

Bid Number	Bid Type	Item	Pre-Bid	Year	Post-Bid	Year	CPI Change	Estimated Bid with Inflation	Difference from Actual	Percentage Difference
1132	Gloves	Various	\$0.80	2000	\$0.54	2003	-6.7%	\$0.74	-\$0.20	-27.4%
1155	Firefighter Uniforms	Trousers	\$15.50	2000	\$15.25	2003	-6.7%	\$14.46	\$0.79	5.5%
		Long sleeve shirt 1	\$28.65	2000	\$30.50	2003	-6.7%	\$26.73	\$3.77	14.1%
		Long sleeve shirt 2	\$34.80	2000	\$36.50	2003	-6.7%	\$32.46	\$4.04	12.4%
		Short sleeve shirt 1	\$26.00	2000	\$27.50	2003	-6.7%	\$24.25	\$3.25	13.4%
		Short sleeve shirt 2	\$31.60	2000	\$33.00	2003	-6.7%	\$29.48	\$3.52	11.9%
		Winter jacket 1	\$77.00	2000	\$87.00	2003	-6.7%	\$71.83	\$15.17	21.1%
		Winter jacket 2	\$88.60	2000	\$98.70	2003	-6.7%	\$82.65	\$16.05	19.4%
		Summer jacket 1	\$36.95	2000	\$39.50	2003	-6.7%	\$34.47	\$5.03	14.6%
		Summer jacket 2	\$42.40	2000	\$45.50	2003	-6.7%	\$39.55	\$5.95	15.0%
		Caps	\$17.30	2000	\$18.50	2003	-6.7%	\$16.14	\$2.36	14.6%
		Belt	\$1.95	2000	\$2.25	2003	-6.7%	\$1.82	\$0.43	23.7%
1209	School Crossing Guard Coats	Cost	\$273.00	2000	\$295.90	2003	-6.7%	\$254.67	\$41.23	16.2%
1259	Police Uniforms	Trousers 1	\$40.50	2000	\$46.95	2003	-6.7%	\$37.78	\$9.17	24.3%
		Trousers 2	\$40.50	2000	\$51.95	2003	-6.7%	\$37.78	\$14.17	37.5%
		Trousers 3	\$50.00	2000	\$53.55	2003	-6.7%	\$46.64	\$6.91	14.8%
		Motorcycle Breeches	\$129.00	2000	\$139.00	2003	-6.7%	\$120.34	\$18.66	15.5%
		Leather jacket 1	\$270.00	2000	\$336.50	2003	-6.7%	\$251.88	\$84.63	33.6%
		Leather jacket 2	\$292.00	2000	\$369.95	2003	-6.7%	\$272.40	\$97.55	35.8%
		Leather jacket 3	\$315.00	2000	\$399.95	2003	-6.7%	\$293.85	\$106.10	36.1%
		Replace Liner	\$60.00	2000	\$47.95	2003	-6.7%	\$55.97	-\$8.02	-14.3%
		Dress Blouse	\$180.00	2000	\$191.00	2003	-6.7%	\$167.92	\$23.08	13.7%
		Overcoat 1	\$110.00	2000	\$125.00	2003	-6.7%	\$102.62	\$22.38	21.8%
		Overcoat 2	\$120.00	2000	\$132.00	2003	-6.7%	\$111.94	\$20.06	17.9%
		Skirt	\$70.00	2000	\$70.00	2003	-6.7%	\$65.30	\$4.70	7.2%
		Work Pants	\$14.50	2000	\$15.50	2003	-6.7%	\$13.53	\$1.97	14.6%
		Cruiser Comm. Jacket	\$218.00	2000	\$243.90	2003	-6.7%	\$203.37	\$40.53	19.9%
		Repl. Liner	\$45.00	2000	\$45.00	2003	-6.7%	\$41.98	\$3.02	7.2%
1566	Bomb Disposal Suit & Helmet	Suit	\$10,492.00	2003	\$9,984.00	2005	-1.2%	\$10,370.50	-\$406.50	-3.9%
		Helmet	\$4,945.00	2003	\$5,990.00	2005	-1.2%	\$4,887.74	\$1,102.26	22.6%
1577	Police Duty Belts	Belt w/ buckle	\$25.00	2001	\$24.25	2005	-6.1%	\$23.47	\$0.78	3.3%
1583	Police Uniform Caps	Police Officer	\$23.63	2001	\$24.95	2005	-6.1%	\$22.18	\$2.77	12.5%
		Winter Fur	\$20.54	2001	\$20.54	2005	-6.1%	\$19.28	\$1.26	6.5%
		Straps	\$4.22	2001	\$4.45	2005	-6.1%	\$3.96	\$0.49	12.3%
1641	Rental of Entrance Mats	Per Sq Foot	\$0.11	2002	\$0.11	2005	-3.6%	\$0.10	\$0.01	11.2%
Average Percentage Actual Post-"Clean Clothes" Ethical Purchasing Bid Price higher than Projected Pre-ordinance cost based on CPI-Apparel										
Total items with cost comparisons										
Number with lower cost than projected										
Number with higher cost than projected										
Maximum increase in cost										

35  
3  
32

8.6%  
91.4%

37.5%

## Clean Clothes Ethical Purchasing Cost Comparison

Section 310-17 of the Milwaukee Code of Ordinances was enacted in 2003 (CCFN 021338) and became effective on April 25, 2003. This established a requirement that departments award contracts in excess of \$5,000 relating to the purchasing, renting, laundering and dry cleaning of items of apparel to responsible manufacturers.

“Responsible manufacturer” means an establishment that complies with all applicable local and international labor laws and workplace regulations regarding wages and benefits, workplace health and safety, as well as the fundamental conventions of the international labor organization, payment to its employees of non-poverty wages, termination of its employees only with just cause, and establishment of a mechanism for the resolution of workplace disputes. Bidders on these contracts must submit a sworn report or affidavit including this and other information. The Purchasing Director makes these reports and affidavits available for public inspection. The Business Operations Division of DOA is responsible for monitoring contracts for compliance with the requirements of Section 310-17, including reviewing and monitoring the sworn reports and affidavits, receiving and investigating complaints relating to compliance, and imposing appropriate sanctions on contractors that provide false information or fail to comply with the legislation.

Imposing these requirements on bidders and for all bids over \$30,000 may result in a decrease in the number of bids received and will likely increase the cost of contracts. This assumption can be verified by comparing the cost of the same items purchased before and after the ethical purchasing requirements of Section 310-17 was implemented, adjusting for inflation.

The Business Operations Division provided information on bids awarded for the same items before and after Section 310-17 was implemented. To adjust for inflation, the Consumer Price Index-All Urban Consumers, for U.S. Apparel and Upkeep, from the U.S. Department of Labor Bureau of Labor Statistics was used. This CPI measures specifically measures inflation for apparel items, with apparel including men’s shirts and sweaters and women’s dresses. This was the measure of inflation judged most applicable to the apparel items covered by Section 310-17.

The bid price for an item before Section 310-17 was implemented was adjusted for inflation using the CPI measure to calculate an estimated cost for the item in the year when it was bid after Section 310-17 was implemented. The actual bid cost under the ethical purchasing requirement was compared to the estimated cost to determine how much the actual cost varied from the estimated cost. Variance between the actual and estimated cost is assumed to be primarily the result of the increased bidding requirements and restrictions imposed by Section 310-17.

A total of 35 items were compared, including Firefighter uniforms; School Crossing Guard coats; Police Uniforms, Suits, Helmets, Belts and Caps; gloves; and entrance mats. Of these 35 items, three had actual bid costs under the ethical purchasing requirements that were lower than the estimated costs. Most of the items, 32, or 91.4%, had actual bid

costs that were higher than the estimated costs. On average, actual bid costs under the ethical purchasing requirements were 14.4% higher than the estimated costs. The largest amount that the actual bid cost exceeded the estimated cost, on a percentage basis, was 37.5%.

This analysis indicates that, on average, the ethical purchasing requirements tend to increase the costs of items purchased by the City. Given this, it is assumed that imposing additional ethical purchasing requirements on a broader range of items will likely result in increases in the costs that the City pays for these items. While the cost of any specific item could actually decrease, the average impact for all items will likely be a cost increase. It is not known how applicable the experience with apparel items is for non-apparel items. There fore, it is impossible to predict an actual percentage increase. The percentage, however, could be as high as 14%.

Given that the total value of non-apparel commodity contracts affected by the proposed expanded ethical purchasing requirements is approximately \$40.7 million, the increase in costs resulting from these requirements could be as high as \$5.9 million.