

IMPACT STATEMENT

Legislation title: Accept recommendation and reaffirm the City's commitment to responsible, sustainable procurement by considering the presence of conflict minerals when purchasing cellular devices and radio subscriber units

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Purpose of proposed legislation and background information:

The purpose of this resolution is to inform our major cellular and radio subscriber vendors that the City has a conflict free policy when purchasing cellular devices and radio subscriber products. We have asked the vendors to provide their conflict free statements as well copies of the reports they submitted to the Securities and Exchange Commission (SEC) declaring their status and commitment to obtaining conflict free minerals within their manufacturing chain. These reports are mandatory under the Frank Dodd Wall Street Reform and Consumer Protection Act. Under Section 1502 companies are required to file an annual disclosure if any conflict minerals originating in the Democratic Republic of the Congo or an adjoining country are necessary to the functionality or production of a product. If conflict minerals are a necessary part of their products, they must provide a report describing the measures taken to exercise due diligence on the source and chain of custody of those minerals, including a certified independent audit of the report. The vendors have complied with our requests for this information.

No revenues will be impacted by this legislation.

This legislation expands existing City policy.

Financial and budgetary impacts:

This effort has not created any financial impacts to the Communications Division; it does require time and effort to collect the vendor's Conflict Free statements and reports as provided to the SEC.

Going forward, if it is discovered that a vendor is unable or unwilling to adhere to the City's conflict free policy, it could be determined that the City could make the determination to stop buying the impacted products from them until they comply.

No present positions will be created, eliminated or re-classified as a result of this legislation.

Community impacts and community involvement:

The City of Portland and its citizen's will be assured that the cellular devices and radio subscriber units used by City of Portland staff will be in keeping with the direction of City Council policy as it pertains to conflict free minerals.

No known persons or groups will be testifying.

No future public involvement is anticipated or necessary for this request.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES: Please complete the information below.
- NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

Bureau of Technology Services Social Responsibility surrounding Conflict Free Minerals

The Bureau of Technology's Mission Statement is: To provide innovative, reliable and secure technology services and strategic leadership in alignment with the needs of the City of Portland, the public and our regional partners. Our value statement embraces: Customer Service, Respect, Stewardship, Integrity and Accountability, Quality and Creativity. Membership in the City of Portland community means being involved and responsible citizens, locally and globally. City of Portland employees are engaged on many levels as responsible citizens who work for the public good. Our collective ability to fulfill our vision requires socially responsible management of our resources to ensure ethical economic decisions for the benefit of our citizens and our community.

Given these commitments, we embrace the opportunity to practice responsible and ethical stewardship of our resources by exercising the authority and responsibility to consider ethical factors when establishing technology financial policies and practices. We will not hesitate to examine seriously, and when appropriate to reassess our procurement and investment practices, cases where a company's activities or policies plausibly cause social injury and where our own actions and priorities in relation to such companies could have a material or symbolic effect in alleviating or opposing such injury.

With these values in mind, The Bureau of Technology Services recognizes the humanitarian crisis taking place in the Democratic Republic of the Congo and the role of conflict minerals (tin, tantalum, tungsten, and gold, or "3TG") have in financing the violence. Given our significant annual expenditures for electronics products that likely contain these minerals, we recognize our own responsibility and indirect link to the crisis.

The Bureau of Technology Services is aware that "conflict-free" products are not yet widely available. Given the current circumstances, we are making a best-effort commitment to favor the procurement of verifiably conflict-free products. We welcome suppliers who belong to the Electronic Industry Citizenship Coalition (EICC), a global organization devoted to improving social and environmental conditions in electronics supply chains (<http://www.eicc.info/>). The EICC requires its members to follow a Code of Conduct that provides guidance in five critical areas of corporate social responsibility performance - labor, health and safety, environment, management system and ethics.

As a Bureau that makes significant annual expenditures for electronics products that likely

contain these minerals, we call on all electronics companies with whom we do business to actively monitor their supply chains and source 3TG minerals from conflict-free smelters as verified by the Conflict-Free Smelter (CFS) Program or equivalent as they become available. We will monitor future developments in this area and continue to evaluate our purchasing practices to ensure that they are consistent with the goals set forth in this Statement.