University of Michigan President’s Task Force  
On Purchasing Ethics and Policies

CODE OF CONDUCT  
FOR UNIVERSITY OF MICHIGAN VENDORS

**General Principles.** The University of Michigan has a longstanding commitment to sound, ethical, and socially responsible practices. In aligning its purchasing policies with its core values and practices, the University seeks to recognize and promote basic human rights, appropriate labor standards for employees, and a safe, healthful, and sustainable environment for workers and the general public. Any Agreement between the University and a vendor providing it with goods and services shall contain the following provision:

*Compliance with Law.* Vendor and vendor’s subcontractors shall comply with all applicable federal, state, and local laws, rules, and regulations in providing goods and services under any Agreement with the University. Vendor and vendor’s suppliers and subcontractors must further comply with all applicable University rules, regulations, and ordinances when on University premises.

In addition, the University shall make every reasonable effort to contract only with vendors meeting the primary standards prescribed by this Code of Conduct. Vendors are encouraged to provide evidence of their compliance with these standards. The University’s Purchasing Services is committed to providing a Total Quality acquisition process to support the members of the University and business communities in the achievement of their respective objectives in education, research, and service, and in business success.

**PRIMARY STANDARDS**

**Nondiscrimination.** Vendors shall not subject any person to discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination, or retirement, on the basis of race, gender, color, religion, nationality, ethnic or social origin, age, disability, marital status, reproductive or familial situation, Vietnam-era status, height, weight, sexual orientation, or political opinion.

**Affirmative Action.** Each vendor shall be an equal employment opportunity employer and during the performance of any Agreement, it will comply, if applicable, with Federal Executive Order 11246, as amended; the Rehabilitation Act of 1973, as amended; Public Law 101-507 for the benefit of socially and economically disadvantaged individuals; the respective regulations issued thereunder; and the Michigan Elliott-Larsen Civil Rights Act of 1976, as amended.
Freedom of Association and Collective Bargaining. Vendors shall recognize and respect the rights of employees to freedom of association and collective bargaining, including, if applicable, the rights set forth in the National Labor Relations Act, as amended; the Michigan Labor Mediation Act, as amended; the Michigan Public Employment Relations Act, as amended; or such other labor relations laws as may be applicable.

Labor Standards: Wages, Hours, Leaves, and Child Labor. Vendors shall recognize and respect the legal rights of employees concerning minimum and prevailing wages, wage payments, and maximum hours and overtime; legally mandated family, childbirth, and medical leaves and return to work thereafter; and limitations on child labor; including, if applicable, the rights set forth in the Federal Fair Labor Standards Act, the Federal Davis-Bacon Act, the Federal Family and Medical Leave Act, and any state laws defining such labor standards.

Health and Safety. Vendors shall provide a safe and healthful working environment to prevent accidents and injury to health, including reproductive health, arising out of, linked with, or occurring in the course of work or resulting from the operation of the vendors’ facilities. During the performance of any Agreement, all products, services, use of equipment, working conditions, employee training or licensing requirements, and activities performed by the vendor or the vendor’s subcontractors shall be in full compliance, if applicable, with the Federal Occupational Safety and Health Act, the Michigan Occupational Safety and Health Act, and all other applicable federal, state, and local laws, rules, regulations, and ordinances, including but not limited to the environmental safety and health requirements set forth in 29 Code of Federal Regulations, 40 CFR, and 49 CFR.

Forced Labor. Vendors shall not use, or purchase supplies or materials that are produced by using, any illegal form of forced labor.

Harassment or Abuse. Every employee shall be treated with dignity and respect. No employee shall be subject to any physical, sexual, psychological, or verbal harassment or abuse. Vendors shall not use or tolerate any form of corporal punishment.

PREFERENTIAL STANDARDS

Living Wage. The University recognizes that maintaining the dignity and meeting the essential needs of employees and their families require a reasonable living wage. Basic needs include food, shelter, clothing, health care, education, and transportation. The University shall strive to do business with vendors that provide a living wage for their employees, which is the net compensation sufficient to meet basic needs. Compensation standards will be adjusted periodically based on experience and increased knowledge concerning local labor markets and living conditions. Vendors are encouraged to provide evidence of their payment of a living wage.
**International Human Rights.** Human rights constitute a core value of this institution. The University shall strive to avoid doing business with vendors that substantially contribute to or benefit from systematic violations of well-recognized international human rights and labor standards, such as those set forth in the Universal Declaration of Human Rights.

**Environmental Protection.** Safeguarding the environment for the benefit of all peoples now and in the future is a matter of increasing concern in the academic community as well as in society generally. The University shall strive to do business with vendors that show leadership in environmentally responsible practices and production methods and that meet well-established certification standards. Specific factors to be considered include but are not limited to the minimization of waste products, use of post-consumer recycled materials in the production of finished products and the recyclability of finished products, energy efficiency, and the durability, biodegradability, and reparability of the products purchased by the University. Vendors are encouraged to provide evidence of their adherence to such recognized norms of environmental quality.

**Foreign Law.** Vendors and vendor’s suppliers operating under foreign law shall comply with all foreign laws applicable to the subject matter of this Code insofar as they are consistent with the provisions of this Code. Such vendors or suppliers shall also comply with all provisions of this Code insofar as they do not violate applicable foreign law. The University shall strive to avoid doing business with vendors that, for whatever reason, do not or cannot comply with the provisions of this Code.

**COMPLIANCE PROCEDURES**

**University-Vendor Partnership.** The ideal University-vendor relationship is in the nature of a partnership, seeking mutually agreeable and important goals. Recognizing our mutual interdependence, it is in the best interest of the University to find a resolution when responding to charges or questions about a vendor’s compliance with the provisions of the Code. Such charges shall be brought to the Purchasing Dispute Review Board, consisting of no less than five members, including the Director of Purchasing or designee from Purchasing Services, faculty, and students. No charge or complaint may be filed with the Dispute Review Board except pursuant to a resolution adopted by an organization recognized by the University. The first step would be a gathering of facts relating to the nature of the complaint. All stakeholders with respect to the complaint will be identified. All parties will be interviewed and an assessment will be made as to whether the charge or complaint is valid. Alternative courses of action will be recommended, including no required action, suspension (during this interim period the vendor can correct specific issues and work to comply with the Code), nonrenewal of a contract, or termination of a contract. A failure by the vendor to cooperate with the investigation will also be grounds for similar actions. The recommendations of the Dispute Review Board will be forwarded to the Executive Vice President and Chief Financial Officer of the University. All efforts will be made to provide a speedy resolution of any disputes. In addition, confidential and proprietary business information will be respected throughout the dispute resolution process.