

Reply to Common Council File No. 061258
From DOA-Budget and Management Division

June 30, 2007

Ref: 07012

Common Council File Number 061258 is a proposed ordinance that relates to the procurement of Fair Trade Certified products.

Fair Trade Certification identifies products that are believed to generate fair economic benefit to the producers of the products. The goal of Fair Trade Certification is to help these producers, which include farmers in less developed countries, to gain access to international markets. This is believed to help increase living standards in these countries and to encourage fair labor practices.

The proposed ordinance would establish the City of Milwaukee's formal policy as one of support of Fair Trade Certification through its purchasing decisions. It would direct the city purchasing director and any other officer, agent, agency, committee, board or commission of the city to make purchasing decisions that maximize the purchase of Fair Trade Certified products.

This ordinance is not anticipated to have a fiscal impact at this time, because Fair Trade Certification is currently limited to products such as coffee, tea, herbs, cocoa and chocolate, fresh fruit, sugar, rice and vanilla, and the city has no contracts for these items. However, if the ordinance is adopted, and other products for which the city has contracts are brought under the Fair Trade Certification rubric, there could be an adverse impact on purchasing. If Fair Trade products are required, it would limit the number of vendors bidding on certain contracts, thereby reducing competition and increasing costs.

RECOMMENDATION: PLACE ON FILE.

Eric C. Pearson
Budget and Policy Manager

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