



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Councilmember Jimenez
Councilmember Peralez

SUBJECT: Imperfect Foods Resolution

DATE: May 6, 2021

Approved

Date 05.06.2021

RECOMMENDATION

Adopt a resolution supporting the rights of workers at Imperfect Foods to unionize and negotiate a fair contract, and place the resolution on the May 25, 2021 City Council agenda for action.

BACKGROUND

Imperfect Foods is a grocery delivery service that operates throughout most of the United States including the Bay Area. Imperfect Foods provides delivery services within San Jose and is a growing business that has undoubtedly benefited from the COVID-19 pandemic. As many fear exposure to COVID-19, we have become increasingly dependent on delivery services such as Imperfect Foods, resulting in record profits for the industry. Imperfect Foods reported revenues of more than \$500 million at the end of 2020. Additionally, in January the company reported \$95 million in fundraising, bringing its valuation to more than \$700 million¹. Unfortunately, as the company grows in size and profits, workers at Imperfect Foods have felt their concerns about workload, safety, and pay have been ignored. As a result, workers led an organizing effort to unionize with the hope of achieving affordable health care and wage growth, as well as mitigating increasing workloads for drivers. On April 14, 2021, nearly 70% of the workers at Imperfect Foods voted in favor of joining United Food and Commercial Workers Union Local 5. Nonetheless, Imperfect Foods has chosen to contest the results of the fair election as a way of deterring and intimidating workers from collectively organizing.

The City of San Jose values workers and has traditionally supported a fair process for workers to unionize. Furthermore, the City Council has consistently supported workers' rights and has implemented measures to protect workers from exploitation and wage theft. The City has an established Office of Equality Assurance that ensures San José businesses along with City contractors and vendors pay their employees the correct wage and benefit rates. In March of this year, the City Council passed an ordinance providing hazard pay to grocery store workers who have bravely served our communities throughout the pandemic. Similarly, supporting the

¹<https://www.bloomberg.com/news/articles/2021-04-16/drivers-at-grocery-startup-imperfect-foods-vote-to-unionize>

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workers at Imperfect Foods to achieve fair wages and manageable workloads will undoubtedly bring economic growth and stability to them and their families. Also, supporting workers in their fight for health insurance is of utmost importance especially during a pandemic- when we are all vulnerable to becoming ill. Supporting workers' rights to demand fair wages and benefits is consistent with the long established values of our City. Therefore, we must call on Imperfect Foods to respect the choice of workers to unionize and to negotiate a fair contract.

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.