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# CITY OF CHICAGO

## RULES

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### REGULATIONS FOR SWEATSHOP-FREE PROCUREMENT

UNDER 2-92-605

LAST UPDATED: APRIL 3, 2015



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Mayor Rahm Emanuel

Chief Procurement Officer Jamie L. Rhee

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BY AUTHORITY VESTED IN THE CHIEF PROCUREMENT OFFICER FOR THE DEPARTMENT OF PROCUREMENT SERVICES PURSUANT TO **2-92-605**, THE FOLLOWING RULES REGARDING **SWEATSHOP-FREE PROCUREMENT** ARE ADOPTED HEREIN.

By Order of the Chief Procurement Officer:

Signed:   
Chief Procurement Officer Jamie L. Rhee

Date: 7/31/15

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# **REGULATIONS OF THE DEPARTMENT OF PROCUREMENT SERVICES FOR SWEATSHOP-FREE PROCUREMENT**

## **1. GENERAL PROVISIONS**

### **1.1. Statement of Authority**

These regulations are issued pursuant to Section 2-92-605 of the Municipal Code of Chicago (“Ordinance”). The Ordinance requires that contractors disclose their supply chains for the performance of contracts awarded by the City for purchasing garments, and to complete an affidavit verifying that neither they nor any of their subcontractors, in the performance of their contracts, shall engage or otherwise utilize any supply chain that uses sweatshop labor. Subsection (f) of the Ordinance authorizes the chief procurement officer (“CPO”) to “adopt rules and regulations for the proper administration and enforcement” of the Ordinance.

### **1.2. Statement of Purpose**

These regulations describe the administration and enforcement procedures, establish the requirement that all contractors cooperate with such procedures, establish the right of the chief procurement officer to request any information and business records to determine and ensure compliance with the Ordinance, and provide the forms for disclosure and verification.

## **2. DEFINITIONS**

Unless otherwise specified, whenever used in these regulations, the following definitions shall apply:

- a. “Abusive forms of child labor” means (1) work performed by a person under the age of 18 when the person does not voluntarily seek the work or the person is threatened by the person’s employer with physical, mental or emotional harm for nonperformance; (2) work performed by a person under the age of 18 in violation of the laws of the applicable jurisdiction governing the minimum age of employment, compulsory education, or occupational health and safety; or (3) the use of a person under the age of 18 for illegal activities, including, but not limited to, the production or trafficking of illicit drugs or for prostitution.
- b. “Contract” means any contract, purchase order or agreement awarded by any officer or agency of the city for purchasing garments, and whose cost is to be paid from funds belonging to or administered by the city.
- c. “Contractor” means the person to whom a contract is awarded.
- d. “Subcontractor” means any person that enters into a subcontract agreement directly with a contractor for any work under a contract.

- e. “Foreign convict or forced labor” means any form of labor used to produce or manufacture goods prohibited from importation into the United States under 19 U.S.C. § 1307, which includes abusive forms of child labor and slave labor.
- f. “Garment” means any clothing, including uniforms, footwear, and related clothing accessories, such as hats and caps, ties, scarves, ribbons and shoestrings.
- g. “Slave labor” means any form of slavery, sale and trafficking of persons, debt bondage, indentured servitude, serfdom, or forced or compulsory labor.
- h. “Supply chain” means any manufacturer or distributor of garments.
- i. “Sweatshop labor” means any work performed by a person engaged by a contractor or subcontractor which has habitually violated laws of any applicable jurisdiction governing wages, working hours, overtime, employee benefits, occupational health and safety, nondiscrimination, or freedom of association. “Sweatshop labor” also means any work performed by a person engaged by a contractor or subcontractor that constitutes foreign convict or forced labor, or abusive forms of child labor or slave labor. “Habitually” means occurring on three or more separate occasions within a twelve-month period.

### **3. APPLICATION**

The Ordinance applies to any Contract advertised or otherwise communicated on or after January 1, 2015. The Order also applies to all sole source procurements approved by the Non-Competitive Review Board on or after January 1, 2015, that result in a Contract, and to all City Contracts, as that term is defined in section 2-92-649 of the Municipal Code of Chicago, that are also Contracts, as that term is defined in the Ordinance, executed on or after January 1, 2015.

### **4. PROCEDURES**

#### **4.1. Investigations**

- 4.1.1. If the CPO has reason to believe that a Contractor has not made the required disclosures, including incomplete or inaccurate disclosures, the CPO may conduct an investigation to determine whether the Ordinance has been violated.
- 4.1.2. Such investigation may include requests for information and documents (“Requests for Information,” or “RFIs”) from Contractors, Subcontractors, and other persons or entities reasonably believed to have the requested information or documents (hereinafter referred to collectively as “Knowledgeable Persons”).
- 4.1.3. Knowledgeable Persons shall have 10 business days in which to respond to an RFI, which time limit may be extended at the CPO’s discretion.
- 4.1.4. If the CPO determines that the Ordinance has been violated, the default provisions of subsection (c) the Ordinance will dictate the subsequent actions to be taken.

The CPO may make referrals to labor rights experts to assist the violating party in achieving compliance.

#### **4.2. Audits**

The CPO, in her discretion, may audit any Contractor at any time to verify compliance with the Ordinance. Such audits may include, but are not limited to, interviews with workers and/or managers in the Contractor's supply chain, review of records from a manufacturing facility, and the CPO's use of City personnel or outside contractors who possess appropriate expertise.

#### **4.3. Cooperation and False Statements**

- 4.3.1. Failure to cooperate in any investigation or audit conducted pursuant to these regulations, including failure to provide investigators working on the City's behalf with access to a manufacturing facility, shall be grounds for:
  - a. In the case of a bid or proposal that may be in violation of the Order, rejection of such bid or proposal; and
  - b. In the case of a Contract that may have been negotiated, entered into, or performed in violation of the Ordinance, termination of the Contract.
- 4.3.2. Any person who provides any information or documents to the City is subject to the City's False Statements ordinance, codified at Chapter 1-21 of the Municipal Code of Chicago.

#### **4.4. Forms**

The forms to be used pursuant to subsections (b)(1) and (b)(2) of the Ordinance are provided herewith as Exhibits A and B, respectively. If a contract award is made, the disclosure and affidavit will become part of such contract, which will be available to the public.

### **5. FINAL DECISION**

The CPO or designee shall make the final determination regarding compliance with the Ordinance.