-sweatshop movement is whether such standards can or should be applied to the workplaces of developing countries.

Developing countries like India, China, Vietnam, Bangladesh and Honduras encourage the outsourcing of work from the developed world to factories within their borders to provide employment for their people and profits to their employers. It is much more cost-effective for corporations to subcontract their manufacturing to suppliers who produce goods cheaply by minimizing worker salaries and benefits, skimping on factory and dormitory upkeep and standards, and demanding high levels of productivity (long hours and big quotas) from their workers. The result is forced overtime, low wages, punishments and fines for slow work and mistakes, worker intimidation, child labor, and other abuses. Therefore, corporate profit motive is the main reason for the existence of sweatshops in developing countries and the profits can be staggering. For example, Honduran workers are paid 15 cents to produce a Sean Jean shirt that sells for about \$40 dollars.

SweatFree Campaigns

Exposes about sweatshop conditions in developing countries has spawned numerous "SweatFree" campaigns. One goal of these campaigns is to have major purchasing entities such as universities and governments adopt purchasing policies that prohibit purchase of goods made under sweatshop conditions. A sweatfree policy is one that obligates contractors and subcontractors to a code of conduct based on International Labor Organization standards. These standards are based on "compliance with local labor laws, safe and healthy working conditions, non-poverty wages, optional and compensated overtime, non-discrimination, no harassment or abuse, and freedom of association and right to collective bargaining".

Sweatfree Purchasing Policies

Nationally, a number of universities, cities and states have adopted sweatfree purchasing policies. The purpose of these policies is to expand market demand for goods that are made in humane conditions by workers who earn fair wages. In 1997, the City of Pittsburgh joined the sweatfree movement by adopting Ordinance 32. The Ordinance is codified as Section 161.02(e) of the Pittsburgh Code.

SCOPE

The scope of this performance audit is the City's contract compliance by vendors for purchases of uniforms and t-shirts used by the Fire, Police, EMS, Public Works, Refuse and Parks & Recreations departments for the year 2006.

OBJECTIVES

1. To identify the origin of various department apparel purchases and determine whether the garments are affiliated with any sweatshop conditions.
2. To determine if the City's departments are in compliance with the 1997 anti-sweatshop legislation in City Code.
3. To assess the monitoring and enforcement procedures in place with vendors to prevent purchases from sweatshops.
4. To determine if additional monitoring and enforcement procedures are reasonable and beneficial.
5. To make recommendations for improvement.

METHODOLOGY

The auditors met with the Pittsburgh Anti Sweatshop Community Alliance. Received was background information and resources on the importance of purchasing garments manufactured in anti-sweatshop companies. The audit program included site visits to City departments required to wear uniforms to document various clothing labels and manufacturers. The Sweatshop Alliance agreed to help track the origin of these City uniforms and identify whether they were manufactured under sweatshop conditions. They have the capability of tracking vendor codes using their resources on a database. In many instances, they can track the shipments and identify the origins of the production location as being a sweatshop facility in different parts of the US or foreign countries.

Auditors contacted personnel in Public Works and Public Safety administration. Authorization was received to visit each City facility to collect our data on the uniforms, t-shirts, jackets, pants and other City apparel. Various City contracts from the Controller's Office Contract Section were examined. The Controller's Contract Supervisor was interviewed.

Auditors made site visits to the Fire Bureau, Police Bureau, Bureau of Emergency Medical Services and Department of Public Works Refuse Division and Division 5's streets and parks operations.

Data was manually collected and recorded on a chart that included: the date, department, product, manufacturer and origin of where the garment was made. The product information was emailed to Sweatshop Alliance.

The auditors performed research on the internet for more information on anti-sweatshop initiatives. Several city contracts were checked for anti-sweat shop compliance signatures by vendors and reviewed the disclosure document. The County's purchasing agreement using anti-sweatshop standards have not been finalized.

Auditors reviewed a paper titled *Looking at Innovative "Sweatfree" Procurement Policies* written by a Carnegie Mellon University graduate student. The paper summarized SweatFree procurement policies and enforcement mechanisms for four US states and cities.

FINDINGS AND RECOMMENDATIONS

City Sweatfree Ordinance Requirements

Section 161.16 of the Pittsburgh Code requires vendors who have a contract with the City for goods or products to sign a statement certifying “that nothing has come to his/her attention that would lead him/her to believe that any of the goods/products provided herein were made or provided under sweatshop conditions”. According to section 161.02(e) of the City Code, “goods and products are not made in sweatshop conditions if all of the following conditions apply in the manufacturing facility in which the goods are made:

(1) *Wages and benefits.* The manufacturer or employer must pay wages which enable its workers to meet their basic needs for food, shelter, clothing and medical care. The manufacturer or employer also must provide all benefits required by law in their country and must compensate workers for overtime.

(2) *Hours of work.* Workers must not be required to work more than forty-eight (48) hours per week, or less if the law of the country in which the manufacturer or employer is located sets a shorter work week.

(3) *Worker's rights.* Workers must have the right to speak up about and/or protest conditions in the factories they work in without fear of retaliation and must have the right to form and join unions of their own choosing without fear of retaliation.

(4) *Health and safety.* The manufacturer or employer provides a safe and healthy working environment.

(5) *Treatment of workers.* No worker may be subjected to physical, sexual or verbal harassment. No worker may be discriminated against in employment in any way on the basis of sex, race, religion, age, disability, sexual orientation, national origin, political opinion or social or ethnic origin.

(6) *Child labor.* The manufacturer or employer must not employ anybody younger than the legal age for children to work in the country in which the factory is located, and, regardless of the legal age, must not employ anybody younger than the age of fifteen (15).

(7) *Forced labor.* The manufacturer or employer does not use forced labor of any kind, i.e., prison labor, indentured labor, or bonded labor.”

(Ord. 35-1990, eff. 12-28-90; Am. Ord. 32-1997, eff. 10-16-97; Am. Ord. 18-1998, eff. 7-27-98; Ord. 21-2004, § 5, eff. 12-2-04)

Vendors also agree to immediately notify the City if he/she receives subsequent information that goods/products are made under sweatshop conditions. Then “the City, at its sole discretion, may require the contractor to replace those portions of the contract which fail to meet the requirements of the Code”. This statement is a standard, boiler plate contract requirement that providers of all competitively bid service and commodity contracts must sign, even if the likelihood that their goods or merchandise had sweatshop origins is remote. For example, the auditors found this certification attached to contracts for asphalt and concrete milling of streets. The certification does not apply to consulting contracts.

Sweatshop Products

Potentially anything can be manufactured under sweatshop conditions. The most common products made in third world sweatshops are clothing and apparel.

Effectiveness of City Anti-sweatshop legislation

Finding: A review of contracts entered into by the City indicates that the anti-sweatshop certification is signed and attached to all City service and commodity contracts.

Finding: **This written anti-sweatshop certification, however, does not ensure that the products purchased by the City are sweatfree.** A statement by the vendor that he/she has no knowledge that his/her goods are made under sweatshop conditions is not assurance that they are not made in sweatshops. **Therefore, the Department of Finance, Bureau of Procurement, Fleet and Asset Services, is not meeting the intent of Ordinance 32 which is to prevent sweatshop purchases.**

Finding: The most effective way to ensure that purchases are sweat free is to have independent monitoring of the conditions of production. To do so requires factory location disclosure which the current City certification form does not provide.

Finding: The City’s anti-shop certification requirement does not apply to explanatory purchases.

An explanatory purchase is a purchase for \$1000 or less that can be obtained from any source. Departments making explanatory purchases are not required to use City contracts. An explanatory is supposed to be an emergency or occasional purchase and not an order that occurs continuously. However, explanatory purchases can be improperly used to circumvent buying from a vendor under contract.

For example, t-shirts ordered for the Great Race could be a one time order through a vendor not under contract with the City if the total amount of the purchase is

under \$1,000. However, if the cost of the shirts exceeds \$1000, multiple orders under \$1,000 could be used to avoid using a vendor under contract.

It should be noted that the Controller did an exhaustive audit of 405 and 1133 explanatory purchases made in years 2006 and 2005, respectively, and did not find significant explanatory use abuse.

Finding: The City and County are considering raising the explanatory purchase limit as part of the City-County purchasing merger. A City-County anti-sweatshop policy that includes higher dollar value explanatory purchases could inadvertently cause the City to purchase more goods made under sweatshop conditions.

City Uniform Purchases

The City has one current contract for purchase of Environmental Services employee uniforms. This three year contract's term is July 1, 2004 to June 30, 2007. Covered items include overalls, rain coats, boots, shirts, trousers, caps, duty belts, and animal control emblems. In 2006, the City had five contracts for employee uniform purchases. Conversations with departmental personnel indicate that Police, Fire, Medics (EMS), Public Works (including former General Services) and Citiparks uniforms are purchased by the department through City contracts or from Allegheny County contracts.

Emergency Medical Services (EMS) and Public Works bureaus purchase its uniforms from City contracted vendors. The Police Bureau and Bureau of Building Inspection piggyback on a County contract for its uniform purchases.

Finding: The City's vendor certification requirement is being circumvented by allowing uniform purchases from County contracts which have no sweatfree affidavit requirements.

Auditors Field Work Results

As stated in the audit methodology section, the auditors visited numerous departmental sites to obtain the brand or manufacturer and country of origin of uniforms worn by the employees. The auditors submitted a list of these apparel manufacturers to Pittsburgh Sweatshop Alliance, an anti-sweatshop activist group, to determine if any of the manufacturers were known to produce goods under sweatshop conditions. (The list of manufacturers can be found in Appendix 1.) The group could not determine if the clothing was sweatfree because information about factory location was not available.

Finding: Without factory location disclosure, it is impossible for a third party sweatshop monitoring organization to determine if City uniforms are made in sweatshops.

Finding: The current affidavits used by the City are not useful for enforcing the City ordinance. The City does not require vendors to disclose or obtain information from their supply chain. Therefore, it is impossible to track specifically in which factory the clothing items were manufactured.

Pittsburgh Ordinance and Other Sweatfree Ordinances

Pittsburgh has been criticized by anti-sweatshop coalitions such as SweatFree Communities for being out of compliance with its anti-sweatshop ordinance. Other cities and states have anti-sweatshop enforcement laws, and their approach to enforcement is more aggressive than current City enforcement policy. These enforcement approaches include public disclosure of factory locations and wages and independent monitoring of factory conditions.

Maine

In 2001, the campaign against sweatshops in Maine was successful and a Code of Conduct for state purchases was adopted in 2003. Not being stringent enough, the rules were strengthened in 2005 by outlining in clear language penalties for non-compliance with the law, including termination of a contract. To date, no violations have been recorded. The state has a data base of names and addresses of every manufacturer of apparel, footwear or textiles with wage disclosure. Representatives from Maine's Clean Clothes Campaign monitor the state's data base.

Milwaukee

The city of Milwaukee ordinance was unanimously passed by a broad coalition of groups known as the Milwaukee Clean Clothes Campaign in 2003; Milwaukee County followed in 2005. The language of both ordinances is the same. The City of Milwaukee requires that only the winners of city Request for Proposals (RFP) submit affidavits before the contracts are awarded. The affidavit reflects the Code of Conduct in the policy and requires public disclosure of factories and wages. The affidavits are collected by the local vendor (for example, the local uniform shop) and then sent to the City and County purchasing office. The City posts this information on its web site, which tracks the RFPs, including submitted bids and bid winners. Milwaukee does not have an advocacy group built in the legislation. However, there is a labor attorney and several local activists who challenge wages in the industry in third world countries. Case in point is the Williamson-Dickie's Manufacturing Company who refused to disclose wage and factory information. The city gave the company 30 days to comply, and after Dickie's refused, the City of Milwaukee cancelled the order.

There is a purchasing threshold of \$30,000 in the legislation. Any purchases below \$30,000 are not subject to anti-sweatshop compliance.

Los Angeles

The City of Los Angeles, California legislation requires that contractors and subcontractors sign affidavits that they do not purchase from sweatshops. In addition, the Department of General Services has public disclosures of all factories or manufacturers (no wage disclosure) on its website. However, the information is not easily accessible and updating is incomplete.

The city will serve as a pilot program for the Worker's Rights Consortium whereby an independent monitor is funded with city funds. It is a one year contract only. The contract between the City of Los Angeles and the Worker's Rights Consortium was finalized in summer 2006. The \$50,000 funding will allow analysis of the supply chain, identify weaknesses and conduct training of workers about their rights. Violations are reported to the WRC when necessary. The penalties in the legislation for non-compliance are gradual. After a problem is investigated, the WRC will make recommendation for remediation. After warnings, termination of a contract follows.

San Francisco

San Francisco spends \$2.1 million of their total purchases of \$600 million on apparel purchases. As in other cities, San Francisco also requires public disclosure of factories. The Office of Contract Administration posts this information on an Internet database before a contractor or subcontractor will be allowed under the contract. In addition, \$100,000 has been included in the San Francisco legislation for a City Enforcement Officer and for an independent monitor. The SweatFree Bay area campaign is discussing terms with the Worker's Rights Consortium to accept this monitoring.

The San Francisco legislation lists eight types of penalties for non-compliance to the ordinance. As in other cities, enforcement starts with withholding payments until the contractor is in full compliance. If not, termination of a contract will follow. San Francisco legislation uses incentives for enforcement. The legislation has a preference written in for local goods, and one of the tasks of the advisory group is to determine which incentive should be given to companies that comply with the ordinance and fulfill the public disclosure requirement within four months. The advisory's part in the incentive program has to be fine tuned before it becomes part of legislation.

San Francisco's mayor, working with the SweatFree Bay Area Coalition, sent a letter to sixty mayors in other USA cities in the hope of forming a national consortium of SweatFree city purchasing.

Sweatfree Pennsylvania

The Rendell Administration recognizes the importance of sweatfree purchasing. Last September, the Governor announced that he is joining a governors' initiative to end sweatshop exploitation in apparel and other industries. On March 27, 2007, the Commonwealth of Pennsylvania hosted a state and local government consortium on sweatfree purchasing. Attendees included representatives from Los Angeles, Maine, New York, New Jersey, San Francisco and Pittsburgh.

A progressive purchasing policy with good compliance protocols at the State level would help to ensure that State purchasing is sweatfree. Any political subdivisions piggybacking on State contracts would have similar purchasing assurance.

Sweatfree Allegheny County

On March 6, 2007, County Council unanimously passed a sweatfree purchasing ordinance, modeled after the City's. As of May, 2007, the County Executive has taken no action regarding this ordinance. Enactment of this legislation is a good gesture but without adequate enforcement protocols the ordinance will do little to ensure that the County is buying sweatfree goods. Only requiring a vendor to sign a certification that he/she is unaware of any sweatshop conditions does nothing to ensure that the goods are not made under sweatshop conditions.

Recommendations for Pittsburgh Sweatfree Purchasing Ordinance Compliance

RECOMMENDATION NO. 1:

If the City intends to effectively enforce its anti-sweatshop code, a City-County sweatfree policy must be developed that includes as many goods as possible. The City should take the lead in determining a dollar amount threshold for sweatfree purchases, rather than wholesale exclusion of explanatory purchases.

RECOMMENDATION NO. 2:

The City should replace its vendor certification with a factory disclosure form that ensures compliance with the code of conduct specified in Section 161.02(e) of the Pittsburgh Code.

Disclosure Form Requirements

RECOMMENDATION NO. 3:

At a minimum, the disclosure form should contain factory location and wage information. This would allow a third party independent monitoring organization to verify wage and working conditions at that factory.

RECOMMENDATION NO. 4:

The disclosure information should be certified by the product manufacturer and not by the local vendor. Factory locations and wage disclosure requirements also would allow companies to monitor production origins and comply with anti-sweatshop conditions.

Monitoring by Corporations

This disclosure form would not place an undue burden on the manufacturer. Most corporations already track their goods to the subcontractor or factory level in order to monitor the quality of their products.

"In competitive industries like the apparel industry, all companies have quality control", says Nikki Bas, executive director of Sweatshop Watch. "If companies are able to send representatives to inspect the quality of a garment, they can inspect the quality of their factories as well."

No Need for Ordinance Change

Adoption of disclosure forms could be accomplished under the City's existing ordinance. However, the factory disclosure requirement would have to be added to section 161.16, *Required Provisions in Contracts*, of the Pittsburgh Code.

RECOMMENDATION NO. 5:

This factory disclosure requirement should be a part of any joint City-County purchasing agreement. Such disclosure would meaningfully comply with Allegheny County Council's sweatfree purchasing ordinance.

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APPENDIX

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At Zone 3 Police Station in the South Side, the auditors examined the labels on various police garments. Police officers there had no uniforms hanging on racks and auditors were forced to check the labels on the officers themselves. A Dickie turtleneck, T-shirts, vests, regular shirts, ball caps were all checked. One officer checked her pants tag privately and provided us with the label information. The manufacturers were mostly from Flying Cross and New Era with origin unknown. The pants came from the manufacturer "Horace" with Mexico as its origin. Police officers receive a uniform allowance and are responsible for laundering their own uniforms.

BUREAU OF POLICE		
ZONE 3		
ITEM	MANUFACTURER	COUNTRY OF ORIGIN
Dickie Turtleneck	Non-readable	n/a
T-shirts	No information on tag	unknown
Vests	Stalix	unknown
Turtleneck sweater	SAI	unknown
Regular shirt	No information on tag	unknown
Pants for men	Flying Gross	unknown
Pants for women	Horace Small	Mexico
Ball caps (mesh or wool)	New Era	unknown

At Fire Station #24, in the Fourth District on the South Side, the Battalion Chief telephoned the person in charge of purchasing to provide us with the names of the vendors, manufacturers and where they were made for various garments and protective gear used by firemen. The auditors were also allowed to verify this information by personally looking at the various boots, helmets, etc. on standby in the "bunker" of the station. The coats and pants came from Premiere Safety, manufactured by Morning Pride in Dayton, Ohio. Protective Hoods came from Fire Force, made by Fire Dex in Medina, Ohio. Leather boots from North Eastern Uniform were made by HAIX, Germany. Rubber boots, by Premiere Safety, were manufactured by Ranger Fire Fighter Footwear in Davenport, Iowa. All but one of the fire equipment had its origin in the U.S.A. Fire personnel receive a uniform allowance and are responsible for laundering their own uniforms or can clean them at each firehouse that is equipped with a washer and dryer.

BUREAU OF FIRE FIRE STATION #24		
ITEM	MANUFACTURER	COUNTRY OF ORIGIN
Coat	Morning Pride	Dayton, Ohio
Pants	Morning Pride	Dayton, Ohio
Leather boots	HAIX	Germany
Rubber boots	Ranger Fire Fighter Footwear	Davenport, Iowa
Gloves	American Fire Wear Inc	Ohatchee, Alabama
Gloves	Shelly Manufacturing	Glenwood, Arkansas
Hood protective wear	Fire Dex	Medina, Ohio
Hood protective wear	Quest Fire	Saratoga Springs, NY
Helmet	Cairnes, a Division of Mine Safety	USA

The General Services Repair Shop located in the uptown part of the City was visited where all garments checked were hanging on racks. Soft twill pants, polo shirts, casual wear and other shirts by UniFirst were assembled in Mexico with U.S. products. Tan long sleeve shirts by UniFirst were assembled in Nicaragua with U.S. products. Employees are responsible for laundering their own uniforms.

PUBLIC WORKS REPAIR SHOP		
ITEM	MANUFACTURER	COUNTRY OF ORIGIN
Soft Twill Pants	UniFirst	Mexico w/ US fabrics
Polo Shirt	UniFirst	Mexico w/ US fabrics
Polo Shirt	Edward Casualwear from UniFirst	Mexico w/ US fabrics
Long Sleeve Shirt	UniFirst	Mexico w/ US fabrics
Shirt	Uniweave Soft Comfort by UniFirst	Mexico w/ US fabrics
Tan Long Sleeve Shirt	UniFirst	Nicaragua w/ US fabrics

The Bureau of Environmental Services, Refuse Division offices located in the Strip District was visited. A supervisor gathered various clothing items including: polo golf shirts by UniFirst made in Mexico, pullover jacket by Hartwell via Sport made in Sri Lanka, golf shirt by Edward Casualwear made in Mexico with US products, short sleeve button-down shirt by UniFirst assembled in Mexico with US products, rain gear coat by Regal made in China, safety vest by Regal made in China, and a winter coat by Hartwell via Sport made in Cambodia. Various boots are available to refuse employees which include those made by Rocky and by Magnum both made in China, and rubbers by Lacrosse also made in China. Refuse employees are responsible for laundering their own uniforms.

A coverall jumpsuit worn by refuse workers was not available at the Refuse Division offices. The auditors were informed that the retail store "North Eastern Uniforms & Equipment Inc." was located on Smallman street where we could obtain manufacturer information. The manager at the store provided us with this information. The manufacturer was Tops made in Mexico with US materials.

ENVIRONMENTAL SERVICES REFUSE DIVISION		
ITEM	MANUFACTURER	COUNTRY OF ORIGIN
Polo Golf Shirt	UniFirst	Mexico
Pullover Jacket	Hartwell via Sport	Sri Lanka
Golf Shirt	Edward Casualwear	Mexico w/ US fabrics
Short Sleeve Shirt	Uniweare by UniFirst	Mexico w/ US fabrics
Coverall Jumpsuit	Tops	Mexico w/ US fabrics
Rain Gear	Regal	China
Safety Vest	Regal	China
Boots	Rocky	China
Rubbers	Lacrosse	China
Boots	Magnum	China
Winter Coat	Hartwell via Sport	Cambodia

The EMS training facility located in the Strip District was visited where auditors looked at the following garments on a rack: blue shirt by Flying Cross made in USA, white supervisor shirt Tex Trop by Elbeco made in the USA, jacket by Blauer made in the USA, raincoat by Blauer made in Boston, MS USA, a bunker coat by Body Guard made in USA, pants by Larigue made in the USA, boots by Ranger Firefighter Footwear union made in the USA, and a shoe-boot by Rocky made in China. EMS employees are responsible for laundering their own uniforms.

BUREAU OF EMERGENCY MEDICAL SERVICES (EMS) TRAINING FACILITY		
ITEM	MANUFACTURER	COUNTRY OF ORIGIN
Blue Shirt	Flying Cross	USA
White Supervisor Shirt	Tex Trop by Elbeco	USA
Jacket	Blauer	USA
Raincoat	Blauer	Boston, MA USA
Bunker Coat	Body Guard	USA
Pants	Larigue	USA
Boots	Ranger Fire Fighter Footwear	Union made USA
Boot Shoe	Rocky	China

At Public Works' Division 5, the auditors examined clothing items used by the workers and foremen. All clothing was hanging on racks. UniFirst was the manufacturer found most often on the labels which included shirts, jackets, windbreakers, and polo shirts. These items were produced in Mexico using U.S. products. A long sleeve shirt was made by Red Cap and produced in the U.S.A. The auditors were told that most workers launder their own garments; however, UniFirst will provide laundry services at additional charges to the employee.

PUBLIC WORKS DIVISION 5		
ITEM	MANUFACTURER	COUNTRY OF ORIGIN
Shirt	UniFirst	Mexico w/ US fabrics
Jacket	Uniwear by UniFirst	Mexico w/ US fabrics
Windbreaker	Hartwell via Sport	SriLanka
Polo shirt	Edward Casualwear	n/a
Polo shirt	Softmill by UniFirst	Mexico w/ US fabrics
Long sleeve shirt	Red Cap	USA

MEMORANDUM

HAND DELIVERED

TO: The Honorable Acting City Controller, Tony Pokora

FROM: Scott Kurka, Director of Finance *SK*

DATE: June 19, 2007

RE: **Response to Controllers Office Audit of Ordinance #32 of 1997, Anti Sweatshop Legislation**

Please be advised that the Department of Finance, Bureau of Procurement, Fleet and Asset Services concurs with the general findings of this Controller's Office audit, a copy of which is attached for your reference. However, it is this department's position that evidence of whether implementation of the recommendations as indicated in this audit will perpetuate a more substantial control in regard to the purchase of goods by the City of Pittsburgh that may not meet the intent of the above mentioned ordinance. Further, let me state that this Department follows the legal mandates of City Council. Ordinance No. 32 of 1997 was enacted into law on September 30, 1997 a copy of which is attached for your reference. This issue was immediately sent to the Law Department requesting that they provide us with an appropriate form to be included in ALL contracts processed by this Department. A copy of this Law Department recommended form, devised to meet the requirements of Ordinance #32 is also attached for your reference.

The following are responses to the specific recommendations as directed in this audit:

Recommendation #1) *if the City intends to effectively enforce its anti-sweatshop code, a City-County sweat free policy must be developed that includes as many goods as possible. The City should take the lead in determining a dollar amount threshold for sweat free purchases, rather than wholesale exclusion of explanatory purchases.*

As stipulated and referenced in this audit in regard to the anti sweatshop policy of the City of Milwaukee, which is comparable to the City of Pittsburgh, "Any purchases below \$30,000 are not subject to anti sweatshop compliance". With the City of Milwaukee's limit in mind, I believe that the City of Pittsburgh's exemption of explanatory purchases, which limit is set at \$1,000, in regard to enforcement of this ordinance is a reasonable policy. Also, be advised that the County of Allegheny's

spot purchase limit is set at \$10,000. Additionally, the City has taken the lead in the development of policy in regard to this issue since the City's passage of this ordinance in 1997 and will continue to work with the County of Allegheny in the development of further procedures as it may relate to the enforcement of this ordinance. We also continue to work with the State of Pennsylvania, Department of General Services in regard to this effort as it may relate to State contracts utilized by the City of Pittsburgh.

Recommendation #2) *The City should replace its vendor certification with a factory disclosure form that ensures compliance with the code of conduct specified in Section 161.02 of the Pittsburgh Code.*

Note that Ordinance No. 32, Section 161.05 (c) stipulates that "the specifications for every contract relating to the purchase, lease, or consignment of any goods or products shall contain a provision stating the contractor certifies that none of their goods or products were made under sweatshop conditions..." It should be noted, as indicated in my opening, that this issue was referred to the Law Department for review and that the form required to be completed for awarded contracts meets with the essence of the Law. However, this department is willing to resubmit this policy to the Law Department for possible compliance with this recommendation.

Recommendation #3) *at a minimum, the disclosure form should contain factory location and wage information. This would allow a third party independent monitoring organization to verify wage and working conditions at that factory.*

See response to Recommendation No. 2. As indicated this Department will refer this issue to the Law Department for appropriate recommendations pursuant to the Ordinance in question.

Recommendation #4) *the disclosure information should be certified by the product manufacturer and not by the local vendor. Factory locations and wage disclosure requirements also would allow companies to monitor production origins and comply with anti-sweatshop conditions.*

It should be noted that the City of Pittsburgh has limited jurisdiction in regard to requirements to be stipulated by various "manufacturers" that participate in the purchasing process through the various vendors or distributors that the City does business with through contractual arrangements.

Recommendation #5) *this factory disclosure requirement should be a part of any joint City-County purchasing agreement. Such disclosure would meaningfully comply with Allegheny County Council's sweat free purchasing ordinance.*

As stipulated previously in the response to recommendation #1, the City will continue to work with the County of Allegheny in regard to acquiring meaningful results in an effort to follow the provisions of Ordinance #32.

Conclusion:

This Department wishes to express our gratitude to the Controller's Office for their review of this matter. As stated, it is this Department's position to follow the prescribed obligations of the aforementioned Ordinance. Additionally this Department will work with the Department of Law in order to review some of these recommendations for possible implementation. Also, we will continue to work with the County of Allegheny in keeping communication open in regard to compliance with this ordinance.

Should you require further information, please advise.

Thank you.

Enclosure

SWK/cjm

cc: George Specter, Esquire (w/enclosure)
Mr. Yarone Zober (w/enclosure)
Mr. Chester J. Malesky (w/enclosure)
Mr. Bernie Komoroski (w/enclosure)