



Kriss Worthington

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CONSENT CALENDAR

September 11, 2007

To: Honorable Mayor and Members of the City Council

From: Councilmember Kriss Worthington

Subject: Boycott Valley Power Systems Inc.

RECOMMENDATION:

That the Berkeley City Council expresses its support for striking workers at Valley Power in San Leandro and establish a policy for the City of Berkeley to boycott Valley Power Systems Inc.

BACKGROUND:

On July 10, 2007, employees of Valley Power Systems North Inc. (Valley Power) went on strike to protest the company's numerous unfair labor practices and its unwillingness to honor the union wage and benefit contract in place for decades before Valley Power took over the heavy-duty repair shop in September 2005.

The International Union of Operating Engineers has represented workers at the San Leandro repair shop for 30 years, but when Valley Power took over, it initially refused to recognize the union and has also refused to contribute to union medical and pension plans and has blocked access of the members to the retirement funds they have contributed to over the years.

Since Valley Power did not recognize the worker's previous contracts, many highly skilled workers who perform repairs on heavy machinery have left the company looking for better employment. Their jobs are now being performed by replacements that have not had formal training or a review process. Valley Power's union members have only asked the company to honor their previous contract and the company has responded by not only failing to extend their previous contract but retaliating against the workers.

Valley Power performs heavy-duty repairs on fire engines, buses, ferries and generators in emergency rooms, hospitals and public and private buildings throughout the Bay Area. Many local governments do business with this company. The City of Berkeley spends tens of thousands of dollars on contracts with Valley Power to repair the city's fire trucks. It is important that the City uses its influence through its contracts with Valley Power to help the workers reach a fair agreement. Most businesses in the Bay Area are able to reach fair agreements with their workers. The City should not support Valley Power's bad labor practices.

FINANCIAL IMPLICATIONS:

Minimal. The City has already identified other companies to contract with for servicing its fire trucks and the costs of doing business with those companies is similar to or not significantly greater than those of Valley Power Systems Inc.

CONTACT PERSON:

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