



CORPORATE POLICY

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| Title: | <i>Ethical Purchasing Policy</i> | REFERENCE NO: |
| Originating Department: | <i>City Manager's Office</i> | |
| Originating Branch: | <i>Financial Services</i> | |
| Effective Date: | <i>May 23, 2007</i> | Last Revision Date: <i>April 3, 2007</i> |

Policy Statement

The City of Ottawa is committed to being a force for positive social change by purchasing goods and services from responsible producers that supply quality products at competitive prices and abide by ethical standards and norms. The Ethical Purchasing Policy ensures that purchasing activities are aligned with the City's values by seeking to ensure workplaces producing products for the City of Ottawa, respect human and workers rights, as specified in the Supplier Code of Conduct.

Purpose

The primary objective of this policy is to ensure that clothing, apparel, and certain fair trade products such as coffee and tea, purchased by the City, or by suppliers/contractors operating on City premises, meet the highest possible ethical standards where practical by following the principles set out in the International Labour Organization (ILO) Conventions and referred to in Addendum 'A'.

The policy establishes an avenue whereby complaints of abuses in workplaces that are involved in the production of goods purchased by the City can be made to the City. The City will determine the level and the degree necessary to investigate and act upon complaints.

scope and Application

This policy applies to the City's suppliers of clothing, apparel, and where practical, fair trade products. The policy does not apply to any tendering process or any contracts for the supply of such items that are issued, awarded or entered into prior to the effective date of the policy. Suppliers of existing contracts are encouraged to comply with this

policy and where possible, will be required to certify compliance if and/or when the contracts are eligible for renewal.

POLICY

The City of Ottawa will not knowingly purchase any products that have been manufactured in sweatshops or under sweatshop conditions. All clothing, apparel, and certain fair trade products purchased by the City must be produced in accordance with the standards set out in Addendum 'A'.

SUPPLIER CODE OF CONDUCT

Every supplier shall ensure that its production facilities, and those of its subcontractors, comply with national and other laws applicable in each workplace and shall respect this policy. Where national law differs from the principles set out in this policy, the standard that provides the greater right, benefit or protection to the worker shall apply. If there is any question as to the meaning of these policies the correct interpretation will be based on the principles laid out in ILO Conventions and the relevant interpretations.

At the time of bid submission, the supplier must confirm in an affidavit to the City that:

- ✓ it will comply with ethical labour practices that meet or exceed the minimum labour standards in the policy; and
- ✓ it will acquire goods and services from subcontractors who agree to comply with labour practices that meet or exceed the minimum labour standards.

In addition to the confirmation mentioned above, a supplier shall provide the names and addresses of each subcontractor and production facility to be used in the production of the goods. This information shall be considered public information and will be posted on the City's website at www.ottawa.ca. The City reserves the right to request the vendor to supply any additional supporting documentation that will enable the City to determine policy compliance.

Suppliers are responsible for monitoring their production facilities to ensure ongoing compliance with the policy. Preference will be given to suppliers that use the services of third-party verifiers to perform regular monitoring activities and assessments.

The City will monitor the policy on a complaints basis only. The Manager of Supply Management will assess the validity of complaints in accordance with the approved policy and where practical, in consultation with the Stakeholder Committee comprised of business, labour and fair trade representatives. Where warranted, the City will notify vendors of suspected policy violations and they will be required to investigate the

reported complaints by employing an independent third-party investigation firm, or by other means of verification deemed acceptable to the City, in the opinion of the Manager of Supply.

Within 30 days from the date of the notice of violation, the vendor will provide to the City, a report containing information on the verification program undertaken, the name of the third-party verifier, if appropriate, the findings of the investigation, and the corrective action taken to resolve the violation and achieve compliance with the policy. Costs involved in the determination of compliance or non-compliance will be borne by the vendor unless a third-party audit determines that the supplier was in fact compliant with the policy. In these cases, the costs will be the responsibility of the City. All costs associated with the improvement of working conditions that would lead to compliance would be the responsibility of the vendor.

The Manager of the Supply Management Division shall have sole discretion to decide on issues of non-compliance, including awarding a reasonable time period to achieve compliance, and his/her decision shall be final and binding on all parties. When exercising this discretion the Manager of the Supply Management Division will seek the advice and input of the Stakeholder Committee on all matters of importance.

Any vendor complaint related to the Ethical Purchasing Policy, or the application thereof, will not be considered a substantive objection, as defined in the City of Ottawa Purchasing By-Law.

TERMINATION

The City reserves the right to discontinue business with suppliers who are not responsive to requests to address concerns around workplace practices and instances of non-compliance with the Policy.

If the City terminates a contract with a vendor as a result of a breach of this policy, the City has the authority to terminate the contract without notice or penalty and shall cease to be liable to the vendor or to any other person for any unpaid amounts that would otherwise have been payable under the remaining term of the contract.

The City, at its discretion, may terminate a contract or prohibit a vendor from holding contracts with the City for filing false information or for failing to file information required under this policy. The termination provisions and responsibilities under this clause shall be vested in the City Treasurer, based on the recommendation of the Manager, Supply Management Division.

City Responsibilities

The Supply Management Division is responsible for implementation of the policy and for ensuring that City staff and the vendor community are informed of their responsibilities and obligations.

Departments are responsible for following the provisions of the policy and for advising the Supply Management Division of suspected policy violations.

The Supply Management Division is responsible for collecting vendor certification materials and for publishing the names and locations of vendor production facilities on the City's website.

The Supply Management Division is responsible for receiving complaints, monitoring and managing policy violations, and for ensuring that vendors undertake 3rd party investigations as requested by the City.

The Supply Management Division will consult semi-annually, or more often as necessary with the Stakeholder Committee comprised of business, labour and fair trade representatives. Where practical, the City will seek the advice of the Stakeholder Committee on the implementation of the policy, investigation of future options for monitoring compliance and improving enforcement of the policy, making a final determination regarding vendor compliance, and consideration of new products the policy may be extended to in the future.

CONTRAVENTIONS

Failure to comply with this policy may result in employee disciplinary action and the termination of vendor contracts.

DEFINITIONS

Child means any person less than 15, unless local minimum age law stipulates a higher age for work or mandatory schooling, or less than 14 if minimum wage law is set at that age in accordance with developing country exceptions under ILO Convention 138.

Employer means an entity that employs or contracts a worker in the production of a product.

Factories or Production Facilities means a facility that is used to produce products for the City, whether it is a supplier's factory or subcontractor's facility.

Fair Trade Certified Products means products that are Fair Trade Certified by Transfair Canada, or if unavailable, another National Initiative (NI) of the Fair Trade Labelling Organization (FLO) International. Examples of commodities currently include coffee, tea, cocoa, sugar, rice, quinoa, flowers, wine, sports balls, cotton, bananas and other tropical fruit.

Fair Trade certification means a system that seeks to improve the lives of agricultural product producers in origin countries by ensuring that the owners of farms receive a guaranteed fair price for their harvest. Transfair is the recognized certification body in Canada.

Fair Trade Labelling Organization (FLO) International means the global Fair Trade standard setting and certification organization for products bearing Fair Trade certification labels. FLO certifies producer organizations, and audits trade between certified producer organizations and registered traders in consuming countries, including all steps of processing and industrial manufacturing.

ILO Core Labour Conventions means the minimum labour standards set out in the Supplier Code of Conduct.

International Labour Organization (ILO) means the UN specialized agency which seeks the promotion of social justice and internationally recognized human and labour rights. The ILO formulates international labour standards in the form of Conventions and Recommendations setting minimum standards of basic labour rights.

Minimum labour standards means the minimum labour standards set out in Appendix “A”

Product means, any article of clothing, headwear or footwear, or any item made of fabric or by knitting, weaving or felting manufactured for the City

Purchasing means the process of procuring products from manufacturers or vendors.

Sub-contractor means an entity that has been sub-contracted to by a supplier. They do not have a direct business relationship with the City however they provide the supplier with goods and/or services integral to the manufacture, provision or maintenance of textile products for the City.

Supplier Code of Conduct (SCC) means the minimum performance standards for the City of Ottawa’s Ethical Purchasing Policy. The goal of the SCC is to ensure safe and healthy workplaces for the people who make products for the City of Ottawa; where human and civil rights are upheld in accordance with the conventions of the ILO.

Supplier means an entity that in the course of a commercial business sells a product or service to the City. These companies may have factories or production facilities of their own or they sub-contract parts or their entire production.

Sweatshop means a facility where individuals manufacture, assemble or produce consumer goods under working conditions that do not meet or exceed the labour standards set out by the International Labour Organization.

TransFair Canada means the only third-party independent certifying body for Fair Trade products in Canada. TransFair Canada provides independent certification services and is the only Canadian member affiliate of the Fairtrade Labelling Organizations International (FLO).

Worker means a person involved in the manufacture or provision of services for a product.

References

Key Word Search

Contact

Corporate Services Department

City of Ottawa

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Supplier Code of Conduct

The Supplier Code of Conduct sets the minimum performance standards for the City of Ottawa Ethical Purchasing Policy. City suppliers and their sub-contractors agree to comply with the minimum labour standards noted below. Where national law differs from the principles set out in this policy, the standard that provides the greater right, benefit or protection to the worker shall apply.

| Labour Standards | Definitions |
|---|--|
| <p>Child Labour</p> <p>ILO Conventions 138 and 182</p> | <p>No child labour will be used in the manufacture of the product supplied to the City of Ottawa. Employers will not employ workers under the age of 15, or 14 where the country has made the appropriate declaration in accordance with ILO Convention 138. If local law stipulates a higher age, it shall apply. Adequate transitional economic assistance and appropriate educational opportunities shall be provided to any displaced child worker. Workers under the age of 18 shall not be exposed to situations in the workplace that are hazardous, unsafe or unhealthy.</p> |
| <p>Forced Labour</p> <p>ILO Conventions 29 and 105</p> | <p>No forced labour will be used in the manufacture of products supplied to the City of Ottawa. Forced labour includes involuntary prison labour, indentured labour, bonded labour or otherwise. Workers shall not be required to lodge financial deposits or their original identity papers with their employer.</p> |
| <p>Harassment and Abuse</p> | <p>Workers involved in the manufacture of products supplied to the City of Ottawa will not be subject to physical, sexual, psychological abuse or harassment, verbal abuse, or any other form of abuse, including corporal punishment.</p> |
| <p>Discrimination</p> <p>ILO Convention 111</p> | <p>Workers involved in the manufacture of products supplied to the City of Ottawa will not be discriminated against. Employers shall not discriminate against a worker in hiring, compensation, access to training, promotion, or termination on the basis of age, race, caste, national origin, religion, disability, gender, marital status, sexual orientation, union membership or political affiliation. No worker shall be subject to the forced use of contraceptives or pregnancy testing.</p> |
| <p>Hours of Work</p> | <p>Workers involved in the manufacture of products supplied to the City of Ottawa will not be forced to work in excess of 48 hours per week. Employers will provide each of its workers with one day off for every seven-day period. If a worker is requested to work overtime, such overtime shall not exceed 12 hours per week. Overtime will only be requested in exceptional and short- term circumstances, be voluntary, with</p> |

| Labour Standards | Definitions |
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| | workers compensated either according to law, or where the law is silent at a premium rate. |
| Wages and Compensation | <p>Workers involved in the manufacture of products supplied to the City of Ottawa will be paid wages and benefits for a standard working week, at a minimum, national legal standards or industry benchmark standards, whichever is higher. Workers will receive wages that meet basic needs by local standards. All workers shall be provided with written and understandable information about their employment conditions with respect to their wages. Deductions from wages as a disciplinary measure shall not be permitted.</p> |
| Health and Safety ILO Convention 155 | <p>Workers involved in the manufacture of products supplied to the City of Ottawa will not be subjected to unsafe working conditions. The employer shall provide its workers with a safe and healthy workplace in compliance with country and local health and safety laws and regulations, including access to clean toilet facilities and potable water. If accommodations are provided, such accommodations shall be clean, safe, and meet the basic needs of the workers. Adequate steps shall be taken to prevent accidents and injury to health by minimizing the causes of hazards inherent in the working environment.</p> |
| Freedom of Association and the Right to Bargain Collectively ILO Convention 87 and 98 | <p>Workers involved in the manufacture of products supplied to the City of Ottawa will not be denied the freedom of association and the right to collective bargaining. Workers shall have the right to join or form trade unions of their own choosing and to bargain collectively. Workers' representative shall not be discriminated against and shall have access to carry out their representation functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, the employer will not hinder the development of parallel means for independent and free association and bargaining.</p> |

<http://ottawa.ca/calendar/ottawa/citycouncil/csedc/2007/05-15/ACS2007-CMR-FIN-0004.htm>