

GENERAL SERVICES AGENCY  
OFFICE OF LABOR STANDARDS ENFORCEMENT  
PATRICK MULLIGAN, DIRECTOR



**SWEATFREE PROCUREMENT ADVISORY GROUP**  
**Minutes from the June 8, 2023, 2:00 pm**

**Members Present:** Jason Oringer, Coyote Marin, Joyce Kimotsuki, Julie Fisher

**Members Excused:** John Logan, , Conchita Lozano-Batista

**City Staff Present:** Hallie Albert, Shawn Peeters, Sailaja Kurella, Patrick Mulligan

**CAL Present:** Avery Kelly. Charity Ryerson

**WRC Present:** Ben Hensler

**CALL TO ORDER/INTRODUCTIONS**

**1. ADOPTION OF AGENDA**

Meeting agenda was adopted without opposition.

**2. PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA**

No public comments.

**3. APPROVAL OF MINUTES**

The minutes from the meeting of June 8, 2023 meeting were reviewed and adopted unanimously as presented.

**4. CAL/CONTRACT RECOMMENDATION UPDATE**

Avery Kelly reviewed the jurisdictional pre-requisite with the opportunity for WRC to weigh in. Ben Hensler from WRC finds the structure of the proposed protocol to be complimentary to the existing monitoring protocol. Kelly reviewed the proposed changes to the City's contract in full and confirmed that, per the last meeting, she added the language "satisfactorily implemented." Coyote Marin proposed sending the draft to Sailaja Kurella so OCA can review prior to the next meeting. A discussion ensued about the liability cap and Jason Oringer expressed concern that the cap will become a calculated risk for factories. Marin discussed how the wages paid in restitution should not abut the total amount of the contract so if the cap is the total contract amount it will cover the wages owed. Discussion continued and the group did not come to an agreement about what the liability cap should be.

Hensler spoke to how in the retail industry, the percentage of the garment cost that goes toward the labor cost is only 5% on average. He explained severance provisions in other countries and cases where WRC goes after the wages owed. Oringer asked if the cap could be applied differently to the prime and the sub-contractors, such as the factories, to address the concerns raised by Banner/Frank Skubal in a prior meeting. Charity Ryerson from CAL said the vendor could include this differentiation in their contracts with suppliers. Hallie Albert raised how Skubal mentioned that he often does not have contracts with his suppliers.

CAL will send Albert the final proposed draft language and Albert will share with Kurella for her review before the next meeting. Hensler warned the group about the challenges created by assigning proportional liability.

## **5. OCA UPDATE**

Shawn Peeters explained how OCA met with Muscatello's that morning and will meet with another company representative that afternoon to get all outstanding information. Discussion about the higher costs of doing business and OCA is trying to keep the vendors in contracts with the City.

Kurella said there is some confusion due to the forms being updated a year or so ago and OCA needs to improve its recording of information. OCA is cleaning up their process to clearly communicate to suppliers.

## **6. WRC UPDATE**

Hensler provided an update to the group. He explained most of WRC's work for the City has been analyzing the data OCA shared to identify which factories provide significant risk of non-compliance so WRC can make its recommendation to OLSE. WRC is awaiting information from Muscatello's so the recently completed analysis is only based on the Banner data, then WRC can factor in the data from Muscatello's once they get it.

WRC renewed its contract with the City of Los Angeles using the same complaint driven model. The contract is significantly smaller than the WRC contract with San Francisco, around \$40-45,000 with the same hourly rates.

Pat Mulligan raised the interest in sharing inspections with LA when there is an overlap.

## **7. POTENTIAL ITEMS FOR FUTURE AGENDAS**

Contract changes and next steps.