

GENERAL SERVICES AGENCY
OFFICE OF LABOR STANDARDS ENFORCEMENT
PATRICK MULLIGAN, DIRECTOR



SWEATFREE PROCUREMENT ADVISORY GROUP (SPAG)
Minutes from May 27, 2026, meeting, 3:00 pm

Members Present: Julie Fisher, Coyote Marin, Samuel Thomas, Conchita Lozano-Batista

Members Excused: John Logan

City Staff Present: Hallie Albert, Pat Mulligan

WRC Present: Ben Hensler

ADOPTION OF AGENDA

Change Item No. 7 to "Discussion of Group and Meeting Schedule." Samuel Thomas made a motion to approve, Coyote Marin seconded, approved unanimously.

PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA

None.

APPROVAL OF MINUTES

Reviewed by members. Julie Fisher made a motion to adopt and Marin seconded. Minutes adopted without change.

WRC REPORT

Ben Hensler reviewed WRC's current investigations on three continents.

- Thai Factory update – summary of the complaint and the 15 workers forced out. The factory continues to dispute their employment and WRC is working on gathering documentation. Pat Mulligan asked what is produced at this factory for the City and Hensler said the specifics were not provided.
- Nicaragua – this factory manufactures goods for the SFPD. There are 4500 workers at the factory and goods are supplied to the City through Fechheimer/Gauls. The factory was late on making payments of bonuses as legally required and owe the workers a waiting time penalty. Investigation is ongoing.
- Ethiopia – Hirdaramani – Hensler provided a summary of the investigation of this factory, which produces goods for DPH that are supplied by Banner. WRC will reach out to OLSE if engagement with Banner is needed to get resolution.
- Bangladesh – Banner supplies goods from this factory, namely for the Cherokee brand. WRC is investigating complaints that workers were pressured to work without pay outside of their schedule and subjected to sexual harassment and abuse as well as corporeal punishment, such as standing for 90 minutes. There is no union and no harassment prevention program, so no path within the factory for workers to address the conduct.

Conchita Lozano-Batista asked how long these factories have been operating. Hensler said when WRC first investigated the factory in Thailand it was already long established. He guesses the Ethiopian factory is the newest since their garment industry only took off in the past 10 years. The owner of the factory is in Southeast Asia and operates other factories. Hensler believes the Nicaraguan factory is also well established.

Hensler reviewed next steps for active investigations.

- Thailand – work with OLSE to reach out to Banner and engage Mizuno in Japan.
- Ethiopia – San Mar is responsive and WRC is working with them.
- Nicaragua – working to collect the waiting time penalties and outstanding severance for workers.
- Bangladesh – hoping to get the brands on board.

DISCUSSION ON EXPANSION OF ORDINANCE TO OTHER GOODS

Marin asked for the amount the City spends on textiles that were previously covered by the Sweatfree ordinance. Hallie Albert explained that the system to pull that data is not easy to access and she must engage other City staff to gather that information.

Marin addressed AI data content moderators' working conditions and read proposed state legislation, which they will provide to the group. State legislation is supported by unions and Marin would like to bring a speaker to present the legislation to the group.

Thomas said the City does not have an enterprise agreement with the big AI firms and the City uses the MS Co-Pilot which uses an OpenAI model. Marin and Lozano-Batista said MS also uses Anthropic on the back end. Marin understands the City contracts with MS but believes labor standards could be created for AI models used by MS because they are commodities. Thomas said the City uses a subscription model with a set amount annually. A discussion ensued about the right person to speak to the group about the state legislation and Albert offered to assist in scheduling once Marin reaches out to the state legislator's office.

Fisher inquired about the City providing cell phones to employees and how many employees have them. She further asked about communication equipment for police, fire and traffic control.

Lozano-Batista raised that while there is more readily accessible data for AI use there is no clear data for other procurement and she is worried the kitchen sink approach will be biting off more than the group can chew. She suggested developing a methodology to apply since the group has historically had trouble convening meetings. A discussion followed about the analysis that should be used to determine which sector to expand the ordinance to cover. Lozano-Batista raised how it is on the members of the group to gather information on known violations in the particular industry and not do it in reverse, picking a commodity or industry and then looking for information on violations. Mulligan reminded the members that they must gather sufficient information to support legislative change by the Board of Supervisors. Marin discussed Electronics Watch and that its existence indicates a known pattern of violations in the electronics industry and proposed three criteria: significant portion of City budget, known violations, and an existing

enforcement mechanism available. Mulligan said the criteria is fine but they should think about the reality of getting this through the BOS and how the BOS was on the verge of eliminating this group and they should consider what would have the best chance of being passed.

Albert raised that targeting more regulations on procuring safety equipment for Police and Fire may not be met with support, whereas electronics like computers are used readily by the City. Fisher said the intent is not to create barriers, but to ensure the equipment is better and safer and they should engage unions to make sure their equipment is made in good working conditions.

Albert shared the criteria expressly stated in the ordinance:

To determine whether a particular good shall be targeted for enforcement, the factors that the Sweatfree Procurement Advisory Council shall consider shall include, but not be limited to: (A) the amount the City has spent, and anticipates spending, for such good; (B) evidence of sweatshop labor or other conditions prohibited by Article 16 in the manufacturing, assemblage, or distribution of such good; and (C) any financial impact that targeting the good for enforcement will have on the City.

Albert will try again to have the Electronics Watch come present at a meeting or provide materials explaining enforcement in the industry and data around known violations. She will also look into amounts the City is spending on electronics, textiles, and AI (Microsoft, Google, and others), and ask Hensler about whether WRC found violations at a textile factory.

Rio Morales, attending as a member of the public and awaiting his appointment to the group, said the City has contracts through Department of Technology with generative AI ChatGpt, Snowflake and other AI companies listed on the City Administrator's website.ⁱ

OCA REPORT

OCA not present and no updates shared.

DISCUSSION OF GROUP AND MEETING SCHEDULE

Lozano-Batista shared that John Logan is no longer with the group based on a residency requirement and that she will no longer be a member, explaining she can no longer balance her other commitments with being a member. Everyone expressed their gratitude for her work and how much she will be missed.

POTENTIAL ITEMS FOR FUTURE AGENDAS

Expansion of the ordinance to new goods.

WRC Report

OCA Report

ⁱ [San Francisco Generative AI Guidelines | SF.gov](#)