



**FAIR TRADE  
TOWNS USA**

# Purchasing Guide for City Procurement Staff



*Prepared By:*



## FAIR TRADE PURCHASING GUIDELINES FOR CITIES AND TOWNS

### HIGHLIGHTS

- “Fair trade” represents an innovative, market-based strategy that ensures fair labor practices and environmental sustainability in commodity and craft production abroad.
- Fair trade products, available through many vendors of office supplies, food and food services, are often easily identified by their certification labels.

### WHY BUY FAIR TRADE? (Page 4)

- Fair Trade’s principles include guarantees of fair wages, safe working conditions, sustainable soil and water use practices and funds for community development.
- Fair trade production prohibits child labor, forced labor, and many harmful pesticides.
- Purchasing fair trade products helps a city, town, college or university fulfill its commitment to sustainability, fair wages, and promotion of the public good.

### BEFORE BIDDING... (Page 4)

#### What Products are Needed?

- Food service operations often need **coffee, tea, sugar, and cocoa** (hereafter, “covered goods,”), which are available in fair trade certified varieties. Bananas, rice, and other goods are also sometimes available.
- Covered goods can be found in office supply, food, and/or food service contracts.
- Looking at what is already being purchased is essential – fair trade products can be found to meet most purchasing needs, as well as packaging types such as coffee “pillow packs” or k-cups.
- Although fair trade commodity products function just like conventional products, users may want to taste-test coffees, teas and hot chocolate mixes, or cocoa when it is used in recipes.

#### What Products are Available?

- Fair trade coffee is available from large food service and office supply vendors such as Aramark, Office Depot, Sysco and Staples, as well as grocery stores, small vendors and specialty markets.
- Fair trade teas, hot cocoa and sugars are sometimes not listed as widely as coffee, but are available by request.

#### Are There Useful Cooperative Purchasing Contracts?

- Cooperative purchasing contracts enable eligible buyers to secure bulk cost savings even for smaller purchases. Fair trade offerings are typically limited on these contracts, but may expand, especially if contract users ask them to be included on the contract.

### FAIR TRADE CERTIFIERS AND SCREENING ORGANIZATIONS (Page 6)

- “Certified fair trade” designates any product that maintains a fair trade certification from, and adheres to the standards of, Fair Trade USA, Institute for Market Ecology (IMO)’s Fair For Life Program, or Fairtrade International USA.
- Fair trade certifiers verify that the production of goods bearing their certification logo meets their social and environmental standards, comply with domestic labor laws in the countries where certified goods are produced, and are consistent with International Labor Organization (ILO)’s Declaration on Fundamental Principles and Rights at Work.

*For more, see: Appendix A – Domestic and International Labor Standards*

## **BID SPECIFICATIONS (Page 9)**

### **Minimum Requirements (Specifications)**

- All coffee, tea, sugar or cocoa products shall be purchased with a fair trade certification from Fair Trade USA, IMO Fair for Life, or Fairtrade International.
- These requirements apply to all purchases of coffee, tea, sugar and cocoa through use of commodity and service contracts where food or other covered products are supplied, including employees' purchase cards (P-cards).
- All purchases of fair trade product shall be tracked by the vendor, and presented in an annual report with the total volume or dollar amount of fair trade purchases.

### **Develop a Fair Trade Bid List**

- Provide fair trade alternatives for products in a full bid list or a limited market basket list, and negotiate deep discounts for these items. Base fair trade bid lists on past usage, if available.

## **ONCE THE BIDS ARE IN... (Page 13)**

### **Best Ways To Award**

Allowing multiple awards or a separate fair trade product award will ensure the greatest competition and lowest prices.

### **Verifying Compliance**

- To verify compliance, check certifier's websites to find compliant brand names listed.

### **Evaluating Price**

- Keep in mind that current prices may reflect discounts applied to items on a market basket or core list. These discounts should be applied to fair trade products as well.
- Recommendation: Bid fair trade products separately to avoid vendor overcharging for them as "specialty" items.
- Best value analysis may be used to factor social and environmental benefits of fair trade into cost comparison.

## **VENDOR EVALUATION (Page 14)**

- If your bid evaluation process includes a "Green Point Weighting System," you can give points to vendors that offer the widest variety of fair trade products, include fair trade labeling in their ordering system, can provide a "Fair Trade Spend" Report, use sustainable packaging, etc.

## **INTEGRATING FAIR TRADE WITH OTHER SUSTAINABLE FOOD PURCHASING**

- Consider adding specifications for local, organic, and/or healthy food alongside fair trade certification requirements.
- If working with end users to add local or healthy foods, include education about fair trade.

## **MAXIMIZE FAIR TRADE IMPACT (Page 15)**

- Track the impact of purchases by calculating the additional benefit of dollars spent on fair trade.
- Set goals for expanding fair trade purchasing to new products, such as bananas.
- If evidence of non-compliance with fair trade certifier standards, ILO standards, or domestic labor laws are reported, request additional information from vendors.
- Seek appointment of a Fair Trade Purchasing Advisor to an existing committee or advisory group, such as a Sustainability Committee. If there is no group yet, establish a Fair Trade Purchasing Advisory Committee to provide information and support to purchasers.

## **WHAT'S ON THE HORIZON?**

Keep abreast of product developments, and consider promoting the purchase of domestic goods produced with fair labor and sustainability practices.

## Why Buy Fair Trade?

### The Problem

Globalization of the world economy has allowed many communities to take advantage of new market opportunities. However, according to the United States Agency for International Development (USAID), 1.2 billion people still live in extreme poverty today. Meanwhile a ‘race to the bottom’ in the pursuit of cheaper labor, lower environmental standards and lax law enforcement has led to the exploitation of workers, farmers and artisans producing the goods consumed in developed nations. Governments are increasingly aware of choices they can make to ensure that taxpayer dollars are not buying products contributing to conditions of poverty and environmental degradation. As a result, municipalities are seeking ways to forge fair and sustainable trading relationships.

*‘Investing in these smallholder farmers – most of whom are women – is more important than ever.’ - USAID*

### The Fair Trade Solution

“Fair trade” represents an innovative, market-based strategy that ensures fair labor practices and environmental sustainability in commodity and craft production. This is achieved through trading partnerships that seek greater equity and transparency along the supply chain, just compensation to producers, and production approaches that are in line with goals of sustainability and fairness. Fair Trade organizations and certifiers are actively engaged in supporting producers of fair trade commodities and goods, backed by market support from those buying fair trade goods.

## Before Bidding...

### What Products are Needed?

This Guide focuses on goods that are widely available in fair trade varieties, price competitive, and typically purchased by governments: **coffee, tea, cocoa and sugar**. Many purchasing policies focus on these products, so we refer to them as “Covered Goods.” However, purchasers, policy-makers and advocates are encouraged to expand their policy and purchasing practices over time.

To determine which coffee, tea, cocoa and sugar products are needed by your end users:

- 1) Look at existing office supply, grocery, and food service contracts;
- 2) Identify high-volume items;
- 3) Identify the packaging types that already meet the needs of users, such as coffee “k-cups,” bulk sugar, hot cocoa packets, etc.

It’s important to consider all ways that the city or town might be purchasing these products. Departments such as Fire, Parks and Recreation, Public Safety and Health may purchase food items for programming, facilities, sites, or offices. Concessions contracts for any sold food, such as those for employee cafes or even for zoos, should be included. Food service contracts will also often cover the purchase of these items.

Although fair trade commodity products function just like conventional products, users may want to taste-test coffees, teas and hot chocolate mixes, or experiment with cocoa when it is used in recipes. Involving end users is a great way to build buy-in, promote understanding of fair trade and of the city or town’s leadership, and contribute to maximum enforcement of a purchasing policy.

## What Fair Trade Products are Available?

The following goods are available in fair trade varieties:

Artisan Goods  
 Beans, Grains, Nuts, Oilseeds  
 Body Care  
 Cocoa  
 Coffee

Flowers  
 Honey  
 Herbs & Spices  
 Linens & Apparel  
 Packaged Foods

Produce  
 Sports Balls  
 Sugar  
 Tea  
 Wine & Spirits

As mentioned above, **coffee, tea, cocoa and sugar** are great commodities to begin with when implementing fair trade purchasing, as they are widely available, and also purchased in significant quantity by cities and towns.

### Which Coffee, Tea, Cocoa and Sugar Products are Available?

Coffee, tea, cocoa and sugar are easy to buy in fair trade varieties, because they are widely available in many of the products purchased by governments. For example, coffee “k-cups” are available in fair trade varieties.

Not all varieties of conventional products can be replaced with fair trade alternatives. For example, bottled “tea” products or chocolate bars with nougat may not be widely available with a fair trade label. The recommended items reflect the most widely-available products currently on the market, and should be included in a policy or purchasing program:

<b>Commodity</b>	<b>Recommend Including...</b>	<b>Recommend Phasing In or Providing as an Option...</b>
<i>Coffee</i>	Caffeinated and decaf coffee and espresso, purchased packaged or brewed to serve hot or iced	Coffee drinks sold in vending machines or bottled
<i>Tea</i>	Caffeinated and decaf tea, loose, in teabags, or brewed hot or iced	Tea sold in vending machines or bottled
<i>Sugar</i>	Granular, raw cane, brown, or powdered sugar, sold, provided or served in bulk or in individual packets	n/a
<i>Cocoa/chocolate</i>	Hot or cold beverage chocolate in bulk or packets, baking chocolate	Chocolate bars should be treated separately. (They are recommended as an option, but not to replace all chocolate bars.)

In rare cases, modifications to bid specifications may be necessary if fair trade products don’t match the conventional varieties that have been purchased. For example, if freeze-dried fair trade coffee were not available in the size used in the past, a small change to the bid would allow for compliance. Changes such as this should be discussed with end users.

Cities and towns can use the guidelines to determine which products are included in fair trade purchasing efforts, and which might be considered for phase-in or as an option for purchasers alongside conventional varieties. For example, a bottled-drink vending machine could offer both fair trade and conventional cold tea products.

### Look for Fair Trade Products on Existing Contracts

Though your town or city may be new to fair trade purchasing, it’s likely that you hold at least one contract that already offers fair trade products. In addition, you may be able to purchase fair trade products off of a cooperative contract with another government that has beneficial discounts established.

Here are some strategies for finding fair trade certified products on existing contracts:

- 1) **Ask current food vendors** if any of your contracts include items that happen to be fair trade certified.
- 2) **Explore cooperative contracts**, such as state contracts, that your town or city has access to. Are there fair trade products?
- 3) **Look beyond food contracts.** The four “covered” fair trade food products all fall under the category of “breakroom supplies,” and have long shelf lives. As a result, these products are often offered by office supply companies such as Staples and Office Depot. If you have a blanket purchase order relationship with these providers, fair trade products may well be available through your purchase order system. These contracts can provide a “backup” method for purchasing fair trade products if your current food commodity or service providers can’t supply them right away.
- 4) **Consider Cooperative Purchasing Agreements.** Cooperative Purchasing Agreements are contracts developed by a single purchaser, such as a state agency or a county that are made available to other jurisdictions to save time and money. These contracts typically have a wide variety of products, and prices negotiated low due to volume. Some are negotiated through alliances that help coordinate cooperative purchasing for government buyers. Some common cooperative purchasing organizations for government buyers include:

[Western States Contracting Alliance](#) (WSCA), formed by the National Association of State Purchasing Officials (NASPO)

[U.S. Communities](#) Government Purchasing Alliance, affiliated with the National Association of Counties, and [TCPN](#), The Cooperative Purchasing Network. Contacting cooperative purchasing organizations is a good way to get updated information. It may make sense to ask specifically about office supply contracts, since these are known to include fair trade products. For example, the office supplies vendor Staples Advantage has a cooperative purchasing agreement that cities and towns can access through WSCA. This agreement features fair trade varieties of ground coffee packets, coffee k-cup dispenser cups, and a range of tea bags for green, black, white and herbal teas.

### Fair Trade Certifiers & Screening Organizations in the US

The following fair trade organizations work to ensure that supply chains of US companies are equitable, sustainable, and transparent through third party certification or organizational screenings. A certification or “Fair Trade claim” cannot be monitored by the company itself, but rather through a 3<sup>rd</sup> party certification system, or by membership in a body that conducts organizational screenings.

Through 3<sup>rd</sup> party certification or business screenings, these organizations take a close look at three areas of the supply chain: producers, importers, and brand holders. The value of looking at each area of the supply chain is listed below:

#### Producer Organizations:

- Are given a more equitable position in negotiating contracts,
- Pay workers fair wages in the local context
- Utilize production methods that promote soil and water conservation methods, waste management and integrated pest management,
- Avoid use of genetically-modified seed varieties and toxic chemicals,
- Use cooperative ownership or worker organizations to establish and enforce health and safety standards for working conditions, and
- Have access to healthcare

#### Importers: Report the purchasing and selling of Fair Trade goods




- Pay producer organizations a fair, above market prices for goods (these price are negotiated by buyer and seller and monitored by certifier and screening organizations)
- Use Fair Trade seals to identify products to brand holders

**Brand Holders:**

- Report product composition
- Submit supplier information to allow for product traceability
- Use fair trade seals to identify products to consumers

In addition, Fair Trade Certifiers & Screening Organizations also verify that the production of goods bearing their seal meets the International Labor Organization (ILO)'s Declaration on Fundamental Principles and Rights at Work.

Due to differences in the production and processing of Fair Trade goods (for example coffee production versus quinoa) and differing approaches, these Fair Trade Certifiers & Screening Organizations have developed unique ways to ensure rigorous social, economic and environmental principles are upheld. Looking at their standards and principles online is recommended

Fair Trade USA	IMO's Fair For Life	Fairtrade America
		
<p><b>Fair Trade USA</b>  <a href="http://www.fairtradeusa.org/">http://www.fairtradeusa.org/</a></p>	<p><b>Fair for Life</b>  <a href="http://www.fairforlife.net">http://www.fairforlife.net</a></p>	<p><b>Fair Trade America</b>  <a href="http://www.fairtrade.net/">http://www.fairtrade.net/</a></p>
<p>Fair Trade USA is a leading third-party certifier of Fair Trade products in the United States. Fair Trade USA enables sustainable development and community empowerment by cultivating a more equitable global trade model that benefits farmers, workers, consumers, industry and the earth. They audit transactions between US companies offering Fair Trade Certified™ products and the international suppliers from whom they source in order to guarantee that the farmers and farmer workers behind Fair Trade Certified goods were paid a fair, above-market price. In addition, annual inspections are conducted on the farms to ensure that strict socioeconomic development criteria are being met using increased Fair Trade revenues.</p>	<p>"Fair for life" is a brand neutral third party certification program for social accountability and fair trade in agricultural, manufacturing and trading operations. Fair for Life Fair Trade certification was developed by the Swiss BioFoundation and Institute for Marketecology (IMO), also based in Switzerland, and first came to the North American markets in 2007. It was developed as a complementary approach to the existing Fair Trade certification systems. The Fair for Life Social and Fair Trade Program is based on Fair Trade International (FLO) standards and ISEAL recommendations for social standard setting. The certification combines strict social and fair trade standards with adaptability to local conditions. Socially responsible and fair trade operators also need to take care to protect the environment at and around their production or processing sites.</p>	<p>Fairtrade America is the US arm of the global Fairtrade umbrella organization Fairtrade International (FLO). Fairtrade America licenses the Fairtrade Mark, the world's most recognized ethical label found on over 27,000 products in 120 countries. The Fairtrade Mark is backed by global standards developed through consultation with producers and their trade partners and audited by a rigorous certification system from farm to shelf. More than 1.2 million farmers and workers around the world participate. Fairtrade farmers and workers are represented at the highest levels of decision-making, including Fairtrade International's Board of Directors, General Assembly, and Standards Committee.</p>

<b>Fair Trade Federation</b> <a href="http://www.FairTradeFederation.org/">www.FairTradeFederation.org/</a>
 The logo features a stylized globe with hands holding it, surrounded by the text 'FAIR TRADE FEDERATION MEMBER' and a space for 'Org name'.
<p>The Fair Trade Federation is the trade association that strengthens and promotes North American organizations fully committed to fair trade. Members sell 100 % Fair Trade products and their business is rigorously evaluated for their full commitment to Fair Trade Federation’s Nine Principles – companies that have Fair Trade at the heart of what they do. The Federation is part of the global fair trade movement, building equitable and sustainable trading partnerships and creating opportunities to alleviate poverty.</p>

Fair Trade Certifiers and Screening Organizations are structured differently, and can serve somewhat different functions in the marketplace. To help you figure out which ones apply to your purchases, here’s a table that shows where to look for the label or seal of each organization:

	<i>Verification and labels...</i>		
	<i>Commodity products</i>	<i>Products with multiple ingredients</i>	<i>Businesses (which in turn produce products)</i>
Fairtrade America	X	X	
IMO’s Fair for Life	X	X	X
Fair Trade USA	X	X	
Fair Trade Federation			X

In the case of **artisan and craft goods**, the selling organizations are fully committed to fair trade principles and are screened in order to maintain membership. Purchasers are encouraged to choose fair trade artisan goods when purchasing gift baskets, decorative items, etc.

### Bid Specifications

*This section primarily applies to fair trade certified commodity products such as coffee, tea, sugar and cocoa. Advocacy groups or local fair trade stores are good sources of information about available artisan goods, such as kitchen and decorative items, and how they might be purchased.*

A first step for purchasers is to investigate if existing or cooperative purchasing opportunities are available (see [above](#)), or if any other cities or towns have prepared bid specifications that can be used as a model. For example, the City and County of San Francisco has included a fair trade preference in its requests for concession proposals (see below, or click [here](#) to jump). Fair Trade Campaigns (<http://fairtradetownsusa.org/towns>) is a possible resource for finding additional cities that have passed policies and may have sample contracts available.



## Adding Fair Trade Products to Bid Solicitations

A city or other government entity that is designing its own bid solicitation will need to determine how best to incorporate fair trade specifications and/or preferences for specific products into its bid solicitation documents. Below are some options.

### *Specifying the Recommended Fair Trade Certifications*

Fair Trade USA, IMO's Fair for Life, and Fairtrade International USA can, for the purposes of these commodities, be considered as equivalent certifications. Including all three certifiers in your bids will increase the number of products that can meet your specifications, and preserve competition between certification bodies and possibly vendors as well. A sample specification could read: *Black Tea, Bags or Bulk, Fair Trade USA- OR IMO Fair for Life- OR Fairtrade International USA-certified products only.*

### *Specifying Fair Trade alongside Other Sustainability Certifications*

In some cases, it may make sense to require products to have one of a few different certifications in order to meet the specification. For example, many food contracts and food service contracts involve the purchase, directly or indirectly, of a long list of products. Not all products will have fair trade varieties. Your city or town may be interested in sustainably-raised beef or local apples, and these products may appear alongside fair trade certified coffee or sugar in a contract for groceries or food services. This language helps accommodate multiple criteria and certification schemes, adapted from a concessions contract:

*“Sample Menu. Respondent must include sample menus detailing food provided. Sustainable food items must be included in the overall operation. Sustainable foods are those which, through their production, purchase, and consumption, enhance the health of the environment, producers and consumers. Sustainable foods carry one of the following certifications: USDA Certified Organic, Fair Trade USA Certified, IMO's Fair for Life Certified, Fairtrade International USA Certified, Protected Harvest Certified or Certified Humane. Lessee shall provide an annual report on each anniversary date of this Lease outlining how they incorporated these sustainable food concepts into everyday operations of the food and beverage concession and how they informed customers and those employed by the Lessee regarding sustainable foods.”*

### *Setting the Stage for Full Integration of Fair Trade Goods*

Any government entity that is developing a fair trade program should expect to integrate fair trade products into its contracts as completely as possible. This may mean starting with contracts that are easy to modify and easy for staff to adapt to, such as those in which the style of coffee or tea would not change. It may mean starting with a pilot project, with the intent to expand it to the entire contract in the following year. It may mean gaining a commitment from one or more agencies to convert certain products and serve as a testing site and model for the rest of the agencies that will convert later. It also may mean adding fair trade products to a contract that also offers conventional products, and then promoting the new products while full conversion is made possible.

### *Tracking Purchases of Fair Trade*

It is important to document fair trade purchases by requiring vendors to identify the quantity or dollar amount of fair trade items purchased. This can be submitted in an annual report, or presented through ongoing analytics, if available. Such tracking will be easiest if the vendor's ordering system or internal purchasing mechanism includes a “tag”, logo, or other way to differentiate fair trade products. Working with your vendor to add such tags before purchasing on the contract begins will avoid the need to sift through records later on.

**Steps to Lower the Cost of Fair Trade Products**

Fair trade products do not always cost more! Some can even save money over previously contracted conventional products. When contracting for food *service*, any price differential for fair trade is negligible, because commodities are a small percentage of the overall dollar amount.

At times, however, these products do cost more, either because the market is newer, or because fair trade requires fairer compensation and more care to production techniques, which means a higher-value product. While cost is a critical deciding factor for most contracts, it is not the only factor. When it is apparent that the fair trade options may cost more, there are several approaches that can be taken to drive the price down:

- **Contract for fair trade products only, to secure higher price breaks.** Fair trade products are typically identical in function to conventional, and can be cost competitive. Therefore, the most effective strategy for securing competitive pricing may be to simply specify those products only. When sugar, for example, is offered with hundreds of other products, the vendor may be able to provide a bid with little to no price difference. Seeing that the city is committed to buying fair trade products, vendors will likely offer their best available price breaks.
- **Include fair trade items on your core or market basket list.** A contract with both fair trade and conventional products may place fair trade products at serious, unfair disadvantage if, for example, regular tea products win the biggest discounts because they appear on a “core” or “market basket” list. Adding fair trade products to the core list (and removing the equivalent non-fair trade option) is another way to demonstrate to vendors that buyers are serious about transitioning to the use of fair trade products, which can result in further discounts and price breaks. If core list prices are used to evaluate the contract, this will also help buyers select the vendor with the best fair trade prices.  
 For buyers to make their core/market basket list “fair trade friendly,” they will need to review each item on the old core list and identify an equivalent fair trade alternative that can be either added or serve as a replacement. (Vendors may be able to help identify good alternatives in their product offering.)

**SAMPLE BID SOLICIATION WITH CONVENTIONAL PRODUCT AND ITS FAIR TRADE ALTERNATIVE**

Product Description (Including Green Criteria)	Unit of Measure	Price
Conventional Product		
Granulated sugar cubes or packets, 500 servings per box, 10 boxes per case	1 case	VENDOR INPUT
Green Product		
Granulated sugar cubes or packets, 500 servings per box, 10 boxes per case, <i>fair trade certified.</i>	1 case	VENDOR INPUT

**What Can Cities and Towns Do When Fair Trade Products Still Have Higher Upfront Costs After Market Basket Discounts?**

- **Offer a price preference for fair trade products.** This enables the fair trade option to be considered competitive as long as its price falls within a specified percentage of the lowest responsive conventional alternative’s price. Purchasers sometimes worry that a price differential will simply

increase the cost of the contract by the percentage allowed. But this is not generally the case, especially because the conventional product bid price will be unknown until after all the bids are in. Rather, a price preference can give enough room for fair trade products to qualify while their markets are still developing. As those markets mature, their cost is likely to trend closer to their conventional competitors.

- **Set up a point system** that rewards fair trade products and services. Vendors can be awarded extra points for each product that carries a fair trade certification label. Similar to the price preference, this allows the fair trade products to be included on contracts even when they may have slightly higher prices. It also recognizes that they embody valuable social and environmental contributions that often are not calculated into the price of the product. Rewarding vendors that offer a wide variety of fair trade products in the bid evaluation process helps to incorporate a best value analysis. For more information about how to incorporate evaluations of vendor practices into the contract award process, see the [Vendor Evaluation](#) section below.
- **Publicize your bid, and be open to multiple awards.** When the best selection of fair trade options is encouraged, cities will receive bids that best reflect the full range of market prices. For strategies on expanding the selection of fair trade options, see [below](#).

### ***More Strategies to Lower Costs... Either Before or After Bid Process***

Sometimes, vendors might charge more for fair trade items because they're treating them as a "specialty" product, one that will not be purchased in bulk quantity and therefore not generate volume discounts. To bring costs down, you may want to demonstrate to vendors that your town or city is serious about buying fair trade in large quantities. These strategies can be explained during the bid process to encourage better bulk prices, or used on a current contract to raise usage numbers for the next round.

- **Promote the use of fair trade products offered on contracts.** When vendors offer multiple competing products, employees may choose the conventional option out of habit or without noticing. Employee education about fair trade will help purchasers and p-card users remember to buy fair trade, and will also bring awareness of the town's commitment to fair trade.
- **Consider requiring vendors to provide an online ordering system that will block non-fair trade options.** This can help take out the guesswork for p-card users or others who order food products. It may be useful to do this across multiple contracts. For example, if a city negotiates a dedicated contract for fair trade coffee service, it can block sales of non-fair trade coffee on its general office supplies contract.

### ***How Can the Best Selection of Fair Trade Options Be Encouraged?***

- Sometimes, a conventional vendor may carry some fair trade products but not a wide variety, and a specialty or fair trade products vendor may not carry conventional products at all. In such cases, it may be necessary to solicit bids for the fair trade products separately from conventional products rather than requiring a single vendor to provide both. This can be accomplished by developing a separate bid solicitation for fair trade products or by allowing bidders to make offers on individual line items or categories of products (e.g., a fair trade products list). If the latter bid solicitation method is used, the municipality may need to issue multiple awards to ensure a sufficient supply of all products.
- It is recommended to publicize your new fair trade bid solicitation widely. The vendors with the widest selection of fair trade products may be focused on consumer markets and may not be aware of your request for bids. One way to find distributors of these products is to contact certifiers, who can then pass information along to vendors of certified products.

- Consider holding a pre-bid meeting, preferably early on in the contract development process. This will enable you to collect market availability and performance information from vendors in the region and give potential bidders time to become an approved vendor or set up an arrangement to subcontract with a vendor that is already pre-qualified to sell to the city. You may also want to hold a meeting immediately after the bid solicitation has been issued to make sure bidders understand your specifications and bid evaluation procedures.

These methods also help to ensure that buyers will not see only the “specialty” prices regular vendors may offer, but the full marketplace of fair trade goods at a variety of prices.

## Once The Bids Are In...

### Best Ways to Award

To encourage the greatest selection of low-price, high-value fair trade goods, the best strategy is to allow for line-item or multiple awards. Because the list of products available fair trade is short, this method helps to ensure responsive bids for all products, with minimal extra work for buyers. For more details, see the [previous section](#).

### Verifying Compliance

#### *Verifying products’ compliance during bid evaluation*

It is important to verify the fair trade certifications on each product (or, in the case of artisan goods, it is important to verify the fair trade status of the producer organization). Certifications claimed by the vendor should be checked against listings by the certifying organization, each of which provides lists on their websites (see [Fair Trade Labeling Organizations](#)).

#### *Once bid is awarded: continued compliance*

Certifiers’ guarantees that the products bearing their label comply with their standards should be assumed. However, if evidence of non-compliance with fair trade certifier standards, domestic labor laws in the country of production, or International Labor Organization standards (see Appendix A) in the supply chain for Covered Goods is made public after the contract is awarded, the city should take such concerns seriously.. A representative of the Purchasing office, such as the Chief Procurement Officer, should substantiate the claim by establishing communication with the fair trade certifier, and contact any vendors supplying the Covered Goods in question, requesting any available information on the violation and steps toward remediation. If there is an Advisory Committee to the city for Sustainability, Fair Trade, Sweatshop-Free, or Anti-Human Trafficking Related Purchasing, that committee can assist with the city’s response. If violations persist, the purchasing representative should notify vendors that products in question may be eliminated from future contracts.

## Vendor Evaluation

Being able to purchase fair trade products is the main aim of these procurement changes. However, vendors of these products can facilitate fair trade purchasing by making it easy for purchasers to identify, buy, and track fair trade varieties. If your jurisdiction allows for vendor evaluation, such a process can be an important part of maximizing fair trade purchasing for the best result that is easiest on purchasers. By using a Vendor Evaluation form, similar to a “Green Point Weighting System” that might be used for green products, you can compare vendors on a number of factors. You can give extra points to vendors for:

- Offering the widest variety of fair trade products

- Including clear Fair Trade Product labeling in their ordering system
- Allowing Fair Trade Products to be automatically purchased in place of conventional, when requested
- Providing a “Fair Trade Spend Report” quarterly or annually
- Promoting the Fair Trade values of social and environmental responsibility in their business, such as having fair employment practices or using sustainable packaging, etc.

## Integrating Fair Trade with Other Socially and Environmentally Responsible Purchasing

Fair Trade purchasing efforts exist alongside a long list of other worthwhile responsible purchasing initiatives, such as promoting ethical employment practices, resource conservation, toxics reduction, climate protection, product re-use and recycling, and others. If your jurisdiction incorporates other sustainability goals and standards into your purchasing practices, they are likely compatible with fair trade. Here are some suggestions for how to best integrate fair trade with other responsible purchasing policies and practices.

- **Add fair trade boilerplate language into bid documents.** As shown in our Bid Specifications section, RFPs and other bid solicitation documents can have boilerplate language that allow for any one of many certifications to be used. As long as desired thresholds or percentages remain strong, fair trade can be added to the list of accepted sustainability labels. For example, an existing food commodity contract including coffee, tea, fruits vegetables and dairy products might include a provision for 15% of the food to be locally-produced. If the provision is changed to add in fair trade labels, a new threshold can be arrived at based on quantities purchased. The bid might read, “17% of food purchased on this contract annually must be EITHER locally produced or fair trade certified.”
- **Integrate fair trade into related committees or commissions.** To help facilitate fair trade purchasing, seek a relevant committee or advisory group within city government. A sweatshop-free purchasing committee or sustainability group is a natural forum for fair trade. This group can appoint a “Fair Trade Purchasing Advisor,” to keep an eye on fair trade purchasing, and support implementation. If there is no existing group, a Fair Trade Purchasing Advisory Committee can be formed. To promote integration, the committee can become a forum for discussion of environmentally and socially responsible purchasing initiatives.

## Maximize Fair Trade Impact

To maximize the impact of the city’s fair trade purchasing practices, a few steps can go a long way.

- **Establish a Fair Trade Purchasing Advisor or Committee.** Advisors can help bring pertinent information to purchasers, ease implementation, and navigate setbacks or barriers. Suggestions such as those in this Guide can be made on an ongoing basis, to help ensure speedy, streamlined application of a fair trade policy or program. A Fair Trade Purchasing Advisor position can be added to an existing relevant committee, such as a Sustainability or Sweatshop-free purchasing committee. If no such group exists, a Fair Trade Purchasing Committee made up of city staff and community experts should be established.
- **Track the impact of fair trade purchases.** Buying fair trade means that purchasing dollars contribute to positive impacts in the world, such as construction of rural schools where the food items are produced. For example, each pound of coffee purchased Fair Trade USA certified translates into a certain amount of community development premium earned by the coffee producing community. These premiums contribute to new schools, resources for local health clinics, and business development for coffee production. Translating dollars spent or pounds of sugar purchased into global impact is a good way to demonstrate the importance of fair trade.

- **Setting goals for fair trade purchasing** can help speed implementation. It can also set a timeframe for considering expansion beyond the initial commodities, to products such as fair trade bananas, which provide a whole new context and reach for world impact.
- If evidence of non-compliance with fair trade certifier standards, ILO standards, or domestic labor laws are reported, request additional information from vendors.
- **Identify purchases that can support fair trade artisans.** Gift baskets and kitchen items can be found in inexpensive fair trade versions that support cooperatives around the world. Thinking creatively about how to integrate fair trade into the purchase of these items can have an important impact.

### What's on the Horizon?

Staying aware of new developments in Fair Trade products will help the city have an impact and best meet its needs for a variety of products.

- **New sizes and containers for fair trade coffee and tea are likely to become available in the future.** Fair trade coffee is available in k-cups and pillow packs. As coffee serving machines evolve, so will fair trade offerings.
- **Domestic fair trade: part of the food procurement landscape.** Initiatives like the Agricultural Justice Project (the "Food Justice Certified" label) have been maturing over the last few years, and beginning to certify products sourced from North America. Including these initiatives and labels in your fair trade policy or program will make it even stronger and more current.
- **New product categories all the time!** Each fair trade certifier is continually innovating, and introducing new products. Visit certifiers' sites for the most up-to-date offerings.