



Peace and Justice  
Commission

ACTION CALENDAR  
July 9, 2019

To: Honorable Mayor and Members of the City Council  
 From: Peace and Justice Commission  
 Submitted by: George Lippman, Chairperson, Peace and Justice Commission  
 Subject: Resolution Assigning Socially Responsible Investment and Procurement  
 advisory role to the Peace and Justice Commission

RECOMMENDATION

Adopt resolution assigning socially responsible investment and procurement advisory role to the Peace and Justice Commission.

FISCAL IMPACTS OF RECOMMENDATION

None.

CURRENT SITUATION AND ITS EFFECTS

At its regular meeting November 19, 2018, the Peace and Justice Commission unanimously adopted the following recommendation: designate the Berkeley Peace and Justice Commission as the “Socially Responsible Investment and Procurement Advisory Body” for the City of Berkeley.

M/S/C: Lippman/Hariri  
 Ayes: al-Bazian, Hariri, Lippman, Maran, Meola, Morizawa, Rodriguez  
 Noes: None  
 Abstain: None  
 Absent: Bohn, Chen, Han, Pancoast

BACKGROUND

A community advisory role on socially responsible investing in Berkeley dates back to the anti-apartheid campaign in 1979, when the Citizens Committee on Responsible Investments was created by the City Council. In 1990, as the apartheid system began to unravel, the role was transferred to the Peace and Justice Commission by the Council. The City’s 1990 Statement of Investment Policy stated, “The Treasurer will

consult with the Peace and Justice Commission and the Government Operations Subcommittee in advance of making revisions to the Investment policy and in evaluation of new investment instruments.”

The Commission was created in 1986 in part to administer the voter-approved Nuclear Free Berkeley Act. For three decades, the Commission has reviewed waiver requests for procurement and other contracting between the City and entities involved in nuclear-related work, recommending approval or denial of the waiver requests for final decision by Council. The Commission has also played an advisory role in development and implementation of the Sweatshop-Free Berkeley Policy. In recent years the Commission has advised the Council, upon Council request, on abstention from contracting with companies involved with the border wall or other federal anti-immigrant activities.

This resolution affirms the 1990 assignment to the Commission of a consultative role with respect to social investment policy. The resolution refers to the Commission to create a Socially Responsible Investment and Procurement Subcommittee charged with evaluating businesses for social responsibility, including but not limited to inclusion, exclusion, or ranking businesses for City contracting based on such criteria. This Subcommittee will comprise members who are reflective of the diversity of the Berkeley community, including both Peace and Justice commissioners and outside experts. The Subcommittee will include and consult with individuals with expertise in socially responsible investment and procurement, other subject matter experts and City staff.

The Commission is to hold hearings on and propose to Council, within six months, an ordinance to govern the Commission’s advisory role on socially responsible investing and procurement of the City of Berkeley.

#### ENVIRONMENTAL SUSTAINABILITY

The Peace and Justice Commission, in its socially responsible investment and procurement advisory role, will assist the City staff in ensuring environmental concerns are reflected in the City’s investing and procurement decisions.

#### RATIONALE FOR RECOMMENDATION

The City’s Finance Department will continue as the lead agency for both investment and procurement decisions and implementation. This designation of the Peace and Justice Commission as the City’s Socially Responsible Investment and Procurement Advisory Body will bring an important social justice lens to these decisions.

The designation will officially add socially responsible procurement to the Commission’s mandate. Procurement decisions, including banking and other services as well as other contracts and purchases, can have even more significant impact than investment decisions, as a city’s investments in corporations are very limited.

Such decisions on how the City government invests its substantial funds, with whom it contracts, and how fairly its service providers treat their employees and their communities, are of deep concern to Berkeley's people. These issues have particular resonance for Berkeley's communities of color, immigrants, women, LGBTQI people, workers, the disabled, those concerned with the environment and religious freedom, and others. Involvement by these communities in decisions about investment and procurement will strengthen the City's process and foster social justice in its outcomes.

ALTERNATIVE ACTIONS CONSIDERED

The Commission considered incorporating all discussion on socially responsible investing and procurement into the full Commission meetings, but decided that a subcommittee including relevant expertise and greater community involvement would produce recommendations of higher quality.

Another alternative considered was to create an independent committee patterned on the 1979 Citizens Committee for Responsible Investment. The Commission felt that utilizing the existing commission structure would be preferable.

CITY MANAGER

See companion report.

CONTACT PERSON

George Lippman, Chairperson, Peace and Justice Commission

Breanne Slimick, Commission Secretary, (510) 981-7018

**Attachments: 1**

## RESOLUTION

Declaring the Berkeley Peace and Justice Commission be designated the City's Socially Responsible Investment and Procurement Advisory Body.

WHEREAS, the Peace and Justice Commission advises the City Council on all matters relating to the City of Berkeley's role in issues of peace and social justice (Berkeley Municipal Code section 3.68.070, Function A); and

WHEREAS, the Peace and Justice Commission mandate, as amended in 1990, includes Function K of BMC section 3.68.070: "Assist the Director of Finance in the annual evaluation of financial institutions for qualification of City investments; complete development and assist in the implementation of a linked deposit program; encourage target investments; coordinate with City agencies, appropriate community organizations, public and private investors, and the Governor's Public Investment Task Force; and advise the City Council on matters relating to the responsible investment of public funds in accordance with the responsible investment policy established by Resolution No. 55,141A-NS;" and

WHEREAS, the Peace and Justice Commission mandate includes Function L of BMC section 3.68.070: "Perform such other functions and duties as may be directed by the City Council or prescribed or authorized by any ordinance of the City, and such other functions and duties not prohibited by City Council which the commission should decide are consistent with its overall function of promoting peace and social justice;" and

WHEREAS, the "Socially Responsible Investment Policy" was passed by the Council, January 16, 1990 as Resolution #55,141A-N.S., "Adopting the Statement of Investments Policy presented by the Director of Finance as amended to include the recommendations of Peace and Justice Commission"; and

WHEREAS, the UN Human Rights Council unanimously endorsed the UN Guiding Principles on Business and Human Rights in 2011,<sup>1</sup> and this framework is the authoritative global standard on business and human rights, setting the expectations of states and companies about how to prevent and address negative impacts on human rights by business; and

WHEREAS, the City of Berkeley requires consistent overview of responsible investment and procurement policies, including policies relating to banking services;

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<sup>1</sup> [http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf) and <https://www.unglobalcompact.org/> (Small businesses may be given a waiver from these requirements.) Note that in 2018, the U.S. government withdrew from the Human Rights Council.

THEREFORE BE IT RESOLVED that the Council of the City of Berkeley designates the Peace and Justice Commission as the Socially Responsible Investment and Procurement advisory body for the City of Berkeley, and requests the Peace and Justice Commission create a Socially Responsible Investment and Procurement Subcommittee charged with evaluating businesses for social responsibility, including but not limited to inclusion, exclusion, or ranking businesses for City contracting based on such criteria; and

BE IT FURTHER RESOLVED that the Socially Responsible Investment and Procurement Subcommittee will draft and the Peace and Justice Commission will hold hearings on and propose to Council an ordinance to govern the Commission's advisory role on socially responsible investing and procurement of the City of Berkeley; this proposed ordinance shall be submitted to the City Council within six months of the passage of this resolution; and

BE IT FURTHER RESOLVED that the Socially Responsible Investment and Procurement Subcommittee will consider "the goal of creating a world community in which the relations between people are based on equality, respect for human rights, and the abhorrence of exploitation and all forms of oppression [universal human rights]" [BMC section 3.68.030] for the evaluation of municipal investments and procurement, and community values for the evaluation of banking and other services.

A. Universal Human Rights include but are not limited to the rights listed in the International Bill of Human Rights, meaning the rights in the [Universal Declaration of Human Rights](#),<sup>2</sup> as codified in the [International Covenant on Civil and Political Rights](#)<sup>3</sup> and the [International Covenant on Economic, Social and Cultural Rights](#),<sup>4</sup> and the rights listed under International Humanitarian Law treaties and the rights in the International Labor Organizations' [Declaration on Fundamental Principles and Rights at Work](#).<sup>5</sup> These include but are not limited to concern for:

- 1) Social rights, including racial justice, the rights of indigenous people and LGBTQI people
- 2) Labor rights, including the prohibition of sweat labor and child labor
- 3) The rights of incarcerated people and people under a belligerent occupation
- 5) Rights of women and girls, including equal pay
- 6) Immigrant rights
- 7) Environmental justice
- 8) Civil and political rights
- 8) Rights of persons with disabilities
- 9) Rights of religious minorities

<sup>2</sup> <http://www.un.org/en/universal-declaration-human-rights/index.html>

<sup>3</sup> <http://www.ohchr.org/en/professionalinterest/pages/ccpr.aspx>

<sup>4</sup> <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx>

<sup>5</sup> <http://www.ilo.org/declaration/lang--en/index.htm>

10) Health and safety

B. Corporate Responsibility includes, but is not limited to concerns about:

- 1) Local banking and presence
- 2) Underserved communities and neighborhoods
- 2) Corporate market behavior
- 3) Corporate good citizenship and tax avoidance
- 4) Corporate ethics and governance
- 5) Community investment; and

BE IT FURTHER RESOLVED that the Socially Responsible Investment and Procurement Subcommittee will comprise members who are reflective of the diversity of the Berkeley community, including both Peace and Justice commissioners and outside experts, and the number of members, the qualifications, and length of service will be established in the above ordinance;

BE IT FURTHER RESOLVED that the Socially Responsible Investments and Procurement Subcommittee has the authority and will endeavor to include or consult with individuals with expertise in socially responsible investment and procurement, other subject matter experts and City staff; and

BE IT FURTHER RESOLVED that while the Socially Responsible Investments and Procurement Subcommittee engages in development of the above ordinance, it will begin work immediately to review the City's investments and procurement strategy and processes, and to advise the City Council and the City Manager and Director of Finance.