

# PANEL PACKET

MAY 2016





## NOTICE / AGENDA

### MEETING TIME/PLACE

Thursday, May 26, 2016 at 9:30 a.m.  
California Environmental Protection Agency, 1001 I Street  
Sierra Hearing Room, Second Floor  
Sacramento, CA 95814  
Phone: (916) 327-5640

### AGENDA

- |            |  |   |
|------------|--|---|
| 9:30 a.m.  | Call to Order by Chair <ul style="list-style-type: none"><li>• Roll Call</li><li>• Agenda</li><li>• Minutes</li></ul>  | Barry Broad                                       |
| 9:45 a.m.  | Report of the Executive Director <ul style="list-style-type: none"><li>• Legislative/Budget/Other</li><li>• Request Motion to Delegate in Event of Loss of Quorum/Action</li><li>• Request Motion to Adopt Consent Calendar Projects/Action</li><li>• Action on MEC Broker Model</li></ul> | Stewart Knox                                      |
| 10:15 a.m. | Report of General Counsel  | Maureen Reilly                                    |
| 10:30 a.m. | Review and Action on Proposals   | Diana Torres<br>Creighton Chan<br>Willie Atkinson |
| 12:00 p.m. | Action on Funding Priorities and Allocations for FY 2016/17  | Stewart Knox                                      |
| 12:30 p.m. | Public Comments  |   |
| 1:00 p.m.  | Public Meeting Adjourns  |   |

The notice of Panel Meetings is also available on the ETP website ([www.etp.ca.gov](http://www.etp.ca.gov)). The times shown here are estimates, and may be changed at the meeting.

The dollar amounts shown here are subject to change up to and including the date of the Panel Meeting. Other changes may also occur (e.g. withdrawn). Please continue to assess this page for updated information.

If the Panel does not have a quorum, it will meet as a subcommittee of the whole at the same time and place. That subcommittee will hear the items identified on this Agenda, but cannot vote or take action.

Special accommodations (i.e., sign language, interpreter, accessible seating) may be requested by contacting ETP at least seven days prior to the meeting date. Please contact the Executive Office at (916) 327-4485.

## REVIEW AND ACTION ON PROPOSALS

These funding proposals are listed by Regional Offices and do not reflect the actual order of presentation. They will be considered by the Panel in accordance with a Table of Contents to be published on the ETP website no later than Monday, May 23, 2016 although the Panel may still change the order at the meeting.

### North Hollywood Regional Office

|   |           |
|---|-----------|
| C. W. Driver, Incorporated -----  | \$199,840 |
| California Newspapers Partnership -----   | \$743,688 |
| Consolidated Disposal Service, LLC dba Republic Services, Inc. -----                              | \$254,640 |
| Hi-Temp Insulation, Inc.-----   | \$130,563 |
| J.A. Cosmetics US, Inc. dba e.l.f. Cosmetics-----   | \$197,960 |
| Kern County Electrical Joint Apprenticeship & Training<br>Committee (Amendment)-----              | \$46,635  |
| Performance Foodservice – Southern California, a Division of<br>Performance Food Group, Inc.----- | \$182,000 |
| Qual-Pro Corporation-----   | \$108,000 |
| Reinhold Industries, Inc. -----   | \$440,880 |
| Snap-On Logistics Company -----   | \$149,760 |
| Southern California Sheet Metal Joint Apprenticeship & Training<br>Committee-----                 | \$885,400 |

### San Diego Regional Office

|  |           |
|--|-----------|
| Boudreau Pipeline Corporation -----  | \$184,320 |
| Sheet Metal & Air Conditioning Apprenticeship & Journeymen Joint<br>Training Fund of San Diego ----- | \$278,400 |
| Stearns Lending, LLC -----   | \$201,980 |
| United Facilities, Inc.-----   | \$128,484 |
| Walter Anderson Plumbing, Inc. dba Anderson Plumbing Heating<br>& Air Conditioning, Inc.-----        | \$375,120 |

### San Francisco Bay Area Regional Office

|  |           |
|--|-----------|
| Ariat International, Inc. -----  | \$399,320 |
| Audentes Therapeutics, Inc. -----  | \$411,840 |
| California Field Ironworkers Apprenticeship Training and<br>Journeyman Retraining Fund – Northern California ----- | \$518,825 |

**San Francisco Bay Area Regional Office** (continued)

|  |           |
|--|-----------|
| California Field Ironworkers Apprenticeship Training and<br>Journeyman Retraining Fund – Southern California ----- | \$511,010 |
| District Council 16 Northern California Journeymen and Apprentice<br>Training Trust Fund-----                      | \$949,048 |
| Le Tote, Inc. -----  | \$145,200 |

**Sacramento Regional Office**

|  |           |
|--|-----------|
| Hilmar Cheese Company, Inc. -----            | \$387,000 |
| L&S Framing, Inc. -----                      | \$179,320 |
| Meriliz Incorporated dba DOME Printing ----- | \$339,000 |
| Skyline Homes, Inc.-----                     | \$579,200 |
| USA Properties Fund, Inc. -----              | \$173,190 |

**PROPOSALS APPROVED**  
**BY DELEGATION ORDER FOR 03/16/2016 – 05/06/2016**

| <b>≤ \$100,000</b>   | <b>Approved<br/>Date</b> | <b>Approved<br/>Amount</b> |
|--|--------------------------|----------------------------|
| <b><u>North Hollywood Regional Office</u></b>                      |                          |                            |
| BGI Worldwide Logistics, Inc.                                      | 04/29/16                 | \$20,280                   |
| Del Amo Construction, Inc.   | 03/29/16                 | \$44,772                   |
| Discount Two Way Radio Corporation                                 | 04/18/16                 | \$46,800                   |
| El Clasificado   | 03/23/16                 | \$99,400                   |
| Flavor Producers, Inc.   | 03/24/16                 | \$91,260                   |
| Georg Fischer Harvel LLC   | 03/22/16                 | \$43,290                   |
| Lili Mirtorabi, D.D.S., A Professional<br>Corporation (Amendment)  | 03/29/16                 | \$12,200                   |
| Pacific Award Metals, Inc.   | 04/18/16                 | \$65,592                   |
| Pacific Coast Cabling, Inc. dba PCC Network Solutions              | 04/20/16                 | \$33,462                   |
| Rally Auto Group, Inc.   | 05/12/16                 | \$96,000                   |
| Safe Refuge  | 04/15/16                 | \$14,560                   |
| Santec, Inc.   | 04/29/16                 | \$49,920                   |
| Sinecera Inc. dba Crown Precision                                  | 04/13/16                 | \$98,800                   |
| The SYGMA Network, Inc.  | 05/09/16                 | \$99,144                   |
| Zodiac Seat Shells U.S LLC   | 04/22/16                 | \$64,150                   |
| <b><u>San Diego Regional Office</u></b>                            |                          |                            |
| Airborne America, Inc.   | 05/12/16                 | \$66,990                   |
| Baker Electric, Inc.   | 04/29/16                 | \$16,128                   |
| Belshire Environmental Services, Inc.                              | 04/11/16                 | \$56,100                   |
| Chef Works, Inc.   | 04/19/16                 | \$99,630                   |
| ESET, LLC  | 05/02/16                 | \$36,400                   |
| Golden Communications, Inc.  | 03/22/16                 | \$15,600                   |
| Griswold Controls, LLC   | 04/06/16                 | \$68,224                   |
| Haskell & White LLP  | 04/15/16                 | \$49,324                   |
| Infinite RF Holdings, Inc.   | 04/18/16                 | \$71,890                   |
| Partners in Control, Inc. dba Enterprise<br>Automation (Amendment) | 04/15/16                 | \$20,800                   |
| U.S. Continental Marketing, Inc.                                   | 04/15/16                 | \$41,470                   |
| VCA Consultants, Inc.  | 04/11/16                 | \$95,472                   |
| Western Pump, Inc.   | 04/15/16                 | \$74,360                   |

**San Francisco Bay Area Regional Office**

|                                 |          |          |
|---------------------------------|----------|----------|
| Berrett-Koehler Publisher, Inc. | 03/25/16 | \$45,240 |
| Dandelion Chocolate, Inc.       | 04/19/16 | \$26,052 |
| Lumentum Operations LLC         | 03/24/16 | \$99,000 |
| NeoPhotonics Corporation        | 04/13/16 | \$51,660 |
| ProZyme, Inc.                   | 04/15/16 | \$71,032 |
| Twist Bioscience Corporation    | 03/24/16 | \$57,200 |
| Wisoman Foods, Inc.             | 05/09/16 | \$40,716 |

**Sacramento Regional Office**

|   |          |          |
|---|----------|----------|
| Balanced Body, Inc.                     | 03/24/16 | \$62,640 |
| Dorfman-Pacific Co., Inc.               | 04/18/16 | \$91,800 |
| Hammond Enterprises                     | 05/12/16 | \$59,280 |
| Jadra, Inc. dba Plastic Packaging, Inc. | 04/13/16 | \$18,850 |
| River Terrace Inn, LLC                  | 04/18/16 | \$30,800 |
| Trofholz Technologies, Inc.             | 04/20/16 | \$58,552 |
| Wells Construction, Inc.                | 03/29/16 | \$51,428 |
| Yamabe & Horn Engineering, Inc.         | 04/18/16 | \$28,210 |



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Discount Two Way Radio Corporation  
Dorfman Pacific Co.  
El Clasificado  
ESET, LLC  
Flavor Producers, Inc.  
Georg Fischer Harvel LLC  
Golden Communications, Inc.  
Griswold Controls, LLC  
Hammond Enterprises Inc.  
Haskell & White LLP  
Infinite RF Holdings, Inc.  
Jadra, Inc. dba Plastic Packaging, Inc.  
Lili Mirtorabi, D.D.S., A Professional Corporation (Amendment)  
Lumentum Operations LLC  
NeoPhotonics Corporation  
Pacific Award Metals, Inc.  
Pacific Coast Cabling, Inc. dba PCC Network Solutions  
Partners in Control, Inc. dba Enterprise Automation (Amendment)  
ProZyme, Inc.  
Rally Auto Group, Inc.  
River Terrace Inn, LLC  
Safe Refuge  
Santec, Inc.  
Sinecera Inc. dba Crown Precision  
The SYGMA Network, Inc.  
Trofholz Technologies, Inc.

Panel Date: May 26, 2016

Twist Bioscience Corporation  
U.S. Continental Marketing, Inc.  
VCA Consultants, Inc.  
Wells Construction, Inc.  
Western Pump, Inc.  
Wisoman Foods, Inc.  
Yamabe & Horn Engineering, Inc.  
Zodiac Seat Shells U.S. LLC



# M e m o r a n d u m

To: Panel Members

Date May 26, 2016

From: Stewart Knox  
Executive Director

File: Panel Memo Doc.

Subject: **Directions to Meeting Site**

The Employment Training Panel will meet on FRIDAY, **May 26, 2016 at 9:30 a.m.**

**California Environmental Protection Agency  
Sierra Hearing Room, 2nd Floor  
1001 I Street  
Sacramento, CA 95814  
Telephone (916) 327-5640 (ETP Central Office)  
FAX: (916) 445-5972 (ETP Central Office)**

## **Directions to the California Environmental Protection Agency - Sierra Hearing Room**

### **From Sacramento International Airport:**

- Take **Hwy 5** South
- Exit on "**J**" **Street** to **11<sup>th</sup> St.**
- Turn Left on **11<sup>th</sup> Street**
- Turn Left on **I Street**
- **1001 I Street**

### **From San Francisco**

- Take **I-80 E**
- Merge onto **I-5 N**
- Exit on "**J**" **Street** to **11th St.**
- Turn Left on **11th Street**
- Turn Left on **I Street**
- **1001 I Street**



# M e m o r a n d u m

To: Panel Members

Date May 26, 2016

From: Stewart Knox  
Executive Director

File: Mtg. Site Memo

Subject: **Future Meeting Sites**

|                               |  |
|-------------------------------|--|
| <p><b>May 26, 2016</b></p>    | <p><b>California Environmental Protection Agency<br/>Time: 09:30 AM<br/>Sierra Hearing Room, 2nd Floor<br/>1001 I Street<br/>Sacramento, CA 95814</b></p>  |
| <p><b>June 24, 2016</b></p>   | <p><b>California Environmental Protection Agency<br/>Time: 09:30 AM<br/>Sierra Hearing Room, 2nd Floor<br/>1001 I Street<br/>Sacramento, CA 95814</b></p>  |
| <p><b>July 22, 2016</b></p>   | <p><b>California Environmental Protection Agency<br/>Time: 09:30 AM<br/>Sierra Hearing Room, 2nd Floor<br/>1001 I Street<br/>Sacramento, CA 95814</b></p>  |
| <p><b>August 26, 2016</b></p> | <p><b>California Environmental Protection Agency<br/>Time: 09:30 AM<br/>Coastal Hearing Room, 2nd Floor<br/>1001 I Street<br/>Sacramento, CA 95814</b></p> |



**STATE OF CALIFORNIA  
EMPLOYMENT TRAINING PANEL**  
California Environmental Protection Agency  
1001 I Street  
Sierra Hearing Room, 2<sup>nd</sup> Floor  
Sacramento, CA 95814  
March 25, 2016

**PANEL MEMBERS**

Barry Broad  
Chair

Janice Roberts  
Vice-Chair

Gloria Bell  
Member

Sonia Fernandez  
Member

Leslie McBride  
*Ex-Officio* Member

Gretchen Newsom  
Member

Edward Rendon  
Member

Sam Rodriguez  
Member

**Executive Staff**

Stewart Knox  
Executive Director

Maureen Reilly  
General Counsel

**STATE OF CALIFORNIA**  
**EMPLOYMENT TRAINING PANEL MEETING**  
California Environmental Protection Agency  
1001 I Street  
Sierra Hearing Room, 2<sup>nd</sup> Floor  
Sacramento, CA 95814  
March 25, 2016

**I. PUBLIC PANEL MEETING CALL TO ORDER**

Janice Roberts, Acting Chair, called the meeting to order at 9:31 a.m.

**II. ROLL CALL**

Present

Gloria Bell  
Janice Roberts  
Sonia Fernandez  
Leslie McBride  
Gretchen Newsom  
Edward Rendon

Absent

Barry Broad  
Sam Rodriguez

Executive Staff Present

Stewart Knox, Executive Director  
Maureen Reilly, General Counsel

**III. AGENDA**

Vice Chair Roberts asked for a motion to approve the Agenda.

**ACTION:** Ms. Bell moved and Mr. Rendon seconded the motion that the Panel approve the Agenda.

Motion carried, 6 - 0.

Mr. Knox said, at the company's request, we are pulling out Item #14, Abbott Vascular Inc. from the Agenda. We will also have a discussion on the Multiple Employer Contract (MEC) Broker Model at 10:00 a.m., but we will not be taking any action on that matter. All the information regarding the MEC Broker Model will be posted on our website after our Panel meeting for the public to see.

#### **IV. MINUTES**

**ACTION:** Ms. McBride moved and Ms. Bell seconded the motion that the Panel approve the Minutes from the February 26, 2016 meeting.

Motion carried, 6 - 0.

#### **V. REPORT OF THE EXECUTIVE DIRECTOR**

Stewart Knox, Executive Director, said, welcome and good morning Panel members, applicants, and stakeholders. I would like to introduce Gretchen Newsom, our newest Panel Member, appointed by the Speaker of the Assembly, Toni Atkins. Ms. Newsom was sworn in on March 18, 2016.

Ms. Newsom said, it's a pleasure to be here. Thank you.

Mr. Knox said, following the last Panel meeting in February, we have a smaller Panel meeting today with approximately \$7.6M in projects with an additional \$366,000 in Delegation Orders for a total of just over \$7.9M. I will also update you on how we are doing on our funds as we get closer to the end of the Fiscal Year (FY) 2015/16.

Today we have a mix of single employer and multiple employer projects. Regional Office Managers Greg Griffin, Creighton Chan, and Willie Atkinson are here today to present those proposals.

Regarding the Budget for Alternative Fuels and Vehicle Technology Program in partnership with the California Energy Commission, we have about \$200,000 remaining in this FY. Since December 2015, the \$2M of drought funding has been completely encumbered, and we have not been allocated additional funds.

In regards to the CORE funding for the FY 2015/16, to date, the Panel will consider an additional \$7.6M in projects with another \$366,000 approved by Delegation Order. Should the Panel approve all the projects today, the Employment Training Panel (ETP) will have approximately \$4.2M for the remainder of FY 2015/16, which will take us fairly close to the end of the FY. As I mentioned at the previous Panel meeting, we will not hold a meeting in April, but we will have a meeting in May, and we will also hold a planning meeting with the Panel Members to discuss how the funds are allocated. Beginning in June 2016, the funds for the next FY will be released. We will also present the funding projection for the upcoming FY; it will be similar to this year's funding, about \$90M.

Under Delegation Order, all project proposals are capped at \$100,000 to be approved by the Executive Director on a continuous flow basis, and as of today, we have approved 11 projects totaling over \$366,000.

For the FY 2015/16 program funding, to date, we have approximately over 680 projects submitted in the first and second round of applications, with a value of just over \$130M. Our demands are still very high. If all the projects are approved today, the Panel will have approved close to \$86.5M in proposals. Financially we look very strong. We are not cutting



out the pre-applications. Most of the applications that are coming in, as noted from the last Panel Meeting, are repeat contracts, and they are getting in line for the next year's funding cycle.

In regards to the FY 2015/16 Fund Status Report, staff has been adjusting the funds through the current projections for the remainder of the FY to maximize each funding category.

Regarding applications for contracts that are still in the regional offices: Single Employer Contract requests are at \$25M in demand. Multiple Employer Contract (MECs) requests are at \$7M in demand; \$1.4M in allocations. Small Business has \$4M in demand; \$1.4M in allocations. Critical Proposals are at \$560,000 in demand; \$755,000 in allocations. Apprenticeships are at \$5.1M in demand; \$1.2M in allocations. Overall demand is approximately \$40M.

Regarding the number of projects remaining in the regional offices today: Single Employers 110, MECs 9, Small Business 89, Critical Proposals 2, Apprenticeships 11; total of 221. AAU by category: Single Employers 64, MECs 13, Small Business 60, Critical Proposals 1, Apprenticeships 15; total of 153. As we've gotten closer to the start of next year's funding cycle, we have had an uptake of new applications. Staff is currently working very hard with those projects; about 70% have been assigned to the regional office thus far.

In regards to the legislative update, the following bills have been introduced in the 2015-16 legislative session that have a potential or direct impact on the ETP, or that may be of interest to the Panel:

AB 1598 Budget Act of 2016 and SB 825 Budget Act of 2016. These are the budget bill placeholders for this year's budget.

AB 2288 Apprenticeship Programs: Building and Construction Trades. This bill would require the California Workforce Development Board and each local board to ensure that pre-apprenticeship training in the building and construction trades follows the Multi-Craft Core Curriculum developed by the California Department of Education, and that programs funded by the federal Workforce Innovation and Opportunity Act of 2014, and directed to apprentice occupations in the building and construction trades, include plans to increase the percentage of women in those trades. By imposing new requirements on the local workforce development boards, this bill would impose a state-mandated local program.

AB 2642 Removing Barriers to Employment Act. This bill would enact the Removing Barriers to Employment Act, which would require the California Workforce Investment Board to work with the Employment Development Department to create a grant program to provide funds to local workforce investment boards and community-based organizations working in partnership on proposals that will address the needs of persons who have multiple barriers to employment, to prepare them for training, apprenticeship or employment opportunities that will lead to self-sufficiency and economic stability. The bill would additionally appropriate an unspecified amount from an unspecified fund to the CWIB for an administration of the grant program.

## **VI. MOTION TO ADOPT CONSENT CALENDAR PROJECTS**

Mr. Knox asked for a motion to adopt Consent Calendar Items #1 through #10.

|  |           |
|--|-----------|
| Baycorr Packaging Inc. dba Heritage Paper.....                           | \$196,416 |
| Building Skills Partnership.....   | \$58,260  |
| City of Richmond Workforce Investment Board.....                         | \$127,350 |
| Giligia College.....   | \$48,428  |
| Ly Brothers Corporation dba Sugar Bowl Bakery.....                       | \$184,992 |
| Mt. San Antonio College.....   | \$205,382 |
| PAMC, Ltd. dba Pacific Alliance Medical Center, Inc. ....                | \$155,328 |
| Professionals In Human Resources Association.....                        | \$236,200 |
| Valley Crest Companies dba The Brickman Group, Ltd. ....                 | \$216,000 |
| Watsonville Hospital Corporation dba Watsonville Community Hospital..... | \$126,360 |

Ms. Newsom asked, regarding Item #1, Baycorr Packing Inc., the post-retention wage under Job Number 1 is \$15.60 per hour and \$6.02 per hour may be used to meet the post-retention wage; \$6.02 seems high. That amount would drop the hourly rate below the California minimum wage of \$10 an hour. Mr. Knox said, we did check on that amount and caught the error yesterday; it should be \$4.60. Our legal counsel will make the correction within the contract. In addition to that, Mr. Chan reached out to the company for verification.

Ms. Roberts said, correction noted.

**ACTION:** Mr. Rendon moved and Ms. Bell seconded approval of Consent Calendar Items #1 through #10.

Motion carried, 6 – 0.

## **VII. REQUEST MOTION TO DELEGATE IN EVENT OF LOSS OF QUORUM**

Mr. Knox asked for a motion for the Panel to delegate authority to the Executive Director to approve Proposals and other action items on the Agenda in consultation with the Panel Chair or Vice Chair.

**ACTION:** Ms. Newsom moved and Ms. McBride seconded the approval to delegate authority to the Executive Director in event of loss of quorum.

Motion carried, 6 – 0.

## **VIII. MEC BROKER MODEL**

Mr. Knox said, as I mentioned before, we will have a discussion around the MEC (Multiple Employer Contract) Broker Model. All the information regarding the MEC Broker Model will be posted on our website for the public to view after this Panel meeting.

The Broker Model is reflected in Development Fees, Support Costs, Administrative Fees and Training Costs for each MEC. It is typical for this model that development is by the Vendor,

but fees are waived. Also, Support Costs and Administrative Fees are split with the Vendor; and all training by the Vendor, to be paid at the applicable hourly rate. The split of fees/costs is outlined in the subcontract between MEC and Vendor, and shown in the ETP 130.

ETP experience shows that the Broker Model usually arises when the MEC is held by a Chamber of Commerce, a Community College, or a Workforce Development Board (WDB). All of those entities are either public or non-profit.

For purposes of this discussion, only private schools and for-profit entities are considered Vendors. In other words, this discussion concerns public-sector contractors that act as a pass-through for ETP funds paid in large part to private, for-profit sector Vendors.

### Background

The Panel has expressed concern over the Broker Model for many years. This issue “came to a head” last month, when the Panel denied a proposal by South Orange County Regional Chamber of Commerce (SOCRCC ET16-0340) for almost \$1.2M including Support Costs at 6%. The denial, by roll-call vote, was primarily based on the fact that half of the costs/fees and all training funds would be paid to one private-sector Vendor: Saisoft, Inc. (Note: Of the \$1.2M requested by SOCRCC, all but \$100,000 would have been paid to the Vendor.)

The Panel also considered that all training was for Computer Skills paid at the Class/Lab rate, although almost all delivery was web-based (E-Learning). Also, that the same Vendor had been retained by SOCRCC in a recent MEC; and the same Vendor had been retained in other MECs during the same Fiscal Year 2015-16. However, these factors were not the primary basis of denial.

### Issue

The Panel raised two primary issues in discussing the Broker Model last month:

1. If a contractor does not do development, administration or training then does it have sufficient “skin in the game” to justify fees/costs as a MEC? If so, at what percent?
2. If the same Vendor brokers its services to two or more MECs in the same Fiscal Year, does this “beat the system” when there are limited funding allocations?

The Panel also questioned whether the Class/Lab rate was justified for training when delivery is web-based (E-Learning). However, that subject requires research on rate-setting and is reserved for a later discussion.

### Discussion

The Broker Model raises policy concerns and funding priorities that can only be assessed in discussion by the full Panel. An outline of the work required to earn ETP funding is shown below, to foster such discussion:

Development work includes Needs Assessment, Marketing/Recruitment, and preparation of the Application/Proposal. Development fees may be waived or paid up-front. These fees are expected to be paid by a source other than ETP funds. (Note: The Panel put an informal cap on Development Fees at 10% of contract value, which is not at issue.)

Needs Assessment and Marketing/Recruitment is also directly reimbursed by ETP through Support Costs, typically 8% of contract value. Under the Broker Model, Support Costs may be passed-through to a Vendor even if Development Fees are waived.

Administrative work includes trainee enrollment, maintaining attendance rosters and tracking hours of training delivered, meeting with ETP monitoring staff, invoicing and fiscal close-out. These fees are capped at 13% of payment earned, for retraining.

Training delivery includes all methods but is primarily Class/Lab (including E-Learning) or Computer-Based Training. When the MEC is held by a community college or college district, it is unclear why a Vendor is needed to deliver training. Rather, a college may be expected to bring its own expertise to bear in the delivery of training. Payment is by hourly rate(s) based on trainee population, employer size and method of delivery

## **Summary**

In general, performance under the Broker Model has been good. For example, payment earned is projected at 99% for the most recent contract held by SOCRCC (ET14-0303). As well, trainee surveys have demonstrated satisfaction with the quality of training delivered. (Note: Satisfactory training delivery under the Broker Model is not at issue.)

Under the Broker Model, a Vendor can earn the bulk of funding for multiple contracts in the same Fiscal Year. This “beats the system” when MEC funding allocations are limited. The purpose of the Broker Model becomes even more blurred when the Vendor is a training entity, capable of holding its own MEC with proper licensure and certification.

## **Recommendation**

Staff recommends that the Panel take action to restrict Broker Model MECs by one or more of the following methods, on a pilot basis.

- Restrict a single Vendor to  $\leq 50\%$  of total Training Delivery in a single MEC
- Exclude Development Fees for any Vendor that also receives part of Support Costs
- Reduce Support Costs for the MEC overall, regardless of the split with any Vendor

Staff further recommends that the action(s) be implemented case-by-case as proposals are presented for funding in the next Fiscal Year (FY) 2016/17. The effectiveness of this approach would be subject to evaluation at the end of next FY, along with any other concerns about the Broker Model overall.

Ms. Roberts said, we are not taking an action on the MEC Broker Model; we are just discussing at this point. The memo will be posted on our website after the Panel meeting for the public to see.

## **IX. REPORT OF THE GENERAL COUNSEL**

Maureen Reilly, General Counsel, said, I have nothing to report.

## **X. REVIEW AND ACTION ON PROPOSALS**

### **Single Employer Proposals**

#### **Certified Aviation Services**

Gregg Griffin, Manager of the North Hollywood Regional Office, presented a Proposal for Certified Aviation Services (CAS) in the amount of \$492,000. CAS is a leading provider of maintenance, repair, and overhaul services that include airport line-maintenance for fleet operators around the world. CAS is committed to hiring and retraining Veterans.

Mr. Griffin introduced Alex Vorobieff, CFO, George Bandow, Director of Training, and Paul Johnson, CalTraining, Inc.

Ms. Roberts said, you picked great wages. You have a small base of employees to train under this contract and you are requesting 200 hours. The wages, of course, went way up, and that sends up a red flag. Do you have a plan or training schedule in place?

Mr. Brandow said, I have worked with our executive and upper management staff. It has to come down from them to allow our employees to go to training; if not, it doesn't work. The rest of our management team is fully committed in training our employees. Most airlines won't allow you to work on their aircraft unless you meet a specific training. In Europe, where training is taken even more seriously, they have the European Aviation Safety Agency (EASA). Their mechanics are called engineers; they have to go through a lot more extensive training than what the FAA requires for us. I have met with American and Delta Airlines instructors, and their training is 5 weeks per aircraft, which is 200 hours. Currently, we have a contract with Hawaiian Airlines to work on their new aircrafts, and the minimum training required is 5 weeks per mechanic.

Ms. Fernandez said, I'm excited to see this proposal come through; you pay good wages. Creating opportunities for veterans, like myself, is a key component for people that are great leaders who take pride in what they do. I commend your organization for committing to hiring veterans.

**ACTION:** Ms. Fernandez moved and Mr. Rendon seconded approval of the proposal for Certified Aviation Services in the amount of \$492,000.

Motion carried, 6 – 0.

#### **Lance Camper Mfg. Corp.**

Mr. Griffin presented a Proposal for Lance Camper Mfg. Corp. (Lance Camper) in the amount of \$490,200. Founded in 1965 and located in Lancaster, Lance Camper builds and

manufactures truck campers, travel trailers, toy haulers, and most recently, ultra-light travel trailers.

Mr. Griffin introduced Jack Cole, President, Roger Strong, Human Resources Manager, and Judith Kreigsmann, Judith's Training Services.

Ms. Roberts said, I'm very proud of your company. I'm glad you chose to stay in California after the economic down turn.

Ms. Bell said, please describe the temporary to permanent employee process? How long are they temporary employees before they become full time permanent employees and receive medical benefits? Mr. Strong said, we use Aerotek to vet qualified candidates to make sure that they are a good match with our company. As part of our contract, at 4 months we convert the temporary employees to permanent status. Once they become a permanent employee, they receive medical benefits immediately. Ms. Bell asked, so a permanent employee can receive medical benefits on day one after the 4<sup>th</sup> month? Mr. Strong said, absolutely. Ms. Bell asked, what is the percentage of employees that pass the training? Mr. Strong said, our pass rate is over 90%.

There were no further questions from the Panel.

**ACTION:** Ms. McBride moved and Ms. Bell seconded approval of the proposal for Lance Camper Mfg. Corp. in the amount of \$490,200.

Motion carried, 6 – 0.

### **Vista Cove Care Center at San Gabriel, Inc. dba Vista Cove Care Center in San Gabriel**

Mr. Griffin presented a Proposal for Vista Cove Care Center at San Gabriel, Inc. dba Vista Cove Care Center in San Gabriel (Vista Cove) in the amount of \$420,544. Vista Cove is requesting funding for its employees and those of its close affiliates located in Southern California. This will be Vista Cove's first ETP Agreement.

Mr. Griffin introduced Richard Swartzbaugh, Director of Human Resources.

Ms. Roberts said, I want to commend you on your low turn-over rate. Usually, when we see these types of contracts, we get some sort of excuse as to why they can't keep their numbers under 20%. You've done a great job with 9%; rarely do we see that. Mr. Swartzbaugh said, we have a great team.

**ACTION:** Mr. Rendon moved and Ms. Bell seconded approval of the proposal for Vista Cove Care Center at San Gabriel, Inc. dba Vista Cove Care Center in San Gabriel in the amount of \$420,544

Motion carried, 6 – 0.

## **Abbott Vascular Inc.**

Withdrawn

## **Saama Technologies, Inc.**

Creighton Chan, Manager of the Foster City Regional Office, presented a Proposal for Saama Technologies, Inc. (Saama) in the amount of \$316,800. Saama provides data and analytics services to help companies fast-track product launches, streamline supply chain, optimize forecast demand, improve marketing strategies, and establish new business models.

Mr. Chan introduced Jennifer Thom, Human Resource Coordinator, Sonya Jeter, Director of Human Resources, Kimberly Kleca and Maria Assalone, RSM US Consulting.

There were no questions from the Panel.

**ACTION:** Ms. Fernandez moved and Ms. Bell seconded approval of the proposal for Saama Technologies, Inc. in the amount of \$316,800.

Motion carried, 6 – 0.

## **VF Outdoor, LLC**

Mr. Chan presented a Proposal for VF Outdoor, LLC (VF Outdoor) in the amount of \$327,600. VF Outdoor manufactures outdoor apparel and gear for the active life.

Mr. Chan introduced Angela Gannon, Director of Human Resources and Ann Ervin, Tax Credit Company.

Ms. Roberts ask, why haven't you come before the Panel in the past? Ms. Gannon said, to tell you the truth, I've only been with the company for a couple of years in this location. I was in Nashville for several years. This is the first time that I've heard of ETP. When the company developed an initiative to look at it, they determined that this is something that we should apply for. Ms. Roberts asked, is your facility on Plaza Drive? Ms. Gannon said, yes. One of our facilities is located on Plaza Drive in Visalia.

Ms. Newsom said, I want to commend you on your sustainability initiatives. You're in a high unemployment are (HUA) and you're not asking for a wage modification. I really appreciate that.

**ACTION:** Ms. McBride moved and Ms. Newsom seconded approval of the proposal for VF Outdoor, LLC in the amount of \$327,600.

Motion carried, 6 – 0.

## American Funds Service Company

Mr. Griffin presented a Proposal for American Funds Service Company in the amount of \$722,040. Founded in 1931, The Capital Group Companies, Inc. (CGC) provides investment management services to individuals, corporations, governments, pension and retirement plans, and non-profit organizations through financial intermediaries. Headquartered in Los Angeles, CGC is comprised of several subsidiaries with 7,000 associates in national and international locations to serve clients. Three of its subsidiaries, all located in Irvine, will participate in the proposed training plan: American Funds Service Company (AFSC), as the lead Single Employer contract holder; and two closely-related affiliates, Capital Bank & Trust Company (CBTC) and Capital Group Companies Global, Inc. (CGCG). A substantial contribution does not apply to this proposal because neither AFSC nor its affiliates have earned \$250,000 or more within five years at the same facility.

Mr. Griffin introduced Mariellen Hamann, Training and Development Senior Manager, Vice-President.

Ms. Roberts asked, Mr. Griffin, regarding the substantial contribution, it indicates here in the packet that neither AFSC nor its affiliates earned more than \$250,000. Even though their previous contract is a half million dollars, each affiliate would have a different FEIN. Did they have another location other than Irvine? I'm confused as to why we are not applying substantial contribution. Mr. Griffin said, no particular facility has earned over \$250,000 or more.

Ms. Roberts asked, are all your facilities located in Irvine? Ms. Hamann said, it's all one campus and the first contract was all in one campus. We have a parent company, and multiple companies fall underneath that. We are all a part of one campus. The last contract was for all of them, and there were three separate companies underneath the Capital Group umbrella.

Mr. Griffin said, we're looking at them as three separate locations. Neither of those locations earned over \$250,000, therefore substantial contribution would not apply. Ms. Roberts asked, was the previous contract a Job Creation contract? Ms. Hamann said, it was primarily for Job Creation. 200-220 were new hires and the rest were existing employees that we upskilled.

Ms. Roberts said, I know that staff is good about taking notes, but I only see what is in front of me. Mr. Griffin said, we do have a note here that the \$123,000 from the last Agreement was for Job Creation, so substantial contribution would not apply. Ms. Roberts said, OK. Thank you for the clarification.

Ms. Newsom said, it states in the Panel packet that the ETP training may result in some associates receiving some American Society of Pension Professionals and Actuaries (ASPPA) certificate or credentials. Can you give me an estimate of how many trainees would receive that certificate? Ms. Hamann said, on the Irvine campus, it's probably below 50. Ms. Newsom asked, do you have a threshold estimate? Ms. Hamann said, it's probably 25-50 people. What we're saying is that they'll get some training from the retirement plan industry for the training that we do through a certification through ASPPA.



There were no further questions from the Panel.

**ACTION:** Mr. Rendon moved and Ms. McBride seconded approval of the proposal for American Funds Service Company in the amount of \$722,040.

Motion carried, 5 – 0 – 1 (Ms. Fernandez recused).

## **Arlon Graphics LLC**

Mr. Griffin presented a Proposal for Arlon Graphics LLC (Arlon) in the amount of \$224,160. Arlon is a repeat contractor and has earned a total of \$818,152 in reimbursement from ETP within the last five years. Thus, Job Number 1 is assessed a 50% substantial contribution on this project.

Mr. Griffin introduced Lynn Levoy, Director of Human Resources.

Ms. Roberts said, I know that staff has looked at the substantial contribution very carefully. I have a concern about this because in your previous contract, you were approved for \$270,000. Now you're requesting \$459,000 and the substantial contribution is 50%. You're back at the original amount that you have requested. The number of employees for the previous contract was 220, and the number of employees to train in the current proposal is the same. The amount you are requesting for is 50% more and the substantial contribution is 50%. Ms. Levoy said, we are going to cross-train our employees with the new product line and equipment. In addition to that, we brought in a new ERP system. The training funds will cover the initial implementation of the ERP system. Now we have the ancillary modules that are incorporated in the planning, scheduling, and financial reporting, so it will touch everybody in the company that will need additional training.

Ms. Roberts said, Mr. Griffin, I don't want to pick this apart. From my understanding about substantial contribution, if a proposal for \$250,000 come before the Panel with a 50% substantial contribution, the amount would drop down to \$125,000; that would make sense to me. Mr. Griffin said, staff recommends 50%. However, the Panel has the discretion to go to 30%. Ms. Roberts said, you're recommending a 50% substantial contribution, but the amount they are requesting is \$459,000.

Ms. McBride said, they've had substantial hiring and growth since the previous contract and that's maybe a contributing factor in addition to the investment and expansion beyond that. Ms. Levoy said, yes, that is correct. The numbers of our employees have increased to 280. Ms. Roberts said, you had 220 employees from your last contract; I'm ok with that. I just don't want others to beat the system and think that they can come in with a bigger proposal with a 50% substantial contribution. Ms. Levoy said, I understand.

Ms. Newson asked, will the wages for the employees be higher? In looking at the post-retention wage, with the employer share of cost for healthcare premiums, it looks like they are only receiving a penny increase after the training. For the employees who will receive the training, can they expect higher wages? Ms. Levoy said, yes, they could. We have a whole matrix on the training that our employees receive. Their salary level would be based on the amount of cross-training.

There were no further questions from the Panel.

**ACTION:** Ms. McBride moved and Mr. Rendon seconded approval of the proposal for Arlon Graphics LLC in the amount of \$224,160.

Motion carried, 6 – 0.

### **loanDepot.com, LLC**

Mr. Griffin presented a Proposal for loanDepot.com, LLC (loanDepot) in the amount of \$372,330. loanDepot is a national mortgage banker and direct consumer lender that packages mortgage loans nationwide.

Mr. Griffin introduced Minh Tong, Vice President, Learning and Development.

Ms. Newsom said, you stated that you were voted the number one employer in Orange County and equated to being the Google campus of the mortgage security industry. Mr. Tong said, yes. Ms. Newsom said, I also read an article stating that your employees are sometimes offered a merit increases, can you please elaborate? Mr. Tong said, we are a production-based company; our employees are compensated based on how they perform.

Ms. Newsom said, in 2010, your CEO stated that one of the things that make your company so different is that you would never push your customers into higher cost loans; is that still the case? Mr. Tong said, absolutely. We are highly regulated. Our loan officers and mortgage bankers are not compensated on any product that we give our borrowers. They are compensated the same no matter what we give our borrowers across the board. Ms. Newsom said, thank you.

Ms. Newsom asked, what is the percentage of your products that are related to adjustable rate mortgages (ARM)? Mr. Tong said, probably less than 5%. There is a market for fixed mortgages right now.

Ms. Newsom asked, I also noted that your company has recently entered the market for personal loans. You seem to be quite successful in that, but I also noted that your annual percentage rate (APR) for personal loans ranges from 6.17% all the way up to 29.99%, which I find striking. I don't want to invest our public dollars on something that might be deemed predatory. Can you please elaborate on how many, roughly, of your clients are at the upper end of that threshold? Mr. Tong said, our personal loans are designed for debt consolidation. In the credit card world, the APR is set at about 30%. A lot of our clients call in to consolidate debt with a more aggressive pay off plan, allowing them to get rid of their debt in an easier and more manageable way. Our APR's are based on loan programs that they choose, and we are able to help Americans get out of their debt in a more manageable, cheaper, and faster way than an average credit card. Ms. Newsom said, a lot of my questions have to do with my perspective in filling our mission statement to make sure that we are attracting and retaining businesses that contribute to a healthy California economy. Mr. Tong said, absolutely.

Ms. Robert said, we have not funded too many banking and loan operations since the downturn of the economy. Ms. Newsom's questions are very relevant as to why we haven't done this in the past. I appreciate your candidness and explanations. I've heard only good things about loanDepot.com.

**ACTION:** Mr. Rendon moved and Ms. Bell seconded approval of the proposal for loanDepot.com, LLC in the amount of \$372,330.

Motion carried, 6 – 0.

### **Universal Health Services of Rancho Springs, Inc. dba Southwest Healthcare System**

Mr. Griffin presented a Proposal for Universal Health Services of Rancho Springs, Inc. dba Southwest Healthcare System (Southwest Healthcare) in the amount of \$426,000. This will be Southwest Healthcare's fifth ETP Agreement, and the third in the last five years. A substantial contribution does not apply to this proposal because Southwest Healthcare has not earned \$250,000 or more within five years in prior agreements at the same facility.

Ms. Griffin introduced Heather Adams, Assistant Chief Nursing Officer.

Ms. Roberts said, Mr. Griffin, on the substantial contribution, you said that there are two facilities. Did both facilities earn under \$250,000? Mr. Griffin said, no single facility has earned in excess of \$250,000.

Ms. Bell said, this is your first contract. Make sure you reach out to our staff if you need assistance. We want you to be successful.

Ms. Fernandez said, in your last Agreement, you completed 78%. What will be different with this proposal? What is the level of commitment from your leadership to ensure a successful contract this time around? Ms. Adams said, this was something that we had talked about before and evaluated. I was not a part of the previous contract. Now, our team is dedicated to ensure that the procedures are followed appropriately. I have already put steps in place to make it easier than last time. There was a change in leadership and that contributed to the 78% performance. Ms. Fernandez asked, is leadership committed this time around? Ms. Adams said, absolutely. My position alone, which is new, will be focused on direct reporting to the department. Ms. Fernandez said, thank you.

Ms. McBride said, this is a note for staff. I know that the training locations were listed in the prior agreements. For future repeat projects that will be presented before the Panel, if you can, include the locations in the narrative to help eliminate some of the confusion when it comes to substantial contribution. Mr. Griffin said, comment noted. Thank you,

**ACTION:** Ms. Fernandez moved and Ms. Newsom seconded approval of the proposal for Universal Health Services of Rancho Springs, Inc. dba Southwest Healthcare System in the amount of \$426,000.

Motion carried, 6 – 0.

## **JPMorgan Chase Bank, N.A.**

Willie Atkinson, Manager of the Sacramento Regional Office, presented a Proposal for JPMorgan Chase Bank, N.A. (JPMCB) in the amount of \$749,700. JPMCB proposes to serve as the lead in a single employer contract with J.P. Morgan Investment Management, Inc. Both of these employers are wholly-owned subsidiaries of JPMorgan Chase & Co.

Mr. Atkinson said, I would like to make a correction on page 2. The wage range by occupation table, under Administrative Staff I, it should read \$28.37 not \$19.60.

Mr. Atkinson introduced Jared Zilbert, Vice President, Chip Lee, Executive Director, and Michael Kimball, Vice President.

Ms. Bell asked, can you please explain how you plan to deliver E-learning in 13 different counties? Do you have one trainer in one location and all the trainees will individually log on? Mr. Zilbert said, we are using internal trainers. That particular trainer may be in Ohio, Delaware, or another state. If your manager deems that training is important for your job, they may sign you up for that specific training. The numbers are usually capped at 50 employees. The training is interactive; you log into the system, you can call-in to ask questions, and you can visually see the trainer.

Ms. Fernandez said, I have a couple of questions and concerns. First of all, this is your first agreement and you're covering a large area. Who is in charge of this agreement and do you have any prior ETP experience? Mr. Zilbert said, we tried going after this program in the past. We couldn't fully commit to it because we had concerns over some of the information required by ETP, most specifically the social security number. We got past that compliance issue and now everyone is fully on board. However, there are similar programs in other states where the same information is requested, and we have worked with a larger population of trainees that participated in that contract, and funding was received for that training. I feel that we are fully prepared to max out our proposal.

Ms. Fernandez said, I'm a little concerned about the dollar amount you are requesting, and the large area you are seeking to cover with this proposal. I'm almost inclined to make a motion to maybe give you part of the funding, and see how you do. You can then come back for an amendment for the rest of the funding. I just want to make sure that we see some performance on this contract, because this is a big commitment from us with the monies. Mr. Zilbert said, I can assure you that in other states, we cover more sites, and we capture all that information that is associated with the training. There are more trainees involved in the training, and it's rather flawless.

Ms. Bell said, I have a concern with right-sizing the amount of the grant. Your frontline workers are called managers, but they're frontline workers. Mr. Zilbert said, that's more for our Sacramento office. They are given titles, so it qualifies someone as a frontline manager. I'm a Vice President; I don't have anyone reporting to me. The job titles in the Sacramento office were deemed frontline because we didn't want anyone with a specific title to be excluded from training.

Ms. Bell asked, where would the frontline workers fall under the wage range by occupation table? Mr. Zilbert said, they could be anywhere in the wage range by occupation. There is nothing specific saying that if you have a certain job title, you are going to make a specific dollar amount.

Ms. Bell asked, so the wage for the frontline workers can go all the way up to \$100? Mr. Atkinson said, if you look at the commentary to the wage occupation table, that specifies the difference between someone who is managerial or a frontline worker. Mr. Zilbert said, to be clear; this is for our office population and there are other office employees which would be considered frontline managers who are not included. Ms. Bell said it's confusing.

Ms. Roberts said, I do have a question as well. I agree with Ms. Bell and Ms. Fernandez regarding right-sizing the contract. The reason being is, I have the Vice President and Executive Director in front of the Panel members; you guys aren't going to be the hands, arms or legs of the training. You're going to pass this off to somebody else. Mr. Zilbert said, I will personally be the one who is going to manage the program.

Mr. Lee said, we are very involved from our national global level all the way down to the state and regional levels. We have a very tight partnership with all of our training operations.

Ms. Roberts said, the LMS will cover 50% of the grant, which is OK because it provides all the right details. The other 50% of the funding will go towards the classroom training, is this correct? Mr. Zilbert said, our LMS will record the information associated with the classroom training. Ms. Roberts asked, will you, as the VP of the bank, log into the database and enter the information yourself? Mr. Zilbert said, yes, I will personally enter in the information. Ms. Roberts said, I'd like to see that.

Mr. Lee said, if you like, we will be more than happy to set up a weekly, bi-weekly, monthly review session with any of your staff on the program to make sure that we are in compliance; we would be very happy to do that.

Ms. Roberts asked, what other states have you done business with that is similar to this training? Mr. Lee said, we are a national and global organization. We have significant training programs in New York, New Jersey, Delaware, Ohio, Florida, Texas, and Arizona. Those are our main hub sites. This is our first here in California. We have a significant amount of investment in relationships and partnerships, and we are very excited about developing that. We think it's a very strong market and investment for us.

Ms. Roberts said, I'm familiar with all the states that you have mentioned. So are you involved with the Texas Workforce Commission (TWC)? Do you contract with them directly, or do you contract through a community college or technical school? Mr. Zilbert said, we are not currently involved with any program in Texas, but we have been in the past. We do not use the community college. In Louisiana, they have a similar program contracted through the community college, and we did that last year. We utilized the incumbent worker training program. Ms. Roberts said OK.

Ms. Roberts said, LMS is great for tracking training hours, but it is not designed to deliver training. Who is going to deliver the training? Mr. Zilbert said, we have a large staff of

internal trainers who are experts within the fields that the employees will be trained in. We will consult with an outside firm if we need additional training that is not within our trainer's skills or capacity and we will input those training hours in the LMS.

Ms. Newsom asked, how many of your E-learning trainers are located in California; where are the other trainers located? Mr. Zilbert said, I don't have the exact numbers. I can tell you that I've taken these E-learning training several years ago, and I've had several trainers that have worked in California.

Mr. Lee said, we have a mobile sourcing group. Since we have a large headcount and operations here in California; there are trainers in all of our major market. Again, it's a mobile staff in the group that goes in and works geographically within those groups.

Ms. Roberts said, I'm still reluctant about this proposal. You have talked about how the training is going to be delivered by the vendor, but nobody is doing the administration portion of this proposal. This is your first time, and even though you have experience in training your employees in other states, it's still tricky to get the 32 hours that you're asking on average for every employee; 1,400 employees in 13 counties and multiple branch locations. Mr. Zilbert said, this excludes our branch employees. This is just for office employees.

Ms. Roberts asked, where is your office located? Mr. Zilbert said, I work in New York. Ms. Roberts said, that doesn't help. Mr. Zilbert said, Mr. Kimball works in our California office. Mr. Kimball said, I'm based here in Sacramento. Ms. Roberts asked, what is your title? Mr. Kimball said, I'm the Regional Vice President covering California and Nevada. Ms. Roberts asked, will you be covering the training here in California? Mr. Kimball said, I would not be covering the training, but I will work with my colleagues to facilitate the training and share the information with you.

Ms. Newsom said, if I could share the remarks about potentially making a motion to reduce the amount, and with respect to this item and loanDepot.com, the amount of funding is striking to me without it being a priority industry per our Annual Report. Ms. Roberts said, that's a good point.

Ms. Roberts said, you mentioned that there would be 50 people in the classroom training. Mr. Zilbert said, up to 50 trainees; that is our maximum. I would say that the average is 10 to 15 employees per training. In the trainings that I've been in, it's never reached 50. Ms. Roberts said, the ratio for E-learning is 1 to 20, so that's another problem. Based on what I've heard, you're in New York, you're hands aren't really on this contract.

Mr. Lee said, Ms. Roberts, we work very closely with the training operations across the country and each state in the geographic region. I have several staff; Mr. Zilbert will be the one who will manage the training in our various geographic locations in the United States. He has done an excellent job in analyzing, logging, collecting data information, tracking, and partnering with all of the various trainers of individual classes. Mr. Zilbert said, I could refer you to other people in different states.

Ms. Bell said, I appreciate the comment and I don't want to discourage you. I feel very uncomfortable giving you the full amount. Ms. Roberts said, I think you're a confident person.

Obviously you wouldn't be a Vice President in the industry if you weren't. Since this is your first contract, I feel that you don't really understand our process as well as you probably should. You're the Vice President; it would be great if you have a designated trainer here to explain to me the day to day activities. I would recommend, at this point, decreasing the amount of funding. If you would like, you can come back in a year and request for the full amount after you have shown performance in the contract.

Ms. McBride said, decreasing the funding in half is one option. Another possibility is delaying this proposal and come back next month with more information about your training that would give you and the Panel more comfort. It may not be what you want to do, but that's an option.

Mr. Zilbert said, I would love to answer any questions or concerns you may have that is associated over our training delivery. We have done similar work in Delaware where we have 10,000 employees. Last year we trained approximately 2,000 employees. I don't want to share the funding amount, but it's comparable. The training was flawless in providing the information that was requested. Ms. Roberts said, I've heard that Delaware caps your grant at \$50,000. Mr. Zilbert said, no. Ms. Roberts said, I've been through every state, I know each of them. Ohio funds well, but Delaware doesn't; it's a small state. Regardless, you are not very familiar with the ETP process, and this is your first contract. It's a lot of money for a company that doesn't have any administration support. Ms. Roberts said, the requested amount right now is at \$750,000. Does anyone else have any recommendations?

Ms. Bell said, I would like to make a motion to reduce the amount of funding by 50%. Ms. Roberts asked, 50% reduction? Ms. Bell said, yes, 50% reduction. Ms. McBride asked, with the ability to return in 12 months? Ms. Bell said, yes, that's correct; Mr. Rendon said, I'm OK with that; Ms. Fernandez said, I agree. Ms. Newsom said, I second the motion.

Ms. Roberts said, with that, we are going to reduce the amount by 50%. Mr. Zilbert said, OK. Ms. Roberts said, show us what you can do. Obviously, you seem very confident. You may even come back in 3 months when you've shown performance.

**ACTION:** Ms. Bell moved and Ms. Newsom seconded approval of the proposal for JP Morgan Chase Bank, N.A. in the amount of \$374,850 (amount reduced to 50% with the ability to return for an amendment in 12 months).

Motion carried, 6 – 0.

### **Rabobank, National Association**

Mr. Atkinson presented a Proposal for Rabobank, National Association (Rabobank) in the amount of \$240,000. Rabobank is a financial institution that meets the financial needs of local families, businesses and organizations with banking products including dairy and livestock loans, inventory financing, business loans, equipment leasing, personal banking, and retirement. This will be Rabobank's second Agreement.

Mr. Atkinson introduced Tonya Hamlin, Vice President Learning and Development, and Joseph Gray, Learning Technologist.

Ms. Roberts said, I know we pulled this proposal off of the Consent Calendar last month. I appreciate you both coming before the Panel today. Ms. Hamlin said, no problem. I'm happy to be here, and I'm happy to see some of you again.

Ms. Roberts said, I don't see this proposal as right-sized. That's one of the things I have a problem with. Mr. Atkinson said, let me explain. The overall proposal is right-sized according to the company's needs. The first part that you're looking at is the prior performance. We looked at the 70% as the benchmark; \$113,000 is what they earned from the previous agreement, and they had to justify what happened with their performance. The next part is for the company to show us and justify their needs; how will they substantiate the training, and how will they go about earning those funds. So it's two components, prior performance, and then the discussion going further. Overall, it's right-sized based on their needs. We started the conversation based on what they earned before. We can allow them to do that as long as they can justify both.

Ms. Roberts asked, are the employees that were trained from the previous contract included in this current proposal, which is \$113,000? Ms. Hamlin asked, are you asking me if the employee base is changing? Ms. Roberts said, yes. The employees that were trained under the previous contract, are they the same employees that will be trained under this current proposal? Ms. Hamlin said, they are the same; there are additional employees as well. Historically, when we got the last contract, I had no resource to do the commercial training which is for over 200 employees at the bank; out of the 1600. Now we have new internal trainers. We have vendors that delivered the training. We are doing that now, but our goal is to eliminate that.

Ms. Roberts said, now you have 4 full time employees that are dedicated to this training. They weren't available previously, is that correct? Ms. Hamlin said, I didn't have any of them at all. Ms. Roberts asked, are they dedicated to this ETP proposal? Ms. Hamlin said, absolutely. Ms. Roberts said, you don't have any administration services tied to this proposal; you're only using internal support. Ms. Hamlin said, absolutely. Ms. Roberts asked, do you have LMS as well? Ms. Hamlin said, Joe Gray will be handling our LMS.

There were no further questions from the Panel.

**ACTION:** Mr. Rendon moved and Ms. McBride seconded approval of the proposal for Rabobank, National Association in the amount of \$240,000.

Motion carried, 6 – 0.



## **Multiple Employer Proposals**

### **SOMA AEC Inc. dba Oxman College**

Mr. Chan presented a Proposal for SOMA AEC Inc. dba Oxman College (Oxman) in the amount of \$543,861. Oxman is a private, post-secondary vocation school. The College provides training in computer programming, computer applications, continuous improvement, and health care. This project will be Oxman's third Agreement in the last five year period (11<sup>th</sup> overall).

Mr. Chan introduced Michael Dvorkin, President.

Ms. Newsom said, this question is for staff. I'm concerned about the post retention wage for Job Number 4 being at \$11.70, and the prospect of using \$2.76 per hour in healthcare benefits to meet the post retention wage. That amount will drop below the California minimum wage. I find that striking. Mr. Knox said, that actually should be \$1.63 instead of \$2.76. We will make the amendment to the contract as approved.

Ms. Roberts said, I just want to make it clear that you're not charging any of the trainers any tuition fees. Mr. Dvorkin said, we are not charging any fees.

Ms. Roberts said I want to congratulate you on your performance. That was very good on your part. Mr. Dvorkin said, next time, we would like to hit 100%.

Ms. Fernandez said, I wish you a lot of luck, and I think you've done a good job. I would like to make a motion to approve.

**ACTION:** Ms. Fernandez moved and Mr. Rendon seconded approval of the proposal for SOMA AEC Inc. dba Oxman College in the amount of \$543,861.

Motion carried, 6 – 0.

### **Yuba Shasta UA Local 228**

Mr. Atkinson presented a Proposal for Yuba Shasta UA Local 228 (Yuba Shasta JATC) in the amount of \$40,468. Since 1997, Yuba Shasta JATC has trained apprenticeship and journeymen from 13 Northern California counties in the plumbing, pipefitting, welding, and Heating, Ventilation and Air Conditioning (HVAC).

Mr. Atkinson introduced Beth Hammes, Training Coordinator and Jan Borunda, California Labor Federation.

Ms. Roberts said, even though you have a low performance rate, you right-sized the grant. I have no issues with that; it's a small amount. I do wish you luck, being that you've been in your position for just nine months. I'm sure your general manager will be helping you out. Ms. Hamm said, yes. I have a lot of guidance.

Ms. Newsom said, I want to commend you on the building of the clean and green skills for your workforce. That is very important with the passage of SB 350, Clean Energy and Pollution Reduction Act.

**ACTION:** Ms. Fernandez moved and Ms. Bell seconded approval of the proposal for Yuba Shasta UA Local 228 in the amount of \$40,468.

Motion carried, 6 – 0.

## **AMENDMENT**

### **Santa Ana Chamber of Commerce**

Mr. Griffin presented an amendment Proposal for Santa Ana Chamber of Commerce (SACC) in the amount of \$298,519. SACC has worked since 1889 to bring a higher level of economic prosperity to area business owners, workers, and residents through its business development programs in Orange County.

This Amendment requests a second phase of funding for (Phase II) 118 new trainees in new industries and occupations, receiving a new Curriculum. This Amendment will allow SACC to expand its training plan to serve a wider range of businesses across California.

Mr. Griffin said, I want to make a note. We did an assessment of their veteran component, and they would like to add five veteran trainees to this proposal. We will do that after approval of the proposal; there will be no changes in the funding amount as a result of that.

Mr. Griffin introduced Marty Peterson, Vice President of Operations and Will Trikha, Senior Consultant, Lean QA.

Ms. Roberts said, it sounds like Lean QA is right on track, especially with the in-classroom training; there's value added. Mr. Trikha, how long have you been doing the training? Mr. Trikha said, this company was originally started by my father, AK Trikha; no relation to Saisoft. The company has been in operation since 2000. He incorporated the company in 2006. We have industry professionals that have been conducting the trainings. We started this type of training in 2006. The trainings are based on helping individuals and organizations to reach their full potential; purpose and vision aligned. We have developed systems in place where we actually go into the company and assess their need. We work with them in attaining their goals. We want to make sure that we're addressing all of their undesirable points. We have a Lean QA process where we measure them based on "4P's", which stand for people, product, process, and profit. In those "4P's", we look for their undesirable traits and target a training that would actually help improve their undesirable traits. Upon completion of the training, we like to stay with them for a little bit, so that the training they have received becomes a habit. We want to make sure that they actually use the training that they have received. We train them for six weeks to make sure that it becomes a habit. After the full training, we set up a score card and objectives.

Ms. Robert said, so you do a training assessment for every company and then you do a follow-up training. Mr. Trikha said, we do a follow-up with objectives and score cards. Ms.

Robert said, that sounds really good. Do you have master black belts? Mr. Trikha said, we have master black belts.

Ms. Fernandez asked, do you have any experience with the ETP process prior to this contract? Mr. Trikha said, AK, who is my father, has worked with Cheesecake Factory Bakery. They have their own ETP contract, and he is aware of the administration and roster collection process. He was a vendor; not an actual ETP administrator. Ms. Fernandez asked, for the record, just to be clear, you are not affiliated with Saisoft. Mr. Trikha said, no relations.

Ms. Roberts asked, Mr. Peterson, are you going to be doing the administration portion of this? Mr. Peterson said, yes. Ms. Roberts said, that's good. I like to see that the chamber has their hands-on and involvement in this proposal.

**ACTION:** Ms. Fernandez moved and Mr. Rendon seconded approval of the amendment for Santa Ana Chamber of Commerce in the amount of \$298,519.

Motion carried, 6 – 0.

## **XI. PRESENTATION OF ANNUAL REPORT**

### Mario Maslac, Manager of the Planning and Research Unit

Mr. Maslac said good morning Panel members. I would like to provide you with a brief overview of our last year's Annual Report. First of all, I would like to thank all of the Planning and Research Unit team members who worked on this project. They are Elisabeth Testa, Tiffany Woodruff, Bryan Lytle, Jeff Brooks, and John Saunders. We usually just provide a copy, after the Labor Workforce and Development Agency has approved it, and it's sent to the Governor's Office and Legislature. This year, we decided to do a short overview with highlights of the report.

### Characteristics of Panel Trainees

In this section, I would like to highlight the demographic characteristics of our trainees. The vast majority of trainees who completed the training that closed out during the annual report year were 319 new hires; 37% female, 63% male; 14% veterans; 51% education level less than a high school graduate; 2% college graduate. Ethnicity: 15% White, 26% African-American, 31% Hispanic, and 24% Asian. The total of retrainees were 38,788; 33% female, 67% male; 2% veterans; 37% education level less than a high school graduate; 5% college graduate. Ethnicity: 38% White, 5% African-American, 32% Hispanic, 15% Asian, and 1% Native American. One notable observation here is that new hires who were unemployed trainees, the demand steadily declined with the level of education.

### Contract Activity

During the report year, ETP staff administered 953 core training contracts; 402 new contracts, 308 completed, and 242 ongoing. The total amount of trainees were 177,573; 83,403 new trainees, 39,107 completed, and 55,423 ongoing. There was an increase of 104 contracts over the prior year.

### Summary of Completed Core Contracts

During the 2014/15 report year, 308 contracts were closed, providing just short of \$50M in earned training funds for over 39,000 trainees. The average cost per trainee was \$1,277.

### Completed Contract Performance Per Industry (CORE)

Industries served: construction, healthcare, manufacturing, services, high tech and technical services (software development, multimedia/entertainment, computer programming and systems designs, engineering, and telecommunications), and other (agriculture, finance, trade and transportation). Trainees placed: 5,435 construction; 2,421 healthcare; 15,059 manufacturing; 2,014 services; 5,925 high tech and technical services; 8,253 other. Amount earned: \$7,730,680 construction; \$4,156,743 healthcare; \$18,239,653 manufacturing; \$2,113,073 services; \$6,951,903 high tech and technical services; \$10,741,501 other. Number of businesses served: 1,239 construction; 52 healthcare, 766 manufacturing; 218 services; 533 high tech and technical services; 389 other. Percentage served per industry: 39% construction; 2% healthcare; 24% manufacturing; 7% services; 17% high tech and technical services; 12% other. Total trainees placed: 39,107; total amount earned: \$49,933,553; total numbers of businesses served: 3,197.

Ms. Bell asked, under what category does the agriculture industry fall under? Mr. Maslac said, the agriculture is included under the "Other" section. If it's a small number, it's lumped in the 12% "Other" category. Ms. Bell asked, what else is considered under "Other" industry? Mr. Maslac said, agriculture, finance trade, and transportation. Ms. Bell asked, do you have any idea what the percentage is; is it higher in agriculture or transportation? Ms. Maslac said, I can provide those details to you after the meeting.

Ms. Fernandez said, I know we didn't really track it before, but I just really want to commend the staff for all the efforts that have been made to create opportunities for veterans. I know that there's been a lot of effort in the last year to create opportunities for veterans. Thank you. Mr. Maslac said, I believe this year is going to be even better.

Ms. Robert said, I would also like to thank the staff, Mr. Knox, Ms. Reilly, the managers, and everyone behind-the-scenes. Getting 104 more contracts and staffing up correctly, it's great for ETP. It increases our credibility, and everything that we need to do for our constituents behind the scenes. Mr. Maslac said, it's my pleasure. Thank you

Mr. Maslac said, I just want to make note that our full Annual Report is available in our website for the public to view the details and all the numbers.

## **XII. PUBLIC COMMENTS**

There were no public comments.

## **XIII. MEETING ADJOURNMENT**

Ms. Bell moved and Ms. Newsom seconded meeting adjournment at 11:27 a.m.

## Single Employer Contractor

A single employer, ranging from a small business to a large publicly-traded corporation, may contract directly with the Panel. Usually, these are retraining projects for current employees.

- Unless funded under Special Employment Training (SET), a single employer must face out-of-state competition.
- A single employer must be subject to the Employment Training Tax.
- The employer must also make an “in kind” contribution toward the cost of training, as follows: 1) 100 or fewer employees, at least 50% of the ETP-funded amount; 2) more than 100 employees, at least 100% of the ETP-funded amount.
- The employer must provide union letters of support for employees who are represented. The employer should also be able to show how the training will enhance job security and improve opportunities for advancement.
- A single employer must establish the need for the particular training curriculum proposed.
- The employer must establish its ongoing commitment to training and represent that ETP funds will not displace existing resources.
- All single employer contracts are capped at \$750,000.

These features apply to core program funding.

## Multiple Employer Contractor

A Multiple Employer Contractor (MEC) may be a group of employers or a training agency, or a Workforce Investment Board.

- Up to 8% of program costs may be approved as additional funding for recruitment, placement and assessment activities. For New Hire training, the MEC may receive up to another 4% (total 12%). These costs must be justified.
- The project may be retraining or new hire training, or a combination of both. Training may take place at the worksite or a training center, or both.
- All MECs are capped at \$950,000. MECs with Small Business are capped at \$1.2M (\$950,000 for any size employer; \$250,000 for Small Business only)

### *Retraining*

- Training hours for retrainees are capped at 200. The Panel may modify this cap for good cause on a case-by-case basis.
- The MEC must provide union letters of support for represented employees.
- The MEC must make an “in kind” contribution toward the cost of training, of at least 50% of the ETP-funded amount. These contributions may consist of:
  - 1) wages/benefits paid during training by participating employers;
  - 2) development, recruitment, placement, and assessment costs; and,
  - 3) facility and material expenses.
- The MEC must provide a list of participating employers to demonstrate actual employer demand for the occupational skills in the curriculum.
- The MEC must have a core group of participating employers for at least 80% of the training plan.
- Participating employers must be subject to the Employment Training Tax.
- Participating employers must demonstrate an ongoing commitment to training, and represent that ETP funds will not displace existing resources.

### *New Hire Training*

- Training hours are capped at 260. The Panel may modify this cap for good cause on a case-by-case basis.
- The MEC must have a plan for recruiting trainees and participating employers. As part of this plan, the MEC must have an advisory board of participating employers qualified to provide guidance on needed occupational skills.
- Training must be for job-related skills that apply to specific occupations in a given industry or to specialized occupations across an industry spectrum.
- For all occupations, the MEC should be able to show a statewide or local shortage of skilled workers.

These features apply to core program funding.

## Delegation Order Process

- The Panel has delegated authority to the Executive Director, without consultation with the Panel Chair, to approve (1) small business (100 or fewer employees) for \$100,000 or less, and (2) single and multiple employer proposals for \$100,000 or less.
- This procedure allows projects to be approved on a flow basis. This process recognizes the need for just-in-time training, and reduces or eliminates the need for a Consent Calendar.
- An ETP130 and Curriculum is prepared for each proposal. They are reviewed and approved after the Executive Director signs off. The effective date will be the date specified by the Field Analyst and if no date is specified, the earliest effective date of contract is the day after the project is approved by the Executive Director.
- A copy of approved Delegation Orders is included in each month's Panel Packet, for projects approved prior to the Panel meeting, as an information item.



# Memorandum

To: Panel Members

Date: 5/26/16

From: Stewart Knox  
Executive Director

File: Panel Memo

Subject: MEC Broker Model

This memorandum outlines a new policy for Multiple Employer Contracts (MEC) when a third party (Vendor) performs all or most of the work required to earn funding. That scenario is referred to herein as the Broker Model.

The Broker Model is reflected in Development Fees, Support Costs, Administrative Fees and Training Costs for each MEC. It is typical for this model that development is by the Vendor, but fees are waived. Also, that Support Costs and Administrative Fees are split with the Vendor; and all training is by the Vendor, to be paid at the applicable hourly rate. The split of fees/costs is outlined in a subcontract between MEC and Vendor, and shown in the ETP130.

ETP experience shows that the Broker Model usually arises when the MEC is held by a Chamber of Commerce, a Community College or a Workforce Development Board (WDB). All of those entities are either public or non-profit.

For purposes of this discussion, only private schools and for-profit entities are considered Vendors. In other words, this discussion concerns public-sector contractors that act as a pass-through for ETP funds paid in large part to private, for-profit sector Vendors.

## **Background**

The Panel has expressed concern over the Broker Model for many years. This issue “came to a head” last month, when the Panel denied a proposal by South Orange County Regional Chamber of Commerce (SOCRCC) for almost \$1.2M including Support Costs at 6% (ET16-0340). The denial, by roll-call vote, was primarily based on the fact that half of the costs/fees and all training funds would be paid to one private-sector Vendor: Saisoft, Inc. [Note: Of the \$1.2M requested by SOCRCC, all but \$100K would have been paid to the Vendor.]

The Panel also considered that all training was for Computer Skills paid at the Class/Lab rate, although almost all delivery was web-based (E-Learning). Also, that the same Vendor had been retained by SOCRCC in a recent MEC; and, the same Vendor had been retained in other MECs during the same Fiscal Year 2015/16. However, these factors were not the primary basis of denial. (See Panel Meeting Minutes for February 22, 2016.)



## **Issue**

The Panel raised two primary issues in discussing the Broker Model last month:

1. If a contractor does not do development, administration or training then does it have sufficient “skin in the game” to justify fees/costs as a MEC? If so, at what percent?
2. If the same Vendor brokers its services to two or more MECs in the same Fiscal Year, does this “beat the system” when there are limited funding allocations?

The Panel also questioned whether the Class/Lab rate was justified for training when delivery is web-based (E-Learning). However, that subject requires research on rate-setting and is reserved for a later discussion.

## **Discussion**

The Broker Model raises policy concerns and funding priorities that can only be assessed in discussion by the full Panel. An outline of the work required to earn ETP funding is shown below, to foster such discussion:

Development work includes Needs Assessment, Marketing/Recruitment, and preparation of the Application/Proposal. Development fees may be waived or paid up-front. These fees are expected to be paid by a source other than ETP funds. [Note: The Panel put an informal cap on Development Fees at 10% of contract value, which is not at issue.]

Needs Assessment and Marketing/Recruitment is also directly reimbursed by ETP through Support Costs, typically 8% of contract value. Under the Broker Model, Support Costs may be passed-through to a Vendor even if Development Fees are waived.

Administrative work includes trainee enrollment, maintaining attendance rosters and tracking hours of training delivered, meeting with ETP monitoring staff, invoicing and fiscal close-out. These fees are capped at 13% of payment earned, for retraining.

Training delivery includes all methods but is primarily Class/Lab (including E-Learning) or Computer-Based Training. When the MEC is held by a community college or college district, it is unclear why a Vendor is needed to deliver training. Rather, a college may be expected to bring its own expertise to bear in the delivery of training. Payment is by hourly rate(s) based on trainee population, employer size and method of delivery.

## **Summary**

In general, performance under the Broker Model has been good. For example, payment earned is projected at 99% for the most recent contract held by SOCRCC (ET14-0303). As well, trainee surveys have demonstrated satisfaction with the quality of training delivered. [Note: Satisfactory training delivery under the Broker Model is not at issue.]

Under the Broker Model, a Vendor can earn the bulk of funding for multiple contracts in the same Fiscal Year. This “beats the system” when MEC funding allocations are limited. The purpose of the Broker Model becomes even more blurred when the Vendor is a training entity, capable of holding its own MEC with proper licensure and certification.

### **Recommendation**

Staff recommends that the Panel take action to restrict Broker Model MECs by one or more of the following methods, on a pilot basis.

- Restrict a single Vendor to  $\leq 50\%$  of total Training Delivery in a single MEC
- Exclude Development Fees for any Vendor that also receives part of Support Costs
- Reduce Support Costs for the MEC overall, regardless of split with any Vendor

Staff further recommends that the action(s) be implemented case-by-case as proposals are presented for funding in the next Fiscal Year (FY) 2016/17. The effectiveness of this approach would be subject to evaluation at the end of next FY, along with any other concerns about the Broker Model overall.



**Training Proposal for:**  
**Boudreau Pipeline Corporation**  
**Agreement Number: ET16-0443**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** San Diego

**Analyst:** K. Campion

**PROJECT PROFILE**

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                                  | Retrainee Priority Rate   | Industry Sector(s): | Construction<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Riverside   | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |  |
| Number of Employees in:                               | CA: 266   | U.S.: 266           | Worldwide: 266   |
| <u>Turnover Rate:</u>                                 | 12%   |                     |  |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 5%  |                     |  |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$184,320     |   | \$0                        | \$0                     |   | \$184,320                |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$240,873 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description         | Type of Training   | Estimated No. of Trainees | Range of Hours   |     | Average Cost per Trainee | Post-Retention Wage |
|---------|-------------------------|--|---------------------------|------------------|-----|--------------------------|---------------------|
|         |                         |  |                           | Class / Lab      | CBT |                          |                     |
| 1       | Retrainee Priority Rate | Business Skills, Computer Skills, Commercial Skills, Continuous Impr., OSHA 10/30 PL-Commercial Skills | 256                       | 8 - 200          | 0   | \$720                    | \$15.60             |
|         |                         |  |                           | Weighted Avg: 40 |     |                          |                     |

**Minimum Wage by County:** \$15.60 per hour for Riverside County

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$0.60 per hour may be used to meet the Post-Retention Wage.

| Wage Range by Occupation |            |                         |
|--------------------------|------------|-------------------------|
| Occupation Titles        | Wage Range | Estimated # of Trainees |
| Admin. Staff             |            | 26                      |
| Estimator                |            | 2                       |
| Foreman                  |            | 39                      |
| Laborer                  |            | 176                     |
| Project Manager          |            | 8                       |
| Superintendent           |            | 5                       |

**INTRODUCTION**

Founded in 1996, Boudreau Pipeline Corporation (Boudreau) (<http://boudreaupipeline.com/>) is a wet utility construction company that installs sewers, water and fire lines, and storm drain systems across California. It specializes in highly complex pipeline projects for builders, municipalities, utilities and contractors. The Company operates out of a single facility in Corona, the site of the proposed training.

Since 1996, Boudreau has developed new, more sophisticated methods, techniques and equipment for new types of storm drains, storm water holding vaults, metering stations, pumps, and wet wells. As its job methods and techniques have advanced, so must the skills of its workers. The Company is challenged with ensuring that all workers at the job site have the skills necessary to handle new equipment. Without a knowledgeable and skilled workforce, Boudreau could not effectively bid jobs. Additionally, Boudreau's goal is to achieve a more flexible work force. The Company needs flexibility in deploying its field operations team so that workers are skilled in different areas of the construction project and are able to complete all jobs on time and on budget. Consequently, cross-training of frontline staff is critical.

Additionally, the need for training is driven by the fact that, in order to compete, Boudreau must continually look for ways to streamline its operations. It must reduce costs to be able to win bids for projects, while maintaining profit margins. Boudreau must keep its construction projects within a targeted budget, source materials within a budgetary number, and figure out the overall cost of labor to keep the project profitable. Therefore, Boudreau must upgrade the skills of its workers through formal training.

## **PROJECT DETAILS**

The Company has conducted a formal training needs assessment to ensure training will provide critical skills that will make the employees more valuable to the Company, and to foster job promotions within the Company.

### **Training Plan**

The majority of training will be delivered via class/lab and a small percentage of training will be delivered via Productive Lab (PL) at the job site in the following types of training:

**Business Skills (38%)** – This training will be provided to Estimators, Project Managers, Superintendents, and Admin. Staff. Estimators, Project Managers and Superintendents will learn topics such as Job Costing & Accounting, Estimating and Bidding Procedures, Negotiation and Time Management. Admin Staff will be provided with Communication and Customer Service skills.

**Commercial Skills (11%)** – This training will be provided to Estimators, Foreman, Laborers, Superintendents and Project Managers. Commercial skills training provides detailed, job skills training for those trainees who need to understand the scope of the construction project from start to finish. Training will be focused on all aspects of construction of sewers, and water and drain systems.

**Computer Skills (38%)** – This training will be provided to Admin. Staff, Project Managers and Superintendents based on job functions. Courses include MS Office and Scheduling, and other construction scheduling software application skills.

**Continuous Improvement (7%)** – This training will be provided to Estimators, Foreman, Laborers, Project Managers and Superintendents. Trainees will learn the skills needed to effectively identify Lean Construction methods, Engineering and Construction Best Practices to ensure project success. Leadership, Motivation and Team building will be provided based on job functions.

**Certified Safety Training OSHA 10/30 (3%)** – This training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA. Under this Agreement, Laborers will receive OSHA 10 training, and Foremen, Project Managers and Superintendents will receive OSHA 30.

**Productive Laboratory (PL) (3%)**: This training will be provided to Laborers. These PL trainees may produce goods for profit as part of training, in the courses identified under the Curriculum. All PL training will be in Commercial Skills and will supplement Class/Lab coursework. To ensure trainees reach optimal skills levels to operate heavy equipment at the job site, PL training will provide the requisite hands-on training to meet quality and safety standards. PL training will strengthen the employees’ ability to perform equipment/operation related tasks in the field, such as learning to properly dig trenches, excavate, position machines, work around water and operate

a backhoe and a wheel loader. Boudreau anticipates that approximately 150 Laborers will participate in PL training at up to 10 hours each.

The trainer's time will be dedicated to training delivery during all hours of training. Instructors will be subject matter experts who possess the skills needed to fully operate all equipment. Trainers will demonstrate use of a specific piece of equipment, answer question and guide the trainee through the process. Trainees will demonstrate competency in utilizing a piece of equipment before progressing to more sophisticated equipment.

The trainer-to-trainee ratio for PL training will typically be 1:1, but there may be a few instances when it will be 1:2. For example, some of the laborers who are learning how to use large pieces of equipment need very close supervision, and those trainees benefit the most with a 1:1 trainer-to-trainee ratio. Other field laborers who do not work with heavy equipment and do not need the same high level of supervision would benefit from having a 1:2 trainer-to-trainee ratio. This would enable one trainee to ask an important question the other trainee wouldn't consider, which the Company believes facilitates the PL learning environment. No PL training will exceed a 1:2 trainer-to-trainee ratio setting.

### **Alternative Retention Period Waiver Request**

The majority of the proposed trainees will complete the standard 90-day retention period. However, the Company requests an alternative retention of at least 500 hours within 180 days with one or more employers for some trainees in the construction industry.

### **Commitment to Training**

Boudreau currently spends approximately \$210,000 per year on training including new hire orientation, sexual harassment prevention, Diversity Training, Conflict Resolution, beginning supervisory skills, general safety training, and on-the-job training. This training will continue at the Company's expense.

ETP funds will not displace the existing financial commitment to training. ETP funding will allow Boudreau to cross train its field staff which will upgrade the job skills of workers. This will allow the Company the opportunity to bid for work it might not otherwise win, and also streamline its operation.

#### ➤ Training Infrastructure

The Director of HR will have program oversight and, in addition to an HR Assistant, will be responsible for scheduling and tracking the training and providing ETP attendance rosters to all field locations. The majority of the training is projected to be delivered by in-house instructors; however, the Company may utilize a training vendor if necessary. Boudreau will utilize an administrative subcontractor for enrolling and tracking trainees in the ETP online systems.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

Boudreau retained Training Refund Group (TRG) in Anaheim to assist with development of this proposal for a flat fee of \$5,000.

**ADMINISTRATIVE SERVICES**

Boudreau also retained TRG to perform administrative services in connection with this proposal for an amount not to exceed 13% of payment earned.

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Decision Making
- Communication Skills
- Customer Relations
- Effective Time Management
- Business Writing for Contractors
- Job Costing and Accounting
- Estimating & Bidding Procedures and Processes
- Negotiating Everything Construction

**COMPUTER SKILLS**

- Planswift Application Skills
- Critical Path Method Scheduling
- Microsoft Project 2010 Introductions with Laptops
- Microsoft Office intermediate -Excel/Word
- Outlook Continuous Improvement
- Adobe Acrobat Training
- Equipment Simulator

**COMMERCIAL SKILLS**

- Blueprint Reading
- Building Codes
- Construction Literacy
- Construction Workflow Dynamics and Techniques
- Equipment Operations Maintenance
- Field Operation procedures
- Map Training
- Tracking your Field Production
- Laser Operation
- Rigging Techniques
- Daily Reporting skills at the Jobsite
- Performing Quantity and Material Takeoffs

**CONTINUOUS IMPROVEMENT**

- Lean Construction
- Construction Best Practices
- Engineering Best Practices
- Construction Project Management Best Practices
- 7 Habits of Highly Effective People
- Leadership Skills
- Motivation & Team Building



**OSHA 10/30 (OSHA Certified Instructor)**

OSHA 10 (requires completion of 10 training hours)

OSHA 30 (requires completion of 30 training hours)

**Productive Lab Hours**

0 – 10

**PL - COMMERCIAL SKILLS (1:2 Ratio)**

- Equipment Operation and Maintenance Skills
- Heavy Equipment Operation in the field

Safety Training cannot exceed 10% of total training hours per-trainee.  
(This cap does not apply to OSHA 10/30)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 10 hours per-trainee.



## RETRAINEE - JOB CREATION

Training Proposal for:

**C.W. Driver, Incorporated**

**Agreement Number: ET16-0456**

Panel Meeting of: May 26, 2016

ETP Regional Office: North Hollywood

Analyst: M. Reeves

### PROJECT PROFILE

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                                  | Retrainee<br>Job Creation Initiative<br>Priority Rate               | Industry Sector(s): | Construction<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Los Angeles, Orange, San Bernardino, San Diego, Santa Clara         | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |  |
| Number of Employees in:                               | CA: 497   | U.S.: 497           | Worldwide: 497   |
| <u>Turnover Rate:</u>                                 | 16%   |                     |  |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 19%   |                     |  |

### FUNDING DETAIL

|   |               |           |   |  |                            |     |   |   |                         |     |   |  |                          |           |
|---|---------------|-----------|---|--|----------------------------|-----|---|---|-------------------------|-----|---|--|--------------------------|-----------|
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$199,840</td></tr> </table> | Program Costs | \$199,840 | - | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(Substantial Contribution)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table> | (Substantial Contribution) | \$0 | = | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(High Earner Reduction)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table> | (High Earner Reduction) | \$0 | = | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;"><b>Total ETP Funding</b></td></tr> <tr><td style="text-align: center;">\$199,840</td></tr> </table> | <b>Total ETP Funding</b> | \$199,840 |
| Program Costs   |               |           |   |  |                            |     |   |   |                         |     |   |  |                          |           |
| \$199,840   |               |           |   |  |                            |     |   |   |                         |     |   |  |                          |           |
| (Substantial Contribution)  |               |           |   |  |                            |     |   |   |                         |     |   |  |                          |           |
| \$0   |               |           |   |  |                            |     |   |   |                         |     |   |  |                          |           |
| (High Earner Reduction)   |               |           |   |  |                            |     |   |   |                         |     |   |  |                          |           |
| \$0   |               |           |   |  |                            |     |   |   |                         |     |   |  |                          |           |
| <b>Total ETP Funding</b>  |               |           |   |  |                            |     |   |   |                         |     |   |  |                          |           |
| \$199,840   |               |           |   |  |                            |     |   |   |                         |     |   |  |                          |           |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$250,000 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                                       | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |   |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate                            | Adv. Technology,<br>Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Mgmt. Skills | 160                       | 8-200               | 0   | \$1,044                  | *\$15.60            |
|         |   |  |                           | Weighted Avg:<br>58 |     |                          |                     |
| 2       | Retrainee<br>Job Creation Initiative<br>Priority Rate | Adv. Technology,<br>Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Mgmt. Skills | 41                        | 8-200               | 0   | \$800                    | *\$12.77            |
|         |   |  |                           | Weighted Avg:<br>40 |     |                          |                     |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** Job Number 1: \$17.02 per hour for Santa Clara County; \$16.51 per hour for Orange County; \$16.48 per hour for Los Angeles County; \$16.46 per hour for San Diego County; and \$15.60 per hour for San Bernardino County.

Job Number 2 (Job Creation): \$14.19 per hour for Santa Clara County; \$13.76 per hour for Orange County; \$13.73 per hour for Los Angeles County; \$13.72 per hour for San Diego County; and \$12.77 per hour for San Bernardino County.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$5.02 per hour (Job Number 1) and up to \$2.19 per hour (Job Number 2) may be used to meet the Post-Retention Wage.

| Wage Range by Occupation     |            |                         |
|------------------------------|------------|-------------------------|
| Occupation Titles            | Wage Range | Estimated # of Trainees |
| <b>Job Numbers 1 and 2</b>   |            |                         |
| Administration/Support Staff |            | 48                      |
| Technical Staff              |            | 71                      |
| Production Staff             |            | 43                      |
| Supervisor/Manager           |            | 39                      |

**INTRODUCTION**

Founded in 1919 and headquartered in Pasadena, C.W. Driver, Incorporated (CWD) ([www.cwdriver.com](http://www.cwdriver.com)) provides custom design, engineering, general contracting and construction management services across a broad spectrum of industries including education, healthcare,

biomedical, entertainment, retail, industrial and government. CWD has offices in Irvine, Rancho Cucamonga, San Diego, Anaheim, San Jose and Carlsbad. The proposed training will be delivered to employees at all of these locations.

The following business improvements and construction-related developments are driving the current need for training:

- Implementation of New Human Capital Management (HCM) software program designed to strengthen CWD's ability to manage human resources, payroll and taxes more effectively. This HCM software will also improve performance management abilities, while tracking expanded learning opportunities for employees.
- Upgraded Customer Relationship Management (CRM) software for cloud integration and real-time accessibility using tablets, smartphones and laptops. This CRM upgrade will improve the ability to track and manage sales and marketing processes. This technology will strengthen the Company's competitive edge as CWD expands its business capacity and enters new markets.
- Implementation of Oracle Primavera P6 Analytics software used for managing multifaceted projects in the heavy construction industry. Primavera P6 provides CWD with the enhanced ability to analyze cause-and-effect and comparative trends across multiple projects. This software tool also provides added scheduling and planning control for project managers and schedulers. The Company estimates this technology can help reduce its project planning/management administration costs by 5%.
- Implementation of Bluebeam PDF software and PlanGrid Construction software, a paperless, cloud-based application used for creating, editing, marking up, and sharing PDF documents electronically. PlanGrid is a software application that replaces paper blueprints and enables automatic version control with real-time updates.
- Implementation of GCPay software system for automating subcontracting processes. This technology will automate and expedite the review of project phases, enable digital signature capabilities, and eliminate paperwork delays.
- California's ongoing drought requires that CWD employees understand new industry technologies such as updated plumbing design and water recycling techniques to ensure that customers are informed of their best options.

### **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

CWD has committed to hiring 41 new employees (Job Number 2) to support the Company's expansion into new industries such as art and science centers, assisted living centers, wineries and shopping centers. CWD is also adding new employees to help increase its market share in the high-rise development, condominiums, mixed-use and multi-family housing markets. CWD estimates that expanding its business capacity in these growing markets will help increase its market share by 3% over the next 6-12 months.

The newly-hired employees will be hired across multiple occupations within the term of the Contract, and will require extensive training to develop the skills needed to support these growth plans.

The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into “net new jobs” as a condition of contract.

## **PROJECT DETAILS**

### **Training Plan**

The proposed training will help CWD upgrade the skills of its existing workforce, integrate new employees, and implement technology improvements designed to enhance productivity, product quality and overall efficiency. The majority of training will be delivered via class/lab; however, some training modules will be conducted via E-learning/virtual classroom. Training will take place at all CWD locations and will be delivered by a combination of in-house subject matter experts and outside training vendors.

**Business Skills (30%)** – Training will be offered to all occupations. This training will help CWD develop a foundation for implementing new administrative and financial processes related to new initiatives.

**Commercial Skills (30%)** – Training will be offered to all occupations. Employees will receive industry-specific training focused on market growth in new business areas. Training will also include drought management solutions for customers.

**Computer Skills (25%)** – Training will be offered to all occupations. Training will focus on new and upgraded software solutions designed to bring more cloud-based mobility and improved process management for all employees.

**Management Skills (5%)** – Training will be offered to Managers/Supervisors. This training will provide CWD’s leadership team with the skills to manage growth and guide the Company through new workflow processes and into new markets.

**Advanced Technology (10%)** – Training will be offered to approximately 20 Technical Staff. Trainees will be equipped with the skills to manage complex computer programming and data maintenance systems across multiple locations and projects. This training will help CWD ensure real-time information sharing, with integration to mobile and Cloud-based technology. The trainer-to-trainee ratio will be capped at 1:10 to allow in-depth coverage and personal attention from the instructor.

### **Prior Projects**

This will be CWD’s fourth ETP Agreement and the third project within the past five years. (See Prior Performance Table) The Company’s first ETP project introduced proprietary Lean construction techniques, specifically in the area of “Last Planners Scheduling.” The second ETP Agreement enabled the Company to expand its proprietary Lean Model training to key employees across all departments and locations. In addition, the Company successfully introduced and trained most of its employees on CWD’s Integrated Product Delivery method. The third ETP Agreement included training to support CWD’s office expansion efforts and the launching of additional project delivery groups to facilitate movement into new business sectors.

Building Information Modeling (BIM) software training and Viewpoint Project Management software training were both originally planned to be delivered under the last ETP Agreement. However, BIM software training did not take place due to manufacturer and programming delays. Viewpoint construction software training did not take place due to support equipment delays. CWD is now prepared to move forward with these training modules and they have been included in the proposed Curriculum. In addition to topics that were never delivered under the previous Agreement, the remainder of the proposed Curriculum is comprised of newly added courses to ensure there will be no duplication of training for any trainees who may have participated in a prior Agreement.

### **Substantial Contribution**

There is no Substantial Contribution being applied because no single CWD facility has earned \$250,000 or more within the past five years.

### **Commitment to Training**

CWD has an annual training budget of approximately \$200,000. Company-funded training consists of basic skills and on-the-job training, new employee orientation, seminars and conferences, regulatory training and Leadership in Energy & Environmental Design Certification. Safety training is provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

As a repeat contractor, CWD's leadership team is familiar with ETP recordkeeping requirements and remains committed to the successful execution and proper documentation of all ETP-funded training. In addition, the Company has retained an outside administrative consultant to ensure that all training records meet ETP compliance.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

The following table summarizes performance by CWD under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                   | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|------------------------|-----------------|------------------------|
| ET14-0279     | Various         | 02/03/14 –<br>02/02/16 | \$199,644       | \$199,644 (100%)       |
| ET12-0142     | Various         | 10/04/11 –<br>10/03/13 | \$275,394       | \$199,376 (72%)        |

### **DEVELOPMENT SERVICES**

Sallyanne Monti Consulting in San Francisco assisted with development of this proposal for a flat fee of \$7,800.

## **ADMINISTRATIVE SERVICES**

Sallyanne Monti Consulting will also perform administrative services for a fee not to exceed 13% of payment earned.

## **TRAINING VENDORS**

The Professional Voice in Burbank will provide Management Skills training. Kerr Hill in San Ramon will provide Business Skills training. Other trainers will be identified for ETP record-keeping purposes, as they are retained by CDW.

**Exhibit B: Menu Curriculum****Class/Lab/E-Learning Hours**

8 - 200

Trainees may receive any of the following:

**ADVANCED TECHNOLOGY**

- ✚ Certified Network Engineer
- ✚ Computer Programming Languages (Visual Basic, C++)
- ✚ Oracle (Database Management & Storage)
- ✚ SQL Server (Cloud Ready Information Platform)

**BUSINESS SKILLS**

- ✚ Performance Management for New Initiatives

**COMMERCIAL SKILLS**

- ✚ Drought Management
- ✚ New Industries
  - Art & Science Centers
  - Assisted Living Centers
  - Condos/Multi-Family Residences
  - Hi-Rise Developments
  - Shopping Centers
  - Wineries

**COMPUTER SKILLS**

- ✚ Advanced Building Information Modeling 4D Modeling Software (Proprietary)
- ✚ Advanced Viewpoint Construction Software
- ✚ Bluebeam PDF Solutions
- ✚ Customer Relationship Management Proprietary
- ✚ Existing Software Interface for Reporting
- ✚ GC Pay Project Accounting Pay Application
- ✚ P6/Primavera Project Planning & Scheduling
- ✚ People Strategy Human Capital Management
- ✚ PlanGrid Construction Software

**MANAGEMENT SKILLS (Managers/Supervisors Only)**

- ✚ Managing Growth & Change Management

|   |
|---|
| Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. |
|---|





**Training Proposal for:**

**Hi-Temp Insulation, Inc.**

**Agreement Number: ET16-0432**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** L. Vuong

**PROJECT PROFILE**

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                                  | Retrainee<br>Priority Rate  | Industry Sector(s): | Manufacturing<br>Aerospace and Defense<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Ventura   | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |  |
| Number of Employees in:                               | CA: 450   | U.S.: 450           | Worldwide: 450   |
| <u>Turnover Rate:</u>                                 | 6%  |                     |  |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 15%   |                     |  |

**FUNDING DETAIL**

|               |   |                            |                         |   |                   |
|---------------|---|----------------------------|-------------------------|---|-------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | Total ETP Funding |
| \$153,792     |   | \$23,229<br>15%            | \$0                     |   | \$130,563         |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$172,727 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description            | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|----------------------------|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                            |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Cont. Improv.,<br>Haz. Mat.,<br>Literacy Skills,<br>Mfg. Skills | 267                       | 8-200               | 0   | * \$489                  | \$15.60             |
|         |                            |   |                           | Weighted Avg:<br>32 |     |                          |                     |

\* Reflects Substantial Contribution

**Minimum Wage by County:** \$15.60 per hour for Ventura County.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$2.24 per hour may be used to meet the Post-Retention Wage.

**Wage Range by Occupation**

| Occupation Titles            | Wage Range | Estimated # of Trainees |
|------------------------------|------------|-------------------------|
| Production Staff Level 1     |            | 100                     |
| Production Staff Level 2     |            | 58                      |
| Quality Assurance Level 1    |            | 7                       |
| Quality Assurance Level 2    |            | 4                       |
| Administrative Staff Level 1 |            | 20                      |
| Administrative Staff Level 2 |            | 10                      |
| Manager/Supervisor Level 1   |            | 31                      |
| Manager/Supervisor Level 2   |            | 10                      |
| Maintenance Staff Level 1    |            | 20                      |
| Maintenance Staff Level 2    |            | 7                       |

**INTRODUCTION**

Founded in 1964 and located in Camarillo, Hi-Temp Insulation, Inc. (Hi-Temp) ([www.hi-tempinsulation.com](http://www.hi-tempinsulation.com)), is a manufacturer of acoustic and thermal insulation products for the Aircraft, Missile and Aerospace industries. The Company specializes in metal foil, soft goods and sewn insulation designs. Its products include molded fiberglass and duct insulation, metal foil blanket insulation, thrust reverser blankets, multi-layered insulation blankets, soft flex blankets and other sewn and quilted products for protection from extreme temperatures. With over 50 years of extensive experience in providing solutions for solving thermal and acoustic problems, Hi-Temp has become a major sub-contractor for critical industry programs such as the Space Shuttle, Boeing and Airbus commercial aircraft, Atlas and Delta Rockets, F-16, F-18, F-22 and JSF Fighter Jets.

The Company has several challenges that drive the need for training: new business, increased customer demands, keeping up with technological advances, and filling behind retired workers by providing additional skills to the incumbent workforce.

Hi-Temp was recently awarded new contracts to build highly rated platforms for 737 and 787 aircraft which included new equipment, robotics and manufacturing processes. As business grows and technology advances, the Company is constantly striving to improve its products and services to meet its customers' expectations and demands. With this new product line and business upgrades, Hi-Temp anticipates a 10% increase in sales and shipment each year.

This is Hi-Temp's 3rd ETP Agreement, the 2<sup>nd</sup> within the past five years. Under its first Agreement, the Company focused on improving fabrication techniques and manufacturing practices. The Company's second Agreement was designed to enhance product innovation and a continuation of upgrading manufacturing practices. This proposal will concentrate on new products, new equipment operation, advanced computer software, and new skill sets for workers in all departments.

Hi-Temp is eligible for standard retraining under the out-of-state competition provisions for industrially-classified manufacturers retraining current employees. The proposal will target 267 workers at its Camarillo facility, and all training will be held in Camarillo.

## **PROJECT DETAILS**

Hi-Temp is operating in the highly competitive aerospace industry. Maintaining the technical expertise of its workforce provides competitive advantages in contract bidding and acquiring new business. It's goal is to provide workers with the necessary technical skills required to meet industry standards, provide quality products and become more process efficient. Hi-Temp will need to train its workforce to use, operate, maintain and support new equipment and technology. In addition, Hi-Temp has invested approximate \$1 million in new equipment, such as laser cutting and welding machines and robots.

### **Training Plan**

To support its current business needs, the Company has developed a company-wide training program focused on new product knowledge; customer specifications; process improvements related to productivity and quality control; and adaptation to new technologies and systems. ETP funding will support Hi-Temp in successfully upgrading worker skills, increasing production efficiencies and effectively managing overall business growth.

Classroom/Laboratory and Videoconference training will be provided as follows:

**Business Skills (20%):** This training will be offered to all occupations in problem solving, communication, time management and goal setting. Training will provide workers with the necessary skills to increase knowledge and perform their jobs more effectively.

**Computer Skills (10%):** This training will be offered to all occupations and will provide workers with highly technical skills to effectively utilize the Company's hardware and software programs.

**Continuous Improvement (25%):** This training will be offered to all occupations to improve quality products and services and focus on project management and developing training skills.

**Hazardous Materials (5%):** This training will be offered to all occupations. Trainees will learn proper techniques, knowledge and communication on handling hazardous materials.

**Literacy Skills (10%):** This training will be offered to Production Staff and Maintenance Staff to help improve written and verbal communication skills and increase their speaking, listening and comprehension skills in the workplace.

**Manufacturing Skills (30%):** This training will be offered to Production Staff, Quality Assurance Staff, Managers/Supervisors and Maintenance Staff. Trainees will gain the skills and knowledge to operate equipment and assembly methods and procedures to ensure product quality, best manufacturing practices and overall operations to meet growing customer demand.

### **Commitment to Training**

Hi-Temp has an annual training budget of approximately \$1 million. The Company's current training consists of new products, job specific skills, cross training, new employee orientation, safety training and basic job functions training. Most training is delivered via class/lab and on-the-job training. ETP funding will allow Hi-Temp to supplement its current training efforts in order to keep up with customer demands, technological advances and business growth. ETP funds will enable the Company to provide more training and retain a strong workforce.

ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

Training is scheduled to begin May 1, 2016, and will be delivered on-site by in-house staff and outside training vendors if needed. Hi-Temp has designated a Training Manager and a Human Resource Staff to oversee ETP training and project administration.

### **Substantial Contribution**

Hi-Temp is a repeat contractor with payment earned in excess of \$250,000 at the Camarillo facility within the past five years. (See Prior Project Table.) Accordingly, reimbursement for trainees will be reduced by 15% to reflect the Company's \$23,229 Substantial Contribution to the cost of training.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

The following table summarizes performance by Hi-Temp under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                   | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|------------------------|-----------------|------------------------|
| ET12-0429     | Camarillo       | 06/23/12 –<br>06/22/14 | \$287,562       | \$276,139 (96%)        |
| ET10-0151     | Camarillo       | 10/05/09 –<br>10/04/11 | \$74,736        | \$74,736 (100%)        |

**DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Problem Solving
- Customer Service
- Communication Skills
- Time Management and Organization
- Delegating
- Goal Setting
- US Customs Compliance Essentials
- US Export Controls Essentials
- Appropriate internet and Email Use

**COMPUTER SKILLS**

- Mapics
- Webdocs
- FormDocs
- Microsoft Office – Intermediate and Advanced Levels
- Visual Planning – Master Scheduler (VPI)

**CONTINUOUS IMPROVEMENT**

- Kaizen Training
- 5S Modules
- Process Improvement
- Quick & Easy Kaizens
- Value Stream Mapping
- Master Trainer Training (Train the Trainer)
- One Piece Flow
- Auditing
- AS9100 AS9100
- International Traffic and Arms (ITAR)
- Managing Change
- Effective Communication Skills
- Managing Projects
- Management and Leadership Skills
- Critical Thinking Skills

**HAZARDOUS MATERIALS**

- Hazard Communication Policy and Procedure
- Globally Harmonized System for Hazard Communication

**LITERACY SKILLS**

- Vocational English as a Second Language
- Basic Workplace Terminology
- Written Communications
- Understanding Manuals and Reports
- Locating Information on Charts and Graphs

**MANUFACTURING SKILLS**

- Equipment Operation
- Assembly Procedures
- Manufacturing Practices
- Parts & Products Manufacturing
- Coaching Skills
- Inventory Control
- Collaboration Skills
- Blueprint Reading
- Preventative Maintenance

Literacy Training cannot exceed 45% of total training hours per-trainee  
Safety Training cannot exceed 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.



## RETRAINEE - JOB CREATION

### Training Proposal for:

**J.A. Cosmetics US, Inc. dba e.l.f. Cosmetics**

**Agreement Number: ET16-0457**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Reeves

### PROJECT PROFILE

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                                  | Retrainee<br>Job Creation Initiative<br>Veterans                    | Industry Sector(s): | Retail<br>Wholesale Trade<br>Warehouse<br><br>Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Counties Served:                                      | San Bernardino  | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |  |
| Number of Employees in:                               | CA: 37  | U.S.:300            | Worldwide: 300   |
| <u>Turnover Rate:</u>                                 | 0%  |                     |  |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 9%  |                     |  |

### FUNDING DETAIL

|   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
|---|-------------------------|-----------|---|--|----------------------------|-------------------------|-----|-----|---|--|--------------------------|-----------|
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$197,960</td></tr> </table> | Program Costs           | \$197,960 | - | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">(Substantial Contribution)</td> <td style="text-align: center;">(High Earner Reduction)</td> </tr> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> </tr> </table> | (Substantial Contribution) | (High Earner Reduction) | \$0 | \$0 | = | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;"><b>Total ETP Funding</b></td></tr> <tr><td style="text-align: center;">\$197,960</td></tr> </table> | <b>Total ETP Funding</b> | \$197,960 |
| Program Costs   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$197,960   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| (Substantial Contribution)  | (High Earner Reduction) |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$0   | \$0                     |           |   |  |                            |                         |     |     |   |  |                          |           |
| <b>Total ETP Funding</b>  |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$197,960   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$203,350 |
|-----------------------|------------------------------------|-----------|



**TRAINING PLAN TABLE**

| Job No. | Job Description                                  | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |  |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Job Creation Initiative             | Commercial Skills,<br>Computer Skills,<br>Continuous Imp. | 90                        | 8-200               | 0   | \$1,960                  | \$14.48*            |
|         |  |   |                           | Weighted Avg:<br>98 |     |                          |                     |
| 2       | Retrainee<br>Job Creation Initiative<br>Veterans | Commercial Skills,<br>Computer Skills,<br>Continuous Imp. | 10                        | 8-200               | 0   | \$2,156                  | \$14.48*            |
|         |  |   |                           | Weighted Avg:<br>98 |     |                          |                     |

\*It will be made a condition of contract that the trainees in these Job Numbers will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** \$12.77 per hour for San Bernardino County.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

**Wage Range by Occupation**

| Occupation Titles          | Wage Range | Estimated # of Trainees |
|----------------------------|------------|-------------------------|
| <b>Job Numbers 1 and 2</b> |            |                         |
| Production Staff           |            | 91                      |
| Frontline Supervisor       |            | 9                       |

**INTRODUCTION**

Founded in 2004 and based in New York, J.A. Cosmetics US, Inc. dba e.l.f. Cosmetics (ELF) is a retailer and wholesale distributor of cosmetics. The Company ([www.elfcosmetics.com](http://www.elfcosmetics.com)) offers a full line of cosmetic makeup and accessories for the eyes, lips, face, and skin. The Company is eligible for standard retraining under the out-of-state competition provisions as a provider of products/services to customers located inside and outside of California.

**PROJECT DETAILS**

ELF has a Western Regional Headquarters office located in Oakland, and the Company is currently in the process of relocating its New Jersey distribution center to Ontario. Training will only target newly-hired workers at the Ontario facility.

The Ontario distribution center will implement a new warehouse management system beginning in May 2016. This new system will interface with all aspects of the facility and result in new standard operating procedures for all personnel. Training on the system will help the Company maximize efficiencies and ensure that the new distribution center is equipped to accommodate increasing volume.

## **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

In this proposal, ELF has committed to hiring 100 new employees to support its expansion efforts in California. The Company is relocating its distribution center from New Jersey to Ontario to reduce operating and shipping costs (employees were not relocated). Relocation will also include approximately \$6 million in capital expenditures. The Company has already begun the recruitment process to hire all new staff from the Southern California region.

The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into “net new jobs” as a condition of contract.

## **Veterans Program**

ELF conservatively plans to hire 10 Veterans (Job Number 2) who have served on active full-time duty in the Armed Forces. The Company is working with RecruitMilitary and is currently assessing implementation of a phased recruitment/hiring approach. The Panel has established a higher reimbursement rate and other incentives for training California veterans, as will be reflected in the contract.

## **Training Plan**

Training will be delivered by a combination of in-house subject matter experts and outside training vendors to be identified during the contract term.

**Commercial Skills (70%)** – Training will be offered to all occupations. This training will focus on the requisite distribution and warehousing skills needed to effectively receive, process, and ship products.

**Computer Skills (15%)** – Training will be offered to all occupations. Employees will learn the features and functionality of the Company’s new warehouse management system. This training will enhance worker productivity by empowering system users to manage data, process orders, resolve problems, and perform tasks at a high level of efficiency.

**Continuous Improvement (15%)** – Training will be offered to all occupations. These modules are intended to maximize output by placing emphasis on organizational communication, cross-training, frontline leadership, and time management principles.

## **Commitment to Training**

The Company spends approximately \$15,000 annually on training in California. Previous company-funded training has consisted of basic office software skills, effective communication, and management/leadership skills. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law. ELF is fully committed to the professional development of its employees and plans to incorporate the successful elements of the proposed training into its ongoing training efforts.

➤ **Training Infrastructure**

The Company's leadership team (Managers/Supervisors) will oversee training rollout and administration. Training will be rolled out in phases as new employee recruitment and hiring plans unfold. The Company intends to utilize various train-the-trainer techniques to facilitate skills development during the ramp up of personnel. The Company also continues to evaluate the possibility of retaining an outside administrative consultant to assist with ETP project administration and documentation.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

Abbott Consulting Group in Fairfield, Connecticut assisted with development of this proposal for a flat fee of \$6,500.

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8 - 200

Trainees may receive any of the following:

**COMMERCIAL SKILLS**

- Distribution Equipment Skills
- Ordering/Picking/Packing
- Forklift/Hand Trucks/Levelers
- Conveyor Belts
- Warehouse Operations
- Maintenance Operations
- Transport
- Material Handling
- Distribution/Warehouse Safety

**COMPUTER SKILLS**

- Symmetry Warehouse Management System
- Order Management Production
- Warehouse Systems Applications

**CONTINUOUS IMPROVEMENT**

- Communication
- Customer Service
- Warehouse/Distribution Cross-Training
- Leadership Development
- Train-the-Trainer
- Time Management

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.



## RETRAINEE - JOB CREATION

Training Proposal for:

**L&S Framing, Inc.**

**Agreement Number: ET16-0472**

Panel Meeting of: May 26, 2016

ETP Regional Office: Sacramento

Analyst: K. Smiley

### PROJECT PROFILE

|  |   |                     |  |
|--|---|---------------------|--|
| Contract Attributes:                           | Retrainee<br>Priority Rate<br>Job Creation Initiative               | Industry Sector(s): | Construction<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                               | Placer  | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |
| Union(s):                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |  |
| Number of Employees in:                        | CA: 250   | U.S.:250            | Worldwide: 250   |
| Turnover Rate:                                 | 5%  |                     |  |
| Managers/Supervisors:<br>(% of total trainees) | 13%   |                     |  |

### FUNDING DETAIL

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$179,320     |   | \$0                        | \$0                     |   | \$179,320                |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$250,000 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                                       | Type of Training  | Estimated No. of Trainees | Range of Hours       |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---|---|---------------------------|----------------------|-----|--------------------------|---------------------|
|         |   |   |                           | Class / Lab          | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate                            | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Impr,<br>OSHA 10/30,<br>Literacy Skills,<br>Advanced Tech,<br>PL-Comm Skills | 90                        | 8-200                | 0   | \$1,548                  | \$15.60             |
|         |   |   |                           | Weighted Avg:<br>86  |     |                          |                     |
| 2       | Retrainee<br>Priority Rate<br>Job Creation Initiative | Business Skills,<br>Commercial Skills,<br>Continuous Impr,<br>OSHA 10,<br>Literacy Skills,<br>PL-Comm Skills  | 20                        | 8-200                | 0   | \$2,000                  | \$12.77*            |
|         |   |   |                           | Weighted Avg:<br>100 |     |                          |                     |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** Job Number 1: \$15.60 per hour for Placer County; Job Number 2: \$12.77 per hour for Placer County.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

**Wage Range by Occupation**

| Occupation Titles    | Wage Range | Estimated # of Trainees |
|----------------------|------------|-------------------------|
| <b>Job Number 1</b>  |            |                         |
| Field Staff          |            | 50                      |
| Managers             |            | 20                      |
| Administrative Staff |            | 5                       |
| Foremen              |            | 15                      |
| <b>Job Number 2</b>  |            |                         |
| Field Staff          |            | 20                      |

**INTRODUCTION**

Founded in 2011, L&S Framing, Inc. (L&S) is a rough framing contractor providing framing services nation-wide to single-family home builders. L&S also pre-fabricates frames and walls at its own wall-yard location and ships these pre-fabricated products directly to customer job sites. Clients include private builders Shea Homes and Lennar Corporation. Training will be delivered at both the Rocklin and Lincoln locations.

## **PROJECT DETAILS**

To increase business, L&S will be offering truss fabrication, a new service that will require the Company to purchase \$500,000 of new equipment, including Automated Component Saws, Truss Framing Tables and Plate Roller Presses, to be installed in October 2016 (training not included in price). The equipment will allow the Company to manufacture trusses at their Lincoln facility and then distribute and install throughout the state. Training will involve processes and procedures for the equipment to ensure proper use and maintenance.

Additionally, L&S is committed to creating promotional opportunities for their labor force and has created a training plan focused on increasing skill sets and creating a positive working environment to encourage retention and promotion. Training in Leadership, Communication and Decision Making will give trainees transferable skills while promoting the Company's culture.

### **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

L&S is increasing existing business capacity by adding truss fabrication services. This new service has required L&S to purchase new equipment and hire 20 employees (Job Number 2) to manage the increased workload. These trainees must be hired within the three-month period prior to Panel approval or during the term of the Contract. These trainees will be hired into "net new jobs" as a condition of contract.

### **Training Plan**

**Business Skills (10%):** Training will be provided to Administrative Staff, Foremen and Managers to enhance customer satisfaction and increase efficiencies. Courses will include teambuilding, internal systems processes and customer service skills. These courses will increase trainee skill sets to increase promotional opportunities within.

**Literacy Skills (2%):** Training will be provided to individuals from all occupations. These individuals, including some Managers, need this training to satisfactorily perform their work duties. Hours are capped at 45% of a trainee's total training hours. Training will include English as Second Language (ESL), Vocational ESL, reading, and writing.

**Commercial Skills (41%):** Training will be offered to Field Staff, Foremen, and Managers to increase construction knowledge and efficiency. Training will also cover the new equipment that will be installed. Topics will include framing procedures, installation procedures and product identification.

**Computer Skills (10%):** Training will be provided to Administrative Staff, Foremen, and Managers on QuickBooks and MS Office Suite to increase efficiency in producing and tracking inventory.

**Continuous Improvement (32%):** Training will be provided to all occupations to enhance company culture and internal processes. Courses will include scheduling, problem solving, and process workflow procedures.

### **Certified Safety Training (3%)**

**OSHA 10/30:** This training is a series of courses "bundled" by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to construction work and manufacturing. Completion of the training results in a certificate that expands employment opportunities. The

coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA. OSHA 10/30 will be offered to all occupations.

### **Advanced Technology (AT) (2%)**

Six Managers (Job Number 1) will receive up to 20 hours of Computer-Assisted Drafting (CAD) technology training to update skills. The trainer-to-trainee ratio will not exceed 1:6 to allow in-depth coverage and personal attention from the instructor. All trainees will have CAD experience and work in CAD design. Due to the complicated nature of the course curriculum, the use of high-end equipment and software, and the high cost of experienced trainers, AT will be reimbursed at a high rate (\$26 per hour for priority industries).

### **Productive Laboratory**

L&S will train 50 Field Staff on framing and installation procedures and truss fabrication. This training will be at a much slower pace than regular field construction and the product will have significantly higher defects as trainees learn and gain proficiency. Training will be conducted by a subject matter expert at the Lincoln facility and at job sites. The trainer will attest to the trainee's competency once training is completed.

Trainees will be under constant supervision and trainers will be dedicated to only training. L&S is requesting a 1:3 trainer-to-trainee ratio to simulate work conditions since employees will be working in small groups on the job. PL training will be capped at 34 hours per trainee.

### **Commitment to Training**

L&S has an annual training budget of \$250,000 per year. Training includes new hire orientation, staff development, job specific training and safety training.

ETP funds will not displace the Company's existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

L&S has a detailed training plan and two staff members dedicated to monitoring this project. In addition, L&S has contracted with Propel Consulting Group to help with administration. L&S will use internal trainers who are subject matter experts in the construction industry.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

L&S retained Propel Consulting Group of El Dorado Hills to assist with development of this proposal for a fee of \$13,449.

### **ADMINISTRATIVE SERVICES**

L&S also retained Propel Consulting Group to perform administrative services in connection with this proposal for a fee not to exceed 7.5% of payment earned.

### **TRAINING VENDORS**

N/A



**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Accounts Receivable
- Accounts Payable
- Accounting Processes
- Teambuilding
- Internal Systems Processes
- Customer Service
- Communication Skills
- Leadership
- Project Management
- Budgeting

**COMPUTER SKILLS**

- MS Office Suite (Intermediate/Advanced only)
- QuickBooks
- CAD
- Timberline
- On Center

**CONTINUOUS IMPROVEMENT**

- Quality Control
- Scheduling
- Problem Solving
- Decision Making
- Process Improvement Procedures
- Process Workflow Procedures
- Material Safety Data Sheet (MSDS)
- Globally Harmonized System (GHS)

**COMMERCIAL SKILLS**

- Framing Procedures
- Installation Procedures
- Tool operation
- Forklift Operation
- Product Identification
- Site Set-Up/Clean-Up
- Truss Fabrication

**OSHA 10/30 (OSHA Certified Instructor)**

- OSHA 10 (Must complete full 10-hour course)
- OSHA 30 (Must complete full 30-hour course)

**LITERACY SKILLS**

- Written
- Verbal

**Productive Lab Hours**

0-34

**COMMERCIAL SKILLS** (Trainer-to-trainee ratio 1:3)

- Framing Procedures
- Installation Procedures
- Tool operation
- Truss Fabrication
- Floor & Roof Systems
- Wall & Home Layout

**AT Hours**

0-20

**ADVANCED TECHNOLOGY** (Trainer-to-trainee ratio 1:6)

- Computer-Assisted Drafting

Literacy Training cannot exceed 45% of total training hours per-trainee  
Safety Training will be limited to 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 34 hours per-trainee. AT is capped at 20 hour per-trainee.



## RETRAINEE - JOB CREATION

**Training Proposal for:**

**Le Tote, Inc.**

**Agreement Number: ET16-0452**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** V. Estrada

### PROJECT PROFILE

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>HUA<br>Job Creation Initiative<br>SET                  | Industry Sector(s): | Retail Services<br><br>Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Counties Served:                                      | San Joaquin   | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 230   | U.S.: 230           | Worldwide: 230  |
| <u>Turnover Rate:</u>                                 | 15%   |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | N/A   |                     |   |

### FUNDING DETAIL

|               |   |                            |   |                          |
|---------------|---|----------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | = | <b>Total ETP Funding</b> |
| \$145,200     |   | \$0                        |   | \$145,200                |

|                              |                                    |           |
|------------------------------|------------------------------------|-----------|
| <b>In-Kind Contribution:</b> | 100% of Total ETP Funding Required | \$195,060 |
|------------------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                                    | Type of Training                               | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |  |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>HUA<br>SET                            | Business Skills,<br>Cont. Imp.,<br>Mfg. Skills | 162                       | 8-200               | 0   | \$600                    | *\$12.00            |
|         |  |  |                           | Weighted Avg:<br>40 |     |                          |                     |
| 2       | Retrainee<br>Job Creation Initiative<br>HUA<br>SET | Business Skills,<br>Cont. Imp.,<br>Mfg. Skills | 60                        | 8-200               | 0   | \$800                    | *\$12.00            |
|         |  |  |                           | Weighted Avg:<br>40 |     |                          |                     |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** Job Number 1 (SET/HUA): \$11.70 for San Joaquin County

Job Number 2 (SET/Job Creation/HUA): \$10.00 for San Joaquin County

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

**Wage Range by Occupation**

| Occupation Titles   | Wage Range | Estimated # of Trainees |
|---------------------|------------|-------------------------|
| <b>Job Number 1</b> |            |                         |
| Fashion Associates  |            | 141                     |
| Leads               |            | 12                      |
| Project Managers    |            | 9                       |
| <b>Job Number 2</b> |            |                         |
| Fashion Associates  |            | 60                      |

**INTRODUCTION**

Founded in 2012 and headquartered in San Francisco, Le Tote, Inc. (Le Tote) ([www.letote.com](http://www.letote.com)) is an online apparel and accessory rental company, where subscribers can rent and wear apparel monthly and then return or buy. All training will take place at the cleaning and distribution center in Stockton, a High Unemployment Area. This will be Le Tote’s first ETP-funded training.

## **PROJECT DETAILS**

In 2015, Le Tote experienced a 340% sales growth. As a result, the Company moved into a 150,000 square-foot Stockton facility and hired 129 new employees. Le Tote also purchased new equipment including a garment conveyor system, label printers, weigh stations for each packing post, and radio-frequency identification devices. In addition, the cleaning plant was moved in-house. Le Tote must now implement process changes to adjust to new equipment, and new employees.

ETP-funded training will help staff adjust to new services and procedures. After customer returns are scanned and cleaned, Quality Control 1 reviews each item. Quality Control 1 determines if any repairs are needed or if an item is ready for inventory. On site staff makes all repairs. When a customer places an order, the apparel is pulled from the inventory, goes through a Quality Control 2 check, then gets packaged and sent to the customer.

The training plan will include Managers, Leads, and Fashion Associates (Seamstress, Accessories, Receiving/Pulling/Packaging, Laundry, Quality Control). Overall, training will help the Company to stay competitive and improve efficiencies. Workers will cross-train to perform multiple functions, learn how to operate new equipment and properly process orders.

### **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Le Tote has committed to hiring 60 new employees (Job Number 2). Le Tote represents that the date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

Le Tote has been in a continuous growth mode, and secures a great percentage of subscribers annually. To support this client increase, new positions within the Company will be created. During 2016, Le Tote expects a 40% increase in new subscribers. Le Tote has the capacity to house their current and new staff in its new facility in Stockton.

### **Training Plan**

All training will be delivered by in-house experts and outside vendors via Class/Lab in the following:

**Business Skills (20%):** Training will be provided to Managers and Leads to improve communication, leadership and teambuilding. Topics include How to Become an Effective Lead, Effective Communication and Manager Development.

**Continuous Improvement (40%):** Training will be provided to Fashion Associates and Leads. Topics include Accessory Functions, Customers Returns and Inventory Control. This training will improve efficiency, streamline departments, and allow employees to take on multiple roles.

**Manufacturing Skills (40%):** Training will be provided to Fashion Associates. Topics include learning the Garment Conveyor System, Quality Inspection Process and Tote Conveyor System, which will result in the Associates' job function being streamlined.

## **High Unemployment Area**

All trainees work in a high unemployment area, with unemployment exceeding the state average by 15%. These trainees qualify for the ETP Minimum Wage rather than the Statewide Average Hourly Wage (from \$27.40 to \$15.60).

### ➤ SET Wage Modification

The Panel may also modify the ETP Minimum Wage for these trainees by up to 25% if post retention wages exceed the start-of-training wages (from \$15.97 to \$11.98). Le Tote requests a wage modification to \$12.00 for Job Numbers 1 & 2, which is higher than the usual HUA wage for San Joaquin County.

## **Frontline Workers**

GHHS wishes to train nine Managers that supervise. The Company has confirmed that these employees actively perform the same frontline work as those they supervise more than 80% of the time, and that they do not hire, fire, or set company policy. Based on the nature and scope of their job duties, these trainees meet the Panel's definition of frontline worker. As frontline workers, these trainees qualify for SET funding and are not included in the percentage of managers and supervisors identified on Page 1 of this proposal.

## **Commitment to Training**

Le Tote has an annual training budget of \$82,620 for its operations facility. The budget includes new hire training, cross-training, safety training, and "walk behind" forklift training for new workers. In addition, the Company spent \$1 Million in 2016 for new equipment at its Stockton facility.

Le Tote represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be provided in accordance with all pertinent requirements under state and federal law.

### ➤ Training Infrastructure

Le Tote has a full-time Training Specialist that will administer the ETP project. The Training Specialist will have the primal responsibility of enrolling trainees and tracking training hours. The Training Specialist will collaborate with the Managers to schedule training. The ETP-funded training project will begin when the proposal is approved.

## **Impact/Outcome**

Le Tote anticipates that training will improve efficiency and operational flow among incumbent and new workers. The Company also anticipates that trainees will master the newly installed machinery which will allow Le Tote to expand and reach its subscription goals.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Development Training
- Effective Communication
- How to be an Effective Lead
- How to be an Effective Manager
- Lead Development
- Manager/Supervisor Development

**CONTINUOUS IMPROVEMENT**

- Accessories Functions
- Customer Returns Functions
- Streamline Production Processes
- Process Review of Returned Items
- Inventory Control Functions
- Laundry Functions
- Leadership Skills
- Packing Functions
- Productivity/Quality
- Pulling Functions
- Quality Control
- Receiving Functions
- Seamstress Functions
- Supplies Functions
- Team Building
- Train-the-Trainer

**MANUFACTURING SKILLS**

- Garment Conveyor System
- New Equipment
- New Cleaning Facility/Plant
- Packing Station (new label printer and weigh station)
- Personal Protective Equipment Training
- Quality Inspection Process
- Radio-Frequency Identification Devices
- Tote Conveyor System
- Cross-Train - Forklift

Safety Training cannot exceed 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.





## RETRAINEE - JOB CREATION

### Training Proposal for:

## Performance Foodservice - Southern California, a Division of Performance Food Group, Inc.

**Agreement Number: ET16-0461**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** L. Vuong

### PROJECT PROFILE

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>Priority Rate<br>Job Creation Initiative               | Industry Sector(s): | Goods Movement<br>Services<br>Transportation/Logistics<br>Wholesale Trade<br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Los Angeles   | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 900   | U.S.: 11,100        | Worldwide: 12,000   |
| <u>Turnover Rate:</u>                                 | 17%   |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 9%  |                     |   |

### FUNDING DETAIL

|   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
|---|-------------------------|-----------|---|--|----------------------------|-------------------------|-----|-----|---|--|--------------------------|-----------|
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$182,000</td></tr> </table> | Program Costs           | \$182,000 | - | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">(Substantial Contribution)</td> <td style="text-align: center;">(High Earner Reduction)</td> </tr> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> </tr> </table> | (Substantial Contribution) | (High Earner Reduction) | \$0 | \$0 | = | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;"><b>Total ETP Funding</b></td></tr> <tr><td style="text-align: center;">\$182,000</td></tr> </table> | <b>Total ETP Funding</b> | \$182,000 |
| Program Costs   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$182,000   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| (Substantial Contribution)  | (High Earner Reduction) |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$0   | \$0                     |           |   |  |                            |                         |     |     |   |  |                          |           |
| <b>Total ETP Funding</b>  |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$182,000   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |

|                              |                                    |           |
|------------------------------|------------------------------------|-----------|
| <b>In-Kind Contribution:</b> | 100% of Total ETP Funding Required | \$315,739 |
|------------------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                                       | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |   |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate                            | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Cont. Imp.,<br>HazMat,<br>Literacy Skills,<br>OSHA 10/30 | 300                       | 8-200               | 0   | \$540                    | *\$16.48            |
|         |   |  |                           | Weighted Avg:<br>30 |     |                          |                     |
| 2       | Retrainee<br>Priority Rate<br>Job Creation Initiative | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Cont. Imp.,<br>HazMat,<br>Literacy Skills,<br>OSHA 10/30 | 20                        | 8-200               | 0   | \$1,000                  | *13.73              |
|         |   |  |                           | Weighted Avg:<br>50 |     |                          |                     |

\*It will be made a condition of contract that the trainees in these Job Numbers never be paid less than the State or local minimum wage rate as in reflect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest wage rate will prevail.

**Minimum Wage by County:** Job Number 1: \$16.48 per hour for Los Angeles County  
 Job Number 2 (Job Creation): \$13.73 per hour for Los Angeles County  
**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.  
**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe  
 Up to \$2.48 per hour may be used to meet the Post-Retention Wage for Job Number 1.

| Wage Range by Occupation |            |                         |
|--------------------------|------------|-------------------------|
| Occupation Titles        | Wage Range | Estimated # of Trainees |
| <b>Job Number 1</b>      |            |                         |
| Driver                   |            | 110                     |
| Warehouse Staff          |            | 90                      |
| Inventory Staff          |            | 5                       |
| Sales Staff              |            | 25                      |
| Purchasing Staff         |            | 10                      |
| Quality Control Staff    |            | 1                       |
| Administrative Staff     |            | 30                      |
| HR Staff I               |            | 3                       |
| HR Staff II              |            | 1                       |
| Manager I                |            | 20                      |
| Manager II               |            | 5                       |

| <b>Job Number 2 (Job Creation)</b> |  |    |
|------------------------------------|--|----|
| Driver                             |  | 10 |
| Warehouse Staff                    |  | 6  |
| Sales Staff                        |  | 1  |
| Manager                            |  | 3  |

## **INTRODUCTION**

Founded in 1987 and located in the City of Industry, Performance Foodservice – Southern California, a Division of Performance Food Group, Inc. (PF – So. CA) ([www.performancefoodservice.com](http://www.performancefoodservice.com)) is an assembly food service distribution operation specializing in Italian and Italian-American food products, equipment, food related products and non-food items used within the food service industry. The Company carries and distributes its own signature brand as well as competing brands of products such as baked goods, USDA meats, poultry, condiments, cleaning supplies, serving items, trays and paper goods. The Company delivers more than 125,000 products to 85,000 customer locations on a daily basis. Major customers include Subway, Butterball, Campbell's, Coca Cola, General Mills, Kellogg's and Kraft Foods.

Headquartered in Richmond, Virginia, the Company has two facilities in California, one in Livermore and one in the City of Industry. In this proposal, PF – So. CA is requesting ETP funding to train 300 full-time employees and 20 full-time newly-hired employees (Job Creation) at the City of Industry location, where all training will take place. This will be PF – So. CA first ETP Agreement. (PF – So. CA's parent company, Performance Food Group, Inc. has previously held an ETP Agreement.)

The Company faces many challenges that drive the need for training:

- expanding their customer base to include all food and grocery items;
- operating new equipment and commercial vehicles;
- meeting customer demands;
- keeping up with technological advances;
- training incumbent workers to back fill behind retired workers; and
- finding commercial truck drivers.

Over the past year, PF – So. CA has experienced a 12% growth in customers and an increase in its workforce from 260 employees to 300 employees at the City of Industry facility. The Company anticipates an additional increase of 10% in productivity and 5% in revenue over the next two years.

### **Retrainee – Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subjected to a lower post-retention wage.

To remain competitive in the industry, PF – So. CA must continue to redesign, update and create new program curriculum to meet current market needs and services. Its goal is to provide workers with the necessary technical skills required to operate new equipment and commercial vehicles, increase customer services, and become more efficient in delivery. In addition, PF – So. CA has implemented two new initiatives: an in-house Certified Commercial Driver's License program for Drivers and a Sales Task Force, a tool to increase sales and

attract new customers. PF – So. CA also recently invested approximately \$7,000 in new equipment and software including People Net, SalesForce and hand held scanners. As such, the Company is incorporating new training methods and best practices to address these challenges and put the Company in a better position to compete.

As business growth and services expand, PF – So. CA has committed to hiring 20 new employees over the next two years (Job Number 2). PF – So. CA will train these employees to accommodate various business needs and new services. Trainees will learn to launch new sales techniques, operate new vehicles and equipment and have a better understanding of the Company's overall business operations.

The date-of-hire for all trainees in Job Number 2 will be within the three-month period before the contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

## **PROJECT DETAILS**

The Company is implementing new strategies to improve current business functions, expand services, meet customer demands and expectations and keep up with technological advances.

### **Training Plan**

ETP funds will help the Company deliver formalized training and meet its strategic goals of developing an effective and competent workforce. Workers will gain new skill sets and experience needed for optimal job performance and career advancement, keep up with technological advances, improve a quick turn-around delivery system and able to operate new equipment and vehicles. Training will be provided by in-house subject matter experts, and outside vendors if needed.

Classroom/Laboratory and Videoconference training will be provided in the following:

**Business Skills (15%):** This training will be offered to Managers, Inventory, Sales, Purchasing, Quality Control, Administrative and HR Staff. Workers will learn all aspects of new products and services, customer relations, communication, sales and business planning. Training will provide workers the necessary skills to increase knowledge and motivate employees to perform at their best.

**Commercial Skills (20%):** This training will be offered to Drivers and Warehouse Staff to focus on becoming a Commercial Driver License (CDL) driver. Trainees will learn in-depth on comprehension, terminology, operating systems and technical proficiency. Knowledge and skills obtained will prepare trainees to take CDL examination by the Department of Motor Vehicle.

**Computer Skills (10%):** This training will be offered to all occupations to effectively utilize the Company's automated systems to support and manage overall business operations. Training will include Advanced Microsoft Office, Visio – Charting design software and People Net applications.

**Continuous Improvement (30%):** This training will be offered to all occupations to focus on quality and process improvement to provide better quality products and services that will attract new customers and increase profit margins.

**Hazardous Materials (10%):** This training will be offered to Drivers, Managers, Warehouse, Inventory and Purchasing Staff. Trainees will learn proper techniques, knowledge and communication on handling chemicals, frozen foods as well as food handling and hazardous materials.

**Literacy Skills (5%):** This training will be offered to Drivers and Warehouse Staff. Training will help trainees meet the ongoing need to improve written and verbal communication skills for individuals for whom English is their second language. It will also increase their comprehension skills in the workplace to become more productive.

### **Certified Safety Training**

**OSHA 10/30 (10%)** – OSHA 10 training will be provided to Drivers, Warehouse, Inventory and Quality Control Staff. OSHA 30 training will be provided to Managers to ensure a safe work environment.

1. OSHA 10/30. This training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

### **Commitment to Training**

PF – So. CA has an annual training budget of approximately \$315,739. Training consists of mandatory safety training, sexual harassment prevention, standards of conduct and abusive conduct. Most training is delivery via class/lab and on-the-job training.

ETP funds will support PF – So. CA’s ongoing financial commitment to training. After the completion of the ETP program, PF – So. CA will continue to focus on developing and upgrading employee abilities and ensuring that employees possess the skills sets needed to be successful and career oriented.

ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

Training is scheduled to begin upon Panel approval. PF – So. CA has designated a VP of Human Resources and individuals in each department to oversee ETP training and administrative responsibilities including managing, scheduling, delivery and documentation of training. PF – So. CA will also utilize a third party administrator for enrollment, data tracking and invoicing. (See Administrative Services below)

### **Impact/Outcome**

PF – So. CA anticipates that approximately 50 Warehouse Staff and Drivers will be trained and become CDL drivers after the completion of training in Commercial Skills – CDL training.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

The following table summarizes performance by Performance Food Group under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                   | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|------------------------|-----------------|------------------------|
| ET13-0194     | Livermore       | 10/18/12 –<br>10/17/14 | \$75,600        | \$23,130 (31%)         |

According to the Contractor, the low performance was attributed to issues at their Northern California facility. The Company reports it was difficult to stop production to give training; most trainees did not meet the 35 hours per week full-time employment and minimum wage requirements; and, trainers did not complete required training documentation. However, the Northern California facility is not part of this project. Each facility operates independently, with a separate management team, staff, trainees, scheduling, training plan, needs and goals. To ensure the success of this proposal, PF – So. CA has requested a much smaller funding amount with a more modest training plan with a minimum of 8 training hours. The Company also has designated a VP of Human Resources and individuals at each department to coordinate and oversee ETP training and ensure trainees are released to attend training. They will also oversee administrative responsibilities.

**DEVELOPMENT SERVICES**

Judith's Training Services (JTS) in Los Angeles assisted with development for a flat fee of \$9,880.

**ADMINISTRATIVE SERVICES**

JTS will also perform administrative services for a fee not to exceed 10% of payment earned.

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Payroll
- Marketing
- Business Planning
- Business Administration
- Business Report Writing and Editing
- Merchandising
- Financial Strategy
- Product Knowledge
- Strategic Planning
- Project Management (Evaluations/Monitoring)
- Communications Skills
- Customer Relations
- Sales Skills

**COMMERCIAL SKILLS**

- Fork Lift
- Commercial Drivers License
- Equipment Operation & Repair
- Warehousing
- Cross-Training in Production Equipment Skills

**COMPUTER SKILLS**

- Advanced Microsoft Office
- Publisher – News Letter, Customer Colateral
- Visio – Charting Design
- Manufacturing Resource Planning (MRP/ERP/SAP/Oracle)
- SalesForce Applications

**CONTINUOUS IMPROVEMENT**

- Statistical Process Control
- Problem Solving
- Team Building
- Quality Concepts
- Total Quality Management
- Just-In-Time Process
- Production Operations/Workflow
- Process Improvement
- Decision Making
- Leadership Skills
- Coaching Procedures
- Assembly Procedures
- Motivation
- Inventory Control

**HAZARDOUS MATERIALS**

- Dry Goods
- Refrigerated Foods
- Frozen Foods
- Chemical
- Hazardous Materials/Waste

**LITERACY SKILLS**

- Vocational English as a second language (VESL) – Writing, Reading, Comprehension

**OSHA 10/30** (Certified OSHA Instructor)

- OSHA 10 (Requires Completion fo 10 hours)
- OSHA 30 (Requires Completion of 30 hours)

Literacy Training cannot exceed 45% of total training hours per-trainee  
Safety Training cannot exceed 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.





**Training Proposal for:  
Qual-Pro Corporation**

**Agreement Number: ET16-0468**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M.Webb

**PROJECT PROFILE**

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee Priority Rate   | Industry Sector(s): | Manufacturing<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Los Angeles   | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 140   | U.S.:140            | Worldwide: 200  |
| <u>Turnover Rate:</u>                                 | 3%  |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 7%  |                     |   |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$108,000     |   | \$0                        | \$0                     |   | \$108,000                |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$122,000 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description            | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|----------------------------|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                            |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate | Computer Skills,<br>Continuous Impr,<br>Literacy Skills,<br>Mfg Skills,<br>Advanced Tech,<br>PL-Mfg Skills | 120                       | 8-200               | 0   | \$900                    | \$16.48             |
|         |                            |  |                           | Weighted Avg:<br>50 |     |                          |                     |

It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** \$16.48 per hour for Los Angeles County.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$3.00 per hour may be used to meet the Post-Retention Wage.

**Wage Range by Occupation**

| Occupation Titles                   | Wage Range | Estimated # of Trainees |
|-------------------------------------|------------|-------------------------|
| Operators                           |            | 79                      |
| Office/Sales Staff I                |            | 7                       |
| Office/Sales Staff II               |            | 2                       |
| Engineering Staff I                 |            | 5                       |
| Engineering Staff II                |            | 8                       |
| Technicians                         |            | 3                       |
| Planners/Quoters/ Doc Control Staff |            | 9                       |
| Leads                               |            | 4                       |
| Buyers                              |            | 6                       |
| Production Supervisors              |            | 3                       |
| Accounting Staff                    |            | 2                       |
| Department Managers                 |            | 7                       |

**INTRODUCTION**

Founded in 1971, Qual-Pro Corporation (Qual-Pro) ([www.qual-pro.com](http://www.qual-pro.com)) is a contract electronics manufacturing service provider located in Gardena. The customer designs their own product, and Qual-Pro builds and manufactures the product to the customer's design specifications. The Company provides manufacturing; test and design engineering; Ball Grid Array (BGA) and micro-BGA placements; flex, box-level and turnkey system assembly; functional testing; design for manufacturability analysis; electro-mechanical assembly; environmental stress screening; and in-circuit testing.

Industries that utilize Qual-Pro services include defense, metrology, automotive, industrial controls, medical, nanotechnology, and aerospace. Customers include Northrop Grumman, Boeing, Curtiss Wright, and Goodrich.

## **PROJECT DETAILS**

Qual-Pro's assembly and manufacturing processes have been in use for approximately 40 years and now fall short of industry best practices. To update these processes, the executive team has developed a formal training plan that includes structured classes and curriculum topics that will teach staff new manufacturing techniques and improve employee skill sets. Techniques to be implemented in the manufacturing process will impact cost effectiveness and line efficiency and improve the quality of products and services.

In the last two years, Qual-Pro invested approximately \$500,000 for new equipment and technology. High technology machinery purchased include an automatic optical inspection machine (AOI), screen print inspection machine (SPI), pick and place equipment, x-ray florescent, a wave solder machine, and a new Manufacturing Resource Planning System (MRP/ERP). Trainees will learn quality skills to operate these high technology products used on a daily basis.

### **Training Plan**

**Computer Skills (25%):** Training will be offered to all occupations to increase employee knowledge of software programs and learn how to utilize Qual-Pro's new MRP System.

**Continuous Improvement (25%):** Training will be offered to all occupations. Training will make certain products meet all quality mandates of the military, aerospace, and medical sectors.

**Literacy Skills (15%):** Training will be offered to all occupations. Many employees cannot communicate clearly in English and encounter barriers when attempting to follow manufacturing procedures that are written in English. Training will improve staff's ability to read and follow protocol for ISO quality requirements.

**Manufacturing Skills (25%):** Training will be offered to Engineers, Technicians, and Operators to increase efficiency and teach staff to operate new equipment. Training courses such as SMT Set-Up Reduction will lower the need for additional set-up of equipment.

### **Certified Safety Training (5%)**

OSHA 10/30. This training is a series of courses "bundled" by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA. OSHA 10/30 will be offered to all occupations.

### **Productive Lab (4%):**

For Productive Lab (PL), trainees may produce goods for profit as part of the training, in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training.

PL in Manufacturing Skills (offered to 16 Technicians and Engineers) will be delivered by qualified in-house instructors who attended an intensive two week training held by an equipment

vendor in South Korea. Technicians will be taught how to properly program a recently purchased automatic inspection machine. Hands-on training will allow staff to create faster programming to increase productivity. Following instruction from the trainer, trainees must demonstrate they can program the inspection machine and accurately identify errors/problems that may occur during the programming process. Once instruction is completed, Supervisors will then determine if the trainee is proficient and can operate the new machine independently. The trainer-to-trainee ratio will be 1:1 and trainees may receive up to 40 hours.

### **Advanced Technology (1%):**

Engineers will receive training in Computer Aided Design (CAD) to learn advanced skills in 3D design, drawings, and conversions. Training will improve employee capabilities to design products using the latest computer software and technology offerings. Qual-Pro will hire a licensed training vendor that has the hardware, equipment, and qualified training instructors to provide all CAD training. The trainer-to-trainee ratio will not exceed 1:10 to allow in-depth coverage and personal attention from the instructor.

### **Commitment to Training**

Qual-Pro spends approximately \$100k annually for training at the Gardena facility. Training delivered is both job specific and companywide and includes equipment operation, computer skills, Lean manufacturing, and sexual harassment prevention training.

ETP funds will not displace the Company's existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

The Company's VP of Global operations will lead this training program alongside the HR Manager and Quality Director. These staff members will take on the responsibility of scheduling training, collecting rosters, tracking training hours, and meeting with ETP Staff.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

N/A

### **ADMINISTRATIVE SERVICES**

N/A

### **TRAINING VENDORS**

N/A

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**COMPUTER SKILLS**

- Epicor Training (In-House Instruction Only)
  - Manufacturing Resource Planning (MRP)

**CONTINUOUS IMPROVEMENT**

- IPC 610 Soldering
- IPC Quality Inspection Awareness (J-STD)
- ISO Quality Requirements
- MTA Kando Lean (6 Sigma)
- Statistical Process Control for Process Control (SPC)
- Team Leader/Leadership Skills
- Train-the-Trainer
  - IPC Training for Operators
- Value Stream Mapping

**LITERACY SKILLS**

- Vocational English as Second Language (VESL)
  - Work Instructions
  - ISO Quality Requirements
  - Writing, Reading, Learning Comprehension

**MANUFACTURING SKILLS**

- Assembly Best Practices\*
- Design for Excellence\*
- Design & Manufacturing \*
- Equipment Operation
  - SMT Set-Up Reduction
- Inspection Techniques for Manufacturing
- Manufacturing Productivity Best Practices
- Stencil Printing Process for Efficiency\*

*\*In-House Instruction Only***OSHA 10/30** (OSHA certified instructor)

- OSHA 10 (requires completion of full 10-hour course)
- OSHA 30 (requires completion of full 30-hour course)

**ADVANCED TECHNOLOGY**

- Computer Aided Design (CAD)

**PL Hours**

0-40

**MANUFACTURING SKILLS** (1:1 trainer-to-trainee ratio)

- Automatic Optical Inspection (AOI/SPI)
- Wave Soldering

Safety Training will be limited to 10% of total training hours per-trainee (This cap does not apply to OSHA 10/30)

Literacy Training cannot exceed 45% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.



**Training Proposal for:**  
**Snap-On Logistics Company**  
**Agreement Number: ET16-0467**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Webb

**PROJECT PROFILE**

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>Priority Rate  | Industry Sector(s): | Manufacturing<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Los Angeles   | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 160   | U.S.: 4000          | Worldwide: 4000   |
| <u>Turnover Rate:</u>                                 | 4%  |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 16%   |                     |   |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$149,760     |   | \$0                        | \$0                     |   | \$149,760                |

|                              |                                    |           |
|------------------------------|------------------------------------|-----------|
| <b>In-Kind Contribution:</b> | 100% of Total ETP Funding Required | \$184,320 |
|------------------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description            | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|----------------------------|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                            |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Continuous Improvement,<br>Mfg. Skills, PL-Mfg. Skills,<br>Advanced Technology | 130                       | 8-200               | 0   | \$1,152                  | * \$16.48           |
|         |                            |  |                           | Weighted Avg:<br>64 |     |                          |                     |

\* It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** Job Number 1: \$16.48 per hour for Los Angeles County.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$3.48 per hour may be used to meet the Post-Retention Wage.

**Wage Range by Occupation**

| Occupation Titles    | Wage Range | Estimated # of Trainees |
|----------------------|------------|-------------------------|
| JOB NUMBER 1         |            |                         |
| Assembler            |            | 50                      |
| Welder               |            | 5                       |
| Machinist/Operators  |            | 15                      |
| Engineer             |            | 10                      |
| Office Associates    |            | 30                      |
| Managers/Supervisors |            | 20                      |

**INTRODUCTION**

Snap-On Logistics Company (Snap-On) ([www.snapon.com](http://www.snapon.com)) manufactures quality hand tools, power tools, tool boxes, diagnostic software, calibration equipment, and other tool accessories. Snap-On Logistics Company is a wholly owned subsidiary of Snap-On Inc. Located in The City of Industry, Snap-On serves the aviation and auto industry. Snap-On tools are used for procedures such as drilling, riveting, countersinking, and bucking. The Company is known for its safe, functional, and cost effective tools that meet aviation and auto standards. This will be the second ETP Agreement for the Company. The City of Industry will be the only location participating in training under this Agreement.



## **PROJECT DETAILS**

Training under the prior Agreement (ET14-0284), focused on equipment operation and technical training to improve the Company's manufacturing processes. To remain competitive, Snap-On continues to purchase new machinery and equipment for the shop floor. Under this proposal, trainees will receive cross-training to ensure Production Staff (Assemblers, Machinists, and Operators) can operate multiple types of machinery. Cross training will increase employee skill set and enable staff with the ability to operate more machines regardless of which operator is on shift. Curriculum topics provided will also cover training related to computer software and technology upgrades that are relevant to the trainee's day-to-day tasks. Training in this area will improve overall job performance and familiarize staff with new changes implemented throughout the plant.

As Snap-On continues to grow, leadership has made training a necessity to ensure they are increasing employee skill sets and expanding the Company's airframe tooling capabilities. As a result, a training plan has been developed that will improve staff knowledge and ability to design and customize tools that allow multilevel capabilities for various tool usages.

Tools manufactured at the City of Industry facility include rivets, sockets, screwdrivers, wrenches, drills, drill adaptors, ratchets, and extensions. Skill sets required to design and manufacture these tools include the proper distribution of mass, measurements, correct grain structure and heat-treating procedures. Manufacturing Skills training will be delivered to teach staff how to operate new precision CNC and press machinery to complete work orders and manufacture Snap-On products (size, type, tool number, etc.).

Snap-On is the primary manufacturer of Torque tools, testers, and calibration equipment. All products made must meet The American Society of Mechanical Engineers and International Organization for Standardization standards; as a result, training provided will ensure staff is following proper procedures and in compliance with standard requirements. Engineers will also receive training to develop new electronic and mechanical tools that are up-to-date with technology (digital systems). Advanced tools produced include dial indicating torque wrenches, adaptors, and limiting screwdrivers.

### **Training Plan**

**Business (6%):** Training will be offered to all occupations to improve presentation and communication skills. Training will increase efficiency and improve staff's ability to complete job tasks.

**Computer Skills (14%):** Training will be offered to all occupations to ensure staff is up-to-date with the latest computer programs utilized by the Company. Course topics to be delivered include Microsoft Excel and Word.

**Manufacturing Skills (40%):** Training will be offered to Assemblers, Welders, Machinist, and Engineers. Trainees will participate in courses such as Equipment Operation, and Quality training to improve daily operation and learn how to run machinery properly.

**Continuous Improvement (25%):** Training will be offered to all occupations to reduce the number of errors experienced in the workplace. Training in Lean Manufacturing and Quality Control/Management will be provided to improve facility operation.

### **Productive Laboratory (10%):**

The Panel authorizes reimbursement for training delivered in a Productive Laboratory (PL) setting. Trainees may produce goods for profit as part of the training in the courses identified

under the Curriculum. The instructor must be dedicated to training delivery during all hours of training, and special attendance rosters will be used to assist in monitoring.

Snap-On has identified 20 staff workers that will require PL training on new CNC and laser machinery purchased for the company's shop floor. Occupations to receive training include Assemblers and Machinists/Operators. PL training will be delivered at a ratio of 1:1. Trainees may receive up to 40 hours of training. Once staff has participated in lecture based training led by qualified instructors (in-house), workers will be assigned to complete tasks while operating machinery. Instructors will guide workers through the process and provide critiques to ensure staff is able to run equipment independently. Projects assigned will be fully data driven with set targets for trainees to meet. Completion of the assigned project will determine the staff worker is competent and capable of operating equipment proficiently.

### **Advanced Technology (5%):**

Advanced Technology (AT) courses require higher rates and annual maintenance contracts for hardware and machinery required to run equipment. Training in AT courses such as Solidworks and CAD will increase staff technological capabilities and improve employee skill sets. Engineers are the only occupation scheduled to receive AT training under this project. Staff will learn to up-to-date technologies in 3-D modeling software and equipment to design and manufacture new Snap-On tools.

The trainer-to-trainee ratio is 1:10 for AT, to allow in-depth coverage and personal attention from the instructor.

### **Commitment to Training**

Snap-On spends approximately \$100,000 annually in training at the Industry location. Training delivered in the past includes on-the-job training, Manufacturing Skills, safety, and Continuous Improvement training. Training is both job specific and companywide.

ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

This project will be administered by the Company's Human Resources (HR) Department and Managers/Supervisors. Staff will carry the responsibilities of scheduling training, completing and collecting approved ETP rosters, tracking training hours, enrollment, and meeting with ETP staff. As a repeat contractor, staff members in the HR Department are familiar with ETP administration duties and regulations to ensure compliance with ETP requirements.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

The following table summarizes performance by Snap-On under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                  | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|-----------------------|-----------------|------------------------|
| ET14-0284     | Industry        | 02/01/14-<br>01/31/16 | \$184,320       | \$161,482 (87%)        |

**DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

N/A

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Business 101 (Performance, Planning, Writing, Management)
- Customer Service Skills
- Presentation Skills
- Product Knowledge

**COMPUTER SKILLS**

- Microsoft Office

**CONTINUOUS IMPROVEMENT**

- Communication Skills
- Decision Making
- Leadership Skills
- 6S
- Six Sigma
- Team Building
- Quality Control/Management

**MANUFACTURING SKILLS**

- Blueprint Reading
- CNC Programming
- Geometric Dimensioning & Tolerancing (GD & T)
- Equipment Operation
  - CNC Machine Operation
  - Laser Machine
  - Press Machine
- Lean Manufacturing
- Parts
- Products
- Safety\*
- Shop Math
- Welding

Safety Training cannot exceed 10% of total training hours per-trainee

**ADVANCED TECHNOLOGY**

- CAD/CAM
- Solid Works

**Productive Lab Hours (1:1)**

0-40

**MANUFACTURING SKILLS**

- Equipment Operation
- Welding
- CNC Machinery
- Laser Machine
- Press machine

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 40 hours per-trainee.



**RETRAINEE - JOB CREATION**  
**Training Proposal for:**  
**Stearns Lending, LLC**  
**Agreement Number: ET16-0460**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** San Diego

**Analyst:** J. Davey

**PROJECT PROFILE**

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                                  | Retrainee<br>Job Creation Initiative  | Industry Sector(s): | Financial Services<br><br>Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Counties Served:                                      | Alameda, Contra Costa, Fresno, Los Angeles, Mendocino, Monterey, Orange, Placer, Riverside, Sacramento, San Bernardino, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Sonoma, Stanislaus, Ventura | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |                     |  |
| Number of Employees in:                               | CA: 955   | U.S.: 1,799         | Worldwide: 1,799   |
| <u>Turnover Rate:</u>                                 | 12%   |                     |  |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 16%   |                     |  |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$201,980     |   | \$0                        | \$0                     |   | \$201,980                |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$475,633 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                   | Type of Training   | Estimated No. of Trainees | Range of Hours   |      | Average Cost per Trainee | Post-Retention Wage |
|---------|-----------------------------------|--|---------------------------|------------------|------|--------------------------|---------------------|
|         |                                   |  |                           | Class / Lab      | CBT  |                          |                     |
| 1       | Retrainee                         | Business Skills, Commercial Skills, Computer Skills, Continuous Impr | 948                       | 8-200            | 0-4  | \$210                    | \$15.60*            |
|         |                                   |  |                           | Weighted Avg: 14 |      |                          |                     |
| 2       | Job Creation Initiative Retrainee | Business Skills, Commercial Skills, Computer Skills, Continuous Impr | 5                         | 8-200            | 0-10 | \$580                    | \$12.77*            |
|         |                                   |  |                           | Weighted Avg: 29 |      |                          |                     |

\*It will be made a condition of contract that the trainees in these Job Numbers will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:**

Job Number 1: Alameda, Contra Costa, San Mateo, San Francisco, Santa Clara Counties – \$17.02/hr.; Los Angeles County – \$16.48/hr.; Orange County – \$16.51/hr.; Sacramento County – \$16.10/hr.; Fresno, Mendocino, Monterey, Placer, Riverside, San Bernardino, San Joaquin, Santa Cruz, Sonoma, Stanislaus, Ventura – \$15.60/hr.

Job Number 2: Newly-Hired Retrainees – Alameda, Contra Costa, San Mateo, San Francisco, Santa Clara Counties – \$14.19/hr.; Los Angeles County – \$13.73/hr.; Orange County – \$13.76/hr.; Sacramento County – \$13.42/hr.; Fresno, Mendocino, Monterey, Placer, Riverside, San Bernardino, San Joaquin, Santa Cruz, Sonoma, Stanislaus, Ventura – \$12.77/hr.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$1.75 per hour may be used to meet the Post-Retention Wage for both Job Numbers.

**Additional Compensation:** (Commissions) Sales Staff (Job Numbers 1 & 2) earn a portion of their income in the form of commissions of between \$6.00 to \$10.00 per hour based on the total monthly funded volume to determine the commission tier. The corresponding basis points (tier) are applied to the funded volume to calculate gross commissions.

**Wage Range by Occupation\*\***

| Occupation Titles                            | Wage Range | Estimated # of Trainees |
|--|------------|-------------------------|
| Administrative Staff                         |            | 9                       |
| Operations Staff                             |            | 365                     |
| Sales Staff                                  |            | 239                     |
| Supervisor/Manager                           |            | 155                     |
| Technical Staff                              |            | 180                     |
| <b>Job Number 2 – Newly-Hired Retrainees</b> |            |                         |
| Operations Staff                             |            | 2                       |
| Sales Staff                                  |            | 2                       |
| Technical Staff                              |            | 1                       |

\*\*Trainees will meet the Post-Retention wages of the respective counties in which they work.

## **INTRODUCTION**

Founded in 1989, Stearns Lending, Inc. (Stearns) is a privately owned mortgage bank headquartered in Santa Ana. Stearns is licensed and approved to conduct mortgage banking in 46 states with federally guaranteed loan programs (HUD, Fannie Mae, Freddie Mac, FHA, etc.). Stearns also provides jumbo, conventional and portfolio loan products.

Stearns is eligible as a single employer for standard retraining under the out-of-state competition provisions outlined under Title 22, California Code of Regulations (CCR), Section 4416(f), for mortgage packaging and sales/servicing provided on behalf of its customers located both inside and outside of California.

## **PROJECT DETAILS**

The first ETP-funded project was focused on providing training in the Company's proprietary loan origination and processing software, which was being upgraded. That project resulted in the creation of a distinct training department. For this proposal, training will focus on delivering the skills necessary to process loans more efficiently and effectively with higher performance standards.

In recent years, Stearns has had to establish loan origination, processing, and funding processes that meet stricter federal regulatory requirements, customer requirements, and investor and seller demands. The Company finds that it is critical to maintain current training practices with updated material.

### **Retrainee - Job Creation**

Stearns is expanding its existing business capacity due to an increase in volume of loans (loan originations). The Company has committed to hiring five new employees (Job Number 2). Trainees will be hired at Stearns' fulfillment centers in Costa Mesa or Walnut Creek where training will take place.

Trainees will be hired within the three-month period prior to the Panel approval or during the term of the contract. These trainees will be hired into "net new jobs" as a condition of contract.

### **Training Plan**

Stearns plans to begin training in June and will schedule training based on priorities at each training site. Training will take place at 54 Stearns facilities throughout the state.

**Business Skills (10%):** Training will be offered to all staff and includes job-specific training in Employee Engagement, Leadership, Sales and Change Management. Trainees will improve their skills for their current occupations and understand how they fit into the organization as a whole.

**Commercial Skills (40%):** Training will be offered to all staff and includes training in Appraisals & Property, Fees & Escrow, Loan Products, Underwriting Guidelines, Workflow, and other related topics. Trainees will be able to understand the Company's many products; how loans are originated, underwritten, and funded; and other industry skills.

**Computer Skills (40%):** Training will be offered to all staff and includes job-specific training in the Company's loan origination and processing software, and Microsoft Office (Intermediate and Advanced training in Word, Excel, PowerPoint, Access and Outlook). In addition, IT staff will learn skills in computer networks; database design, development, and maintenance; and other



application software. Trainees will learn how Stearns' loan origination applications drive the Company's business.

**Continuous Improvement (10%):** Training will be offered to all staff and includes training in Process and Performance Management and Profit and Productivity Improvement. Trainees will be able to identify opportunities for improvement in processing, productivity, and quality.

### **Computer-Based Training**

Stearns will provide up to 10 hours of Computer-Based Training (CBT) in Commercial Skills related to Fair Lending laws, Mortgage Fraud, Privacy, and other related mortgage laws and practices. CBT is the best method of providing these skills so that trainees can take training at their own pace.

### **Commitment to Training**

Although Stearns has a newly-created training department, it does not have a specific budget for training. Current training is being paid out of general operating expenses. In the past, Stearns has only been able to train on regulatory required training. Past training has been relatively unstructured and uncoordinated using mentors and limited to on-the-job approaches. Following the establishment of a dedicated training department, Stearns expects to dedicate resources to training beyond ETP funding.

Stearns provides mandatory and essential training based on crucial job functions, such as Retail Mortgage lending and Wholesale Account management. Additional funding would allow the Company to include new-hire training for fulfillment roles within all channels as well as ongoing training on key trends and industry changes.

Stearns represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law. Once ETP-funded training concludes, the Company is committed to continuing the quality and frequency of employee training and development activities to keep the organization on the leading edge of technology.

#### ➤ Training Infrastructure

Stearns training program will be administered/facilitated by a full-time member of the training team, who is experienced with maintaining organized, detailed records. The Company also retained Training Funding Partners to help with administration.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

## **PRIOR PROJECTS**

The following table summarizes performance by Stearns under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                   | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|------------------------|-----------------|------------------------|
| ET13-0184     | Statewide       | 10/22/12 –<br>10/21/14 | \$324,600       | \$203,443 (63%)        |

During the course of the project, as training and development was in the process of being formalized, administration was dispersed to multiple channels, without defined responsibilities. This caused problems in tracking and administration of the ETP-funded project.

Stearns now has a fully functional training department, with an organized and defined training plan. The current proposal has been “right-sized” consistent with earnings on their first project.

### **Dedicated Team**

- Creation of a formal training department - As evidence of its commitment to learning and continuing education, Stearns’ training department now consists of 10 full-time employees, including a Senior Vice President, dedicated trainers, instructional designer, training coordinator, Learning Management System and defined processes.
- Communication strategy – The Company has learned the importance of frequent communication with the individuals who deliver training and record participation. They will have an executable strategy in place from the beginning of the program that includes frequent follow-up to site leaders and continuous, consistent tracking of training.

### **Technology**

Implementation of LMS, a new Learning Management System (Cornerstone on Demand) is in place. LMS will be used for scheduling and tracking sessions.

- It will not be used for Electronic Record Keeping, which would require additional elements to meet ETP requirements.

## **DEVELOPMENT SERVICES**

Stearns retained Training Funding Source in Seal Beach to assist with development of this proposal for a flat fee of \$9,500.

## **ADMINISTRATIVE SERVICES**

Stearns also retained Training Funding Source to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

## **TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Change Management
- Employee Engagement
- Leadership
- Sales

**COMMERCIAL SKILLS**

- Appraisals & Property
- Credit Services & Automated Underwriting Systems
- Legislative & Lending Laws
- Document Audit
- Drawing Documents
- Fees & Escrow
- Loan Disclosures
- Loan Decisions and Conditions
- Loan Products
- Procedures/Policies
- Underwriting Guidelines
- Workflows

**COMPUTER SKILLS**

- ADP (Payroll)
- Citrix
- Compliance Ease
- DocuTech & Electronic Signatures
- Local Area Network / Wide Area Network / 3Com
- MS Office – Intermediate/Advanced (Outlook, Power Point, Word, Excel, Access, etc.)
- myStearns Intranet
- myStearns Learning (Learning Management System)
- Network Admin & Management
- Partner & Vendor Websites (FHA Connection, VA WebLGY, Appraisal Management Company Sites)
- Stearns orijin™
- Stearns Network Automated Portal (SNAP) 2.0
- Stearns Marketing, Branding & Advertising (MBA Marketing Tool)
- Lending Space
- Structured Query Language (SQL)

**CONTINUOUS IMPROVEMENT**

- Process & Performance Management
- Profit & Productivity Improvement

**CBT Hours**

0-10

**COMMERCIAL SKILLS**

- Anti-Money Laundering [1 hour]
- Fight against Mortgage Fraud [1 hour]
- Fair Lending Laws 1.5 hours]
- Fair and Accurate Credit Transaction Act [1.5 hours]
- Home Mortgage Disclosure [1 hour]
- Mortgage Fraud Awareness [1 hour]
- Plain and Simple - A Step-by-Step Guide to the New Integrated Disclosures [2 hours]
- Red Flags of Identity Theft [1 hour]
- Raising the Bar: A Guide to the 2014 Consumer Finance Protection Bureau (CFPB) Rules [1 hour]
- Right to Privacy in a Mortgage Transaction [1 hour]
- Real Estate Settlement Procedures - Reg X [1 hour]
- Truth In Lending [1 hour]

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per-trainee.



**Training Proposal for:  
United Facilities, Inc.**

**Agreement Number: ET16-0450**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** San Diego

**Analyst:** M. Ray

**PROJECT PROFILE**

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Priority Rate<br>Retrainee<br>HUA                                   | Industry Sector(s): | Transportation/Logistics<br>Warehousing<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Riverside, San Joaquin  | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 137   | U.S.: 339           | Worldwide: 339  |
| <u>Turnover Rate:</u>                                 | 10%   |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 12%   |                     |   |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$128,484     |   | \$0                        | \$0                     |   | \$128,484                |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$142,046 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                   | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|-----------------------------------|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                                   |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate<br>HUA | Commercial Skills,<br>Computer Skills,<br>Cont. Imp.,<br>PL-Comm. Skills,<br>PL-Computer Skills | 83                        | 8 - 200             | 0   | \$1,548                  | \$13.98             |
|         |                                   |   |                           | Weighted Avg:<br>86 |     |                          |                     |

**Minimum Wage by County:** (HUA) \$11.70 per hour in Riverside and San Joaquin counties

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

**Wage Range by Occupation**

| Occupation Titles      | Wage Range | Estimated # of Trainees |
|------------------------|------------|-------------------------|
| Operator               |            | 58                      |
| Administrative Support |            | 15                      |
| Manager                |            | 10                      |

**INTRODUCTION**

Established in 1953, United Facilities, Inc. (UFI) ([www.unifac.com](http://www.unifac.com)) is a family-owned and operated logistics and warehousing business. The Company is headquartered in Peoria, with operations in four states: Illinois, Florida, Colorado and California. UFI currently has four facilities in California located in Riverside (Fontana), San Bernardino (Mira Loma), and San Joaquin counties (two locations in Stockton). In addition to providing logistics and warehouse management solutions, these California facilities also provide a complete range of supply chain management services.

**PROJECT DETAILS**

This is the fourth Agreement between UFI and ETP, the second in the last five years. All four California facilities participated in ETP training in the past.

UFI is currently streamlining its Southern California services by consolidating the two facilities in Fontana and Mira Loma. Those retail and food service operations are being moved to a new 1.5M square-foot facility in Perris (Riverside County). Employees are being given the opportunity to transfer to the Perris location. This transition, which began this month, is expected to continue through August 2016.

As a result of this consolidation, and the purchase of new equipment, UFI expects to improve its overall business operations in the next two years. The Company invested \$158,000 in two new Claw Lines for Perris, and a single new Claw Line for the East Stockton facility. Operational in June 2016, these Claw Lines will pick inventory with a forklift attachment that runs on rails, reducing the amount of manual picking.

The Company represents, there is no loss in net jobs due to this consolidation. Employees were given notice in January 2016 of the pending change. At that time, the Company conducted a survey, which showed 13 employees had not decided if they were going to move to the Perris facility. So only four employees have resigned and are looking for another job due to the long commute.

Training is proposed for workers at the new facility in Perris, and the two facilities in Stockton. The training in Commercial Skills will focus on operating the new Claw Lines. There will also be training in Continuous Improvement and Computer Skills. The training in Computer Skills will continue Red Prairie Software Application, which began under the prior project. The training in Commercial Skills and Computer Skills will include the Productive Lab delivery method, as discussed further below.

The training plan may repeat some topics and include some trainees from previous contracts. However, there will be no duplication of training in those courses.

## Training Plan

ETP training is scheduled to commence in June 2016. With ETP funding, the Company will be able to provide the following comprehensive training delivered by in-house trainers via class/lab and Productive Laboratory:

**Commercial Skills (30%):** Training will be provided to all job occupations as it pertains to their job duties. Course topics include Claw Line Procedures, Inventory Control, Receiving Procedures, Warehousing Procedures, Equipment Operations and Kitting/Assembly. Trainees will learn to operate the new claw line in a non-productive environment. Training will allow workers to increase accuracy of received and shipped orders and inventory with less stock adjustments.

**Computer Skills (30%):** Training will be offered to all occupations. Topics include Red Prairie Software Application and Systems, Applications and Products (SAP) skills training. Training in Red Prairie will cover the processing of inbound and outbound products; damaged products; and inventory control through the use of computer screens, hand held vehicle mount devices, and wearable mobile computers. SAP training will allow trainees to be able to control all the workflow and product lifecycle providing the customer with real-time tracking and feedback.

**Continuous Improvement (10%):** Training will be offered to all occupations in 5S, Focused Improvement and Leadership/Coaching Skills. The Company plans to provide cross-training in various operational procedures as a result of combining the retail and food service operations in one facility.

**Productive Laboratory (30%):** The Panel has adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training, in the courses identified under the Curriculum.

UFI requests PL training in both Commercial and Computer Skills. PL training is necessary to successfully perform the operational functions within the warehouse to effectively move products from one zone to another. Training topics in Red Prairie Software Application and Claw Line

Procedures skills will be delivered simultaneously as the system operates the claw line. A “tasks and competencies” evaluation shows that PL will take at least 60 hours to complete for approximately 56 Operators. As such, UFI is requesting up to the 60-hour PL cap in Commercial and Computer Skills for these trainees.

The PL trainers will be qualified and/or certified to instruct and deliver the course content and material. They will be responsible for directing the operations and instructions as well as providing immediate feedback to the trainee as work is performed. Trainers will document all training daily.

The trainer-to-trainee ratio will be 1:1. The PL training is conducted during work hours, and the trainee and trainer are in constant communication and involved in a detailed analysis of the assigned work. Since the trainer’s time is dedicated to training/coaching/evaluation, there is a lower production rate by the trainee. The PL training will provide a structured environment for one-on-one training. This will allow trainees to acquire the skills to become competent in the operation of the equipment without the pressure of normal operational requirements.

### **High Unemployment Area**

All trainees work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company’s locations in Riverside and San Joaquin Counties qualify for HUA status under these standards.

#### ➤ Wage Modification

For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. UFI requests a wage modification to 25% below the ETP Minimum Wage for trainees to \$13.98.

### **Temporary to Permanent Hiring**

UFI intends to train 17 Operators under Panel guidelines for “temporary to permanent” employment. UFI has retained these employees on a temporary basis, with the intention of hiring them into full-time, permanent positions after training. According to UFI, Operators who are hired as a temporary worker must complete an 11-week training program and must undergo an extensive assessment process. The overall process may take up to 5 to 6 months. Therefore, the average time for “converting” temporary Operators into full-time permanent employment is approximately 180 days (6 months). It is expected that these workers will receive employer-paid share-of-cost for healthcare premiums while on temporary status, and upon hire into full-time permanent employment.

Under Panel guidelines for Temporary to Permanent training, these 17 Operators must be initially eligible to participate in ETP-funded training pursuant to Unemployment Insurance Code Section 10201(c). Moreover, they cannot be enrolled as trainees until after they have been hired on a full-time permanent basis by UFI. Until they are so hired, retention and post-retention wage requirements cannot be satisfied and UFI will not receive progress payments.

### **Substantial Contribution**

A substantial contribution does not apply to this proposal because UFI has not earned \$250,000 or more within five years in prior agreements at the same facility.



## Turnover Rate Calculation

The Turnover Rate calculation is not applicable for the new Perris facility. In lieu, UFI provided ETP with the turnover rate for Fontana and Mira Loma facilities for calendar year 2015.

## Commitment to Training

UFI spent approximately \$49,000 on training in 2015. The Company provides ongoing 11-week new hire Operator training program, as well as safety, harassment prevention, frontline leadership, and customer-specific such as green light and building orders. UFI represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### ➤ Training Infrastructure

UFI's Corporate Human Resources Manager, with the assistance of Operations Manager at each facility, will be responsible for the overall implementation and management of ETP training. Administrative Staff will collect and maintain original documentation (paper-based attendance rosters) for their respective facilities and submit a copy to the Corporate Human Resources Manager for data entry into the ETP Online Systems. The Manager will also meet with ETP field staff during monitoring visits.

UFI determined that the Perris facility will maintain all records and documents pertaining to this ETP project at the end of the contract term.

## RECOMMENDATION

Staff recommends approval of this proposal.

## PRIOR PROJECTS

The following table summarizes performance by UFI under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City)                          | Term            | Approved Amount | Payment Earned<br>\$ % |
|---------------|--|-----------------|-----------------|------------------------|
| ET12-0313     | Fontana, Mira Loma, Stockton (East/West) | 4/2/12 – 4/1/14 | \$205,320       | \$129,036 (63%)*       |

According to the Contractor, the primary factor for poor performance was the delay in implementation of the Red Prairie Warehouse/Inventory Management System. The system did not perform as expected and failed in testing. Although the Company projects to implement the Phase II of the aforementioned software system in September 2016, only the fully launched Phase I is included in this proposal. In addition, the requested amount of funding has been "right-sized" consistent with payment earned.

## DEVELOPMENT SERVICES

N/A

## ADMINISTRATIVE SERVICES

N/A

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 – 200

Trainees may receive any of the following:

**COMMERCIAL SKILLS**

- Claw Line (using Red Prairie) Procedures
  - Building Procedures
  - Inbound Procedures
  - Outbound Procedures
  - Picking Procedures
  - Staging Procedures
  - Damage Product Procedures
  - LXE (scanning)
- Inventory Control
- Receiving Procedures
- Warehousing Procedures
- Equipment Operations
- Kitting and Assembly

**COMPUTER SKILLS**

- Red Prairie Software Application
  - Building Procedures
  - Inbound Procedures
  - Outbound Procedures
  - Picking Procedures
  - Staging Procedures
  - Damage Product Procedures
  - LXE (scanning)
- Systems, Applications and Products

**CONTINUOUS IMPROVEMENT**

- 5S
- Why – Why
- Focused Improvement
- Plan, Brief, Execute and Debrief
- Value Stream Mapping
- One Point Lesson
- Leadership/Coaching Skills
- Cross-Training Procedures

**Productive Lab**

0 – 60

**COMMERCIAL SKILLS (1:1 Ratio)**

- Claw Line (using Red Prairie) Procedures
  - Building Procedures
  - Inbound Procedures
  - Outbound Procedures
  - Picking Procedures
  - Staging Procedures

- Damage Product Procedures
- LXE (scanning)

**COMPUTER SKILLS (1:1 Ratio)**

- Red Prairie Software Application
  - Building Procedures
  - Inbound Procedures
  - Outbound Procedures
  - Picking Procedures
  - Staging Procedures
  - Damage Product Procedures
  - LXE (scanning)

Note: Reimbursement for retraining is capped at 200 total training hours, per trainee, regardless of the method of delivery. PL is capped at 60 hours, per-trainee.



**Training Proposal for:**

**USA Properties Fund, Inc.**

**Agreement Number: ET16-0469**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** Sacramento

**Analyst:** M. Jones

**PROJECT PROFILE**

|   |  |                     |  |
|---|--|---------------------|--|
| Contract Attributes:                                  | Retrainee  | Industry Sector(s): | Services<br><br>Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Counties Served:                                      | Alameda, Contra Costa, Los Angeles, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, Santa Clara, Sonoma, Ventura | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                                    |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |                     |  |
| Number of Employees in:                               | CA: 368  | U.S.: 381           | Worldwide: 381   |
| <u>Turnover Rate:</u>                                 | 19%  |                     |  |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 14%  |                     |  |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$173,190     |   | \$0                        | \$0                     |   | \$173,190                |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$303,893 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description | Type of Training  | Estimated No. of Trainees | Range of Hours   |      | Average Cost per Trainee | Post-Retention Wage |
|---------|-----------------|---|---------------------------|------------------|------|--------------------------|---------------------|
|         |                 |   |                           | Class / Lab      | CBT  |                          |                     |
| 1       | Retrainee       | Business Skills, Commercial Skills, Computer Skills, Hazardous Materials, Management. Skills, Literacy Skills | 42                        | 8-200            | 1-29 | \$495                    | \$19.00             |
|         |                 |   |                           | Weighted Avg: 33 |      |                          |                     |
| 2       | Retrainee       | Business Skills, Commercial Skills, Computer Skills, Hazardous Materials, Management. Skills, Literacy Skills | 254                       | 8-200            | 1-29 | \$600                    | * \$15.60           |
|         |                 |   |                           | Weighted Avg: 40 |      |                          |                     |

\* It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** Jobs 1 & 2: Alameda, Contra Costa, Santa Clara \$17.02; Los Angeles \$16.48; Orange \$16.51; San Diego \$16.46; Sacramento \$16.10; Placer, Riverside, San Bernardino, Sonoma and Ventura \$15.60

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$2.75 per hour may be used to meet the Post-Retention Wage for Job Number 2.

**Wage Range by Occupation**

| Occupation Titles                    | Wage Range | Estimated # of Trainees |
|--------------------------------------|------------|-------------------------|
| <b>JOB NUMBER 1 (USA Properties)</b> |            |                         |
| Corporate Account Staff              |            | 13                      |
| Human Resource Staff                 |            | 5                       |
| Administrative Staff                 |            | 7                       |
| Manager II                           |            | 11                      |
| IT Technician I                      |            | 5                       |
| IT Technician II                     |            | 1                       |

|                                       |  |    |
|---------------------------------------|--|----|
| <b>JOB NUMBER 2 (USA Multifamily)</b> |  |    |
| Administrative Staff I                |  | 47 |
| Administrative Staff II               |  | 59 |
| Administrative Compliance             |  | 8  |
| Leasing Agent                         |  | 9  |
| Porter                                |  | 8  |
| Manager I                             |  | 10 |
| Maintenance Technician I              |  | 52 |
| Maintenance Technician II             |  | 61 |

## **INTRODUCTION**

Founded in 1981 in Roseville, USA Properties Fund, Inc. (USA Properties) ([www.usapropfund.com](http://www.usapropfund.com)) is a real estate development organization that specializes in building, developing and managing family and senior communities. USA Properties provides management, maintenance and upkeep to more than 78 properties in California. The Company competes for these large-scale projects with similar development and management businesses located outside California.

USA Properties will hold the contract to train its own employees and those of its wholly owned subsidiary USA Multifamily Management, Inc. Training will be provided to the locations in Alameda, Contra Costa, Los Angeles, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, Santa Clara, Sonoma and Ventura counties.

### **Need for Training**

USA Properties is currently using an inefficient paper process prone to errors. USA Properties will be going “green,” transitioning to a paperless and more technologically advanced web-based process. One of the new web-based processes will use Samsung Android devices for real-time communication and documentation of company data inspections, purchase orders, and expense reports. The Company is also switching to another web-based system to convert petty cash to a commercial card expense reporting system. The new web-based technology allows residents to pay and submit work orders online. All staff requires training on the new web-based software programs to ensure the Company’s effective transition.

In addition, USA Properties plans to stop using outside vendors to complete property maintenance to reduce costs. The Company’s current Maintenance Technicians lack the necessary skills to complete certain maintenance tasks. USA Properties plans to advance the Maintenance Technicians skill set. Training will focus on HVAC repair, pool repair and maintenance, and some light construction work such as drywall repair and plumbing. Along with this training Maintenance Staff, Administrative Staff, and Managers will receive training on how to assess problems and effectively manage projects.

USA Properties projects a 20% time savings with the new web-based software and maintenance training in place. This will help reduce errors by adding more controls and increase efficiencies through streamlining.

## **PROJECT DETAILS**

### **Training Plan**

Classroom/Lab training will be provided at several property locations throughout California. In addition, USA Properties plans to provide Computer Based Training to focus on courses that are job specific.

**Business Skills (60%):** Training will be provided to all occupations specific to each trainee's job function. Training will include topics such as Conflict Resolution, Cost Control, Planning and Organization, and Work Order Processes.

**Literacy Skills (5%):** Training will be provided to Leasing Agent, Administrative Staff, Managers, and Maintenance Technicians to improve basic written communication skills and writing skills for business purposes. Training will include How to Write a Lease Violation, Variance Report, Resident Notes and Completed Work Order.

**Commercial Skills (15%):** Training will be provided to Porter and Maintenance Technicians. Training will include HVAC Repair, Repairing Drywall, and Work Order Processing.

**Management Skills (Managers and Supervisors Only) (5%):** Training will be provided to Managers to prepare them for enhanced managerial responsibilities and enable them to more effectively coach trainees. Training will include Communication Skills, Decision Making, Leadership and Team Building.

**Computer Skills (10%):** Training will be provided to all occupations to learn and become efficient with the new software program and use of tablets. Training will include Computer Networking, Financial Management System, OnSite Lead Management, and Project Management Software.

**Hazardous Materials (5%):** Training will be provided to Porter, Maintenance Technicians, Administrative Staff, and Managers to ensure safe use and disposal of chemicals and asbestos. Training topics will include Asbestos Removal, Hazardous Materials Handling, Hazardous Chemical Cleaning/Handling and Hazardous Waste Cleaning.

### **Computer-Based Training**

CBT training is capped at 29 hours (50%) of total training hours per-trainee. CBT will be provided to supplement USA Properties's curriculum as a more convenient means of delivering basic training.

### **Commitment to Training**

ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law. USA Properties reports an annual training budget of approximately \$261,211. Current and past trainings includes all state and federal mandated training, sexual harassment prevention, new employee orientation and various safety training. USA Properties uses Computer-Based Training courses that are tailored for job-specific skills.

#### ➤ Training Infrastructure

USA Properties is prepared to begin training upon Panel approval. USA Properties has internal staff that will schedule the training and 2 in-house trainers to conduct Class/Lab training.



## **Impact/Outcome**

Training will improve on communication efficiency between corporate staff and frontline workers, reducing paperwork, and decreasing the use of vendors by training in-house Maintenance Technicians.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **DEVELOPMENT SERVICES**

USA Properties retained Sierra Consulting Services in El Dorado Hills to assist with development of this proposal for a flat fee of \$15,000.

## **ADMINISTRATIVE SERVICES**

Sierra Consulting Services will also perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

## **TRAINING VENDORS**

Training will be conducted by in-house trainers and outside vendors to be identified later.

**Exhibit B: Menu Curriculum****Class/Lab/Videoconferencing Hours**

8-200 Trainees may receive any of the following:

**BUSINESS SKILLS**

- Accounting
- Business Writing
- Behavior Style Strategies
- Conflict Resolution
- Creative Marketing
- Customer Relationship Management
- Customer Service
- Communication Skills
- Cost Control
- Dealing with Difficult People
- Dealing with Mentally Ill Residents
- Employee Coaching
- Essential Skills for the New Supervisor
- Financial Analysis
- How to Read a Budget
- How to Explain Budget Variances
- How to Plan Purchases
- How to Prepare Contracts
- How to Work with Vendors
- Interpersonal Communications
- Leadership
- Marketing/Sales Techniques
- Operational Skills
- Planning and Organization
- Product Knowledge
- Project Management and Methodology
- Property and Resource Management Skills
- Retaining Customers
- Relationship Building
- Strategic Planning
- Successful Leasing/Sales Techniques
- Tax Credit Compliance
- Time Management
- Work Order Processes

**COMMERCIAL SKILLS**

- HVAC Repair
- Pool/Spa Maintenance
- Electrical Repair/Maintenance
- Mold Remediation Procedures
- How to Read Site Plans
- Kitchen and Bathroom Plumbing Systems
- Light Construction: Job Site Preparation

- Light Construction Methodology
- Light Construction Job Site Sequencing
- Light Construction Team Support
- Repairing Drywall
- Work Order Processing
- Vendor Management

### **COMPUTER SKILLS**

- Advanced Microsoft Office
- Avid Purchasing Management Software
- Computer Networking
- Computer Programming
- Email Etiquette
- Email Inbox Management
- Financial Management System
- SQL Reports
- OnSite Lead Management
- OnSite Forms Generation
- Managing Online Payments from Residents
- Project Management Software
- Yardi Software Process/Procedures
- How to Use a Tablet
- Microsoft Sharepoint
- Software Applications and Equipment

### **HAZARDOUS MATERIALS**

- Asbestos Removal
- Hazardous Materials Handling
- Hazardous Chemical Cleaning/Handling
- Hazardous Waste Cleaning

### **MANAGEMENT SKILLS (managers and supervisors only)**

- Coaching Procedures
- Decision Making
- Effective Meetings for Leaders
- Leadership
- Motivation
- Supervisor Skills
- Teambuilding

### **LITERACY SKILLS**

- How to Write a Lease Violation
- How to Write a Variance Report
- How to Write Resident Notices
- How to Write a Completed Work Order

Literacy Training cannot exceed 45% of total training hours per-trainee

**E-Learning Hours**

8-200

**BUSINESS SKILLS**

- Accounting
- Business Writing
- Behavior Style Strategies
- Conflict Resolution
- Creative Marketing
- Customer Relationship Management
- Customer Service
- Communication Skills
- Cost Control
- Dealing with Difficult People
- Dealing with Mentally Ill Residents
- Employee Coaching
- Essential Skills for the New Supervisor
- Financial Analysis
- How to Read a Budget
- How to Explain Budget Variances
- How to Plan Purchases
- How to Prepare Contracts
- How to Work with Vendors
- Interpersonal Communications
- Leadership
- Marketing/Sales Techniques
- Operational Skills
- Planning and Organization
- Product Knowledge
- Project Management and Methodology
- Property and Resource Management Skills
- Retaining Customers
- Relationship Building
- Strategic Planning
- Successful Leasing/Sales Techniques
- Tax Credit Compliance
- Time Management
- Work Order Processes

**COMMERCIAL SKILLS**

- HVAC Repair
- Pool/Spa Maintenance
- Electrical Repair/Maintenance
- Mold Remediation Procedures
- How to Read Site Plans
- Kitchen and Bathroom Plumbing Systems
- Light Construction: Job Site Preparation
- Light Construction Methodology
- Light Construction Job Site Sequencing

- Light Construction Team Support
- Repairing Drywall
- Work Order Processing
- Vendor Management

### **COMPUTER SKILLS**

- Advanced Microsoft Office
- Avid Purchasing Management Software
- Computer Networking
- Computer Programming
- Email Etiquette
- Email Inbox Management
- Financial Management System
- SQL Reports
- OnSite Lead Management
- OnSite Forms Generation
- Managing Online Payments from Residents
- Project Management Software
- Yardi Software Process/Procedures
- How to Use a Tablet
- Microsoft Sharepoint
- Software Applications and Equipment

### **HAZARDOUS MATERIALS**

- Asbestos Removal
- Hazardous Materials Handling
- Hazardous Chemical Cleaning/Handling
- Hazardous Waste Cleaning

### **MANAGEMENT SKILLS (managers and supervisors only)**

- Coaching Procedures
- Decision Making
- Effective Meetings for Leaders
- Leadership
- Motivation
- Supervisor Skills
- Teambuilding

### **LITERACY SKILLS**

- How to Write a Lease Violation
- How to Write a Variance Report
- How to Write Resident Notices
- How to Write a Completed Work Order

### **CBT Hours**

1-29

### **BUSINESS SKILLS**

- Leasing Recharge: Telephone Skills (.5 hrs)
- Leasing Recharge: How to Tour (.5 hrs)
- Leasing Recharge: ABC's of Closing (.5 hrs)

- Leasing Recharge: Responding to Email Inquiries (1 hr)
- How to Communicate Assertively (1 hr)
- How to Delegate Effectively (1 hr)
- Handling Difficult Residents (1 hr)
- Effective Meetings (1 hr)
- Time Management for Property Management (.5 hrs)
- How to Make Suggestions Effectively (.5 hrs)
- How to Investigate an Incident (1 hr)
- Housing Quality Standards (1.5 hrs)
- How to Make Suggestions Effectively (.5 hrs)
- How to Investigate an Incident (1 hr)
- Housing Quality Standards (1.5 hrs)

### **COMMERCIAL SKILLS**

- Tax Credit Compliance 1 (1 hr)
- Tax Credit Compliance 2 (1 hr)
- Tax Credit- Special Programs (1 hr)
- Tax Credit- Mixed-Income Buildings (1 hr)
- Tax Credit- Under-Age Applicants (.5 hrs)

### **COMPUTER SKILLS**

- Yardi Accounting- Subsidy Refresher (1 hr)
- Microsoft Excel (3 hrs)
- Microsoft Outlook (1 hr)
- Microsoft Outlook Calendar Management (.5 hrs)
- Using Mimecast as an Email Archive (.5 hrs)
- USA Banking Procedures (.5 hrs)
- Yardi Accounting 101A- Basic Concepts (.5 hrs)
- Yardi Accounting 101B- The Aged Receivables Report (.5 hrs)
- Yardi Accounting 101- Quiz (.5 hrs)
- Yardi Accounting 201A- Intro to Subsidy Accounting (.5 hrs)
- Yardi Accounting 201B- Subsidy Payments (.5 hrs)
- Yardi Accounting 201C- Adjustment Charges (1 hr)
- Yardi Accounting 201- Quiz (.5 hrs)
- Yardi Accounting- Fixing Errors (.5 hrs)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours.



**Training Proposal for:  
California Newspapers Partnership**

**Agreement Number: ET16-0463**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Reeves

**PROJECT PROFILE**

|   |  |                     |   |
|---|--|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>Priority Rate   | Industry Sector(s): | Manufacturing<br>Multimedia/Entertainment<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Alameda, Butte, Contra Costa, Humboldt, Lake, Los Angeles, Marin, Mendocino, Monterey, Orange, Riverside, San Bernardino, San Mateo, Santa Clara, Santa Cruz, Solano, Tehama, Yolo | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |                     |   |
| Number of Employees in:                               | CA: 2,943  | U.S.: 2,943         | Worldwide: 2,943  |
| <u>Turnover Rate:</u>                                 | 18%  |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 12%  |                     |   |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$743,688     |   | \$0                        | \$0                     |   | \$743,688                |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$868,049 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description            | Type of Training  | Estimated No. of Trainees | Range of Hours      |      | Average Cost per Trainee | Post-Retention Wage |
|---------|----------------------------|---|---------------------------|---------------------|------|--------------------------|---------------------|
|         |                            |   |                           | Class / Lab         | CBT  |                          |                     |
| 1       | Retrainee<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Continuous Imp.,<br>Mfg. Skills | 1,252                     | 8-200               | 0-60 | \$594                    | *\$15.60            |
|         |                            |   |                           | Weighted Avg:<br>33 |      |                          |                     |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** \$17.02 per hour for Alameda, Contra Costa, Marin, San Mateo, and Santa Clara counties; \$16.51 per hour for Orange County; \$16.48 per hour for Los Angeles County; and \$15.60 per hour for Butte, Humboldt, Lake, Mendocino, Monterey, Riverside, San Bernardino, Santa Cruz, Solano, Tehama, and Yolo counties.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Health Benefits up to \$3.20 per hour may be used to meet the Post-Retention Wage.

There will be approximately 127 trainees employed as salespeople, account managers, and advertising/telemarketing staff who earn commission in addition to their base wages. Commission income up to \$4.57 per hour may be used to meet the Post-Retention Wage.

| Wage Range by Occupation  |            |                         |
|---|------------|-------------------------|
| Occupation Titles   | Wage Range | Estimated # of Trainees |
| Administrative Support/Finance/Accounting Staff                 |            | 90                      |
| IT Professional, Technician, Project Manager                    |            | 55                      |
| News Staff 1: Editor, Photographer, Reporter, Circulation Staff |            | 105                     |
| News Staff 2: Editor, Photographer, Reporter, Circulation Staff |            | 90                      |
| Graphic Artist, Designer, Editorial Staff                       |            | 95                      |
| Advertising/Digital Media Staff                                 |            | 252                     |
| Sales/Marketing/Telemarketing Staff                             |            | 225                     |
| Account Manager, Account Executive                              |            | 185                     |
| Manager/Technical Director                                      |            | 95                      |
| Supervisor  |            | 60                      |



## **INTRODUCTION**

Founded in 1999 and headquartered in San Jose, California Newspapers Partnership (CNP), a subsidiary of Media News Group, is the largest publisher of daily and weekly newspapers in California. CNP's statewide network of newspapers and websites includes three affiliates: (news publishing employers): California Newspapers Limited Partnership, Monterey County Herald, and the Los Angeles Daily News Publishing Company. In this proposal, training will be administered by CNP for delivery to staff and workers employed by its three affiliates. CNP qualifies for priority industry reimbursement and is eligible for standard retraining under the out-of-state competition provisions based on its newspaper publishing industry classification.

CNP and its affiliates publish a variety of daily and weekly publications from approximately 60 locations statewide, all of which will participate in this training. Bay Area publications include the San Jose Mercury News, the Oakland Tribune, the Contra Costa Times, and the Vacaville Reporter. Southern California publications include the San Bernardino County Sun, the Inland Valley Daily Bulletin, the Pasadena Star-News, the Whittier Daily News, the San Gabriel Valley Tribune, the Long Beach Press-Telegram, and the Los Angeles Daily News.

This will be CNP's third ETP Agreement within the past five years. The first project introduced a foundation of skills for employees to function in the burgeoning social media world. The second ETP Agreement helped the Company build upon this foundation by improving the capability of its workforce to attract and maintain customers across various media platforms.

This proposed Agreement will allow the CNP to expand training substantially, particularly as it relates to recent business acquisitions. Many of the Curriculum topics are new and/or improved, to ensure there will be no duplication of training from past Agreements. In addition, a large percentage of the proposed training will be provided to employees at locations that have not participated in ETP training in the past.

## **PROJECT DETAILS**

In March 2016, CNP was awarded the bid to acquire the Orange County Register and the Riverside Press-Enterprise. These two Southern California publications/locations will bring approximately 900 employees under the CNP umbrella. Neither of these two publications/locations has benefited from a structured training program. Both will be a large focus of the training outlined in this proposal.

In addition to the new acquisitions, the various CNP related publications/locations that may have participated in prior ETP Agreements all require additional training to facilitate the Company's shift to advanced digital technology and upgraded media systems such as Facebook, Twitter, and various apps created for smart phone/mobile device use. Training is necessary to ensure that workers remain up to date with marketing, online consumer, publishing, and advertising strategies critical to success in an evolving news/media industry.

The CNP related publications/locations statewide will utilize in-house subject matter experts and outside vendors to provide training. The majority of training will be delivered via class/lab; however, some training will be conducted via E-learning and/or computer-based training (CBT). CBT training will consist of varied course content offered by Lynda.com, a leading online education service.

## Training Plan

**Business Skills (45%)** - Training will be offered to all occupations. Topics will include customer service and support, account management, product knowledge, strategic planning, and project management. This training will help employees improve their product development and support skills, and equip them with the technical expertise to identify and resolve problems more efficiently.

**Computer Skills (35%)** - Training will be offered to all occupations. Training will focus on the strategic implementation of digital media content for CNP's web and mobile-based audience. Trainees will learn methods to engross consumers through video, digital photography, audio recordings, and data visualizations.

**Continuous Improvement (15%)** - Training will be offered to all occupations. Areas of emphasis will include problem solving, communication, leadership, and teamwork. Trainees will learn techniques to improve processes, stimulate innovation, eliminate waste, and maintain quality products and services as the Company continues to migrate towards an advanced digital media environment.

**Manufacturing Skills (5%)** - Training will be offered to Technicians and News Staff. This training will cover production and workflow procedures for new and existing print media products. Trainees will learn manufacturing techniques to help produce and circulate newspapers at a lower cost.

## Substantial Contribution

There is no Substantial Contribution being applied because no single CNP facility has earned \$250,000 or more within the past five years.

## Commitment to Training

CNP had a training budget of approximately \$925,000 for all of its California facilities in 2015. Ongoing training efforts consist of new-hire orientation, basic computer skills, sexual harassment prevention, and executive development programs. Health and safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### ➤ Training Infrastructure

CNP's Corporate Training Manager will oversee the internal administration of this project. The Company's training team will be responsible for scheduling, delivering, and documenting all training. CNP has also retained an outside administrative consultant to ensure that all training records adhere to ETP requirements.

## RECOMMENDATION

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

The following table summarizes performance by CNP under ETP Agreements that were completed within the last five years:

| Agreement No. | Location (City) | Term                   | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|------------------------|-----------------|------------------------|
| ET14-0202     | Various         | 12/30/13 –<br>12/29/15 | \$504,000       | \$504,000 (100%)       |
| ET12-0135     | Various         | 10/03/11 –<br>10/02/13 | \$499,680       | \$499,680 (100%)       |

**DEVELOPMENT SERVICES**

California Training Administration (CTA) in Rocklin assisted with development of this proposal for a flat fee of \$2,500.

**ADMINISTRATIVE SERVICES**

CTA will also perform administrative services for a fee not to exceed 13% of payment earned.

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab/E-learning Hours**

8 - 200

Trainees may receive any of the following:

**COMPUTER SKILLS*****Systems & Tools***

- Workday
- ShoreTel
- JD Edwards
- AMEX
- E-Edition
- Google (Gmail, Calendaring, Hangouts, Drive, Docs, Sheets, Slides, Forms, Maps)
- Internet Search/Browsing
- Digital Skills
- Mobile Devices (Smartphones / Tablets)
- Computer Programs
- Desktop Applications
- Microsoft Tools (Word, Excel, PowerPoint – Int. & Adv. only)

***Editorial/News Skills***

- Digital Platforms
- Digital Certification
- Digital Skills
- Video Techniques (Shooting with Smartphones)
- Video Platforms (Tout)
- Broadcast Techniques
- Google Mapping
- Data Journalism
- Advanced Writing
- PhotoShop
- Search Engine Optimization for Publishing
- Multimedia Tools

***Editorial Systems and Programs***

- Saxotech
- Web Interface/Web Design/Website 101
- Google Analytics
- Parse.ly
- Adobe Software
- Final Cut
- Photo editing software
- Social Media Tools
  - Facebook for Journalists
  - Twitter for Journalist
  - Pinterest for Journalists
  - Snapchat for Journalists

***Circulation Systems***

- DTI (Newscycle Solutions Database)
- W Drive
- G2 Discovery
- Call Center Systems & Tools

***Finance Systems***

- BPC - Financial Reporting
- JDE- AP, Purchasing and GL
- Mactice / Adbase - Advertising A/R System
- COGNOS - Report Writer for Mactive

***IT/IS Professionals Systems & Tools***

- IT Solutions (Information Technology)
- Advanced Applied Manufacturing Technology
- Computer Programing
- Database Tools
- E-Business/Commerce
- Information Security
- MIS - Management Information Systems
- Network Administration
- System Analysis
- Technology Support
- Website Design and Development

***Human Resource Tools***

- Payroll & HR System Training
- Applicant Tracking System (AST) /Taleo/SmartRecuriters

**CONTINUOUS IMPROVEMENT**

- Customer Service
- Communications Skills
- Dealing with Difficult People
- Best Practices
- Conflict Management
- Creativity and Innovation
- Effective Meetings
- Team Work
- Project Management
- Process Improvements
- Creating Your Future Now
- Growing Your Business
- Lose The Negative
- Navigating the Sales Trail
- Ready, Aim Succeed
- Success Integrators
- Think Like a Winner

***Leadership & Coaching***

- Leadership 101
- Organizational Trust
- Performance Management
- Change Management
- Positive Approaches to Resolving Performance Problems
- Supervisor Communication Skills
- Managing Managers
- Challenging Negative Attitudes
- Communication
- Delegating
- Listening
- Team Building
- Problem Solving
- Process / Quality Improvement
- Decision Making
- Identifying Problems/Presenting Solutions
- Maximizing Productivity/Setting Priorities
- Leading in a Matrix Environment
- Time Management
- Workday Tools and Techniques
- Coaching
- Situational Leadership
- Negotiation Skills
- Leadership Challenge - Kouzes & Posner
- Navigating Difficult Conversations
- Financial Reporting and Budgets
- Team Development Finance for Non-Finance Managers
- Training Facilitation
- Managing Competencies and On-boarding
- Emerging Leader / Leadership Development
- Succession Planning for High Potentials

***Sales Leadership***

- Digital Sales Management and Application
- Sales Tools - A Day in the Life
- A Four Point Model for Leading High Performance Sales Teams
- Coaching
- Team Development
- Strategic Planning and Execution
- Finance for Sales Managers
- Project Management
- New Manager Pitfalls - How to Avoid Them and Succeed in a Leadership Role
- Sales Compensation - Get and Keep Top Talent without Breaking the Bank
- Sales Leadership Credibility
  - Part 1: Confidence Base
  - Part 2: Fallibility Paradox
- Six Managerial Styles You Need to Lead Effectively

- The ABC Method - Handling a Bad Attitude
- Why 80% of Sales Training Doesn't Stick
- Why Praise Can Backfire – And How to Do it Right

### **BUSINESS SKILLS**

- Technical Business Writing
- Product Marketing and Support
- Account Management
- News Department Processes
- Marketing Communications
- On-boarding Newspaper Processes
- Product Knowledge
- Strategic Implementation
- Strategic Planning
- Project Management
- Customer Service
- Telephone Skills
- Budgeting Techniques
- Flash Reporting

### ***Consultative Sales Skills***

- Recession Proof Sales Tips
- Prospecting
- Identifying Needs
- Proposal Generation
- Presentation Skills
- Negotiations
- Closing
- Account Management

### ***Marketing and Advertising Products***

- Digital Skills
- Digital Platforms
- Digital Advertising Products
  - Newspaper.com sites
  - Yahoo.com
  - Ad Exchanges
  - Magellan
  - SEM
  - Bing
  - Google AdWords
- AdWords Sales Exam
- AdWords ROI for SMBs - Effectively convey return on investment to your clients
- Mobile - The Value Proposition
- Mobile Strategy & Campaign Development
- Account Structure & Basic Search Optimization
- Traditional Media/Digital - The Connection & Value Proposition
- Google Analytics for Sales Teams
- TDMA - Identifying Opportunities

- Improving Keyword Performance & Quality Score
- Upselling Your Clients
- Google Tools
- TDMA - Planning and Opening
- Understanding MCC & Leveraging Extensions
- Search Engine Optimization
- Geotargeting/fencing
- Video
- Programmatic
- Mobile Advertising
- Native Advertising
- Chat
- Pixels
- Retargeting
- UTM Tags
- Audience/Behavioral Targeting
- Smart Audiences
- Category Targeting
- IP Address Targeting
- Yelp
- Email Marketing
  - Data Dynamics
  - Email Responder
  - Edge5 Email
  - Newspaper Subscribers
- Social Media
  - Facebook
  - LinkedIn
- Print Advertising Products
  - Newspapers
    - Daily
    - Weekly
    - Inserts
      - Sticky Notes
      - Spadea
      - Total Market Coverage (TMC)
  - Monthly Magazines
  - Direct Mail
  - Custom Publishing
- Event Marketing

### ***Sales and Marketing Tools***

- Brainworks CRM – Customer Relationship Management System
  - General Brainworks Training
  - Pipeline Management
  - Sales Activities
  - Email Campaigning
  - Insertion Order Process



- Resources
  - Attribution Models
  - Sales Engineering
  - AdMall.com / AdMall Pro
  - ReCas for Co-op
  - Metro Creative Graphics
  - Market Research Tools (Kantar, Omniture, Google Analytics)
  - Competitive Media
    - ReachLocal
    - Television
    - Radio
    - YP.com
  - Client Categories
    - Automotive
    - Employment
    - Education
    - Entertainment
    - Finance
    - Furniture/Mattress
    - Healthcare
    - Real Estate
    - Travel
  - Metro Creative Graphics
  - Paper G
  - Affinity
  - Dourated
  - iShare
  - AdBase/Mactive
  - Ad Perfect
  - AdTaxi Analytics/Dashboard
  - TapClicks IO Tool
  - JIRA Product Management
  - Search Intelligence Tool
  - QuickBase
  - Duda Mobile
  - Yelp
  - DFP - Dart for Publishers
  - Yahoo APT
  - UBL SignUp Tool
  - UBL Reporting Tool / BrightLocal
  - MOAT
  - Lotame
  - Choozle
  - DSP - Ad Tracking System
  - Own Local
  - Web Interface/Web Design/Website 101
  - Quizstar

**MANUFACTURING SKILLS**

- Green Energy (RoHS, Recycling, Waste, Lead-free)
- Testing/Debugging Techniques
- New Equipment Training
- Technical Support
- Equipment Maintenance and Repair
- Handling Hazardous Chemicals
- Shipping/Receiving Techniques
- Material Handling & Storage Procedures

**CBT Hours**

0 - 60

**CBT – BUSINESS SKILLS (.5 to 8.0 hours per module)*****Linda.com - 500 modules available, including the following:***

- Basic Presentation Skills: Planning a Presentation (1 hour)
- Basic Projects within Organizations (PMBOK Guide Fifth Edition) (1.5 hours)
- Business Writing: Know Your Readers and Your Purpose (1 hour)
- Customer Service: Confrontation and Conflict (1 hour)
- Customer Service: Building Rapport in Customer Relationships (1 hour)
- Customer Service in the Field (1 hour)
- Customer Service over the Phone (1 hour)
- Decision Making: Making Tough Decisions (1 hour)
- Decision Making: The Fundamentals (1 hour)
- Developing & Using Strategic Thinking Skills: Seeing the Big Picture (1 hour)
- Generating Creative and Innovative Ideas: Maximizing Team Creativity (1 hour)
- Internal Customer Service (1 hour)
- Interpersonal Communication: Being Approachable (1 hour)
- Interpersonal Communication: Communicating Assertively (1 hour)
- Interpersonal Communication: Listening Essentials (1 hour)
- Interpersonal Communication: Targeting Your Message (1 hour)
- Leading with Emotional Intelligence (1 hour)
- Managing Projects within Organizations (PMBOK Guide Fifth Edition) (2 hours)
- Principles of Accounting and Finance for Non-financial Professionals (1 hour)
- Project Management Overview (PMBOK Guide Fifth Edition) (1.5 hours)
- Public Speaking Strategies: Confident Public Speaking (1 hour)
- Public Speaking Strategies: Preparing Effective Speeches (1 hour)
- Time Management: Avoiding Time Stealers (1 hour)
- Time Management: Planning and Prioritizing Your Time (1 hour)

**CBT – COMPUTER SKILLS (.5 to 8.0 hours per module)*****Linda.com - 1300 modules available, including the following:***

- Advanced Data Management in Excel 2007 (1.5 hours)
- Advanced Formatting in Excel 2007 (2 hours)
- Analyzing Data in Excel 2007 (3.5 hours)
- Excel 2007 Charts, Pictures, Themes, and Styles (1.5 hours)
- Excel 2007 Formulas and Functions (2 hours)
- Exchanging Data with Excel 2007 (3 hours)
- Manipulating and Formatting Data and Worksheets in Excel 2007 (3 hours)
- Protecting and Sharing Excel 2007 Workbooks (2 hours)

**CBT – CONTINUOUS IMPROVEMENT (.5 to 8.0 hours per module)*****Linda.com - 450 modules available, including the following:***

- Being an Effective Team Member (1 hour)
- Building Your Influence as a Leader (1 hour)
- Developing a High-performance Organization (1 hour)
- Problem Solving: Determining and Building Your Strengths (1 hour)
- Problem Solving: The Fundamentals (1 hour)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours per trainee.



## RETRAINEE - JOB CREATION

**Training Proposal for:**

**Consolidated Disposal Service, LLC dba  
Republic Services, Inc.**

**Agreement Number: ET16-0454**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Reeves

### PROJECT PROFILE

|   |  |                     |  |
|---|--|---------------------|--|
| Contract Attributes:                                  | Retrainee Job Creation Initiative  | Industry Sector(s): | Services<br>Green Technology<br><br>Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Counties Served:                                      | Los Angeles, Orange, San Bernardino  | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Teamsters Local Union No. 396, Package and General Utility Drivers |                     |  |
| Number of Employees in:                               | CA: 3,866  | U.S.: 30,000        | Worldwide: 30,000  |
| <u>Turnover Rate:</u>                                 | 3%   |                     |  |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 20%  |                     |  |

### FUNDING DETAIL

|               |   |                            |   |                         |                   |
|---------------|---|----------------------------|---|-------------------------|-------------------|
| Program Costs | - | (Substantial Contribution) | = | (High Earner Reduction) | Total ETP Funding |
| \$254,640     |   | \$0                        |   | \$0                     | \$254,640         |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$417,050 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                      | Type of Training   | Estimated No. of Trainees | Range of Hours   |      | Average Cost per Trainee | Post-Retention Wage |
|---------|--------------------------------------|--|---------------------------|------------------|------|--------------------------|---------------------|
|         |                                      |  |                           | Class / Lab      | CBT  |                          |                     |
| 1       | Retrainee                            | Business Skills, Commercial Skills, Computer Skills, Continuous Imp., Hazardous Mat., Mgmt.Skills, OSHA 10 | 572                       | 8-200            | 0-16 | \$420                    | *\$15.60            |
|         |                                      |  |                           | Weighted Avg: 28 |      |                          |                     |
| 2       | Retrainee<br>Job Creation Initiative | Business Skills, Commercial Skills, Computer Skills, Continuous Imp., Hazardous Mat., Mgmt.Skills, OSHA 10 | 30                        | 8-200            | 0-16 | \$480                    | *\$12.77            |
|         |                                      |  |                           | Weighted Avg: 24 |      |                          |                     |

\*It will be made a condition of contract that the trainees will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** Job Number 1: \$16.51 per hour for Orange County; \$16.48 per hour for Los Angeles County; and \$15.60 per hour for San Bernardino County. Job Number 2 (Job Creation): \$13.76 per hour for Orange County; \$13.73 per hour for Los Angeles County; \$12.77 per hour for San Bernardino County.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$3.36 per hour (Job Number 1) and \$3.76 per hour (Job Number 2) may be used to meet the Post-Retention Wage.

| Wage Range by Occupation |            |                         |
|--------------------------|------------|-------------------------|
| Occupation Titles        | Wage Range | Estimated # of Trainees |
| <b>Job Number 1</b>      |            |                         |
| Driver                   |            | 200                     |
| Technician               |            | 87                      |
| Sales Staff I            |            | 30                      |
| Sales Staff II           |            | 13                      |
| Customer Service Staff   |            | 30                      |
| Welder                   |            | 42                      |
| Sorter/Laborer/Helper    |            | 50                      |
| Supervisor               |            | 75                      |

|                                    |  |    |
|------------------------------------|--|----|
| Manager I                          |  | 25 |
| Manager II                         |  | 20 |
| <b>Job Number 2 (Job Creation)</b> |  |    |
| Sorter/Laborer                     |  | 30 |

## **INTRODUCTION**

Consolidated Disposal Service, LLC dba Republic Services, Inc. (Republic) ([www.republicservices.com](http://www.republicservices.com)) provides solid waste collection, recycling, and disposal services. Republic provides services to 2,700 municipalities nationwide, including nearly 50 communities across Southern California. Customers include residential and commercial clients including single and multi-family unit residences, small businesses, healthcare facilities, retail establishments and construction sites.

Republic is in the process of implementing a new strategy, a customer engagement initiative that includes a branding shift to become a customer-oriented business at every level of engagement. This shift impacts all aspects of the organization and requires extensive training in customer service, product knowledge, sales and communication.

Republic is also in the process of improving its fleet automation by replacing rear-load vehicles with side-loaders and front-end loaders. These automated trucks require drivers possess a different set of skills to operate levers effectively. In addition, many municipalities now require that vehicle fleets providing services in their communities be equipped with compressed natural gas (CNG) technology. This CNG equipment replaces the diesel engines that many Republic employees are accustomed to operating. Therefore, technicians and drivers must acquire additional knowledge and skills to manage the operating systems of CNG vehicles.

Teamsters Local Union No. 396 has provided a letter of support for the training of its union members.

### **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Republic has committed to hiring 30 new employees (Job Number 2) to support the upgrade of its Anaheim Post-Collection Unit. This upgrade consists of adding a commercial processing line and two additional work shifts at the Post-Collection facility. The newly-hired recycling and landfill employees (sorters/laborers) will require extensive training to develop the skills needed to support the commercial line operations.

The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

## **PROJECT DETAILS**

Training will allow Republic to upgrade the skills of its existing workforce, integrate new employees, and implement process improvements designed to enhance productivity, customer relations, and overall efficiency. The majority of training will be delivered via class/lab; however,

some computer-based training (CBT) will be provided. CBT training will focus on customer relations skills to support the Company's enhanced customer engagement initiative. Training will be provided at 17 company locations across Los Angeles, Orange and San Bernardino counties, and delivered by in-house subject matter experts and outside training vendors.

## Training Plan

**Business Skills (25%)** - Training will be offered to Supervisors, Drivers, Managers, Customer Service and Sales Staff. Training will focus on customer service, sales techniques, communication, and product knowledge. Trainees will learn skills to augment the Company's new branding strategy.

**Commercial Skills (25%)** - Training will be offered to Drivers, Technicians, Welders, Sorters, Laborers, Helpers and Supervisors. Training will cover vehicle/truck operation and maintenance, field operation development, as well as industry specific waste disposal and recycling skills.

**Computer Skills (10%)** - Training will be offered to Customer Service and Sales Staff. This training will guide workers through the features and functionality of the Company's sales and client management systems. Customer Relationship Management tools will improve the Company's ability to track and manage sales and customer contact information.

**Continuous Improvement (20%)** - Training will be offered to all occupations. Training will focus on process improvements, maintaining a safe working environment, and leadership skills to enhance productivity.

**Hazardous Materials (5%)** - Training will be offered to Drivers, Technicians, Welders, Sorters, Laborers, Helpers, Managers and Supervisors. Trainees will learn how to properly handle, transport, and dispose of hazardous materials and waste.

**Management Skills (10%)** - Training will be offered to Managers and Supervisors. Training will cover leadership, coaching, and decision making skills necessary to become more effective leaders.

**OSHA 10 (5%)** - Training will be offered to Drivers, Technicians, Welders, Sorters, Laborers, Managers and Supervisors. This training is a series of courses "bundled" by industry sector and occupation. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

## Prior Performance

This will be Republic's second ETP Agreement within the past five years. The Company's first ETP project focused on the introduction of CNG vehicles and related training for drivers and mechanics. The proposed training is a continuation in the advancement of Republic's overall waste disposal/recycling processes, equipment, and technology. Some curriculum topics are repeated from the prior agreement; however, the Company has confirmed that course material has been updated and/or changed to ensure there will be no duplication of training for incumbent workers.

## Commitment to Training

Republic spends approximately \$583,000 annually on training for its California facilities. Ongoing company-funded training consists of new-hire/driver onboarding, standard operating

procedures, and defensive driving. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ **Training Infrastructure**

Republic has identified lead personnel to centralize project management, and the Company has formed a cross-functional team to oversee project tracking, scheduling and reporting. Republic has also retained an outside administrative consultant to ensure that training administration and documentation procedures adhere to ETP requirements.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

The following table summarizes performance by Republic under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                   | Approved Amount | Payment Earned |       |
|---------------|-----------------|------------------------|-----------------|----------------|-------|
|               |                 |                        |                 | \$             | %     |
| ET14-0134     | Various         | 09/03/13 –<br>09/02/15 | \$584,600       | \$247,641      | (42%) |

The Company states that it did not achieve ideal performance primarily because its Human Resources Manager tasked with overseeing ETP project administration resigned during the contract term, leaving insufficient time for replacement personnel to salvage the training project. In addition to now having a Human Resources Manager in place, the Company has also formed an internal committee to support the proposed training. The Company is requiring buy-in and participation from each department head to ensure that training and project administration are not abruptly interrupted or solely dependent on one person for success. Further, the proposed project has been right-sized in alignment with the Company's prior earnings.

**DEVELOPMENT SERVICES**

Judith's Training Services (JTS) in Los Angeles assisted with development for a flat fee of \$19,550.

**ADMINISTRATIVE SERVICES**

JTS will also perform administrative services for a fee not to exceed 10% of payment earned.

**TRAINING VENDORS**

To Be Determined



**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 – 200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Customer Service: Branding, Experience, Satisfaction, Requests
- Communication Skills
- Sales, Fundamentals Commercial/Industrial
- Priority-Based Selling
- Product Offerings

**COMMERCIAL SKILLS**

- Vehicle Operation: Side Loaders, Front-End Loaders, Roll-Off Vehicles
- Vehicle Maintenance, Equipment & Repair
- Compressed Natural Gas Technology & Equipment
- Drive Trains
- Brakes & Hydraulics Systems
- Suspension & Steering
- Electrical & Electronic Systems
- Heating, Ventilation & Air Conditioning
- Welding
- General Vehicle Knowledge: Controls, Gears, Brakes, Driving, Inspection
- Air Brakes Systems
- Pre-Trip Inspection
- Confined Spaces
- Lockout/Tagout
- Field Operation Development
- Preventive Maintenance
- AB341 Guidelines and Updates – Recycling
- 18ab186 – Organic Food Recycling
- Water Storm Diversion and Testing
- Forklift Skills

**COMPUTER SKILLS**

- Info Pro Database AS 400
- CRMS – Customer Relationship Management Systems
- Capture – Sales Customer Price Quote Per Yard
- Sales Force

**CONTINUOUS IMPROVEMENT**

- Product Knowledge
- The Republic Way – One Way of Doing Things Across Divisions
- Focus 6 – Maintain Safety
- One Fleet Huddle – Process Improvement
- Leadership Skills

**HAZARDOUS MATERIALS**

- Handling Hazardous Materials
- Accident & Spill Prevention/Remedy

**MANAGEMENT SKILLS (Managers/Supervisors Only)**

- Leadership Fundamentals
- Teambuilding
- Coaching
- Decision Making
- Negotiating
- Strategy

**OSHA 10 (OSHA Certified Instructor)**

- OSHA 10 (Requires Completion of 10 Hours)

Safety Training cannot exceed 10% of total training hours per trainee. (This cap does not apply to Hazmat or OSHA 10/30)

**CBT Hours**

0 – 16

**CBT – BUSINESS SKILLS**

- Introduction (.5 hour)
- Waste Streams and Facilities (1.25 hours)
- Service Offerings (.5 hour)
- Safety (.5 hour)
- Sales Effectiveness (.5 hour)
- Service Agreements & Antitrust (.5 hour)
- Compactors (1.25 hours)
- Final Assessment (.5 hour)
- Business Friendly Customer Service – Telephone Doctor (.5 hour)
- Communication Skills (1 hour)
- Customer Service Over the Phone (1 hour)
- Essential Elements of an Internal Customer Service (.5 hour)
- Essential Telephone Skills – Telephone Doctor (.5 hour)
- Five Forbidden Phrases – Telephone Doctor (.5 hour)
- From Curt to Courteous – Telephone Doctor Series (.5 hour)
- Influencing the Interaction – Telephone Doctor (.5 hour)
- Jump Start to Customer Service 100 – Introduction to Customer Service at Republic Services (1 hour)
- Jump Start to Customer Service 200 – Waste Streams & Facilities (1 hour)
- Killer Words of Customer Service – Telephone Doctor (.5 hour)
- Proactive Customer Service – Telephone Doctor (.5 hour)
- Questioning Techniques – Telephone Doctor (.5 hour)
- Seven Keys to a Positive Mental Attitude – Telephone Doctor (.5 hour)
- Six Cardinal Rules of Customer Service – Telephone Doctor (.5 hour)
- That's Just Rude – Telephone Doctor (.5 hour)
- The Service Mentality – Telephone Doctor (.5 hour)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours per trainee, excluding OSHA 10 and HAZMAT.



# Teamsters Local Union No. 396

## Package and General Utility Drivers

*Affiliated with the*

**INTERNATIONAL BROTHERHOOD OF TEAMSTERS**

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Vivian Brown  
Area Human Resources Manager  
Republic Services, Los Angeles Area  
12949 Telegraph Road  
Santa Fe Springs, CA 90670

February 5, 2016

### **Re: ETP Funding**

Dear Mrs. Brown,

During our recent communication, you mentioned the opportunity Republic Services has to renew this funding program that significantly benefits the Los Angeles workers.

As President of Teamsters Local 396, I know that Republic services has worked with the Local Union to improve the quality of its workplace and to provide its workers with decent contracts that provide fair wages, pension and good health and welfare benefits.

Republic is active in the Los Angeles Community and is a good employer. I support the goals of the ETP program and I support Republic Services opportunity to receiving funding from the organization to train its employees.

Please accept this letter as Teamsters Local 396's support and endorsement for Republic Services application to receive funding from ETP to train Republic Services employees.

If you have any questions or concerns, please do not hesitate to contact my office.

Respectfully,

Jay Phillips  
President  
Teamsters Local 396

CC: Judith Kriegsman, Contract Administrator



## RETRAINEE - JOB CREATION

**Training Proposal for:**

**Reinhold Industries, Inc.**

**Agreement Number: ET16-0455**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Reeves

### PROJECT PROFILE

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                                  | Retrainee<br>Job Creation Initiative<br>Priority Rate               | Industry Sector(s): | Manufacturing<br>Aerospace and Defense<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Los Angeles   | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |  |
| Number of Employees in:                               | CA: 750   | U.S.: 2,800         | Worldwide: 3,500   |
| <u>Turnover Rate:</u>                                 | 4%  |                     |  |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 6%  |                     |  |

### FUNDING DETAIL

|   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
|---|-------------------------|-----------|---|--|----------------------------|-------------------------|-----|-----|---|--|--------------------------|-----------|
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$440,880</td></tr> </table> | Program Costs           | \$440,880 | - | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">(Substantial Contribution)</td> <td style="text-align: center;">(High Earner Reduction)</td> </tr> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> </tr> </table> | (Substantial Contribution) | (High Earner Reduction) | \$0 | \$0 | = | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;"><b>Total ETP Funding</b></td></tr> <tr><td style="text-align: center;">\$440,880</td></tr> </table> | <b>Total ETP Funding</b> | \$440,880 |
| Program Costs   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$440,880   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| (Substantial Contribution)  | (High Earner Reduction) |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$0   | \$0                     |           |   |  |                            |                         |     |     |   |  |                          |           |
| <b>Total ETP Funding</b>  |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$440,880   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$481,320 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                                       | Type of Training   | Estimated No. of Trainees | Range of Hours       |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---|--|---------------------------|----------------------|-----|--------------------------|---------------------|
|         |   |  |                           | Class / Lab          | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate                            | Business Skills,<br>Computer Skills,<br>Continuous Imp.,<br>Hazardous Mat.,<br>Mgmt. Skills,<br>Mfg. Skills,<br>PL-Mfg. Skills | 146                       | 8-200                | 0   | \$1,080                  | \$16.48             |
|         |   |  |                           | Weighted Avg:<br>60  |     |                          |                     |
| 2       | Retrainee<br>Job Creation Initiative<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Continuous Imp.,<br>Hazardous Mat.,<br>Mgmt. Skills,<br>Mfg. Skills,<br>PL-Mfg. Skills | 118                       | 8-200                | 0   | \$2,400                  | *\$13.73            |
|         |   |  |                           | Weighted Avg:<br>120 |     |                          |                     |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** Job Number 1: \$16.48 per hour for Los Angeles County.  
Job Number 2 (Job Creation): \$13.73 per hour for Los Angeles County.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$3.17 per hour (Job Number 1) and up to \$2.58 per hour (Job Number 2) may be used to meet the Post-Retention Wage.

| Wage Range by Occupation            |            |                         |
|-------------------------------------|------------|-------------------------|
| Occupation Titles                   | Wage Range | Estimated # of Trainees |
| <b>Job Number 1</b>                 |            |                         |
| Production/Machining Staff          |            | 80                      |
| Material Handler/Warehouse Staff    |            | 6                       |
| Engineering/Quality Assurance Staff |            | 26                      |
| Maintenance Staff                   |            | 5                       |
| Office Staff                        |            | 16                      |
| Manager/Supervisor                  |            | 13                      |
| <b>Job Number 2 (Job Creation)</b>  |            |                         |
| Production/Machining Staff          |            | 100                     |
| Material Handler/Warehouse Staff    |            | 2                       |
| Engineering/Quality Assurance Staff |            | 5                       |

|                    |  |   |
|--------------------|--|---|
| Maintenance Staff  |  | 3 |
| Office Staff       |  | 5 |
| Manager/Supervisor |  | 3 |

## **INTRODUCTION**

Founded in 1928 and presently located in Santa Fe Springs, Reinhold Industries, Inc. (Reinhold) ([www.reinhold-ind.com](http://www.reinhold-ind.com)) is a manufacturer of composite and metallic structures for the aerospace, defense, aircraft, and industrial markets. Reinhold products are used in space launch vehicles, missile/interceptor nozzles, military radomes, commercial aircraft seating structures, and mechanical assemblies. This will be Reinhold's second Agreement, although it is the first one within the past five years.

## **PROJECT DETAILS**

The Company qualifies for standard retraining with out-of-state competition provisions as a manufacturer and is eligible for priority industry reimbursement.

Reinhold is experiencing significant growth in both the Aircraft Interiors and Space and Defense business units. The Company is working directly with large government contractors on new missile defense projects that will require additional tooling and new production processes. To keep pace with growth, the Company has ordered approximately \$800,000 of new machines/equipment for Aircraft Interiors division and has created multiple tooling and product skills development projects for Space and Defense.

### **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

In this proposal, Reinhold has committed to hiring 118 new employees across all occupations (Job Number 2) to support the Company's investment in new equipment and expansion of production. Reinhold anticipates capital expenditures in tools, machinery, and equipment of approximately \$2.8 million through the fourth quarter of 2016. Training will equip new employees with the requisite skills to perform multiple tasks within the Company's highly specialized business units.

The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

### **Training Plan**

Training will take place at the Company's location in Santa Fe Springs. It will be delivered by a combination of in-house subject matter experts and outside training vendors (to be identified during the contract term).

**Business Skills (25%)** – Training will be offered to all occupations. This training will focus on customer service, communication, product knowledge, and time management skills. Trainees will learn techniques to improve customer relations throughout all business activities.

**Computer Skills** (10%) – Training will be offered to all occupations. This training will guide workers through the features and functionality of the Company's Enterprise Resource Planning (ERP) system. Training will help staff become more proficient in the use of business software solutions in the areas of resource planning, computer networking, document control, and data administration.

**Continuous Improvement** (25%) – Training will be offered to all occupations. Training will focus on making various processes more efficient and cost-effective. This training is designed to maximize worker productivity by promoting Lean manufacturing principles, problem-solving, and teambuilding techniques.

**Hazardous Materials** (10%) – Training will be offered to Production/Machining Staff, Engineering Staff, Material Handlers, Maintenance Staff, and Managers/Supervisors. This training will provide supplemental hazardous materials skills to frontline workers and lead personnel. Trainees will also learn proper handling of hazardous materials specific to Reinhold's manufacturing processes.

**Management Skills** (10%) - Training will be offered to Managers and Supervisors. Training will include coaching, mentoring, and change management skills necessary to become more effective leaders in the organization.

**Manufacturing Skills** (20%) – Training will be offered to Production/Machining Staff, Engineering/Quality Assurance Staff, Material Handler/Warehouse Staff, and Maintenance Staff. This training is intended to ensure that workers have the requisite skills to manufacture products using engineering and design techniques that adhere to strict quality and safety standards.

### **Productive Laboratory**

Productive Lab (PL) trainees may produce goods for profit as part of the training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training.

Company representatives indicate that PL training is the most effective way for employees to comprehend Reinhold's production processes. PL offers the optimal learning environment when dealing with complex manufacturing equipment. PL will be provided to approximately 180 Production/Machining workers. PL training will allow these workers to achieve the competencies needed to perform their jobs with the highest level of safety and efficiency.

PL training will focus primarily on equipment operation and maintenance. It will involve the use of various manufacturing tools including laser cutters, heat exchanger, Gerber Table, mold presses, heat guns, MasterCam computer systems, and testing equipment. Training will be provided by subject matter experts (process engineers and supervisors) with knowledge and expertise in Reinhold's manufacturing processes and equipment. The trainer-to-trainee ratio will be 1:1, and training will be capped at 60 hours per trainee.

### **Temporary to Permanent Hiring**

Reinhold intends to train approximately 100 workers in Job Numbers 1 and 2 under Panel guidelines for the Temporary-to-Permanent program. The Company has retained these employees on a temporary basis, with the intention of hiring them into full-time, permanent positions after training. According to Reinhold, the average time for "converting" temporary workers into full-time permanent employment is 3-6 months, with 180 days being the average

maximum length of time. It is expected that these workers will receive employer-paid share-of-cost for healthcare premiums immediately upon hire into full-time permanent employment.

Under Panel guidelines for the Temporary to Permanent program, these trainees must be eligible to participate in ETP-funded training pursuant to Unemployment Insurance Code Section 10201(c). Moreover, they cannot be enrolled as trainees until after they have been hired by Reinhold into full-time, permanent employment. Until they are so hired, retention and post-retention wage requirements cannot be satisfied and the Company will not receive progress payments.

### **Commitment to Training**

Reinhold confirms that ETP funds will not displace the existing financial commitment to training. The Company spends approximately \$800,000 annually on ongoing training in the areas of company orientation, job-specific engineering and quality skills, general office skills, and on-the-job training as needed. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

N/A

### **ADMINISTRATIVE SERVICES**

N/A

### **TRAINING VENDORS**

To Be Determined



**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Communication Skills
- + Product Knowledge
- + Time Management
- + Negotiation
- + Customer Service
- + Customer Contracts
- + Accounting Knowledge

**COMPUTER SKILLS**

- + ERP Training
- + Microsoft Office Training (Intermediate and Advanced)
- + Computer Networking
- + Document Control
- + Hardware Training

**CONTINUOUS IMPROVEMENT**

- + Teambuilding
- + TQM
- + AS9100 and NADCAP
- + Lean Manufacturing
- + 5S
- + Six Sigma

**HAZARDOUS MATERIALS**

- + Reading Labels
- + Handling Hazardous Materials/Safety Training

**MANAGEMENT SKILLS** (Managers/Supervisors only)

- + Conflict Management
- + Change Management
- + Financial Statement Reading
- + Cost Reduction
- + Coaching/Motivating

**MANUFACTURING SKILLS**

- + Warehousing
- + Inventory Control
- + Equipment Operation
- + Production/Operation Techniques
- + Maintenance
- + Assembly/Subassembly/Fabrication
- + Manufacturing Practices

Safety Training will be limited to 10% of total training hours per trainee. (This cap does not apply to Hazmat.)

**PL Hours**

0-60

**MANUFACTURING SKILLS (limited to 1:1 trainer-to-trainee ratio)**

- ✦ Gerber Table Training (Seatback Group)
- ✦ Kitting (Seatback Group)
- ✦ New Product/New Seatback (Seatback Group)
- ✦ Basic Machine Shop Practice (Aerospace)
- ✦ BG500 Material Testing (Aerospace)
- ✦ Bonding Operation Router (Aerospace)
- ✦ New Machining Techniques
- ✦ New Product Training
- ✦ R&D Training
- ✦ Equipment Maintenance
- ✦ Assembly Procedures

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 60 hours per-trainee.



## RETRAINEE - JOB CREATION

### Training Proposal for:

## Walter Anderson Plumbing, Inc. dba Anderson Plumbing Heating and Air Conditioning, Inc.

**Agreement Number: ET17-0104**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** San Diego

**Analyst:** J. Davey

### PROJECT PROFILE

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                                  | Priority Rate<br>Retrainee<br>Job Creation Initiative<br>Veterans   | Industry Sector(s): | Services<br>Construction<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | San Diego   | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |  |
| Number of Employees in:                               | CA: 156   | U.S.: 156           | Worldwide: 156   |
| <u>Turnover Rate:</u>                                 | 18%   |                     |  |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 10%   |                     |  |

### FUNDING DETAIL

|   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
|---|-------------------------|-----------|---|--|----------------------------|-------------------------|-----|-----|---|--|--------------------------|-----------|
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$375,120</td></tr> </table> | Program Costs           | \$375,120 | - | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">(Substantial Contribution)</td> <td style="text-align: center;">(High Earner Reduction)</td> </tr> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> </tr> </table> | (Substantial Contribution) | (High Earner Reduction) | \$0 | \$0 | = | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;"><b>Total ETP Funding</b></td></tr> <tr><td style="text-align: center;">\$375,120</td></tr> </table> | <b>Total ETP Funding</b> | \$375,120 |
| Program Costs   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$375,120   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| (Substantial Contribution)  | (High Earner Reduction) |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$0   | \$0                     |           |   |  |                            |                         |     |     |   |  |                          |           |
| <b>Total ETP Funding</b>  |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$375,120   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |

|                              |                                    |           |
|------------------------------|------------------------------------|-----------|
| <b>In-Kind Contribution:</b> | 100% of Total ETP Funding Required | \$434,466 |
|------------------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                                       | Type of Training   | Estimated No. of Trainees | Range of Hours       |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---|--|---------------------------|----------------------|-----|--------------------------|---------------------|
|         |   |  |                           | Class / Lab          | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate                            | Business Skills,<br>Computer Skills,<br>Comm'l Skills,<br>Cont. Imp.,<br>HazMat,<br>PL-Comm'l Skills | 148                       | 8-200                | 0   | \$1,440                  | *\$16.46            |
|         |   |  |                           | Weighted Avg:<br>80  |     |                          |                     |
| 2       | Retrainee<br>Priority Rate<br>Job Creation            | Business Skills,<br>Computer Skills,<br>Comm'l Skills,<br>Cont. Imp.,<br>HazMat,<br>PL-Comm'l Skills | 40                        | 8-200                | 0   | \$2,400                  | *\$13.72            |
|         |   |  |                           | Weighted Avg:<br>120 |     |                          |                     |
| 3       | Retrainee<br>Priority Rate<br>Veteran<br>Job Creation | Business Skills,<br>Computer Skills,<br>Comm'l Skills,<br>Cont. Imp.,<br>HazMat,<br>PL-Comm'l Skills | 25                        | 8-200                | 0   | \$2,640                  | *\$13.72            |
|         |   |  |                           | Weighted Avg:<br>120 |     |                          |                     |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** Job Number 1: \$16.46 per hour in San Diego County; Job Number 2 (Job Creation): \$13.72 per hour in San Diego County; Job Number 3 (Veteran): \$13.72 per hour in San Diego County

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$1.46 per hour may be used to meet the Post-Retention Wage in Job Number 1 and up to \$1.72 per hour in Job Numbers 2 & 3.

| Wage Range by Occupation         |            |                         |
|----------------------------------|------------|-------------------------|
| Occupation Titles                | Wage Range | Estimated # of Trainees |
| <b>Job Number 1</b>              |            |                         |
| Administrative Support Staff     |            | 14                      |
| Customer Service Staff/Dispatch  |            | 14                      |
| Service Technician/Installer     |            | 61                      |
| Sales Staff                      |            | 26                      |
| Sr. Service Technician/Installer |            | 18                      |
| Supervisor/Manager               |            | 15                      |

| <b>Job Number 2 - Job Creation</b> |  |    |
|------------------------------------|--|----|
| Administrative Support Staff       |  | 5  |
| Customer Service/Dispatch Staff    |  | 5  |
| Service Technician/Installer       |  | 15 |
| Sales Staff                        |  | 6  |
| Sr. Service Technician/Installer   |  | 4  |
| Supervisor/Manager                 |  | 5  |
| <b>Job Number 3 - Veteran</b>      |  |    |
| Administrative Support Staff       |  | 2  |
| Customer Service/Dispatch Staff    |  | 2  |
| Service Technician/Installer       |  | 15 |
| Sales Staff                        |  | 2  |
| Sr. Service Technician/Installer   |  | 2  |
| Supervisor/Manager                 |  | 2  |

## **INTRODUCTION**

Founded in 1978 and headquartered in El Cajon, Walter Anderson Plumbing, Inc. dba Anderson Plumbing Heating And Air Conditioning, Inc. (Anderson PHA) installs, repairs and services HVAC systems and plumbing to residential homes in San Diego, Imperial, Orange and Riverside counties. The Company recently added glass shower door installation to its list of services.

California building code (Title 24) requires an overall increase in energy efficiency levels of 25% above the standards set in 2008. New coolant, ventilation and duct systems have been developed as needed to meet these standards. These "Smart Systems" are a major and growing component of Anderson PHA's services. In addition to Smart Systems, Anderson PHA works with "Nano Air" systems that use nanotechnology to eliminate the common refrigerants such as fluorocarbons. This technology cuts the carbon footprint by 50%; and reduces toxic CO<sub>2</sub> emissions by almost 60%.

At the same time that the Company must meet new technological and regulatory requirements, it is faced with a shortage of trained Technicians. Therefore, Anderson PHA began its own training program to provide the most recent skills.

## **PROJECT DETAILS**

### **Retrainee - Job Creation**

Anderson PHA has committed to hiring 65 new employees (Job Numbers 2 & 3). The Company represents that the date-of-hire for these trainees will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

Anderson PHA has experienced substantial growth in the past two years up to 26%. The fourth quarter of 2015 saw a 70% overall growth in HVAC and 11% in plumbing. As such, Anderson

PHA is moving into a 24,000 sq. ft. building to facilitate additional personnel, an extensive on-site training facility, and extended insulation services as well as the new glass segment.

Anderson PHA expects 25% growth in 2016, with a similar continuation in 2017. All told, the Company has plans to hire 120 net new employees in the next year, of which 65 will participate in ETP-funded training.

### **Veterans Program**

Anderson PHA has developed a recruitment campaign specifically aimed at attracting Veterans. The Company collaborates with "Hire a Vet", a local organization that aids in placing local veterans into good jobs. In the San Diego area, a large military and veteran population exists. As part of Job Creation, Anderson PHA plans to hire 25 Veterans as net new hires within the next 12 months. The Panel has established a higher reimbursement rate of \$22 per hour for training California veterans, which applies here.

### **Training Plan**

Training will be provided at the company's El Cajon headquarters and at customer locations (PL-Commercial Skills) as follows:

**Business Skills (20%):** Training will be offered to all occupations. Administration and Customer Service/Dispatch Staff need training in customer service, dispatch procedures, and communication skills. Sales and Technical Staff will be trained in intermediate and advanced sales procedure, conflict management, and presentation and negotiation skills. Service Technicians/Installers also require training because they interface directly with customers. Training will also include changes in the requirements of Title 24. Supervisors/Managers will also receive training in these areas as needed.

**Commercial Skills (20%):** Training will be offered to Service Technicians/Installers, Sales Staff, and Supervisor/Managers in the technology and methodology for installing and servicing the changes pursuant to Title 24 energy efficiency guidelines, including Mini-Splits, inverter technology, smart systems, whole home efficiency, insulating and ventilating factors. In addition, Sales Staff will also be trained in these new technologies to for baseline knowledge necessary to facilitate proper sales and code recommendations, and advising customers. Plumbing and Glass Service Technicians/Installers will be trained in residential plumbing and glass applications respectively. Supervisors/Managers will also receive training in these areas as needed.

**Computer Skills (5%):** Training will be offered to all occupations in Successware relative to their job duties. Administrative Support Staff will be trained in advanced MS Office software suite. Sales and Field Service Technicians/Installers will be trained in computer research methods to ascertain code parameters with regard to building codes. Supervisors/Managers will also receive training in these areas as needed.

**Continuous Improvement (20%):** Training will be offered to all occupations in an effort to improve the overall operational efficiency of the business, improve quality control, build effective teams across company silos and build in problem analysis.

**Hazardous Materials (5%):** Field Service Technicians and Sales Staff will receive training in Hazardous Waste/Materials to ensure appropriate response to hazardous waste spills on the worksite or in transit. This training is highly technical and meets all industry and OSHA governmental standards.

This training is also a series of courses, specific to industry sectors involved in the transport of hazardous materials. The coursework varies in length depending on the industry and the occupational title, as organized in five levels ranging from “first responder” to “incident commander.” It is generally a minimum of 24 hours with an 8-hour annual refresher, and may be delivered by classroom or CBT. In this proposal, Service Technicians will receive training as needed. No specific number of hours has been determined and no certificate will be received at the completion of training.

**Productive Laboratory (30%):** The Panel adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training, and special attendance rosters will be used to assist in monitoring.

Training in PL – Commercial Skills will be provided to all Service Technicians/Installers. These occupations will receive a maximum of 60 hours of PL training to deepen and solidify classroom learning, provide specific job site examples on a real time basis that are not easily replicated in a classroom lab environment. Most of the trainees receiving 60 hours will be newly-hired retrainees in Job Numbers 2 & 3 and lower-skilled incumbents in Job Number 1.

PL training will focus on Service Technicians/Installers who need hands-on skills to service and install new energy-efficient HVAC equipment. Skills in the curriculum will be basic, intermediate and advance HVAC and or plumbing installations, systems repair and diagnosis. Trainers will review entire process with the student, discuss both safety and code requirements, demonstrate the use of necessary tools and or equipment, demonstrate how to complete the task, observe the student complete the task, coach the student and correct deficiencies, assess progress and make note of any further training necessary to ensure students, competence, and when competent mark the students training file.

Additionally, Sales Staff will receive up to 10 hours PL to learn how systems are built and how to estimate installation requirements and costs. All PL training will have a maximum ratio of 1:3, but is typically either 1:1 or 1:2. In some cases, trainees will be in groups of 2 or 3 trainees because they work in teams on the job installing or repairing HVAC systems. Training these small teams in PL on the job is a necessity based on the way work is actually performed at customer sites.

Instructors are dedicated to training delivery during all hours of training. Plumbing PL training will include specific job site examples not easily replicated in the class/lab environment and will incorporate basic, intermediate and advanced plumbing skills. Glass installation skills will be included in PL based on the same rationale as HVAC and plumbing. Measurement markers will constitute an increase in both competency and proficiency in critical job skills in both HVAC and plumbing.

### **Commitment to Training**

Anderson PHA spends \$397,000 in training costs annually. Anderson PHA documented delivery of over 11,500 training hours last year. In addition, some subject matter experts have been incorporated at a cost of \$78,000 to the Company, with training focused on heat exchanger systems. The Company employs four full time trainers. With the recent addition of plumbing and glass, two additional trainers have been incorporated to deploy training in those categories. Additionally there are four other employees trained to administer training in high peak training season.

Anderson PHA represents that ETP funds will not displace the existing financial commitment to training. Safety training is provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

Anderson PHA has an HR Director and two Administrative Staff to schedule training and be available to meet with ETP staff. Anderson PHA has also employed a third party administrator with two full time associates to input training hours and ensure compliance, who will work in collaboration with Anderson PHA staff to oversee training plans and performance.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

Synergy Management Consultants (Synergy) in Grass Valley assisted with development of this proposal for a flat fee of \$38,000. Synergy has provided project development services including curriculum, training plans, and other services that will enable the Company to reach its strategic objectives with training.

**ADMINISTRATIVE SERVICES**

Synergy will also perform administrative services for a fee not to exceed 13% of payment earned.

**TRAINING VENDORS**

To Be Determined



**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Sales Procedures & Strategies
- Communication Skills
- Customer Needs Assessment & Relationship Building
- Customer Service Skills
- Maintenance/Membership Programs
- Negotiation Skills
- Conflict Management
- Marketing
- Presentation Skills
- Dispatch Procedures
- Equipment and Industry Overview
- HVAC Product Knowledge for Non-Technicians
- Plumbing Product Knowledge for Non-Technicians
- Product Knowledge/Offerings
- Finance/Accounting Skills
- Business Acumen for Leaders
- Logistics Skills

**COMMERCIAL SKILLS****HVAC:**

- Thermal Dynamics
- Switches & Electrical Components
- Heat Pump Systems
- Air Conditioning Systems
- Metering Devices
- System Controls/Smart System Controllers
- Motors
- Inverter Motors
- Digital Tools
- Wiring
- Thermostats
- Wireless Technologies/Controls
- Tune-Up Procedures
- Field Tools/Gauges
- Digital Tools Gauges
- Air Quality Diagnostics and Methodologies
- Inverter Technology
- Ventilation Systems
- Barriers Methodologies
- Fundamentals of Solar Technology
- Insulating Methodologies
- Residential Indoor Air Quality/Testing
- Maintenance Parts/Supplies—Inventory Management

**Plumbing:**

- Plumbing Safety
- Basic Tools
- Specialized Tools
- Drawings/Plans
- Pipes and Fittings Including Install
- Compression Fittings
- Fixtures and Faucets Including Install
- Disposals
- Drains-Roof/Floor and Area
- Valves
- Water Heaters
- On Demand Hot Water Systems
- Pipes and Supply Lines
- Gas and Fuel Systems
- Back Flow Systems
- Sewage and Pump Systems
- Venting
- Water Pressure Booster and Recirc Systems
- Water Supply Treatment Systems
- Plumbing for Mobile Homes
- Diagnostics
- Septic Systems
- Video Inspection
- Trenchless Replacements
- Plumbing Code

**Glass Installation:**

- Glass Materials
- Diagnostics, Measuring
- Cutting Tools
- Cutting and Handling glass
- Metal Sash
- Mirrors, Shower Doors, Tub Enclosures
- Safety Glass Procedures
- Sealants
- Residential Glass Code
- Remodel Replacement
- Encapsulated Glass Procedures
- Glass Layout
- Building Design
- Title 24 Standards

**COMPUTER SKILLS**

- Successware (proprietary HVAC management software)
- Regulatory Code Research Techniques
- Payment Card Certification
- Tablet Computer Applications
- VOIP

**CONTINUOUS IMPROVEMENT**

- Leadership Skills
- High performance Team Building
- Change Management Skills
- Root Cause Analysis
- Problem Solving Skills
- Quality Control/Systems
- Project Management Skills
- Logistics Efficiency
- Kaizen Event Strategy and Implementation
- Lean Concepts
- Time Management Skills

**HAZARDOUS MATERIALS**

- Coolant Systems-Evac and Weigh-In Procedures
- Handling Hazardous Materials
- HazMat Safety
- Completing Material Safety Data Sheets
- Emergency Response and Clean-Up
- Registration, Eval, Authorization & Restriction of Chemical Substances

Safety Training is capped at 10% of a trainee's total training hours

**PL Hours**

0 – 60

**COMMERCIAL SKILLS (Ratio 1:3)**

- Thermal Dynamics
- Switches and Electrical Components
- Heat Pump Systems
- Air Conditioning Systems
- Metering Devices
- System Controls/Smart System Controllers
- Motors
- Whole Home Fans
- Inverter Type Systems
- Digital Tools
- Wiring
- Thermostats
- Tune-Up Procedures
- Air Quality Diagnostics and Methodologies
- Ventilation Systems
- Barriers Methodologies
- Diagnostics
- Pipes and Fittings (Plastic) Including Install
- Copper Pipe and Fittings
- Cast Iron Pipe and Fittings
- Corrugated Stainless Steel Tubing

- Fixtures and Faucets Including Install
- Disposals
- Drains-Roof/Floor and Area
- Valves
- Water Heaters
- On Demand Hot Water Systems
- Pipes and Supply Lines
- Gas and Fuel Systems
- Back Flow Systems
- Sewage and Pump Systems
- Locating Buried Water and Sewer Lines
- Venting
- Water Pressure Booster and Recirc Systems
- Water Supply Treatment Systems
- Plumbing for Mobile Homes
- Septic Systems
- Video Inspection
- Trenchless Replacements
- Glass Materials
- Diagnostics, Measuring
- Cutting Tools
- Cutting and Handling Glass
- Metal Sash
- Mirrors, Shower Doors, Tub Enclosures
- Safety Glass Procedures
- Sealants
- Residential Glass Code
- Remodel Replacement

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 60 hours per-trainee.



## RETRAINEE - JOB CREATION

**Training Proposal for:**

**Ariat International, Inc.**

**Agreement Number: ET16-0451**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** L. Lai

### PROJECT PROFILE

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Job Creation Initiative<br>Retrainee<br>Priority Rate               | Industry Sector(s): | Warehousing<br>Retail<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Alameda   | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 207   | U.S.: 283           | Worldwide: 418  |
| <u>Turnover Rate:</u>                                 | 11%   |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 20%   |                     |   |

### FUNDING DETAIL

|   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
|---|-------------------------|-----------|---|--|----------------------------|-------------------------|-----|-----|---|--|--------------------------|-----------|
| <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$399,320</td></tr> </table> | Program Costs           | \$399,320 | - | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">(Substantial Contribution)</td> <td style="text-align: center;">(High Earner Reduction)</td> </tr> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$0</td> </tr> </table> | (Substantial Contribution) | (High Earner Reduction) | \$0 | \$0 | = | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;"><b>Total ETP Funding</b></td></tr> <tr><td style="text-align: center;">\$399,320</td></tr> </table> | <b>Total ETP Funding</b> | \$399,320 |
| Program Costs   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$399,320   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| (Substantial Contribution)  | (High Earner Reduction) |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$0   | \$0                     |           |   |  |                            |                         |     |     |   |  |                          |           |
| <b>Total ETP Funding</b>  |                         |           |   |  |                            |                         |     |     |   |  |                          |           |
| \$399,320   |                         |           |   |  |                            |                         |     |     |   |  |                          |           |

|                       |                                    |             |
|-----------------------|------------------------------------|-------------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$1,137,563 |
|-----------------------|------------------------------------|-------------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                         | Type of Training                                       | Estimated No. of Trainees | Range of Hours       |      | Average Cost per Trainee | Post-Retention Wage |
|---------|---|--|---------------------------|----------------------|------|--------------------------|---------------------|
|         |   |  |                           | Class / Lab          | CBT  |                          |                     |
| 1       | Retrainee<br>Priority Rate              | Business Skills,<br>Computer Skills<br>Adv. Technology | 164                       | 8-200                | 0-40 | \$2,070                  | \$17.30             |
|         |   |  |                           | Weighted Avg:<br>115 |      |                          |                     |
| 2       | Retrainee-Job Creation<br>Priority Rate | Business Skills,<br>Computer Skills                    | 34                        | 8-200                | 0-40 | \$1,760                  | * \$15.00           |
|         |   |  |                           | Weighted Avg:<br>88  |      |                          |                     |

\* It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** Alameda County: Job 1 - \$17.02; Job 2 - \$14.19

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

| Wage Range by Occupation           |            |                         |
|------------------------------------|------------|-------------------------|
| Occupation Titles                  | Wage Range | Estimated # of Trainees |
| <b>JOB NUMBER 1 (RETRAIINEES)</b>  |            |                         |
| Admin / Finance / HR               |            | 33                      |
| Design                             |            | 8                       |
| IT Support I                       |            | 10                      |
| IT Support II                      |            | 1                       |
| Product Developers                 |            | 13                      |
| Production                         |            | 10                      |
| Sales / Marketing                  |            | 38                      |
| Supply Chain                       |            | 14                      |
| Manager/Supervisor I               |            | 32                      |
| Manager/Supervisor II              |            | 5                       |
| <b>JOB NUMBER 2 (JOB CREATION)</b> |            |                         |
| Admin / Finance / HR               |            | 3                       |
| Design                             |            | 3                       |
| IT Support I                       |            | 2                       |
| IT Support II                      |            | 1                       |

|                    |  |    |
|--------------------|--|----|
| Product Developers |  | 3  |
| Retail Support     |  | 12 |
| Sales / Marketing  |  | 5  |
| Supply Chain       |  | 3  |
| Manager/Supervisor |  | 2  |

## **INTRODUCTION**

Founded in 1992, Ariat International, Inc. (Ariat) is a manufacturer of innovative performance equestrian footwear and apparel. Featuring a patented technology designed to deliver stability, durability and comfort, Ariat pioneered the application of advanced athletic shoe technology into English riding boots and authentic Western boots. Ariat products are sold online, and in a network of 6,500 retail outlets throughout the world such as Boot Barn, Cavenders, and Tractor Supply Company.

Ariat is headquartered in Union City and has distribution centers in Hayward, CA and Louisville, KY. The Company is expanding its distribution activities from the Union City location, and plans to open its first retail store in Northern California in the fall of 2016.

## **PROJECT DETAILS**

In April 2015, Ariat signed an exclusive licensing and sponsorship agreement with the International Equestrian Federation (FEI), the international governing body of equestrian sports, to develop a new co-branded product collection to launch in 2016.

In addition to expanding into new global markets to increase sales, the Company is considering how it can scale its business, and pursue new supply chain and product management software, to keep up with growth.

### **Retrainee - Job Creation**

In this proposal, Ariat has committed to hiring 34 new employees (Job Number 2). The new employees are needed as the Company releases new products, increases online sales, and opens its first retail store in Northern California. The new employees will staff the new 3,000 sq. ft. retail store, and existing unused space at the Company headquarters.

The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

### **Training Plan**

All training will be conducted via Class/Lab, E-Learning, and CBT at the Company's facility in Union City.

**Advanced Technology (5%)** – Training will be offered to five IT Staff to support and manage all IT infrastructure systems from Data Center to all production server and application systems. Due to the high costs associated with training on expensive network equipment and sophisticated software, the Company is requesting the AT reimbursement of \$26 per hour. The training is estimated to cost \$92 per hour. The 1:10 trainer-to-trainee ratio will be maintained to allow for in-depth coverage of complex materials and personal attention from the instructor.

**Business Skills (75%):** Training will be offered to all occupations. Training will focus on Project Management, Communication, Product Knowledge, Strategic Planning, and other business-related job skills to improve overall performance related to individual job functions. This training will be delivered as Class/Lab and CBT.

**Computer Skills (20%):** Training will be offered to all occupations. Topics include Data Warehouse System, HR Systems, Retail POS, and SAP. This training will allow employees to effectively use various systems throughout the organization. This training will be delivered as Class/Lab and CBT.

### **Impact/Outcome**

ETP-funded training will help the Company expand and grow its business. At the completion of training, 34 new and 164 incumbent workers will gain new and/or improved skills to improve efficiencies throughout the Company.

### **Commitment to Training**

Ariat's 2015 training budget was \$120,000 per facility, and was primarily allocated to Onboarding, Leadership Development, Technical & Functional Skills, General Education, Compliance and a teambuilding suite.

ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

Ariat's Learning & Development Manager and three HR Generalists will be dedicated to oversee the Administration. The Company has a FY16 training calendar established and is ready to begin training when the proposal is approved. The Company has an "All Boots Company" meeting every 6-8 weeks, as well as monthly Brown Bags to go over training schedules. Some training will be delivered by in-house staff.

### **OUT-OF-STATE VENDORS**

Ariat is requesting approval to use two Out-of-State Vendors, BLC, located in Northampton, UK to provide technical training on leather; and STAHL, located in Netherlands, to provide technical training in footwear and testing. Amount to be determined.

### **RECOMMENDATION**

Staff recommends approval of this proposal and the use of out-of-state training vendors.

### **DEVELOPMENT SERVICES**

Ariat retained RSM US, LLP in San Diego to assist with development of this proposal for a flat fee of \$12,000.

### **ADMINISTRATIVE SERVICES**

Ariat will also retain RSM to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.



**TRAINING VENDORS**

Ariat has identified the following California-based training vendors to provide training under this proposal: Decker Communications, Duarte, Coursera, Learn It!, MBTI/ CPP, Ken Blanchard Companies, Claremont EAP, and Lawroom.

Ariat's representative states that specialized training doesn't exist in California or the U.S. Less than 5% of the training will be delivered by the out-of-state training vendors for 17 product developers, product coordinators, and supply chain staff. The training will take place onsite at Ariat's California facilities and comply with the 1:20 trainer-to-trainee ratio.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 - 200

Trainees may receive any of the following:

**ADVANCED TECHNOLOGY**

- Advance Information Security
- Advanced Computer Networking
- Business Objects
- Front End Reporting Tools
- ITIL (Information Technology Infrastructure Library) Compliant System
- Linux
- Microsoft SQL Service
- Nimble SAN/NAS Storage
- Oracle Database
- POS Hardware
- Retail Platform
- Supply Chain Management Solutions
- Switches and Routers

**BUSINESS SKILLS**

- Building Business Acumen
- Business Writing
- Change Management
- Coaching
- Communication Skills
- Conflict Resolution
- Critical Thinking
- Dealing with Difficult People
- Delegation Skills
- Developing Executive Presence
- Finance for Non-Financial Professionals
- Increasing your Professional Effectiveness
- Influencing without Authority
- Leadership Skills
- Managing Across Generations
- Marketing Skills
- Master Critical Thinking
- Master Emotional Intelligence
- Mould in Product
- Negotiation Skills
- Presentation Skills
- Process Improvement
- Product Knowledge
- Project Management
- Stitching and Material Utilization
- Strategic Planning
- Supply Chain Elements
- Sustainability in Supply Chain
- Teambuilding
- The 5 choices to Extraordinary Productivity

- The 7 habits of Highly Successful People
- Time Management
- Understanding Leather

### **COMPUTER SKILLS**

- ADP – Payroll System Applications
- Cognos
- Data Warehouse System
- GT Nexus Applications
- Human Resource Systems and Processes
- Learning Management Systems Applications
- Microsoft Office Suite (Intermediate and Advanced)
- Product Lifecycle Management Applications
- Retail POS (Point of Sale)
- SAP 102 – Fundamental (Intermediate)
- SAP 103 – Advanced
- Success Factors (Performance Management System)
- WebEx (Intermediate and Advance)

### **E-Learning Hours**

0 - 60

### **BUSINESS SKILLS**

- Teambuilding

### **COMPUTER SKILLS**

- Microsoft Office Suite (Intermediate and Advanced)
- WebEx (Intermediate and Advanced)
- SAP

### **CBT Hours**

0 – 40

### **BUSINESS SKILLS**

- Branding Fundamentals (1hr 26m)
- Building Trust (1hr)
- Business Writing Fundamentals (1h 32m)
- Communication Fundamentals (2hr 5m)
- Communication Fundamentals (2hr 5m)
- Conflict Resolution Fundamentals (48m)
- Decisions (1hr 28m)
- Delegating Tasks to Your Team (50m)
- Effective Listening (1hr 8m)
- Influencing Others (1hr 21m)
- Leading with Emotional Intelligence (1hr 46m)
- Leading with Emotional Intelligence (1hr 46m)
- Managing Teams (1hr 23m)
- Motivating and Engaging Employees (1hr 50m)
- Negotiation Fundamentals (37m)
- Presentation Fundamentals (1hr 31m)
- Project Management Simplified (1hr 19m)
- Public Speaking Fundamentals (1hr 4m)
- Writing Business Reports (1h 58m)
- Writing E-Mail (1h 13m)

**COMPUTER SKILLS**

- Designing a Presentation (2hr 14m)
- Macros in Depth (2hr 44m)
- Pivot Tables in Depth (3hr 43m)
- PowerPoint – From Outline to Presentation (1hr 56m)
- Workbooks (1hr 29m)
- Working with Date and Times (1hr 20min)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee.



**RETRAINEE - JOB CREATION**  
**Critical Proposal Proposal for:**  
**Audentes Therapeutics, Inc.**  
**Agreement Number: ET16-0477**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** A. Nastari

**PROJECT PROFILE**

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Critical Proposal<br>Retrainee<br>Job Creation Initiative<br>Priority Rate<br>SB <100 | Industry Sector(s): | Biotechnology/Life Sciences<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | San Francisco, San Mateo  | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No                   |                     |   |
| Number of Employees in:                               | CA: 66  | U.S.: 66            | Worldwide: 66   |
| <u>Turnover Rate:</u>                                 | 6%  |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | N/A   |                     |   |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$411,840     |   | \$0                        | \$0                     |   | \$411,840                |

|                       |                                    |             |
|-----------------------|------------------------------------|-------------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$1,000,000 |
|-----------------------|------------------------------------|-------------|

**TRAINING PLAN TABLE**

| Job No. | Job Description  | Type of Training                      | Estimated No. of Trainees | Range of Hours       |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|---------------------------------------|---------------------------|----------------------|-----|--------------------------|---------------------|
|         |  |                                       |                           | Class / Lab          | CBT |                          |                     |
| 1       | Critical Proposal<br>Priority Rate<br>SB<100                 | Commercial Skills,<br>Continuous Impr | 40                        | 8-280                | 0   | \$4,680                  | \$18.00             |
|         |  |                                       |                           | Weighted Avg:<br>180 |     |                          |                     |
| 2       | Critical Proposal<br>Job Creation<br>Priority Rate<br>SB<100 | Commercial Skills,<br>Continuous Impr | 48                        | 8-280                | 0   | \$4,680                  | \$23.00             |
|         |  |                                       |                           | Weighted Avg:<br>180 |     |                          |                     |

**Minimum Wage by County:** \$17.02 per hour for San Francisco and San Mateo Counties

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

**Wage Range by Occupation**

| Occupation Titles        | Wage Range | Estimated # of Trainees |
|--------------------------|------------|-------------------------|
| <b>Job Number 1</b>      |            |                         |
| Administrative Assistant |            | 6                       |
| Administrator            |            | 1                       |
| Engineer 1               |            | 1                       |
| Maintenance Worker       |            | 1                       |
| Manager                  |            | 5                       |
| Manufacturing Supervisor |            | 3                       |
| Research Associate       |            | 2                       |
| Scientist                |            | 4                       |
| Senior Technical Staff   |            | 17                      |
| <b>Job Number 2</b>      |            |                         |
| Administrator            |            | 3                       |
| Engineer 1               |            | 2                       |
| Engineer 2               |            | 2                       |
| Maintenance Worker       |            | 4                       |
| Manager                  |            | 8                       |
| Manufacturing Supervisor |            | 4                       |

|                          |  |    |
|--------------------------|--|----|
| Manufacturing Worker     |  | 10 |
| Project Manager          |  | 4  |
| Quality Assurance Worker |  | 6  |
| Research Associate       |  | 3  |
| Scientist                |  | 2  |

## **Critical Proposal**

This proposal for Audentes Therapeutics, Inc. (Audentes) is designated as a “Critical Proposal”, as defined in Title 22, California Code of Regulations (CCR) 4402.2, by the Governor’s Office of Business and Economic Development.

## **INTRODUCTION**

Audentes Therapeutics, Inc. (Audentes), founded in San Francisco in 2012, is a biotechnology company dedicated to the development and commercialization of “gene therapy” for rare and serious diseases caused by the loss of protein. Gene therapy, while still in the research stage, treats patients by introducing functional copies of genes through vectors (genetically engineered viruses). Once introduced, the copied genes direct cells to produce new genetic materials; in this case, proteins.

The Company has two facilities in California: a headquarters in San Francisco and a manufacturing facility in South San Francisco. Both locations will participate in this proposal. The Company develops, manufactures, and tests vectors at both locations. Clinical testing is scheduled for later this year, pending final approval by the Food and Drug Administration (FDA).

## **PROJECT DETAILS**

Audentes currently has four vector strains in which it is developing processes and formulas required to produce non-clinical (animal testing) and clinical (human testing) studies. To meet FDA requirements, Audentes must first develop consistent processes for the manufacturing of gene therapy products and demonstrate unchanging formulas in its manufacture of vectors. Processes must be brought to scale in a manner that is consistent and re-producible and meets FDA standards. The four vector strains are as follow:

1. AT132 for the treatment of X-Linked Myotubular Myopathy (XLMTM). This is a very rare, inherited disorder affecting approximately one in 50,000 newborn males worldwide. Its effects consist of profound muscle weakness, severe respiratory impairment, and high mortality—almost half of affected children die before 18 months of age. Children with XLMTM who survive beyond infancy suffer significant morbidities and poor quality of life, often requiring supportive care that includes ventilator assistance, motorized wheelchairs and feeding tubes. There is currently no approved treatment for XLMTM. The goal of gene therapy with AT132 is delivery of a specific gene to a patient’s muscle cells, and long-term production of functioning enzyme.
2. AT342 for the treatment of Crigler-Najjar Syndrome Type 1. This is a very rare, inherited disease characterized by severely high levels of bilirubin in the blood. This disease risks irreversible neurological damage and death. It is currently estimated to affect approximately one per million newborns worldwide. With appropriate intervention—typically phototherapy and/or liver transplantation-- life expectancy is around 30 years of age. Left untreated, neurological dysfunction will typically cause death before 2 years of age. The goal of gene

therapy with AT342 is the long-term expression of a protein, leading to restoration and maintenance of normal levels of bilirubin.

3. AT307 for the treatment of Catecholaminergic Polymorphic Ventricular Tachycardia. This is a very rare, inherited cardiac disease, which usually manifests in the first or second decade of life. Physical or emotional stress may cause abnormal heartbeats that can rapidly progress to cardiac arrest and sudden death. It is estimated to affect one in 10,000 people. The disease is caused by mutations in a gene that encodes a protein which plays a key role in the calcium release in cardiac muscle cells. The goal of gene therapy with AT307 is the long-term expression of the calcium in cardiac muscle cells and prevention of life-threatening abnormal heartbeats.
4. AT982 for the treatment of Pompe disease. This is a very rare, inherited neuromuscular disease with variable ages of onset. It is estimated to affect approximately one in every 40,000 births worldwide. Clinical symptoms consists of severe, progressive muscle weakness and respiratory impairment. When untreated, the natural course of this disease leads to wheelchair and ventilator dependence, and death. Patients with the most severe form of Pompe disease usually die before the age of one year, if untreated. The disease is caused by mutations in a gene that encodes the protein needed to break down glycogen – a stored form of sugar used for energy. The goal of gene therapy is long-term expression of the protein to reduce build-up of stored glycogen.

Audentes is one of a few companies in the U.S. working to move gene therapy from pure research to the trial stage for the treatment and potential cure of specific diseases. The Company hopes to receive FDA approval of vectors for non-clinical and clinical trials in the fourth quarter of 2016. If approved, production of XLMTM and AT342 clinical trials will be delivered for FDA approval as the next step.

Extensive training is needed for developing processes and formulas required to produce non-clinical and clinical studies, designing and creating vectors, and using new equipment and technologies to produce genetic paths and genetic material.

### **Retrainee - Job Creation**

With the expected approval for clinical trials, Audentes must ramp up production capacity. The Company's facility in South San Francisco, currently 21,960-square-feet, will be expanded an additional 17,000 square feet in June 2017 to make room for future growth.

Audentes is committed to hiring 48 new employees (Job Number 2). The date-of-hire for all newly hired trainees will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

### **Training Plan**

**Commercial Skills (80%):** Training will be offered to all occupations. Training will focus mainly on the Company's newly developed Standard Operating Procedures (SOPs), Good Manufacturing Practices (GMPs) and regulatory requirements. Additional Commercial Skills in the area of Clinical Trials, Process Development, Program Management, R&D, Production, Quality Control, Maintenance, will be delivered as required according to occupation.

**Continuous Improvement (20%):** All occupations will receive one or more courses in Continuous Improvement consisting of team building, troubleshooting, and monitoring quality.



## **Training Hours Limitation**

Audentes is requesting a modification to the maximum hours cap to allow up to 280 hours of training (weighted average of 180 hours per trainee). The Company's extensive training program requires approximately 900 hours, with 42 trainees each receiving an average of 641 hours. Any hours over 280 will be covered by the Company. Workers will be in full-time training sessions between June and November 2016.

The high number of training hours is attributed to the complex nature of process development, implementation, and ultimately the production of testing products. The Company has a third-party team that is developing Standard Operating Procedures (SOPs) and Good Manufacturing Practices (GMPs) to control its processes and systems.

Currently, Engineers and Manufacturing Workers must execute each process until competence is demonstrated, which may result in various "practice runs" of the genetic material. Trainees will first produce non-clinical batches that will be discarded upon completion, based on step-by-step processes. Trainees will then produce non-clinical batches that will be used for trials. Non-clinical testing must be FDA approved before the Company can move to developing clinical products. Once the clinical products are approved by FDA, it will then be able to begin manufacturing the gene therapy treatments for commercial use.

During this training time, processes may change, which will result in updating SOPs and GMPs, thereby requiring additional training.

## **Commitment to Training**

Audentes represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

As a new company, Audentes has been limited to a training budget of \$100,000, which has been used to provide informal, on-the-job training and attend educational conferences and meetings. Also, mandatory company-sponsored training has been delivered to all occupations based on job-specific skills.

### ➤ Training Infrastructure

Audentes will utilize internal trainers to deliver most of its proprietary training. Classroom training will consist of its SOPs, GMPs, regulatory requirements, process development, R&D, and Quality Control. Afterwards, the Company will provide training in a simulated, non-production laboratory setting to develop formulas, based on step-by-step processes, for non-clinical batches. These batches will be discarded upon completion of training. Once the processes are finalized, the Company will develop the actual batches that will be provided to the FDA for review. It will then use these same processes to create vectors for clinical trials. At the end of clinical trials, the Company will have to resubmit for approval. If approved, the Company may then begin commercial manufacture of vectors.

Third-party vendors may be considered during which time the Company will notify ETP. Company personnel will schedule training activities and document training on rosters. Approximately four people will work together to administer this project. The Company will be ready to begin training once the ETP Proposal is approved.

## **Impact/Outcome**

Audentes' ultimate goal is to produce FDA approved gene therapy products that will lead to improved quality of life and/or cures for affected persons.

## **RECOMMENDATION**

Staff recommends approval of this proposal including modifying the cap from 200 to 280 hours.

## **DEVELOPMENT SERVICES**

Audentes retained Steve Duscha Advisories in Sacramento to assist with development of this proposal for a flat fee of \$17,500.

## **ADMINISTRATIVE SERVICES**

Audentes also retained Steve Duscha Advisories to perform administrative services in connection with this proposal for a fee not to exceed 10% of payment earned.

## **TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 – 280

Trainees may receive any of the following:

**COMMERCIAL SKILLS**

## Clinical Trials

- ✚ Creating and following standard operating procedures
- ✚ Following Good Clinical Practice
- ✚ Following regulations for clinical trials
- ✚ Conducting site qualification visits to assess clinical trial sites
- ✚ Working with clinical research organizations
- ✚ Monitoring and auditing clinical trials
- ✚ Managing investigational supplies
- ✚ Documenting clinical trials
- ✚ Identifying, assessing, and implementing appropriate corrective actions
- ✚ Managing local labs and supplies
- ✚ Reporting adverse events
- ✚ Creating protocols for preclinical animal studies
- ✚ Analyzing preclinical data

## Process Development

- ✚ Developing processes for production of gene therapy vectors
- ✚ Assessing equipment needs
- ✚ Equipment procurement and layout
- ✚ Optimizing cell growth and productivity
- ✚ Using bioreactors
- ✚ Developing downstream processing steps and methodology to ensure high yield, potency and purity
- ✚ Producing research drug products for animal studies
- ✚ Evaluation procedures of production process
- ✚ Working in a GMP (FDA Good Manufacturing Practice) environment
- ✚ Meeting regulatory requirements
- ✚ Integrating processes
- ✚ Managing production of research drug products
- ✚ Assessing and implementing new manufacturing technologies

## Program Management

- ✚ Managing drug product development
- ✚ Developing project plans
- ✚ Setting timelines
- ✚ Budgeting
- ✚ Contingency planning
- ✚ Risk mitigation
- ✚ Tracking milestones
- ✚ Managing internal and external partners
- ✚ Managing suppliers

- ✚ Reporting
- ✚ Managing supply chains
- ✚ Managing inventory
- ✚ Record keeping
- ✚ Warehouse management
- ✚ Sourcing raw materials and equipment
- ✚ Meeting regulatory requirements

#### Research and Development

- ✚ Conducting assays
- ✚ Assays to detect residual impurities
- ✚ Assays for titration and residual impurity quantification
- ✚ Cell-based in-vitro potency assays for AAV products
- ✚ Biochemical assays
- ✚ Shake flask culturing
- ✚ Cell line maintenance
- ✚ Mammalian cell transfection
- ✚ Mammalian cell transduction
- ✚ Fluorescent microscopy
- ✚ Supply management
- ✚ Preparing standard operating procedures
- ✚ Optimizing Adeno-Associated Virus vector production and potency
- ✚ Standardizing assays for vector genome production
- ✚ Vector system design
- ✚ Engineering cells for performance
- ✚ Evaluating production experiments and system designs
- ✚ Isolation and characterization of stable cell lines
- ✚ Developing novel assays to assess viral vector attributes based on nucleic acid chemistry
- ✚ Using analytical assays to support process development
- ✚ Developing and maintaining laboratory quality control systems and reports
- ✚ Coordinating internal and external research activities
- ✚ Creating reference standards

#### Production

- ✚ Producing AAV in shake flasks and bench-scale bioreactors
- ✚ Developing and implementing process sampling plan to monitor process development
- ✚ Interpreting analytic data from in-process and final production quality data
- ✚ Process optimization
- ✚ Creating pilot production scale cell culture operations
- ✚ Preparing cell culture media and reagents
- ✚ Sterile handling
- ✚ Monitoring and sampling of lab scale cultures
- ✚ Scheduling research scale production batches
- ✚ Selecting and implementing new technologies and instrumentation
- ✚ Generating and managing laboratory documentation
- ✚ Managing data
- ✚ Troubleshooting operations

- ✚ Performing cell culture activities
- ✚ Thawing, feeding, passaging, cell banking, transfecting and harvesting cell lines
- ✚ Qualifying equipment and instruments
- ✚ Calibrating and maintaining equipment and instruments
- ✚ Creating manufacturing policy and procedures
- ✚ Creating documentation systems
- ✚ Following GMP and ISO requirements
- ✚ Set-up, inspection and use of production equipment
- ✚ Establishing and following safety protocols
- ✚ Developing and implementing corrective action plans
- ✚ Installing and using control and automation systems
- ✚ Designing, engineering, and commissioning of new systems
- ✚ Conducting trial runs
- ✚ Creating qualifying lots
- ✚ Minimizing process deviations and unplanned equipment downtime
- ✚ Transferring cell culture and purification technologies from development into production
- ✚ Starting up the production facility
- ✚ Starting up and qualifying equipment

#### Quality Control

- ✚ Developing and using standard operating procedures for quality functions
- ✚ Analyzing and interpreting test results
- ✚ Identifying deviations
- ✚ Conducting equipment qualification and validation studies
- ✚ Testing raw materials for conformance
- ✚ Quality assurance during design, commission, validation and startup of new manufacturing processes and facilities
- ✚ Resolving discrepancies
- ✚ Implementing change control policies

#### Maintenance

- ✚ Managing calibration and calibration services
- ✚ Creating standard operating procedures for planned maintenance
- ✚ Creating standard operating procedures for repairs
- ✚ Develop calibration testing procedures for temperature, pressure, level, flow and analytical instruments
- ✚ Testing electronic components to determine functionality level and capacity
- ✚ Maintaining records
- ✚ Maintaining mechanical systems
- ✚ Preventive maintenance
- ✚ Troubleshooting
- ✚ Conducting safety checks
- ✚ Setting up and testing equipment

### **CONTINUOUS IMPROVEMENT**

- ✦ Development of standard operating procedures
- ✦ Use of standard operating procedures
- ✦ Monitoring quality
- ✦ Measuring reproducibility
- ✦ Working in teams
- ✦ Selecting team members
- ✦ Troubleshooting
- ✦ Corrective Action

Note: Reimbursement for retraining is capped at 280 total training hours per trainee, regardless of the method of delivery.



## RETRAINEE - JOB CREATION

### Training Proposal for:

**Hilmar Cheese Company, Inc.**

**Agreement Number: ET16-0471**

Panel Meeting of: May 26, 2016

ETP Regional Office: Sacramento

Analyst: K. Smiley

### PROJECT PROFILE

|  |   |                     |   |
|--|---|---------------------|---|
| Contract Attributes:                           | Retrainee<br>Priority Rate<br>Job Creation Initiative<br>HUA        | Industry Sector(s): | Manufacturing<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                               | Tulare, Merced  | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| Union(s):                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                        | CA: 932   | U.S.: 1410          | Worldwide: 1410   |
| Turnover Rate:                                 | 12%   |                     |   |
| Managers/Supervisors:<br>(% of total trainees) | 11%   |                     |   |

### FUNDING DETAIL

|               |   |                            |                         |   |                   |
|---------------|---|----------------------------|-------------------------|---|-------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | Total ETP Funding |
| \$387,000     |   | \$0                        | \$0                     |   | \$387,000         |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$400,000 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                   | Type of Training   | Estimated No. of Trainees | Range of Hours    |     | Average Cost per Trainee | Post-Retention Wage |
|---------|-----------------------------------|--|---------------------------|-------------------|-----|--------------------------|---------------------|
|         |                                   |  |                           | Class / Lab       | CBT |                          |                     |
| 1       | Retrainee Priority Rate           | Business Skills, Computer Skills, Manufacturing Skills, Continuous Improvement Skills, PL-Manufacturing Skills | 250                       | 8-200             | 0   | \$288                    | \$15.60             |
|         |                                   |  |                           | Weighted Avg: 8   |     |                          |                     |
| 2       | Retrainee Job Creation Initiative | Business Skills, Computer Skills, Manufacturing Skills, Continuous Improvement Skills, PL-Manufacturing Skills | 90                        | 8-200             | 0   | \$3,500                  | \$15.60             |
|         |                                   |  |                           | Weighted Avg: 175 |     |                          |                     |

**Minimum Wage by County:** Job Numbers 1 & 2: \$15.60 per hour for Tulare & Merced counties

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Job Numbers 1 & 2 may use up to \$0.78 per hour to meet the Post-Retention Wage.

| Wage Range by Occupation |            |                         |
|--------------------------|------------|-------------------------|
| Occupation Titles        | Wage Range | Estimated # of Trainees |
| Maintenance Staff        |            | 60                      |
| Production Staff         |            | 210                     |
| Administrative Staff     |            | 15                      |
| Managers                 |            | 55                      |

**INTRODUCTION**

Founded in 1984 and headquartered in Hilmar, Hilmar Cheese Company, Inc. (Hilmar) ([www.hilmarcheese.com](http://www.hilmarcheese.com)) is a commercial manufacturer of dairy and whey products. They have plant facilities in Dalhart Texas, Turlock and Hilmar but only their Hilmar and Turlock facilities will participate in training. Hilmar specializes in the production of American-style cheeses, whey protein, lactose products and milk powders utilized by private label and national brand companies worldwide. Hilmar’s clients include Sargento, Kraft, Mars, and Nestle. Both of their plant locations in Tulare & Merced will participate.



## **PROJECT DETAILS**

This will be Hilmar's 5<sup>th</sup> agreement in the last 14 years. Over the past year, Hilmar purchased new machinery for all CA plant locations. This new machinery includes Evaporators, dryers, separators, clarifiers, pasteurizers, reverse osmoses filtration, ultra filtration, and packaging robots. This machinery is valued at over \$5 million, and will require training for incumbent staff to properly use and maintain the equipment. Hilmar's training plan involves new processes and procedures that will increase efficiencies and production.

Recently, Hilmar upgraded their Safe Quality Food (SQF) certification to level 3, through the SQF Institute. In order for Hilmar to maintain compliance with this upgraded certification, they must train staff on SQF standards and best practices. This training will allow Hilmar to meet the needs of their clients by providing quality dairy products.

### **Retrainee - Job Creation**

In support of job creation, training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage. The date-of-hire will be within the three-month period before contract approval or within the term-of-contract. Trainees will be hired into "net new jobs" as a condition of contract.

In 2016, Hilmar expanded their Tulare location by adding a new 5,000 square foot dry milk powder plant. This additional plant requires Hilmar to hire new staff to accommodate growth. The bulk of training will focus on upgrading the skill sets of newly-hired employees and ensuring they can maintain production standards.

Hilmar has committed to hiring 90 new employees (Job Number 2). These trainees must be hired within the three-month period prior to Panel approval or during the term of the Contract.

### **Training Plan**

Hilmar's training plan will focus on Operating Procedures, Production Equipment, and LEAN as outlined below:

**Business Skills (5%):** Training will be provided to Administrative Staff and Managers to enhance customer satisfaction and problem solving skills. Courses will include Critical Thinking, and Customer Service Skills. These courses will increase trainee's skill sets and allow them to promote within the Manufacturing industry.

**Computer Skills (5%):** Training will be provided to Administrative Staff, Production Staff and Managers on Wonderware Software to increase efficiency in tracking and shipping inventory.

**Manufacturing Skills (40%):** Training will be offered to Production Staff, Maintenance Staff and Managers to increase production knowledge and efficiency. Topics will include Principles of Equipment, Principles of Operation and Good Manufacturing Practices, to increase production output and create a safe working environment.

**Continuous Improvement (50%):** Training will be provided to all occupations in relation to job duties to enhance production efficiencies and safety skills among incumbent staff. Courses will include LEAN, Seven Wastes, and Safety Data Sheets.

### **Productive Laboratory**

Hilmar will train 90 Production Staff on Operating Procedures, Production Equipment and Sanitation Procedures for Evaporators, Dryers, Separators, Clarifiers, Pasteurizers and Reverse

Osmoses Filtration equipment. This training will be at a much slower pace than regular production and will provide significantly higher defects as trainees gain proficiency.

The trainer will first demonstrate how to use the equipment and then supervise trainees using the equipment. The training will be conducted at the Tulare and Merced facilities. The trainer will attest to the trainee's competency once training is completed.

Hilmar has requested a 1:3 trainer-to-trainee ratio due to production staff working in groups of 2 to 3 when assigned to machinery. PL training will be capped at 60 hours per trainee.

### **High Unemployment Area**

The 590 trainees in Job Numbers 1 & 2 work in a High Unemployment Area (HUA), a region with unemployment exceeding the state average by at least 25%. The Company's locations in Tulare and Merced counties qualify for HUA status under these standards. However, Hilmar is not asking for a wage modification.

### **Commitment to Training**

Hilmar has an annual training budget of \$450,000 per facility. Training includes new hire orientation, staff development, and safety training.

ETP funds will not displace their existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

Hilmar has a detailed training plan and three staff members dedicated to administer this project. Hilmar will use a combination of internal and external subject matter experts in the food manufacturing industry.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200 Trainees may receive any of the following:

**BUSINESS SKILLS**

- Company Culture
- Critical Thinking
- Customer Service

**COMPUTER SKILLS** (Advanced/Intermediate Only)

- Wonderware Software

**CONTINUOUS IMPROVEMENT**

- Seven Wastes
- LEAN
- Chemical Handling
- Forklift
- Confined Space
- Lockout Tag out
- Lifting
- Safety Data Sheet
- Personal Protective Equipment

**MANUFACTURING SKILLS**

- Principles of Equipment
- Principles of Operations
- Principles of Sanitation
- Principles of Products
- Safety Quality Foods
- Good Manufacturing Practices
- Hygiene Zoning
- Hazard Analysis of Critical Control Points
- SAP
- Equipment Safety

**Productive Lab Hours** (Trainer-to-trainee ratio 1:3)

0-60

**MANUFACTURING SKILLS**

- Operating Procedures
- Sanitation Operating Procedures
- Production Equipment

Safety Training cannot exceed 10% of total training hours per-trainee.

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 60 hours per-trainee.



## RETRAINEE - JOB CREATION

**Training Proposal for:**

**Meriliz Incorporated dba DOME Printing**

**Agreement Number: ET16-0470**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** Sacramento

**Analyst:** M. Mazzone

### PROJECT PROFILE

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>Job Creation Initiative<br>Veterans<br>Priority Rate   | Industry Sector(s): | Manufacturing<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Contra Costa, Sacramento  | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 225   | U.S.:225            | Worldwide: 225  |
| <u>Turnover Rate:</u>                                 | 18%   |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 8%  |                     |   |

### FUNDING DETAIL

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$339,000     |   | \$0                        | \$0                     |   | \$339,000                |

|                              |                                    |           |
|------------------------------|------------------------------------|-----------|
| <b>In-Kind Contribution:</b> | 100% of Total ETP Funding Required | \$388,075 |
|------------------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                                       | Type of Training  | Estimated No. of Trainees | Range of Hours       |       | Average Cost per Trainee | Post-Retention Wage |
|---------|---|---|---------------------------|----------------------|-------|--------------------------|---------------------|
|         |   |   |                           | Class / Lab          | CBT   |                          |                     |
| 1       | Retrainee<br>Priority Rate                            | Business Skills,<br>Computer Skills,<br>Continuous Impr,<br>HazMat,<br>Mgmt Skills,<br>Mfg. Skills,<br>PL - Mfg. Skills,<br>Advanced Tech | 210                       | 8-200                | 0-100 | \$1,260                  | \$16.10*            |
|         |   |   |                           | Weighted Avg:<br>70  |       |                          |                     |
| 2       | Retrainee<br>Job Creation Initiative<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Continuous Impr,<br>HazMat,<br>Mgmt Skills,<br>Mfg. Skills,<br>PL - Mfg. Skills,<br>Advanced Tech | 25                        | 8-200                | 0-100 | \$2,800                  | \$13.42*            |
|         |   |   |                           | Weighted Avg:<br>140 |       |                          |                     |
| 3       | Retrainee<br>Veteran<br>Priority Rate                 | Business Skills,<br>Computer Skills,<br>Continuous Impr,<br>HazMat,<br>Mgmt Skills,<br>Mfg. Skills,<br>PL - Mfg. Skills,<br>Advanced Tech | 5                         | 8-200                | 0-100 | \$880                    | \$16.10*            |
|         |   |   |                           | Weighted Avg:<br>40  |       |                          |                     |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County: Job Numbers 1 and 3:** \$16.10 per hour for Sacramento County and \$17.02 per hour for Contra Costa County. **Job Number 2:** \$13.42 per hour for Sacramento County and \$14.19 per hour for Contra Costa County.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$2.30 per hour may be used to meet the Post-Retention Wages of their respective counties.

| Wage Range by Occupation         |            |                         |
|----------------------------------|------------|-------------------------|
| Occupation Titles                | Wage Range | Estimated # of Trainees |
| <b>Job Number 1 (Retrainee):</b> |            |                         |
| Production Staff                 |            | 146                     |
| Administrative Staff             |            | 30                      |
| Programmer                       |            | 4                       |
| Sales Representative             |            | 15                      |
| Manager                          |            | 15                      |

|                                     |  |    |
|-------------------------------------|--|----|
| <b>Job Number 2 (Job Creation):</b> |  |    |
| Production Staff                    |  | 12 |
| Administrative Staff                |  | 5  |
| Programmer                          |  | 3  |
| Sales Representative                |  | 2  |
| Manager                             |  | 3  |
| <b>Job Number 3 (Veteran):</b>      |  |    |
| Production Staff                    |  | 3  |
| Administrative Staff                |  | 1  |
| Manager                             |  | 1  |

## **INTRODUCTION**

Meriliz Incorporated dba DOME Printing (DOME) was founded in 1969 and is headquartered in Sacramento. DOME began as a small engraving company servicing local printers and newspapers and has grown into a large commercial printing company. The Company has the ability to produce their printing projects utilizing a wide array of technologies including: web-offset printing, sheet-fed offset printing, digital printing, digital large format printing, and large format screen printing. This technology allows DOME to produce books, magazines, calendars, postcards, posters, pamphlets, letterhead, bill inserts, and many more printable items.

DOME is not just a commercial printer as they have expanded their business outreach to include creative services, mailing, e-mail marketing, fulfillment and integrated business solutions, which includes their custom client storefront solutions support services. The Company maintains two manufacturing facilities in Sacramento and recently acquired another printing business on October 1, 2015. The acquired business is located in Richmond. DOME retained many of their employees to continue operating the facility. All three DOME facilities (two in Sacramento, one in Richmond) will participate in this training Agreement.

## **PROJECT DETAILS**

This will be DOME's second proposal. The previous Agreement focused on Lean Manufacturing. For this proposal, DOME will continue to focus on streamlining current processes and procedures to improve overall production efficiencies and quality. Trainees will not receive duplicate training. Training will be more advanced and expand on the training delivered during the prior contract. Also, training will include new equipment:

- CIM Card Printing Machine;
- HP 10,000 Digital Press;
- EFI HS125 Digital Printer;
- EFI LX3 Pro;
- Platesetter; and,
- Mounting Equipment.

Additionally, the Company has undergone an expansion of its services and production capabilities due to the acquisition of 3 companies in the past year. Two of the companies that DOME acquired increased their production capabilities as they are now able to produce screen printings and also have wide-format capabilities. The acquisition of the 3<sup>rd</sup> company has allowed DOME to offer new services such as custom web platforms for clients that provides clients with the ability to complete online ordering, budgeting, inventory management, reporting,

and invoicing. For this, the Company recently formed a new department specializing in the programming of software specifically for each customer who takes advantage of the service.

### **Retrainee - Job Creation**

In support of Job Creation, the Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

DOME has committed to hiring 25 new employees (Job Number 2). DOME has been expanding their product mix in recent years which has increased the number of potential customers that the Company can reach. Most recently, DOME has added services for large format, healthcare printing, screen printing, large fulfillment kitting, and fulfillment processes. Additionally, from 2012 to 2015, sales have increased over 40% and are expected to increase by at least 15% per year over the next two years. To meet the increase in demand, the Company expanded the Richmond facility by 65,000 sq. feet and one of its Sacramento locations by 20,000 sq. feet. Also, the Company will be adding new shifts to current processes.

The date-of-hire for all trainees will be within the three-month period before contract approval or within the term-of-contract. Trainees will be hired into "net new jobs" as a condition of contract.

### **Veterans Program**

The Panel has established a higher reimbursement rate and other incentives for training California veterans. DOME currently employs Veterans as a part of their full-time workforce (Job Number 3). The Company plans to establish an outreach program to recruit potential Veteran candidates.

### **Training Plan**

DOME will utilize a combination of classroom/laboratory, Video Conference, E-Learning, Advanced Technology, Productive Lab, and Computer-Based Training delivery methods. The vast majority of the training will be delivered by in-house subject matter experts; however, external training vendors may be used for the delivery of some Advanced Technology and Manufacturing Skills training. DOME's training plan will focus on the further development of frontline staff.

**Business Skills (15%):** Training will be provided to Administrative Staff, Sales Representatives and Managers. Additional training is needed to improve sales and employees' soft and internal administration skills to meet the Company's goals. Training will be delivered in topics such as sales and marketing in a global economy, accounting skills, project management, customer relations, communication skills, and supply chain customer service.

**Computer Skills (10%):** Job specific training will be delivered to all occupations. Training will focus on improving knowledge of software programs to increase efficiency and quality. Administrative Staff, Programmers, and Managers will receive training in Intermediate and Advanced Microsoft Office, the Management Information System, the Customer Relationship Management System, and Photoshop. Production staff will receive training in the Enterprise Resource Planning system and the Customer Relationship Management system.

**Continuous Improvement (20%):** Training will be delivered to all occupations and will focus on process improvements throughout the organization. Every unit will benefit from decision-making and problem-solving training; however, the majority of the continuous improvement training will

be delivered to Production Staff. Production staff will learn advanced Lean Manufacturing principles including Six Sigma, 5S, and root cause analysis.

**Hazardous Materials (5%):** Training will be delivered to all Production Staff members. Trainees will learn the proper procedures for identifying, handling, storing and transporting hazardous materials.

**Management Skills (10%):** Training will be provided to managers only. With DOME's recent expansion many employees were promoted from within and have little or no management experience. Training will provide these employees with skills to make good decisions. Managers will receive training in topics such as leadership skills, team building, motivation, performance management, and supervisory skills.

**Manufacturing Skills (20%):** Training will be provided to all Production Staff and Managers. DOME has different machines that are used in the production process for web offset printing, sheet-fed offset printing, digital printing, digital large format printing, and large format screen printing. After the prints are completed, DOME also has machines that cut, fold, glue, laminate, stitch, and bind. In total, there are approximately 50 different machines that DOME plans to provide training on in this agreement. Best manufacturing practices and quality measurements will be trained in addition to the standard operating procedures.

### **Computer-Based Training (5%)**

Computer-based training (CBT) in Computer Skills will be delivered to Programmers, Administrative Staff, and Managers. The planned CBT will lay a foundation which will be expanded upon in classroom/laboratory training. CBT will include training in Computer Skills that focus on the development and enhancement of programming skills. Administrative staff and Managers will receive training in Microsoft Office.

Normally, CBT hours are capped at 50% of total training hours per-trainee. However, DOME is requesting to be reimbursed for up to 75% CBT for the Programmer occupation only. (See Exhibit B). Since Programmers are a new occupation at DOME (as of May 2015), they will need additional developmental CBT courses. [Note: CBT and Advanced Technology will offer courses on the same topics (see curriculum). However, CBT topics are general and are offered as introductory courses while AT topics are more in-depth.]

### **Productive Laboratory (10%)**

Trainees may produce goods for profit as part of Productive Lab (PL) training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training.

DOME is requesting 80 PL training hours at a 1:1 trainer-to-trainee ratio in Manufacturing Skills. The Company has many pieces of equipment that require specialized skills to operate. PL trainers will observe, coach, and mentor trainees during production tasks. PL training will only be delivered to Production Staff on printing, folding, binding, gluing and cutting machinery. After a specified number of successful completions of the task, the trainee will be deemed competent. Trainees will also receive cross-training to strengthen the Company at its core (the Production Staff). Production is expected to decrease by approximately 25% during training and waste will be significantly higher.

PL training will supplement Class/Lab training to strengthen employees' understanding of printing tasks on each specific piece of equipment. A well-educated and experienced staff will result in higher-quality products. Training will increase the potential for employee career growth.



### **Advanced Technology (5%)**

Training will be job specific and delivered only to programmers. Advanced Technology (AT) skills are needed to grow DOME's newly formed programming unit (7 trainees) created in May of 2015. DOME's "All-In-One Storefront Solution" offers their clientele an advanced inventory management system. The application allows end users to print on-demand and have better control over their inventory management.

To meet the programming needs of the "All-In-One Storefront Solution" program, Dome's programmers require extensive training (40-50 hours) on website development, programming language, and other crucial programming software applications. With this being such a new service at DOME, staff must acquire and strengthen skills.

AT will be delivered in highly technical learning environments. The trainer-to-trainee ratio will not exceed 1:10 to allow for in-depth personal attention to each trainee. The daily cost of training will range from \$2,000 - \$3,000 per course, not including software fees, hardware fees, and setup costs. Some training will be delivered in-house; however, much training will be provided by external trainers.

### **Temporary-to-Permanent Hiring**

Dome intends to train workers under Panel guidelines for the "Temporary-to-Permanent" program. The Company has retained these employees on a temporary basis with the intention of hiring them into full-time, permanent positions after training. According to Dome, the standard time for "converting" temporary workers into full-time permanent employment ranges from 1 to 6 months. The conversion time, not to exceed 6 months, depends on occupation and performance. It is expected that these workers will receive employer-paid share-of-cost for healthcare premiums while on temporary status, and upon hire into full-time permanent employment.

Under Panel guidelines for the Temporary to Permanent program, these trainees must be eligible to participate in ETP-funded training pursuant to Unemployment Insurance Code Section 10201(c). Moreover, they cannot be enrolled as trainees until after they have been hired by Dome into full-time, permanent employment. Until they are so hired, retention and post-retention wage requirements cannot be satisfied and the Company will not receive progress payments.

DOME is contracted with Full Team Staffing and VForce Staffing, both of which provide DOME with workforce members for their Sacramento and Richmond locations. Many of the entry-level Administrative Staff and Production Staff are first employed in this manner. Dome estimates 20 temp-to-perm trainees in Job Number 2.

### **Commitment to Training**

DOME commits approximately \$200,000 annually for training in safety, sexual harassment prevention, CPR, first aid, HIPAA, fraud and new employee orientation. ETP funds will not displace their existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

ETP funds will enable DOME to standardize formal training throughout. This training will advance the skills of all staff through cross-training and increase promotional opportunities. After the completion of ETP-funded training, DOME will be expanding the training plan to include more advanced skills training.

➤ **Training Infrastructure**

DOME was successful on the prior Agreement and will utilize the same administrative strategy in this agreement. Three individuals will be dedicated to scheduling training, enrolling trainees, tracking attendance rosters, entering training hours, invoicing, and handling any administrative duties that may arise. The DOME facility in Sacramento will act as the administrative lead for this Agreement. Dome's contract representative has been assigned to coordinate the administrative and training efforts at all three locations.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

The following table summarizes performance by DOME under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                    | Approved Amount | Payment Earned |        |
|---------------|-----------------|-------------------------|-----------------|----------------|--------|
|               |                 |                         |                 | \$             | %      |
| ET14-0153     | Sacramento      | 8/26/2013–<br>8/25/2015 | \$122,850       | \$122,850      | (100%) |

**DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab, Videoconference and E-Learning Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Performance Management
- Sales & Marketing in a Global Economy
- Supply Chain Customer Service
- Communication Skills
- Customer Relations
- Project Management
- Time Management
- Sales Skills
- Product Knowledge
- HIPAA Compliance (required to serve healthcare customers)
- Fraud, Waste and Abuse
- Accounting Skills

**COMPUTER SKILLS**

- Intermediate & Advanced Microsoft Office
- Intermediate & Advanced Adobe Creative Suite
- Enterprise Resource Planning (ERP)
- Photoshop
- Management Information System (MIS)
- Customer Relationship Management (CRM)

**CONTINUOUS IMPROVEMENT**

- Process Improvement
- Lean Manufacturing
- Frontline Decision Making & Problem Solving
- High Performance Work Teams
- ISO Technical Skills
- Supply Chain Communication
- Six Sigma
- 5S
- Root Cause Analysis

**HAZARDOUS MATERIALS**

- Hazardous Materials/Hazardous Waste Site Specific Training

**MANAGEMENT SKILLS** (For Managers only)

- Leadership Skills
- Communication Skills
- Time Management
- Team Building
- Motivation
- Supervisory Skills
- Performance Management

**MANUFACTURING SKILLS**

- Kodak Platesetters
- Heidelberg Speedmaster XL 105 Sheetfed Press
- Heidelberg Harris M-130 Web Press
- Heidelberg Harris M-110 Sheetfed Press
- HP Indigo 7500
- HP 10,000 Digital Press
- Kodak Digimaster
- Thieme 5090 XL Color Inline
- Thieme 5060 6 Color Inline
- M&R Patriot11 Color Screen Press
- Inca Onset S40i
- EFI Vutek HS100 Pro
- EFI Vutek Gs3250LX
- EFI HS125 Digital Printer
- EFI LX3 Pro
- HP Z6100
- HP L25500/LATEX
- Muller Martini Corona Perfect Binder
- Heidelberg Polar Cutting Systems with Transomat
- Moll Pocket Folder Auto Glue Machine
- Muller Martini Saddle Stitchers
- Heidelberg Saddle Stitchers
- Hunkeler Tipping Machine
- Rollem TR Perf/Scoring Systems
- Folding Systems
- Heidelberg Cylinder Press
- Bobst Autoplaten Die Cutting Press
- MBO/Bograma Rotary Die Cutter
- Fotoba XL320 XY Cutter
- 110" Lawson Power Cutter
- Esko Kongsberg XP24
- Mimaki 60" Vinyl Cutter
- Thompson 52" x 74" Clam Shell Die-Cutter
- Titan 28" x 40" Clam Shell Die-Cutter
- Rosenthal Slitter / Sheeters
- GBC Industrial Film Laminator
- Seal Laminator
- AGL Laminator
- Sakurai Spot UV Press
- Strapping Machines
- Banding Machines
- Drill Press
- Domingo Bitjet Inkjet
- Bell + Howell Intelligent Inserter
- Bell + Howell Jumbo Inserter
- Bell + Howell Standard Inserter
- Dobby Poly & High-Speed Shrink Wrap
- Arpac Poly Wrapping System
- High Speed Tabbers

- CIM Card Thermal Printer
- CIM Card Matching, Affixing & Mailing System
- Mounting Equipment
- RF/Barcoding
- Machine Troubleshooting
- Machine Maintenance
- Material/Warehouse Handling
- Machine & Floor Safety
- Cross-Training

Safety Training cannot exceed 10% of total training hours per-trainee

**ADVANCED TECHNOLOGY** (1:10 Ratio)

- ASP/VBScript
- .NET
- PHP - Website Development
- Python – Programming Language
- Ruby – Programming Language
- MySQL – Database Language
- Microsoft SQL – Database Language
- PostgreSQL – Database Language
- JSON/XML/SOAP
- HTML5
- CSS3
- Bootstrap – Website Development
- JavaScript/jQuery
- Jira
- Adobe CC / CS 6

**Productive Lab Hours**

0-80

**MANUFACTURING SKILLS** (1:1 Ratio)

- Sheeter Functions
- Gammerler Logger
- Rima Stacker
- Color Control Console
- Registration Console & Screens
- Gluing Unit
- Perf Unit
- Folder Unit
- Inline Folding
- Inline Rotary Cutter
- Bending / Changing Plates
- Changing Blankets
- Makeready Press
- Washup Press
- Roll Stands
- Infeed Functions / Setup
- Coater Functions and Operation
- Ink Dispensing

- Delivery Functions and Operations
- Scanner Functions

**CBT Hours**

0-100

**COMPUTER SKILLS**

- Intermediate & Advanced Microsoft Office (8 hours)
- ASP/VBScript (14 hours)
- .NET (22 hours)
- PHP - Website Development (24 hours)
- Python – Programming Language (28 hours)
- Ruby – Programming Language (28 hours)
- MySQL – Database Language (7 hours)
- Microsoft SQL – Database Language (9 hours)
- PostgreSQL – Database Language (9 hours)
- JSON/XML/SOAP (13 hours)
- HTML5 (10 hours)
- CSS3 (13 hours)
- Bootstrap – Web Development (15 hours)
- JavaScript/jQuery (16 hours)
- Jira (8 hours)
- Adobe CC / CS 6 (24 hours)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee (with the exception of the programmer where CBT is capped at 75% of total training hours). PL is capped at 80 hours per-trainee.



## RETRAINEE - JOB CREATION

**Training Proposal for:**

**Skyline Homes, Inc.**

**Agreement Number: ET16-0473**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** Sacramento

**Analyst:** M. Mazzone

### PROJECT PROFILE

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>Job Creation Initiative<br>Priority Rate<br>HUA        | Industry Sector(s): | Manufacturing<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Riverside, Yolo   | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 284   | U.S.: 1,285         | Worldwide: 1,285  |
| <u>Turnover Rate:</u>                                 | 7%  |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 8%  |                     |   |

### FUNDING DETAIL

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$579,200     |   | \$0                        | \$0                     |   | \$579,200                |

|                              |                                    |           |
|------------------------------|------------------------------------|-----------|
| <b>In-Kind Contribution:</b> | 100% of Total ETP Funding Required | \$580,000 |
|------------------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                                   | Type of Training   | Estimated No. of Trainees | Range of Hours       |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---|--|---------------------------|----------------------|-----|--------------------------|---------------------|
|         |   |  |                           | Class / Lab          | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate                        | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>HazMat,<br>Mgmt. Skills,<br>Mfg. Skills,<br>OSHA 10/30,<br>PL-Mfg. Skills | 149                       | 8-200                | 0   | \$1,800                  | *\$15.60            |
|         |   |  |                           | Weighted Avg:<br>100 |     |                          |                     |
| 2       | Retrainee<br>Job Creation<br>Priority Rate        | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>HazMat,<br>Mgmt. Skills,<br>Mfg. Skills,<br>OSHA 10/30,<br>PL-Mfg. Skills | 15                        | 8-200                | 0   | \$2,000                  | *\$12.77            |
|         |   |  |                           | Weighted Avg:<br>100 |     |                          |                     |
| 3       | Retrainee<br>Priority Rate<br>HUA                 | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>HazMat,<br>Mgmt. Skills,<br>Mfg. Skills,<br>OSHA 10/30,<br>PL-Mfg. Skills | 115                       | 8-200                | 0   | \$1,800                  | *\$11.70            |
|         |   |  |                           | Weighted Avg:<br>100 |     |                          |                     |
| 4       | Retrainee<br>Job Creation<br>Priority Rate<br>HUA | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>HazMat,<br>Mgmt. Skills,<br>Mfg. Skills,<br>OSHA 10/30,<br>PL-Mfg. Skills | 15                        | 8-200                | 0   | \$2,000                  | *\$10.00            |
|         |   |  |                           | Weighted Avg:<br>100 |     |                          |                     |
| 5       | Retrainee<br>Priority Rate<br>Veteran             | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>HazMat,<br>Mgmt. Skills,<br>Mfg. Skills,<br>OSHA 10/30,<br>PL-Mfg. Skills | 10                        | 8-200                | 0   | \$2,200                  | *\$15.60            |
|         |   |  |                           | Weighted Avg:<br>100 |     |                          |                     |
| 6       | Retrainee<br>Priority Rate<br>Veteran<br>HUA      | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>HazMat,<br>Mgmt. Skills,<br>Mfg. Skills,<br>OSHA 10/30,<br>PL-Mfg. Skills | 10                        | 8-200                | 0   | \$2,200                  | *\$11.70            |
|         |   |  |                           | Weighted Avg:<br>100 |     |                          |                     |



\*It will be made a condition of contract that these trainees never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:**

**Job Number 1:** \$15.60 per hour for Yolo County;

**Job Number 2 (Job Creation):** \$12.77 per hour for Yolo County;

**Job Number 3 (HUA):** \$11.70 per hour for Riverside County;

**Job Number 4 (Job Creation/HUA):** \$10.00 per hour for Riverside County;

**Job Number 5 (Veteran):** \$15.60 per hour for Yolo County

**Job Number 6 (Veteran/HUA):** \$11.70 per hour for Riverside County

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$2.10 per hour may be used to meet the Post-Retention Wage for Job Numbers 1 and 5.

**Wage Range by Occupation**

| Occupation Titles                          | Wage Range | Estimated # of Trainees |
|--|------------|-------------------------|
| <b>Job Number 1: Woodland</b>              |            |                         |
| Team Member (Production Staff)             |            | 118                     |
| Material Support                           |            | 8                       |
| Service Technician                         |            | 3                       |
| Maintenance                                |            | 1                       |
| Administrative Staff                       |            | 7                       |
| Production Supervisor                      |            | 3                       |
| Sales Representative                       |            | 1                       |
| Manager                                    |            | 8                       |
| <b>Job Number 2: Woodland-Job Creation</b> |            |                         |
| Team Members (Production Staff)            |            | 11                      |
| Material Support                           |            | 1                       |
| Administrative Staff                       |            | 2                       |
| Production Supervisor                      |            | 1                       |
| <b>Job Number 3: San Jacinto-HUA</b>       |            |                         |
| Team Member (Production Staff)             |            | 75                      |
| Material Support                           |            | 8                       |
| Service Technician                         |            | 5                       |
| Maintenance                                |            | 2                       |
| Administrative Staff                       |            | 8                       |
| Production Supervisor                      |            | 4                       |
| Sales Representative                       |            | 3                       |
| Manager                                    |            | 10                      |

|   |  |    |
|---|--|----|
| <b>Job Number 4: San Jacinto-Job Creation/HUA</b> |  |    |
| Team Member (Production Staff)                    |  | 11 |
| Material Support                                  |  | 1  |
| Administrative Staff                              |  | 1  |
| Production Supervisor                             |  | 1  |
| Sales Representative                              |  | 1  |
| <b>Job Number 5: Woodland-Veteran</b>             |  |    |
| Team Member (Production Staff)                    |  | 3  |
| Material Support                                  |  | 1  |
| Service Technician                                |  | 1  |
| Maintenance                                       |  | 1  |
| Administrative Staff                              |  | 1  |
| Production Supervisor                             |  | 1  |
| Sales Representative                              |  | 1  |
| Manager   |  | 1  |
| <b>Job Number 6: San Jacinto-Veteran/HUA</b>      |  |    |
| Team Member (Production Staff)                    |  | 3  |
| Material Support                                  |  | 1  |
| Service Technician                                |  | 1  |
| Maintenance                                       |  | 1  |
| Administrative Staff                              |  | 1  |
| Production Supervisor                             |  | 1  |
| Sales Representative                              |  | 1  |
| Manager   |  | 1  |

## **INTRODUCTION**

Founded in 1960, Skyline Homes, Inc. (Skyline), a subsidiary of Skyline Corporation, designs and builds manufactured housing, modular housing and park model homes. Skyline's manufactured homes are built to federal building standards and come in single or multiple section models. The homes are sold to independent dealers for sale to customers throughout the United States and Canada.

There are 11 Skyline operating divisions that manufacture homes throughout the United States and Canada. Within California there are two operating divisions, both participating in this proposal. The Southern California facility is located in San Jacinto and services Southern California, Southern Nevada, Southern Utah and Arizona. The Northern California facility is located in Woodland and services Northern California, Nevada and Utah.

## **Green/Clean Technology**

Skyline is doing its part as a manufacturer to lower its carbon footprint by building energy-efficient homes. The majority of the homes built by Skyline qualify as Energy Star Rated. Since 2009, Skyline has received the Energy Star Leadership in Housing Award presented by the Environmental Protection Agency.

ENERGY STAR certified homes offer home buyers energy-saving features like effective insulation systems, high performance windows, tight construction and ducts, properly-sized and installed efficient heating and cooling equipment, efficient products, and third-party verification of energy performance.

## **Need for Training**

In July of 2015, Skyline instituted a new training vision throughout the organization to improve operating efficiencies. With increased efficiencies, Skyline will be able to be more competitive and improve market share.

To meet higher production efficiencies, Skyline will promote training in process improvements, Lean manufacturing and quality principles. All staff members will participate in Continuous Improvement training to promote increase production efficiencies. Production Staff will also receive Manufacturing Skills and cross-training to improve their overall knowledge of the business and promote employee development and growth.

Production Staff located in the San Jacinto facility will receive training on new equipment and production processes. The San Jacinto facility is adding new equipment including a mill saw, PET saw, welding tools, cranes, paint sprayers and pneumatic jigs. Welding and painting will be a new skill set for this facility and staff requires extensive training because Skyline previously outsourced these tasks.

Administrative Staff, Managers and Sales Representatives will receive Continuous Improvement training as well as Computer and Business Skills training. Improving efficiencies, customer service soft skills and sales skills are major components of training for front office staff. Also, many of the current managers at both facilities have been promoted from within and have had no formal manager training. Managers will receive specialized training to enhance their team building, leadership and motivation skills.

## **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Skyline has committed to hiring 30 new employees (Job Numbers 2 and 4). Skyline represents that the date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

Skyline's growth estimates are based on current production forecasts. The increase in market share for both California facilities are expected to grow at the same rate and the Company is conservatively estimating the need for 15 net new hires at each facility. The San Jacinto facility will be undergoing expansion and 3 new workstations will be constructed to house the welding, saws, and painting equipment. The costs of new equipment and work station construction will

likely exceed \$75,000 as the new saws cost approximately \$40,000. The Woodland facility requires staff be hired to meet increased production needs.

## **Veterans Program**

The Panel has established a higher reimbursement rate and other incentives for training California veterans. Skyline employs a number of Veterans (Job Numbers 5 and 6) at both California facilities. In addition, the Company has committed to establishing a robust Veteran outreach program to secure future employees. At this time, Skyline's corporate headquarters is establishing a working relationship with the VA to conduct outreach programs in the areas where their production facilities are located.

## **PROJECT DETAILS**

### **Training Plan**

Production Staff trainees will receive a combination of class/lab and productive lab training. Non-production trainees will be trained only in a classroom/laboratory setting. Skyline will utilize in-house trainers for most of the training; however, outside training vendors may deliver some training.

**Business Skills (5%):** Training will be provided to Service Technicians, Administrative Staff, Production Supervisors, Sales Representatives and Managers. Training will focus on the improvement of customer service, communication and sales skills. Training topics include presentation skills, negotiation skills, customer service, phone etiquette and project management skills.

**Computer Skills (5%):** Training will be delivered to Administrative Staff, Production Supervisors, Sales Representatives and Managers. The goal of training is to improve user efficiencies with job specific software. Staff will receive training in the following software programs: Intermediate and Advanced Microsoft Office, Enterprise Resource Planning, Manufacturing Resource Planning, Auto CAD 2007, SysPro, and UltiPro.

**Continuous Improvement (35%):** Job specific training will be delivered to all occupations. Training will focus on the improvement of production efficiencies, waste reduction and quality improvement. Staff will receive training in Lean manufacturing, 5S, root cause analysis, risk reduction and quality assurance procedures.

**Hazardous Materials (5%):** Training will be delivered to Material Support, Service Technicians, Maintenance and Team Members. Staff members require training in the handling, compliance and documentation of materials that emit volatile organic compounds. Hazardous material training courses will include courses such as hazardous materials water and air management, hazardous materials handling, spill and leak control, and hazardous materials responder.

**Management Skills (5%):** Training will be provided to Production Supervisors and Managers. Training will focus on improving motivation and leadership skills. Skyline has promoted from within and many of the individuals who now supervise staff were never formally training in the skills of effective management. Training topics include leadership effectiveness, team building, supervisory skills, critical thinking and decision making and leading successful meetings.

**Manufacturing Skills (25%):** Training will be delivered to Team Members, Material Support and Maintenance. Staff will receive training in all areas of the manufacturing process to ensure consistency and a high quality of work. Many staff members will receive cross-training to diversify the workplace and to make many workers interchangeable. Training topics will include

courses such as welding, cabinet program, blue print reading, Freon handling, linoleum installation, forklift operation and carpentry.

### **Certified Safety Training (5%)**

OSHA 10/30: This training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of classroom or CBT training that will be delivered to Team Members, Material Support and Maintenance and 30 hours for Production Supervisors and Managers. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

### **Productive Laboratory (15%)**

The Panel authorizes reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training.

PL training in Manufacturing Skills is a necessary component of Skyline’s training plans as staff receive hands-on instruction on all steps of the manufacturing process. The PL training will supplement Class/Lab training to strengthen employees’ understanding of how to perform production manufacturing and equipment operation tasks. Skyline will deliver PL training to Team Members, Material Support, Service Technicians, Maintenance and Production Supervisors. The PL training will slow production by at least 25% and wastes are expected to be higher as well.

Select staff will receive up to 60 hours of PL training. PL trainers will observe, coach, and mentor as the trainee completes the specific production task. After a specified number of successful completions of the task, the trainer will determine that training has been completed and that the trainee is competent in the task. Skyline is requesting a trainer-to-trainee ratio of 1:2 as many of the production tasks require staff to work in pairs.

### **Temporary to Permanent Hiring**

A portion of the trainees in Job Numbers 2 and 4 (an estimated 10 trainees total) come under Panel guidelines for “temporary to permanent” employment. Skyline plans to retain these employees through a temporary agency, with the intention of hiring them into full-time, permanent positions after training.

These trainees must be determined eligible to participate in ETP-funded training before the start of training, while on payroll with the temporary agency. (Unemployment Insurance Code Section 10201(c).) However, the retention and post-retention wage requirements cannot be satisfied until after they have been hired by Skyline on a full-time permanent basis. Until then, Skyline will not receive progress payments for these trainees.

While most of the new employees will be direct hires, a portion of new staff will be hired on in a temporary-to-permanent status. Skyline has a national agreement with Manpower to provide candidates. Skyline’s policy is to convert the temporary-to-permanent staff to full-time permanent after 65 days worked (13 weeks).

## **Impact/Outcome**

Training will allow Skyline to meet current and future production requirements. With the expansion of the San Jacinto facility, Skyline will be able to employ a greater number of workers and keep more work in-house. Ultimately, training will increase production efficiencies across the organization and ensure Skyline remains competitive.

## **High Unemployment Area**

The trainees in Job Numbers 3, 4 and 6 work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company's location in San Jacinto (Riverside County) qualifies for HUA status under these standards. For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. Skyline is requesting a wage modification for Job Numbers 3, 4 and 6.

## **Commitment to Training**

Skyline provides sexual harassment prevention and safety trainings such as OSHA on an annual basis. In addition, staff receives other elective trainings such as first aid, CPR, blood-borne pathogens and new hires receive orientation training.

Safety training is provided in accordance with all pertinent requirements under state and federal law. Skyline represents that ETP funds will not displace their existing financial commitment to training.

ETP funding will enable Skyline to provide formalized training of a progressive nature. The Company is dedicating itself to preserving and developing the staff that is currently employed. The organized training effort will have visible and reportable benefits. After the completion of the ETP Agreement, Skyline is committed to expanding the training plan to include more advanced skills training.

The Company has implemented a company-wide training initiative, Operation Skytech. Operation Skytech is focused on improving the working habits of all staff by promoting lean manufacturing and Continuous Improvement throughout all facets of the operations.

### **➤ Training Infrastructure**

The Woodland and San Jacinto Division Managers have both completed an internal review and assessment of their facilities. ETP-funded training is fully supported by Skyline's corporate office and will be led by the Woodland Division Manager. Training will be coordinated effectively with the San Jacinto Division Manager. The Division Managers have routinely worked together to formalize a training plan and an administrative process. Their training program development includes: the identification of production goals and the areas requiring improvement; the establishment of trainers, and the acquisition of training resources; communication with managers and supervisors regarding the proposed training plan; and the creation of a training schedule for each facility.

Training is scheduled to begin on May 27, 2016. As training progresses, classes will be scheduled by each facility's Human Resource Department. ETP related administrative duties will be handled by the HR department staff with the assistance of a third party representative, Integrated Solutions.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

Integrated Solutions in Redwood City assisted with development for a flat fee of \$10,000.

**ADMINISTRATIVE SERVICES**

Integrated Solutions will also perform administrative services for a fee not to exceed 13% of payment earned.

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- ❖ Communication Skills
- ❖ Customer Service:
  - Phone Etiquette
- ❖ Project Management Skills:
  - Critical Path
  - Corporate Report Writing
- ❖ Sales and Marketing:
  - Sales Training
  - New Product Training
  - Order Form Training
  - Option Book
  - Sales and Order Process
  - Model Specifications
  - Sales Representative Plant Tours
  - Presentation Skills
  - Negotiation Skills
  - Product Knowledge
- ❖ Supply Chain Management:
  - Materials/Purchasing Processes
  - Cycle Counting
  - Just-in-Time

**COMPUTER SKILLS**

- ❖ Intermediate and Advanced Microsoft Office
- ❖ Enterprise Resource Planning Software
- ❖ Manufacturing Resource Planning Software
- ❖ Auto CAD 2007
- ❖ SysPro Software
- ❖ UltiPro Software

**CONTINUOUS IMPROVEMENT**

- ❖ Lean Manufacturing
- ❖ 5S
- ❖ Root Cause Analysis and Corrective Action
- ❖ Train-the-Trainer
- ❖ Quality Assurance:
  - Inspection
  - Quality Assurance Manual/Procedures
  - Receiving Inspection
  - Design Approval Primary Inspection Agreement
  - Product Auditing
- ❖ Product Specifications:
  - Blue Print Reading
  - Housing & Urban Development Code Book
  - Modular Construction & Code Requirements
  - Park Model Code



- ❖ Risk Reduction:
  - Manufacturing Floor Safety
  - Hoist Inspection

### **HAZARDOUS MATERIALS**

- ❖ Hazardous Waste Compliance:
  - Water Management
  - Air Management
- ❖ Hazardous Material Handling
- ❖ Hazardous Materials Processing
- ❖ Hazardous Materials Manifest
- ❖ Spill & Leak Control
- ❖ Dust Explosion
- ❖ Hazardous Materials Responder:
  - Blood Born Pathogens

### **MANAGEMENT SKILLS** (Managers/Supervisors Only)

- ❖ Leadership Effectiveness
- ❖ Leading Successful Meetings
- ❖ Team Building
- ❖ Supervisory Skills
- ❖ Critical Thinking & Decision Making

### **MANUFACTURING SKILLS**

- ❖ Manufacturing Processes:
  - Cabinet Program
  - Home Set-Up
  - Welding
  - Freon Handling
  - Blue Print Reading
  - Radio Operation
  - Hand Tool & Machinery Training
  - Tape Measure Skills
  - Maintenance
  - Linoleum Installation
  - Carpet Installation
  - Fork Lift Operation
  - Defensive Driving
  - Carpentry
- ❖ Cross-Training

### **OSHA 10/30 (Certified OSHA Instructor)**

- ❖ OSHA 10 (requires 10 hours completion)
- ❖ OSHA 30 (requires 30 hours completion)

Safety Training cannot exceed 10% of total training hours per-trainee

### **Productive Lab Hours**

0-60

### **MANUFACTURING SKILLS** (Ratio 1:2)

- ❖ Hand Tools
- ❖ Power Saws
- ❖ Pneumatic Tools & Dollies

- ❖ Fork Lift & Heavy Equipment Operation
- ❖ Ladders & Lifts
- ❖ Code Specific Requirements
- ❖ Cabinet Milling, Construction & Installation
- ❖ Countertop Installation
- ❖ Sink and Faucet Installation
- ❖ Chassis Build
- ❖ Plumbing Assembly
- ❖ Line & Register Assembly
- ❖ Heat Duct Installation
- ❖ Floor Insulation
- ❖ Water and Gas Lines
- ❖ Linoleum Installation
- ❖ Decking Installation
- ❖ Decking Inspection
- ❖ Furnace Installation
- ❖ Lagger
- ❖ Floor Building
- ❖ Wall Setting & Building
- ❖ Drywall Installation
- ❖ Roof Insulation and Vapor Barriers
- ❖ Roof Building, Installation & Decking
- ❖ Roof Setting, Securement, and Vent Pipe Installation
- ❖ Build On & Gusset Truss
- ❖ Electrical Installation
- ❖ Hardie Exterior Panel Installation
- ❖ Window Installation
- ❖ Shingling
- ❖ Interior and Exterior Door Installation
- ❖ Painting
- ❖ Facia Installation
- ❖ Tile – Grout Installation
- ❖ Laminate Flooring
- ❖ Rodent Proofing
- ❖ Range Vent Installation
- ❖ Interior Décor
- ❖ Interior Trim
- ❖ Granite Shower Wall Installation
- ❖ Shower Enclosure Installation
- ❖ Appliance Installation
- ❖ Carpet Installation
- ❖ Sealant Application
- ❖ Fireplace Installation
- ❖ Closet and Home Shelving Installation

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 60 hours per-trainee.



**Training Proposal for:**  
**Southern California Sheet Metal Joint Apprenticeship &  
 Training Committee**

**Agreement Number: ET16-0923**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** E. Wadzinski

**PROJECT PROFILE**

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                        | Retrainee<br>Apprenticeship<br>Veterans   | Industry Sector(s): | Construction<br>Services<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                            | Los Angeles, Orange, San Bernardino, Riverside, Inyo, Mono, Kern  | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):                                   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No International Association of Sheet Metal, Air, Rail and Transportation Workers, Local Union 105 |                     |  |
| Turnover Rate:                              | ≤20%  |                     |  |
| Managers/Supervisors: (% of total trainees) | N/A   |                     |  |

**FUNDING DETAIL:**

|                      |   |                      |   |                          |
|----------------------|---|----------------------|---|--------------------------|
| <b>Program Costs</b> | + | <b>Support Costs</b> | = | <b>Total ETP Funding</b> |
| \$828,000            |   | \$57,400<br>8%       |   | \$885,400                |

|                       |                                   |          |
|-----------------------|-----------------------------------|----------|
| In-Kind Contribution: | 50% of Total ETP Funding Required | Inherent |
|-----------------------|-----------------------------------|----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description              | Type of Training                               | Estimated No. of Trainees | Range of Hours    |     | Average Cost per Trainee | Post-Retention Wage |
|---------|------------------------------|--|---------------------------|-------------------|-----|--------------------------|---------------------|
|         |                              |  |                           | Class / Lab       | CBT |                          |                     |
| 1       | Retrainee Apprentice         | Commercial Skills                              | 350                       | 8-200             | 0   | \$2,002                  | \$21.28             |
|         |                              |  |                           | Weighted Avg: 144 |     |                          |                     |
| 2       | Retrainee Journeymen         | Commercial Skills, Computer Skills, OSHA 10/30 | 120                       | 8-200             | 0   | \$705                    | \$41.26             |
|         |                              |  |                           | Weighted Avg: 30  |     |                          |                     |
| 3       | Retrainee Apprentice Veteran | Commercial Skills                              | 50                        | 8-200             | 0   | \$2,002                  | \$21.28             |
|         |                              |  |                           | Weighted Avg: 144 |     |                          |                     |

**Minimum Wage by County:** \$21.28 per hour Statewide (Priority Industry)

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$2.71 per hour may be used to meet the Post-Retention Wage for Job Numbers 1 and 3.

**Wage Range by Occupation**

| Occupation Titles                                      | Wage Range | Estimated # of Trainees |
|--|------------|-------------------------|
| Job Number 1 - Apprentice Sheet Metal Worker           |            | 350                     |
| Job Number 2 - Journeymen Sheet Metal Worker           |            | 120                     |
| Job Number 3 (Veteran) - Apprentice Sheet Metal Worker |            | 50                      |

**INTRODUCTION**

The Southern California Sheet Metal Joint Apprenticeship & Training Committee trust fund (SoCal Sheet Metal) ([www.socalisma.org](http://www.socalisma.org)) operates a training center for Apprentice and Journeyman Sheet Metal Workers. SoCal Sheet Metal was formed in October 2003, as a result of the merger between two trust funds serving two separate apprenticeship programs: 1) Sheet Metal Workers' International Association, Local Union 105 JATC and 2) Air Conditioning Sheet Metal Association, Orange Empire SMACNA JATC. In 2007, those two apprenticeship programs also merged, as completed through the Division of Apprenticeship Standards (DAS) in July 2013. The SoCal Sheet Metal trust fund serves Los Angeles County, Orange County and five other counties in Southern California.

Under these circumstances, when a joint trust is serving a large number of Apprentices over a broad geographic region, ETP has recognized that the cap on apprenticeship funding may be overly restrictive. Staff recommends a total of \$885,400 for Apprentice and Journeymen training. This amount is below the cap and reflects the fact that the joint trust resulted from a merger of two program sponsors.

Located in the City of Industry, the 80,000-square-foot SoCal Sheet Metal training facility has eight classrooms and six laboratory areas including a Welding lab, a Field Installation lab, two Shop labs, and a Heating/Ventilation/Air Conditioning (HVAC) service lab. The current location opened in 2005 and presently serves 600 Apprentices and 3,000 Journeyman workers.

SoCal Sheet Metal is seeking funds for retraining Apprentices and Journeymen who perform design, fabrication, installation, maintenance, adjusting and balancing, testing, and energy management work. Training also targets Apprentices and Journeymen who specialize in architectural sheet metal, fabrication, commercial refrigeration, and HVAC systems.

This is the fourth ETP Agreement with SoCal Sheet Metal. However, this is the first time Veterans have been introduced as a distinct cohort of Apprentice trainees.

### **Apprenticeship Program**

The Panel is authorized to fund Apprentice training that does not displace any other source of government funds, or replace an existing apprenticeship program approved by the Division of Apprenticeship Standards (DAS). ETP funding is designed to supplement cost of delivery for the Related and Supplemental Instruction (RSI) portion of DAS-approved apprenticeship training. Depending on the type of trade, apprenticeship programs vary in length. In this case the program is five years.

Apprentice programs are typically sponsored by a Joint Apprenticeship Training Committee (JATC). A JATC is created through collective bargaining, with an equal number of members appointed by union and management, with employer contributions to a training trust fund. The employers are not “participants” but are signatories to the Collective Bargaining Agreement.

RSI is traditionally delivered as class/lab, and ETP does not reimburse CBT delivery for apprenticeship training. The curriculum is developed with input from DAS and a designated Local Educational Agency (in this case Los Angeles Unified School District and the North Orange County Community College District). The Apprenticeship Program allows reimbursement for up to 200 hours of RSI plus OSHA10, per-apprentice. However, SoCal Sheet Metal is not requesting OSHA10 training for Apprentices.

For the building trades, it is not customary for workers to be employed for a standard retention period of 90 consecutive days with one employer. In that instance, the Panel may substitute non-consecutive hours worked for retention. This modified retention period must be no less than 500 hours within 272 days with more than one employer. Both the standard and modified retention periods will apply to this proposal.

To ensure ETP does not displace Montoya Funds, Apprenticeship reimbursement is reduced by \$5.00, reducing the priority industry rate from \$18.00 to \$13.00 per hour. In addition, the Panel adopted a “blended rate” for Journeymen, reflecting the fact that they may be employed by a variety of contractors over the two-year term of contract ranging from large employers, to small ( $\leq 100$  employees). This is \$22 per hour, midway between the Priority Industry standard rate (\$18) and Small Business rate (\$26).

The ETP wage for Apprentices is no less than \$21.28 per hour, tracking the Special Employment Training wage as modified for priority industries. However, the actual wages paid are shown in the Training Plan Table and contract when they exceed \$21.28, for both Apprentices and Journeymen.

## **DAS Completion Rate**

The average completion rate for Apprentices in the Sheet Metal industry is 68.10% as measured by DAS over the most recent five-year reporting period: CY2009 through CY2013. When the average completion rate for an apprenticeship program is less than half the industry average (benchmark), the Panel requires a justification for funding. In this proposal, the DAS completion rate for SoCal Sheet Metal is 69.68%, which exceeds the benchmark.

## **PROJECT DETAILS**

The International Association of Sheet Metal, Air, Rail and Transportation Workers, Local Union 105 responds to employer needs related to general worker shortages and requests for workers trained in specialty areas. Employer needs are also identified through the jointly sponsored International Training Institute for Sheet Metal and Air Conditioning Industry. The proposed training targets workers represented by the Union.

Training will focus on new building codes and energy efficiency standards which are having a significant impact on the air conditioning and refrigeration industry. For instance, California building energy efficiency standards require higher levels of efficiency from air conditioning and refrigeration systems which will require new types of equipment and controls and knowledge of systematic cooling zones within commercial buildings. Skills learned (calculating energy usage, energy loss, and overall efficiency of installed systems) will help employers and workers adapt to the growing demand for energy efficiency and address waste reduction in the construction and operation of new systems.

Additionally, Sheet Metal Workers are being expected to accomplish more tasks as part of smaller teams, trending in similar industries. This requires workers to be highly skilled and better organized and to be able to effectively utilize all means of technology.

### **Veterans**

SoCal Sheet Metal has committed to training 50 Veterans (Job Number 3). The JATC works with Helmets-to-Hardhats, and other Veterans programs, for recruitment.

### **Training Plan**

**Commercial Skills (85%)** – Training will be offered to all occupations and include trade mathematics, drafting and sketching, layout and pattern development, shop work, field installation, plans and specifications, architectural sheet metal, HVAC Systems, testing and balancing, and energy conservation. More advanced training will focus on welding skills, advanced math, drawing and drafting, electronic and computerized controls for energy efficiency, and specialty work.

**Computer Skills (5%)** - Training will be offered to select Journeymen to learn computer drafting, detailing and other computer software and operations used in a building trades setting.

### **Certified Safety Training**

**OSHA 10/30 (10%)**: This training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment

opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA. Only Journeymen will be offered OSHA courses.

### **Commitment to Training**

ETP-funded training will not displace the Company's financial commitment to training. Employers will continue to make contributions to the JATTF for every hour worked by covered Apprentices and Journeymen. Safety training is provided by the participating employers in accordance with all pertinent requirements under state and federal law.

### **Training Coordination**

Training is scheduled to begin in June 2016 for 18 months. Administration will be performed by Los Angeles Unified School District and Steve Duscha Advisories. The JATC will handle class scheduling and completion of training rosters.

The two administrative vendors will assist in employer liaison, documentation of work hours, uploading training and enrollment data, ETP reporting, and related activities.

### **Marketing and Support Costs**

Apprentices and Journeymen are recruited through outreach by various partners including the JATC.

Signatory employers are informed of training through the Sheet Metal and Air Conditioning Contractors' National Association (Los Angeles and Orange Empire Chapters). Workers are notified of training through their union local and directly by the training center. Notifications are generally made via web postings, mailings, and presentations.

SoCal Sheet Metal conducts assessments at the conclusion of each training session. To evaluate training needs and program effectiveness, trainees and employers are encouraged to provide feedback through their respective representatives on the joint apprenticeship committee.

SoCal Sheet Metal requests 8% support costs for training-related funding to assist in apprentice recruitment, employer outreach, and to conduct assessment of employer-specific job requirements. [Note: Although many of the signatory employers have already been notified, additional outreach and needs assessments will take place during the term of the Agreement.] Staff recommends the 8% Support Costs.

### **Learning Management System**

ETP staff has reviewed and approved the use of a Learning Management System for recordkeeping.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**ACTIVE PROJECTS**

The following table summarizes performance by SoCal Sheet Metal under an active ETP Agreement:

| Agreement No. | Approved Amount | Term                      | No. Trainees (Estimated) | No. Completed Training | No. Retained |
|---------------|-----------------|---------------------------|--------------------------|------------------------|--------------|
| ET15-0925     | \$448,448       | 04/01/2015–<br>03/31/2017 | 224                      | 361                    | TBD*         |

\*Based on ETP Systems, 33,721 reimbursable hours. This equates to \$468,722, sufficient to support earnings at 100% by end-of-term.

**PRIOR PROJECTS**

The following table summarizes performance by SoCal Sheet Metal under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City)  | Term                   | Approved Amount | Payment Earned |        |
|---------------|------------------|------------------------|-----------------|----------------|--------|
|               |                  |                        |                 | \$             | %      |
| ET14-0906     | City of Industry | 11/16/13 –<br>11/15/15 | \$448,448       | \$448,448      | (100%) |
| ET13-0911     | City of Industry | 10/22/12 –<br>10/21/14 | \$298,936       | \$298,936      | (100%) |

**DEVELOPMENT SERVICES**

SoCal Sheet Metal retained Steve Duscha Advisories in Sacramento to assist with development of this proposal for a flat fee of \$10,000.

**ADMINISTRATIVE SERVICES**

SoCal Sheet Metal also retained Steve Duscha Advisories, along with Los Angeles Unified School District in Los Angeles, to perform administrative services for a total combined fee not to exceed 13% of payment earned.

**TRAINING VENDORS**

N/A



**Exhibit B: Menu Curriculum****Class/Lab Hours**

Job Numbers 1 and 3: 8 – 200

Trainees may receive any of the following:

**APPRENTICESHIP TRAINING  
COMMERCIAL SKILLS****Course Two**

- A. Introduction
- B. Workplace Safety\*
- C. Trade Mathematics – Part 2
- D. Drafting and Sketching – Part 2
- E. Layout and Pattern Development – Part 2
- F. Reading Plans and Specifications – Part 1
- G. Materials – Part 2
- H. Industrial Specialties – Part 2
- I. Shop Work – Part 2
- J. Field Installation – Part 2
- K. Service Work – Part 2
- L. Architectural Sheet Metal – Part 2
- M. Heating, Ventilation, and Air Conditioning (HVAC) Systems – Part 2
- N. Testing and Balancing – Part 1
- O. Energy Conservation

**Course Three**

- A. Workplace Safety\*
- B. Welding Metallurgy
- C. Welding Equipment and Processes
- D. Welding Tools and Equipment
- E. Welding Symbols and Nomenclature
- F. Surface Welds
- G. Fillet Welds: All Positions
- H. Groove Welds
- I. Oxyacetylene Cutting (Burning)
- J. Air Carbon Arc Process
- K. Brazing Steel and Cast Iron
- L. Welding Evaluation
- M. Reading Plans and Specifications – Part 2

**Course Four**

- A. Introduction
- B. Workplace Safety Review\*
- C. Drafting and Sketching – Part 3
- D. Layout and Pattern Development – Part 3
- E. Reading Plans and Specifications – Part 3
- F. Materials – Part 3
- G. Industrial Specialties – Part 3

- H. Shop Work – Part 3
- I. Heating, Ventilation, and Air Conditioning Systems – Part 3
- J. Field Installation – Part 3
- K. Service Work – Part 3
- L. Architectural Sheet Metal – Part 3
- M. Electronic and Computerized Controls – Part 1
- N. Blowpipe System – Part 1
- O. Food Service and Beverage Dispensing Equipment – Part 1
- P. Asbestos

### **Course 5**

- A. Professional Growth
- B. Advanced Trade Mathematics
- C. Drafting and Sketching – Part 4
- D. Layout and Pattern Development – Part 4
- E. Reading Plans and Specifications – Part 4
- F. Industrial Specialties – Part 4
- G. Shop Work – Part 4
- H. Heating, Ventilation, and Air Conditioning (HVAC) Systems – Part 4
- I. Testing and Balancing – Part 2
- J. Architectural Sheet Metal – Part 4
- K. Electronic and Computerized Controls – Part 2
- L. Food Service and Beverage Dispensing Equipment – Part 2
- M. Supervisory Training

### **Class/Lab Hours**

Job Number 2: 8 - 200

Trainees may receive any of the following:

### **JOURNEYMAN TRAINING** **COMMERCIAL SKILLS**

- Acceptance Test Technician
- Aerial High Lift Operation
- Architectural Field Installation
- Blueprint Reading
- Board and Field Detailing
- Duct Leakage Testing
- Fall Protection
- Foreman Training
- Forklift Operation
- HVAC Fire Life Safety Supervisor
- HVAC Fire Life Safety Technician
- HVAC Service
- Project Management
- Rigging
- Scaffold Safety
- Test and Balance for HVAC Systems
- Trimble Layout System
- Use of Trimble Hanger and Opening Layout Device
- Welding

**COMPUTER SKILLS**

- AutoCAD Basic
- AutoCAD Detailing
- Detailing using CAD
- Navisworks

**OSHA 10/30** (OSHA Certified Instructor)

- OSHA 10 (Requires completion of full 10-hour course)
- OSHA 30 (Requires completion of full 10-hour course)

\* Safety Training cannot exceed 10% of total training hours per-trainee. (This cap does not apply to OSHA 10/30)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.



**Training Proposal for:**  
**Sheet Metal & Air Conditioning Apprenticeship &  
 Journeymen Joint Training Fund of San Diego**

**Agreement Number: ET16-0925**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** San Diego

**Analyst:** H. Bernard

**PROJECT PROFILE**

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                        | Priority Rate<br>Retrainee<br>Apprenticeship<br>Veterans            | Industry Sector(s): | Construction<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                            | San Diego, Imperial   | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):                                   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |                     |  |
| Turnover Rate:                              | ≤20%  |                     |  |
| Managers/Supervisors: (% of total trainees) | N/A   |                     |  |

**FUNDING DETAIL:**

|                      |   |                      |   |                          |
|----------------------|---|----------------------|---|--------------------------|
| <b>Program Costs</b> | + | <b>Support Costs</b> | = | <b>Total ETP Funding</b> |
| \$260,400            |   | \$18,000<br>8%       |   | \$278,400                |

|                              |                                   |          |
|------------------------------|-----------------------------------|----------|
| <b>In-Kind Contribution:</b> | 50% of Total ETP Funding Required | Inherent |
|------------------------------|-----------------------------------|----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                          | Type of Training                     | Estimated No. of Trainees | Range of Hours       |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|--------------------------------------|---------------------------|----------------------|-----|--------------------------|---------------------|
|         |  |                                      |                           | Class / Lab          | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate<br>Journeyman | Commercial Skills<br>Computer Skills | 40                        | 8-200                | 0   | \$705                    | \$35.30             |
|         |  |                                      |                           | Weighted Avg:<br>30  |     |                          |                     |
| 2       | Retrainee<br>Apprentice                  | Commercial Skills<br>OSHA 10         | 85                        | 8-210                | 0   | \$2,780                  | \$21.28             |
|         |  |                                      |                           | Weighted Avg:<br>200 |     |                          |                     |
| 3       | Retrainee<br>Apprentice<br>Veterans      | Commercial Skills<br>OSHA 10         | 5                         | 8-210                | 0   | \$2,780                  | \$21.28             |
|         |  |                                      |                           | Weighted Avg:<br>200 |     |                          |                     |

**Minimum Wage by County:** SET Priority Industry: \$21.28 per hour.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$1.37 per hour may be used to meet the Post-Retention Wage for Job Numbers 2 & 3.

**Wage Range by Occupation**

| Occupation Titles                              | Wage Range | Estimated # of Trainees |
|--|------------|-------------------------|
| Journeymen Sheet Metal (Job Number 1)          |            | 40                      |
| Apprentice Sheet Metal (Job Number 2)          |            | 85                      |
| Veterans Apprentice Sheet Metal (Job Number 3) |            | 5                       |

**INTRODUCTION**

Established in 1941, the Sheet Metal & Air Conditioning Apprenticeship & Journeymen Joint Training Fund of San Diego (SMJTF) ([www.smjatc.org](http://www.smjatc.org)) is a joint effort by the Sheet Metal Workers' International Local 206 and the Sheet Metal and Air Conditioning Contractors National Association whose mission is to provide up-to-date industry skills training and secure high-quality job opportunities for its members.

Located in San Diego, the SMJTF training center has a total of seven classrooms and labs; a computer center with 20 stations; and a welding shop with 16 welding booths. All training under this Agreement will be center based. SMJTF serves 110 Apprentices and 425 Journeymen within San Diego and Imperial Counties. There are 34 signatory employers who contribute to the Sheet Metal Trust fund. These employers perform specialized construction work ranging from the design, layout, fabrication and installation of duct systems to architectural sheet metal fabrication, metal roofing construction, and a variety of other shop or sheet metal work.

**PROJECT DETAILS**

This is the fourth ETP Agreement with SMJTF. However, this is the first time Veterans have been introduced as a distinct cohort of Apprentice trainees.

SMJTF recruits and trains Apprentices to meet the needs of San Diego and Imperial Counties' sheet metal fabrication and heating, ventilation and air conditioning (HVAC) industry. SMJTF also provides skills upgrade training to Journeymen in the latest sheet metal technologies.

### **Apprenticeship Program**

The Panel is authorized to fund Apprentice training that does not displace any other source of government funds, or replace an existing apprenticeship program approved by the Division of Apprenticeship Standards (DAS). The Panel adopted the Apprenticeship Training Program as a pilot in March 2012. It is designed to supplement cost of delivery for the Related and Supplemental Instruction (RSI) portion of DAS-approved apprenticeship training. Depending on the type of trade, apprenticeship programs vary in length. In this case the program is five years.

RSI is traditionally delivered as class/lab and ETP does not reimburse CBT delivery for apprenticeship training. The curriculum is developed with input from DAS and a designated Local Educational Agencies (in this case Palomar Community College). The Apprenticeship Program allows reimbursement for up to 200 hours of RSI plus OSHA 10, per-apprentice (Journeymen are capped at 200 hours).

For the building trades, it is not customary for workers to be employed for a standard retention period of 90 consecutive days with one employer. In that instance, the Panel may substitute non-consecutive hours worked for retention. This modified retention period must be no less than 500 hours within 272 days with more than one employer. Both the standard and modified retention periods will apply to this proposal.

To ensure ETP does not displace Montoya Funds, Apprenticeship reimbursement is reduced by \$5, reducing the priority industry rate from \$18 to \$13 per hour. In addition, the Panel adopted a "blended rate" for Journeymen, reflecting the fact that they may be employed by a variety of contractors over the two-year term of contract ranging from large employers, to small ( $\leq 100$  employees).

In addition, the Panel adopted a "blended rate" for Journeymen reflecting the fact that these workers may be employed by a variety of contractors over the two-year term of contract ranging from large employers, to small ( $< 100$  employees). This is \$22 per hour, midway between the Priority Industry standard rate (\$18) and Small Business rate (\$26).

The ETP wage for Apprentices is no less than \$21.28 per hour, tracking the Special Employment Training wage as modified for priority industries. However, the actual wages paid are shown in the Training Plan Table and contract when they exceed \$21.28, for both Apprentices and Journeymen.

### **DAS Completion Rates**

The DAS Completion rate for the SMJTF for the years 2009-2013 was 65.58%. This is slightly lower than apprenticeship retention for the industry sector as a whole, which has an aggregated average of 68.10%. However, SMJTF still meets ETP standards with greater than 50% retention rate of the industry average.

### **Employer Demand**

The local hiring demands in San Diego and Imperial counties were considered for this funding request. Employers report the need to implement cost saving measures; a reduction in waste due to rework and delays; implementation of new state energy efficient standards;

implementation of new green/clean technologies; and new skills needed due to aggressive non-union competition. Additionally there has been a substantial need for training in three-dimensional, virtual-building modeling.

According to SMJTF there has been an increase in new Project Labor Agreements (PLA's) in the San Diego area. Upcoming projects include Petco Park Baseball Park Village; San Ysidro International Border Crossing; Kaiser Hospital; San Diego State University House and Laboratory Projects; Valhalla High School Retrofits; and San Diego City College Retrofits. These projects are expected to employ from 10 to 80 sheet metal workers for each job depending on the size of the project.

### **Curriculum Development**

Employers submit program needs to all the training centers, which receive additional union input at labor/management and industry meetings. Curriculum development is further customized for local area employers, and employer members are involved in journeyman, pre-apprentice, and apprenticeship training plan design. Training topics are customized to include new equipment and to meet new industry standards/materials.

The SMJTF has two full-time and four part-time trainers who assist with training. The trainers are former or current members of the trade and experts in the subject matter.

### **Training Plan**

**Commercial Skills** (95% for Journeymen & 95% for Apprentices): Training will be provided to both Journeymen and Apprentices. Courses will include Pattern Development in which trainees learn to draw, calculate mathematic configurations, fabricate, and install products out of a piece of flat metal. There will also be courses on the Plans and Specifications of mechanical, architectural, structural and electrical drawings and how to accurately read these documents to ensure that work is completed to specifications required. Training will also focus on welding and installation practices, HVAC systems, and new green technologies required by employers.

In the last ETP contract, SMJTF added AutoCAD classes to the curriculum due to high employer demand for the courses. Attendance for these classes was very high. SMJTF will continue to offer these courses to ensure that all workers are able to meet the needs of employers.

**Computer Skills** (5% for Journeymen): Training will be offered to Journeymen. Training will include three-dimensional virtual construction software. SMJTF reports that there are too few workers who are able to use this software and as a result, many of these jobs are sent offshore. Trainees will also train in software applications with capabilities to schedule, plan and track jobs.

### **Certified Safety Training**

**OSHA 10:** (5% for Apprentices): This training is a series of courses "bundled" by industry sector and occupation. Completion of the training results in a certificate that expands employment opportunities. Training consists of OSHA 10 for Apprentices. Note: To ensure that each trainee receives certification, ETP will only consider payment earned upon completion of the full 10-hour. OSHA 10 is not included in the 10% limitation on safety training. The trainer-to-trainee ratio is 1:40 for OSHA 10.

## Impact/Outcome

Certifications that may be earned through the training delivered in this project include: TAB (Testing and Adjusting and Balancing), MATT (Mechanical Acceptance Testing Technician), Hoisting, Rigging, Forklift, Aerial Lifts, Scaffolding, Safety, OSHA 10, welding and fall protection.

## Commitment to Training

ETP funding will not displace SMJTF's financial commitment to training. Employers will continue to make contributions to the training trust for every hour worked by Apprentices, Pre-Apprentices, and Journeymen. Safety training is, and will continue to be, provided by the participating employers in accordance with all pertinent requirements under state and federal law.

## Marketing and Support Costs

SMJTF is requesting 8% in support costs to promote training opportunities for Journeymen and Apprentices with the 34 signatory employers, 60% of which are small businesses. Support costs will also be used by the Trust in recruiting Apprentices from schools, employment centers and community organizations; and in the recruitment of Veterans.

ETP-funded training will be discussed at all labor management meetings and pertinent trade, industry, and apprenticeship events. SMJTF routinely meets with stake-holders to ensure training plans meet business needs. Marketing and training evaluations are conducted to via face-to-face meeting, email and regular contact with employers and unions.

Staff recommends the approval of the 8% support costs.

## Veterans Program

SMJTF has committed to training 5 Veterans (Job Number 3) at the regular apprenticeship rate and without additional support costs above the 8%. [Note: All Apprentice reimbursement is at the \$13 rate.] SMJTF training programs are registered with Helmets to Hardhats. Additionally they work with Veterans Village of San Diego and a myriad of locally based non-profit organizations that serve Veterans.

## RECOMMENDATION

Staff recommends approval of this proposal.

## ACTIVE PROJECTS

The following table summarizes performance by SMJTF under an active ETP Agreement:

| Agreement No. | Approved Amount | Term                      | No. Trainees (Estimated) | No. Completed Training | No. Retained |
|---------------|-----------------|---------------------------|--------------------------|------------------------|--------------|
| ET15-0906     | \$248,421       | 07/28/2014–<br>07/27/2016 | 116                      | 81                     | 16*          |

Based on ETP Systems, 18,247 reimbursable hours have been tracked. Provided SMJTF meets all terms and conditions of the Agreement, the Contractor will earn 100% of the Agreement amount.



**PRIOR PROJECTS**

The following table summarizes performance by SMJTF under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                      | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|---------------------------|-----------------|------------------------|
| ET11-0262     | San Diego       | 06/06/2011–<br>06/05/2013 | \$65,864        | \$62,144 (94%)         |

**DEVELOPMENT SERVICES**

California Labor Federation in Sacramento, in conjunction with Strategy Workplace Communications in Oakland, assisted with development of this proposal at no charge.

**ADMINISTRATIVE SERVICES**

Strategy Workplace Communications will perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

**TRAINING VENDORS**

N/A

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 – 200 (Job 1) Trainees may receive any of the following:

**Journeyman Training****COMMERCIAL SKILLS**

- Introduction to Welding
- MIG Welding (GMAW)
- TIG Welding (GTAW)
- Stick Welding (SMAW)
- Architectural & General Sheet Metal Skills

**COMPUTER SKILLS**

- AutoCAD (Introduction, Intermediate, Advanced)
- Benchmark Certification (CAD)
- Beginning HVAC
- EPA Certification
- Fire, Life, Safety Certification (1 & 2)
- Mechanical Acceptance Testing Training (Title 24)
- Service & Start-Up
- TAB Certification

**Class/Lab Hours**

8 – 210 (Jobs 2 & 3) Trainees may receive any of the following:

**Apprentice Training****COMMERCIAL SKILLS**

- **Core I (Safety/Tools)**
  - Shop Safety
  - Hand Tools
  - Geometric Construction
  - Lines and Lettering
  - Field Safety
  - Communication
  - Emergency Procedures
  - Hazard Communication
  - Hoisting and Rigging
  - Safety in Field Installation
- **Core II (Beginning Layout)**
  - Introduction to Parallel Lines
  - Sheet Metal and Metal Products
  - Pictorial Drawings
  - Freehand Sketchings
- **Core III (Advanced Layout)**
  - Duct S Offsets
  - Introduction to Triangulation

- Duct Change Elbows
- Change Ogee Offsets
- Y Branches
- **Core IV (Architectural Principles)**
  - Introduction to Architectural Sheet Metal
  - Architectural Sheet Metal Practices
  - Roof Drainage Systems
  - Flashings
  - Waterproofing Roof Edges & Walls
  - Additional Architectural Sheet Metal Work
- **Plans and Specifications**
  - The Contract Documents
  - Specifications
  - Architectural Drawings
  - Structural Drawings
  - Mechanical Drawings
  - Electrical Drawings
  - Sheet Metal Shop Drawings
- **Architectural Installation**
  - Planning Architectural Installation
  - Installing Architectural Sheet Metal Items
  - Architectural Sheet Metal Shop Drawings
  - Creating Shop Details
  - Advanced Sheet Metal Fabrication
  - Advanced Roof Drainage Systems
- **HVAC I**
  - Introduction to HVAC Systems
  - Air and Air Properties
  - Ventilation
  - Heating
  - Cooling
  - Duct Systems
  - Duct Design
  - Indoor Air Quality
  - Refrigerant Cycle
  - Servicing HVAC Equipment
  - Start-Up and Commissioning Systems
  - Energy Management Systems
- **HVAC II**
  - TAB Work
  - TAB Instrument Use
  - Refrigerant Cycle
  - Electricity
  - Controls
  - Servicing HVAC Systems
  - Start-Up and Commissioning Systems

- **Sheet Metal Welding**
    - Introduction to Welding
    - Welding Safety
    - Welding Equipment Safety
    - Welding Equipment Set-Up
    - Codes and Symbols
    - GMAW Process
    - SMAW Process
    - GTAW Process
  
  - **Foreman and Project Management Training**
    - Introduction to Supervision
    - Supervisory Training
    - Human Relations
    - Planning and Organizing
    - Personnel Records
    - Foreman Training
    - Project Management
  
  - **First Aid/CPR**
- OSHA 10** (OSHA Certified Instructor)
- OSHA 10 (requires completion of 10-hour course)

Note: Reimbursement for Job Number 1 is capped at 200 total training hours per trainee. Reimbursement for Job Numbers 2 & 3 is capped at 200 total training hours per trainee in Commercial Skills and 10 hours of OSHA 10 for a total of 210 hours.



**Training Proposal for:**

**California Field Ironworkers Apprenticeship Training and  
Journeyman Retraining Fund - Northern California**

**Agreement Number: ET16-0924**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** San Francisco Bay Area      **Analyst:** D. Woodside

**PROJECT PROFILE**

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                        | Retrainee<br>Priority Rate<br>Apprenticeship<br>Veterans  | Industry Sector(s): | Construction<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                            | Northern California   | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):                                   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No International Brotherhood of Ironworkers Local 118, 378, 155, and 377 |                     |  |
| Turnover Rate:                              | ≤20%  |                     |  |
| Managers/Supervisors: (% of total trainees) | N/A   |                     |  |

**FUNDING DETAIL:**

|                      |   |                      |   |                          |
|----------------------|---|----------------------|---|--------------------------|
| <b>Program Costs</b> | + | <b>Support Costs</b> | = | <b>Total ETP Funding</b> |
| \$485,240            |   | \$33,585<br>8%       |   | \$518,825                |

|                       |                                   |          |
|-----------------------|-----------------------------------|----------|
| In-Kind Contribution: | 50% of Total ETP Funding Required | Inherent |
|-----------------------|-----------------------------------|----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description    | Type of Training             | Estimated No. of Trainees | Range of Hours    |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--------------------|------------------------------|---------------------------|-------------------|-----|--------------------------|---------------------|
|         |                    |                              |                           | Class / Lab       | CBT |                          |                     |
| 1       | Journeyman         | Commercial Skills, OSHA10/30 | 30                        | 8-200             | 0   | \$564                    | \$34.00             |
|         |                    |                              |                           | Weighted Avg: 24  |     |                          |                     |
| 2       | Apprentice         | Commercial Skills, OSHA10    | 308                       | 8-210             | 0   | \$1,390                  | \$21.28             |
|         |                    |                              |                           | Weighted Avg: 100 |     |                          |                     |
| 3       | Veteran Apprentice | Commercial Skills, OSHA10    | 15                        | 8-210             | 0   | \$1,390                  | \$21.28             |
|         |                    |                              |                           | Weighted Avg: 100 |     |                          |                     |
| 4       | Pre-Apprentice     | Commercial Skills            | 15                        | 8-200             | 0   | \$3,529                  | \$21.28             |
|         |                    |                              |                           | Weighted Avg: 150 |     |                          |                     |

**Minimum Wage by County:** \$21.28 per hour Statewide (Priority Industry)  
**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.  
**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe  
 Up to \$.88 per hour may be used to meet the Post-Retention Wage for Job Numbers 2 and 3. Up to \$4.28 per hour may be used to meet the Post-Retention Wage for Job Number 4.

| Wage Range by Occupation      |            |                         |
|-------------------------------|------------|-------------------------|
| Occupation Titles             | Wage Range | Estimated # of Trainees |
| Journeyman Ironworker         |            | 30                      |
| Apprentice Ironworker         |            | 308                     |
| Veteran Apprentice Ironworker |            | 15                      |
| Pre-Apprentice Ironworker     |            | 15                      |

**INTRODUCTION**

The California Field Ironworkers Apprenticeship Training and Journeyman Retraining Fund – Northern California (NorCal Ironworkers JATC) [www.universityofiron.org](http://www.universityofiron.org) seeks funding to train Journeyman, Apprentice, and Pre-Apprentice Ironworkers who primarily work in Solano, Contra Costa, San Francisco, San Jose, and Sacramento counties. NorCal Ironworkers JATC operates training centers equipped with the newest training aids and technology in Sacramento, Fresno, San Francisco, San Jose and Benicia.

The training centers are a partnership created in collective bargaining between four International Brotherhood of Ironworker local unions (Local 118 in Sacramento, Local 378 in Benicia, Local 155 in Fresno, and Local 377 in San Francisco); and some 600 signatory employers. The four local JATC's sponsor three Ironworker apprentice programs as funded through the central trust. Journeymen will train at the San Francisco and San Jose sites while the Benicia, Sacramento and Fresno training facilities will provide a four-year, 800-hour apprenticeship program to apprentices.

This is the third ETP Agreement between ETP and NorCal Ironworkers JATC. However, this is the first time Veterans have been included as a discrete cohort of Apprentice trainees.

### **Apprenticeship Program**

The Panel is authorized to fund Apprentice training that does not displace any other source of government funds, or replace an existing apprenticeship program approved by the Division of Apprenticeship Standards (DAS). ETP funding is designed to supplement cost of delivery for the Related and Supplemental Instruction (RSI) portion of DAS-approved apprenticeship training. Depending on the type of trade, apprenticeship programs vary in length. In this case the program is four years.

Apprentice programs are typically sponsored by a Joint Apprenticeship Training Committee (JATC). A JATC is created through collective bargaining, with an equal number of members appointed by union and management with employer contributions to a training trust fund. The employers are not "participants" but are signatories to the Collective Bargaining Agreement.

RSI is traditionally delivered as class/lab, and ETP does not reimburse CBT delivery for apprenticeship training. The curriculum is developed with input from DAS and a designated Local Educational Agency (in this case San Leandro Adult School, Foothill College (Fresno), and American River College). The Apprenticeship Program allows reimbursement for up to 200 hours of RSI plus OSHA10, per-apprentice. (Journeymen are capped at 200 hours.)

For the building trades, it is not customary for workers to be employed for a standard retention period of 90 consecutive days with one employer. In that instance, the Panel may substitute non-consecutive hours worked for retention. This modified retention period must be no less than 500 hours within 272 days with more than one employer. Both the standard and modified retention periods will apply to this proposal.

To ensure ETP does not displace Montoya Funds, Apprenticeship reimbursement is reduced by \$5.00, reducing the priority industry rate from \$18.00 to \$13.00 per hour. In addition, the Panel adopted a "blended rate" for Journeymen, reflecting the fact that they may be employed by a variety of contractors over the two-year term of contract ranging from large employers, to small ( $\leq 100$  employees). This is \$22 per hour, midway between the Priority Industry standard rate (\$18) and Small Business rate (\$26). [Note: This "blended rate" has been extended to Pre-Apprentices, for ease of administration.]

The ETP wage for Apprentices is no less than \$20.55 per hour, tracking the Special Employment Training wage as modified for priority industries. However, the actual wages paid are shown in the Training Plan Table and contract when they exceed \$20.55, for both Apprentices and Journeymen.

## **PROJECT DETAILS**

The four NorCal Ironworker JATCs have developed and customized the national ironworker curriculum to address local needs. The training will prepare ironworkers to work on large construction projects including: the high speed rail system; Bay Area refineries, including the Chevron Refinery upgrade in Richmond; Sutter Hospitals; Fremont Academic Core buildings; Pleasanton Senior Care Facility, and Pinole Valley High School.

As Journeymen retire and new work develops, there will be a need for qualified Ironworkers to step into open positions, which generates demand for Apprentices. Last year, the four JATCs graduated 127 apprentices; this year, they anticipate another 162 graduates.

Trainers are qualified Journeymen with extensive practical and training experience. All training is 100% center-based. Historically, ironworkers mainly worked with wrought iron, but today they utilize many different materials including ferrous and non-ferrous metals, plastics, glass, concrete and composites. Ironworkers are responsible for many aspects of construction that include:

- 1) Assemble and dismantle the structural steel framework of pre-engineered metal buildings;
- 2) Unload, place and tie reinforcing steel bars (rebar) and post-tensioning systems;
- 3) Set machinery and equipment and operate power hoists, forklifts, and aerial lifts;
- 4) Fasten metal decking, safety netting and edge rails for safe working practices.

## **Training Plan**

### **Journeyman Commercial Skills (90%)**

Journeymen training is intended to bring work skills and knowledge up to date, as required by participating employers. Being an ironworker requires blueprints/digital specification reading, the ability to operate heavy machinery, use a torch wrench and inspect framework. The work includes welding, rigging, reinforcing, post-tensioning and architectural work.

### **Apprentice Commercial Skills (95%)**

On a job site, Ironworkers can have several tasks, ranging from rigging and machinery moving to ornamental iron. Welding and burning equipment are already all specialties in the trade (Structural, Reinforcing, Ornamental and Rigging). Ironworker Apprentices need to learn to build modern structures from the ground up. This includes how to reinforce concrete to create the steel structure of a building; how steel pillars, supports and shafts are needed to build structures like office buildings and bridges; and how to build steel shafts and grilles to support the concrete used to make tunnels, freeways and industrial buildings.

Ironworkers often work under extremely dangerous conditions. All work is performed outside, year round. This job involves hand/eye/foot coordination, finger dexterity, heavy lifting and working at extreme heights. Equipment not used correctly can also lead to breakdowns, expensive re-work and delays in schedules. Therefore, employers need all levels of ironworkers to undergo additional safety training so that so that they can perform their work efficiently and safely.



**OSHA 10/30 (5% - 10%)**

Apprentice trainees will receive OSHA 10 training and Journeymen trainees will receive either OSHA 10 or OSHA 30 training in a series of courses “bundled” by industry sector and occupation. The coursework is geared to construction work, and must be approved by Cal-OSHA. The instructors must be certified by Cal-OSHA as well. Completion of the training results in a certificate that expands employment opportunities. OSHA 10/30 is not included in the 10% limitation on safety training.

**Veteran Apprentice**

The curriculum for Veteran trainees will be the same as Apprentice training outlined above, and reimbursed at the same rate as other Apprentices. These trainees are in separate Job Number 3 to better track performance for this cohort, toward the goal of improved outreach for Veterans.

NorCal Ironworkers JATC works in cooperation with Helmets to Hardhats, a national joint labor-management program <http://www.ironworkers.org/become-an-ironworker/helmets-to-hardhats>. This program helps veterans transition into the civilian workforce. If eligible, veterans will start as first year apprentices, not as pre-apprentices.

**Pre-Apprentice Commercial Skills (100%)**

This proposal will also support the Gladiator Program, offering Pre-apprentice to women. This unique program creates a bridge for women to enter into a trade that has been traditionally under-represented. NorCal Ironworkers JATC began this program with no funds, only volunteer hours of trainers and the donation of free training materials and space by the JATC.

Gladiator Program training follows a nationwide curriculum for basic, entry-level skills that allow early placement on a job. These skills include: welding, green training, traffic flagging and Firewatch training. This 150-hour program will be held at the Benicia Training Center. It is expected 15 trainees will participate in this program under Job Number 4.

**Class/ Lab Trainer-to-Trainee Ratio**

While the majority of classes will be provided at the standard class/lab ratio of 1:20, NorCal Ironworkers JATC is requesting that this ratio be expanded to 1:25 for Apprentices in Job Numbers 2 and 3.

Class/lab training at the Ironworker training centers is typically conducted with a trainer to trainee ratio of less than 1:20. However, from time-to-time it is not cost-effective for the Training Centers to conduct two classes for fewer than 26 trainees. In addition, scheduling classes at an exact ratio is difficult because Apprentices must also complete on-the-job training and may not be available at a particular time and date. If Ironworker Apprentices cannot get into a particular class and maintain their work schedules, they may have to wait six months to a year before that class is offered again. For these reasons, the JATC is requesting the higher trainer to trainee of 1:25 for Apprentices only. The NorCal Ironworkers JATC estimates that less than 10% of training will require the 1:25 ratio. This increase is authorized under Panel Guidelines for the Apprenticeship Program.

**Impact/Outcome**

ETP funds will help to expand employer-driven certification classes, such as the Qualified Rigger course. Journeymen Ironworkers who attend a Qualified Rigger course must successfully

complete a 40-hour Rigging and a 40-hour Crane classes in order to receive the Qualified Rigger/Signalperson card. Ironworkers with this certification increase their chances for employment.

Additional certifications that may be earned at both the Journey and Apprentice level include: OSHA 10, OSHA 30, Welding, Scaffolding, Forklift, and Post-Tensioning for Rebar.

Since the previous ETP contract, the JATC has implemented a new system that allows workers to access their certifications online. This system expedites getting ironworkers placed into jobs.

### **Commitment to Training**

Each of the signatory employers contributes to the education training fund. The NorCal Ironworkers JATC certifies that signatory employers will continue to pay into their respective trust funds for Journey Level, Apprentice and Pre-Apprentice training. In addition, employers will continue to provide structured, on-the-job training that meets apprenticeship standards in the form of work processes. ETP funds will supplement and not displace employer contributions to training. Safety training is, and will continue to be, provided by the participating employers in accordance with all requirements under state and federal law.

### **Marketing and Support Costs**

The NorCal Ironworkers JATC is requesting 8% in support costs to fund marketing to employers, recruit apprentices and pre-apprentices, and conduct ongoing assessments of employer-specific job requirements. Open houses will be held both for workers and for employers. In Benicia, potential ironworkers will tour the facility and talk with the staff about careers in ironworking. Employer open houses will provide an opportunity for company owners, project managers, and company safety representatives to observe and evaluate the Ironworkers Qualified Rigger and Signalman Training Program and speak with staff members. There are nine staff people in the NorCal Ironworkers JATC offices that will assist with the marketing, recruitment, needs assessments and scheduling of training.

NorCal Ironworkers JATC and the various local unions will publicize the availability of training through their websites, direct mailings, brochures/flyers, personal contacts, telephone calls, public service announcements and e-mail announcements. It will also promote this training program at labor-management meetings and industry assemblies, site visits to local schools, trade shows, industry meetings, and vocational outreach organizations.

Staff recommends the 8% in support costs.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **ACTIVE PROJECTS**

The following table summarizes performance by NorCal Ironworkers JATC under an active ETP Agreement:

| Agreement No. | Approved Amount | Term                   | No. Trainees (Estimated) | No. Completed Training | No. Retained |
|---------------|-----------------|------------------------|--------------------------|------------------------|--------------|
| *ET15-0916    | \$423,515       | 02/02/15 –<br>02/01/17 | 491                      | 468                    | 121          |

\*The ETP On-Line system shows 36,122 reimbursable hours to date. This is sufficient to support earnings of 100% by end-of-term.

### **PRIOR PROJECTS**

The following table summarizes performance by NorCal Ironworkers JATC under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City)     | Term                   | Approved Amount | Payment Earned<br>\$ % |
|---------------|---------------------|------------------------|-----------------|------------------------|
| ET13-0909     | Northern California | 10/01/12 –<br>09/30/14 | \$326,942       | \$326,942 (100%)       |

### **DEVELOPMENT SERVICES**

NorCal Ironworkers JATC retained California Labor Federation in Sacramento to assist with development of this proposal at no cost.

### **ADMINISTRATIVE SERVICES**

NorCal Ironworkers JATC retained Strategy Workplace Communication in Oakland to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

### **TRAINING VENDORS**

N/A

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

**Job Number 1 (Journeyman)**

Trainees may receive any of the following:

**COMMERCIAL SKILLS**

- Advanced Welding
- Architecture Designs and Advanced Plan Reading
- Blueprint Reading
- Energy Audits
- Forklift Training
- Heat Stress Safety
- Layout and Instruments
- Lead in Construction
- Mine Safety and Health Administration (MSHA)
- MSAJ (Mine Safety and Health Administration)
- Post Tensioning Certification
- Proper Equipment Set-Up (Green Training)
- Proper Installation and Use of Testing and Auditing Materials and Equipment (Green Training)
- Qualified Rigger
- Rigging Review
- Safe Working Practices
- Scaffold Erector
- Scaffold User
- Subpart R (Steel Erection)
- Understanding New Technologies and Changes to Industry Standards (Green Training)
- Welding and Burning

**OSHA 10/30 (OSHA CERTIFIED INSTRUCTOR)**

- OSHA 10 (requires completion of 10 hours)
- OSHA 30 (requires completion of 30 hours)

**Class/Lab Hours**

8-210

**Job Numbers 2 & 3 (Apprentice and Veteran Apprentice)**

Trainees will receive any of the following:

**COMMERCIAL SKILLS**

- Architectural
- Architectural Safe Work Practices
- Blueprint Reading
- Cranes (Includes Scaffold Erector / Dismantler)
- First Aid/CPR
- Foreman Training

- Green Construction For Ironworkers
- Heat Stress Safety
- Lead In Construction
- Measurement And Math
- Mixed Base (Intro To Blueprint & Math)
- Oxy-Fuel and Welding Safe Work Practices
- Post Tensioning
- Precast / Metal Building (Includes Scaffold User)
- Rebar Detailing
- Reinforcing Safe Work Practices
- Rigging and Forklift Training
- Rigging Safe Work Practices
- Structural
- Structural Safe Work Practices, Subpart R Steel Erection
- Welding

**OSHA 10 (OSHA CERTIFIED INSTRUCTOR)**

- OSHA 10 (requires completion of 10 hours)

**Job Number 4 (Pre-Apprentice)**

**Class/Lab Hours**

8-200

Trainees will receive any of the following:

**COMMERCIAL SKILLS**

- Green Training
- Firewatch Training
- Heat Stress Safety
- Traffic Flagger
- Welding I and Welding II
- Rigging

Note: Reimbursement for training is capped at 200 total training hours per trainee for Job Numbers 1 and 4. Reimbursement is capped at 210 total hours per trainee for Job Numbers 2 and 3. Safety Training cannot exceed 10% of total training hours per-trainee. This 10% safety training cap does not apply to OSHA 10/30 training.



**Training Proposal for:**

**California Field Ironworkers Apprenticeship Training and  
Journeyman Retraining Fund – Southern California**

**Agreement Number: ET16-0927**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** San Francisco Bay Area      **Analyst:** D. Woodside

**PROJECT PROFILE**

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                        | Retrainee<br>Priority Rate<br>Apprenticeship<br>Veterans  | Industry Sector(s): | Construction<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                            | Southern California   | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):                                   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No International Brotherhood of Ironworkers Locals 433, 416, and 229 |                     |  |
| Turnover Rate:                              | ≤20%  |                     |  |
| Managers/Supervisors: (% of total trainees) | N/A   |                     |  |

**FUNDING DETAIL**

|                      |   |                      |   |                          |
|----------------------|---|----------------------|---|--------------------------|
| <b>Program Costs</b> | + | <b>Support Costs</b> | = | <b>Total ETP Funding</b> |
| \$477,980            |   | \$33,030<br>8%       |   | \$511,010                |

|                              |                                   |          |
|------------------------------|-----------------------------------|----------|
| <b>In-Kind Contribution:</b> | 50% of Total ETP Funding Required | Inherent |
|------------------------------|-----------------------------------|----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description          | Type of Training             | Estimated No. of Trainees | Range of Hours    |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--------------------------|------------------------------|---------------------------|-------------------|-----|--------------------------|---------------------|
|         |                          |                              |                           | Class / Lab       | CBT |                          |                     |
| 1       | Journeyman Priority Rate | Commercial Skills, OSHA10/30 | 110                       | 8-200             | 0   | \$564                    | \$34.00             |
|         |                          |                              |                           | Weighted Avg: 24  |     |                          |                     |
| 2       | Apprentice               | Commercial Skills, OSHA10    | 308                       | 8-210             | 0   | \$1,390                  | \$21.28             |
|         |                          |                              |                           | Weighted Avg: 100 |     |                          |                     |
| 3       | Veteran Apprentice       | Commercial Skills, OSHA10    | 15                        | 8-210             | 0   | \$1,390                  | \$21.28             |
|         |                          |                              |                           | Weighted Avg: 100 |     |                          |                     |

**Minimum Wage by County:** \$21.28 per hour Statewide (Priority Industry)

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$.88 per hour may be used to meet the Post-Retention Wage for Job Numbers 2 and 3.

**Wage Range by Occupation**

| Occupation Titles             | Wage Range | Estimated # of Trainees |
|-------------------------------|------------|-------------------------|
| Journeyman Ironworker         |            | 110                     |
| Apprentice Ironworker         |            | 308                     |
| Veteran Apprentice Ironworker |            | 15                      |

**INTRODUCTION**

The California Field Ironworkers Apprenticeship Training and Journeyman Retraining Fund (SoCal Ironworkers) ([www.universityofiron.org](http://www.universityofiron.org)) seeks funding to train Journeyman and Apprentice Ironworkers in Southern California. SoCal Ironworkers has served the industry's training needs since 1946. A total of 4,907 Ironworker Journeymen work in the area. The central training facility is located in La Palma, where Journeymen and Apprentices from throughout Southern California attend training. A second training facility is located in San Diego.

The Training Centers are a partnership between three International Brotherhood of Ironworker local unions (Local 433 in the City of Industry and San Bernardino; Local 416 in Norwalk; and Local 229 in San Diego) and signatory employers. Each local acts as an apprenticeship program sponsor, in partnership with signatory employers, under three separate Ironworker Joint Apprenticeship Training Committees created through collective bargaining. Each program is separately registered with the Division of Apprenticeship Standards (DAS).

This is the third ETP Agreement between ETP and SoCal Ironworkers. However, this is the first time Veterans have been included as a discrete cohort of Apprentice trainees. This JATC is returning to the Panel for funding at this time because all training has been delivered under its second Agreement. The additional funding is driven by the demand of employers for skilled Apprentices and Journeymen Ironworkers throughout southern California.

### **Apprenticeship Pilot**

The Panel is authorized to fund Apprentice training that does not displace any other source of government funds, or replace an existing apprenticeship program approved by the DAS. ETP funding is designed to supplement cost of delivery for the Related and Supplemental Instruction (RSI) portion of DAS-approved apprenticeship training. Depending on the type of trade, apprenticeship programs vary in length. In this case the program is four years.

Apprentice programs are typically sponsored by a Joint Apprenticeship Training Committee (JATC). A JATC is created through collective bargaining, with an equal number of members appointed by union and management with employer contributions to a training trust fund. The employers are not "participants" but are signatories to the Collective Bargaining Agreement.

RSI is traditionally delivered as class/lab, and ETP does not reimburse CBT delivery for apprenticeship training. The curriculum is developed with input from DAS and a designated Local Educational Agency (in this case Cerritos College (Los Angeles) and Steel Canyon Adult School for San Diego (San Diego)). The Apprenticeship Program allows reimbursement for up to 200 hours of RSI plus OSHA10, per-apprentice. (Journeymen are capped at 200 hours.)

For the building trades, it is not customary for workers to be employed for a standard retention period of 90 consecutive days with one employer. In that instance, the Panel may substitute non-consecutive hours worked for retention. This modified retention period must be no less than 500 hours within 272 days with more than one employer. Both the standard and modified retention periods will apply to this proposal.

To ensure ETP does not displace Montoya Funds, Apprenticeship Pilot reimbursement is reduced by \$5.00, reducing the priority industry rate from \$18.00 to \$13.00 per hour. The ETP wage for Apprentices will be the SET Statewide rate as modified for priority industries (\$21.28 per hour). ETP funding will only apply to apprentices in Year 2+ to ensure commitment.

The ETP wage for Apprentices is no less than \$21.28 per hour, tracking the Special Employment Training wage as modified for priority industries. However, the actual wages paid are shown in the Training Plan Table and contract when they exceed \$21.28, for both Apprentices and Journeymen.

### **Employer Demand**

Demand for skilled Ironworkers is ongoing. Both Journeymen and Apprentices work on the construction of local hospitals, schools, hotels, recreational areas, parking structures, freeways, rail stations and bridges. Current construction projects include solar farm construction in the eastern part of the state, a power plant in Blythe, and modernization of a power plant in Huntington Beach. Continuing from projections made in connection with the active ETP Agreement (ET15-0923), future projects include the Gerald Desmond Bridge replacement in the Port of Los Angeles, underground tunnel construction for the Metro lines, construction of the Korean Air 80-story building in downtown Los Angeles, and stadium construction. In addition, construction projects at Disneyland, UC Irvine, the Anaheim Construction Center, and in Century City are generating continued demand for ironworkers.



As Journeymen Ironworkers retire, there is a need for qualified workers to step into open positions generating increasing demand for Apprentices. Last year, SoCal Ironworkers graduated 204 apprentices and anticipates another 133 graduates in 2016. Currently, an estimated 1,000 ironworker apprentices are working in southern California. The training to be provided under this proposal will help meet the need for highly skilled Ironworkers (both Apprentices and Journeymen) throughout Southern California.

### **DAS Completion Rates**

The average completion rate for Apprentices in the Iron Workers industry is 44% as measured by DAS over the most recent five-year reporting period: CY 2009 through CY 2013. When the average completion rate for an apprenticeship program is less than half the industry average, the Panel requires a justification for funding. In this proposal, with three individual program sponsors, the overall average completion rate for the pertinent five-year period is 57%. This is well over the Panel's standard requirement, which is 50% of the industry average (22%).

### **PROJECT DETAILS**

All training is center-based and developed with input from both labor and management representatives. Trainers are qualified Journeymen with extensive practical and training experience. Journeymen will receive Commercial Skills and OSHA 10/30; Apprentices and Veteran Apprentices will receive Commercial Skills and OSHA 10 training.

#### **Journeyman**

**Commercial Skills (90%):** The Journeyman program is intended to bring work skills and knowledge up-to-date. ETP funds will help expand employer-driven certification classes, such as the Qualified Rigger course. Iron Workers must successfully complete a 40-hour Rigging and a 40-hour Crane class to receive the Qualified Rigger/Signalperson card. Ironworkers with this certification increase their chances for employment.

**OSHA 10/30 (10%):** This training is a series of courses "bundled" by industry sector and occupation. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

#### **Apprentice**

**Commercial Skills (95%):** On a job site, ironworkers can have several tasks, ranging from rigging and machinery moving to ornamental ironworking. For all specialties in the trade, math, blueprint reading, welding, burning equipment, and green technologies are tools to be learned by apprentices. Coursework also teaches trainees to adhere to strict safety and quality standards because of the dangers posed by this occupation. Apprenticeship training provides these skills as well as the ability to:

- Unload, erect and connect fabricated iron beams to form the project skeleton.
- Build towers, bridges, stadiums and prefabricated metal buildings.
- Erect and install pre-cast beams, columns and panels.
- Fabricate and place steel bars (rebar) in concrete forms to reinforce structures.
- Place rebar on appropriate supports and tie them together with tie wire for highways, building footings and walls.
- Install post-tensioning cables to place in concrete forms along reinforcing steel.

- Stress cables using hydraulic jacks and pumps after the concrete is poured and hardened.
- Install metal windows into a building's masonry or wooden openings.
- Erect curtain wall and window wall systems that cover the steel or reinforced concrete structure of a building.
- Install and erect metal stairways, catwalks, gratings, doors, railings, fencing, elevator fronts and building entrances.
- Load, unload, move and set machinery, structural steel and curtain walls.
- Operate power hoists, cranes, derricks, forklifts and aerial lifts.
- Have knowledge of fiber line, wire rope, hoisting equipment and proper hand signals.

**OSHA 10 (5%):** Completion of the training results in a certificate that expands employment opportunities. To ensure that each trainee receives certification, ETP will only consider payment earned upon completion of the full 10-hour.

### **Veteran Apprentice**

The Veteran training curriculum will be the same as Apprentice training outlined above. These trainees are in a separate Job Number to better track performance toward the goal of improved outreach for Veterans. Veterans who apply for an apprenticeship receive direct entry into the program, which includes free training and assistance in finding work with employers throughout the area.

The Panel is committed to supporting job-related training that helps Veterans transition into the California workforce. Veterans in an Apprenticeship are eligible to receive Montgomery GI Bill benefits, such as a Monthly Housing Allowance. These benefits are paid directly to the Veteran trainees. SoCal Ironworkers recruits Veterans in cooperation with Helmets to Hardhats, a national joint labor-management program that recognizes the link between skills acquired in military service and the building trades.

### **Class/Lab Trainer-to-Trainee Ratio**

While the majority of classes will be provided at the standard class/lab ratio of 1:20, SoCal Ironworkers is requesting a 1:25 ratio for Apprentices in Job Numbers 2 and 3. Class/lab training at the Ironworker training centers is typically conducted with a trainer to trainee ratio of less than 1:20. However, it is not always cost-effective for the Training Centers to conduct two classes for fewer than 26 trainees. In addition, scheduling classes at an exact ratio is difficult because Apprentices must also complete on-the-job training and may not be available at a particular time and date. If Ironworker Apprentices cannot get into a particular class and maintain their work schedules, they may have to wait six months to a year before that class is offered again. For these reasons, the JATC is requesting the higher trainer to trainee of 1:25 for Apprentices only.

### **Impact/Outcome**

ETP funds will help expand the Journeyman upgrade program, including the addition of employer-driven certification classes, such as the Qualified Rigger course. Ironworkers who attend a Qualified Rigger course must have successfully completed a 40-hour Rigging and a 40-hour Cranes course. After completion of these three classes, an ironworker is eligible to receive the Qualified Rigger/Signalperson card, in high demand with area employers.

Additional certifications to be earned for the journey level and apprentice training may include: OSHA 10/30; various Welding certifications; Qualified Rigger, Scaffold User/Erector/Dismantler,

and Forklift and Post Tensioning certifications for the Rebar industry. Since the previous ETP contract, the SoCal Ironworkers has implemented a new system that allows workers to access their certifications online. This system expedites getting ironworkers placed into jobs.

### **Commitment to Training**

SoCal Ironworkers certifies that signatory employers will continue to pay into their respective Trust funds for Journeyman and Apprentice training. In addition, employers must provide structured, on-the-job training for apprentices that meet DAS standards. ETP funds supplement and do not displace employer contributions to training. Safety training is provided by the participating employers in accordance with all requirements under state and federal law.

### **Marketing and Support Costs**

SoCal Ironworkers is requesting 8% in support costs to fund recruitment and conduct ongoing assessments of employer-specific job requirements. Five staff people in the various SoCal Ironworker locations will assist with marketing, recruitment, needs assessments and scheduling.

SoCal Ironworkers and the three union locals will publicize the availability of training through their website, direct mailings, brochures/flyers, personal contacts, telephone calls, public service announcements and e-mail announcements. It will promote this training at labor-management meetings and industry assemblies, site visits to local schools, trade shows, industry meetings, and vocational outreach organizations. Staff recommends the 8% in support costs.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **ACTIVE PROJECTS**

The following table summarizes performance by SoCal Ironworkers under an active ETP Agreement:

| Agreement No. | Approved Amount | Term                   | No. Trainees (Estimated) | No. Completed Training | No. Retained |
|---------------|-----------------|------------------------|--------------------------|------------------------|--------------|
| *ET15-0923    | \$359,500       | 03/02/15 –<br>03/01/17 | 324                      | 195                    | 115          |

\*The ETP On-Line system indicates that there are 38,805 reimbursable hours uploaded thus far (potential earnings of 100%). ETP Fiscal has determined \$73,549 is Earned-Approved as of May 12, 2016 (21%). Another \$193,508 is earned – in Process. All training was completed in April 2016, leaving sufficient time for retention. The Contractor expects to earn 100% of the Agreement amount upon completion of retention.

### **PRIOR PROJECTS**

The following table summarizes performance by SoCal Ironworkers under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                  | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|-----------------------|-----------------|------------------------|
| ET13-0918     | Statewide       | 1/01/13 –<br>12/31/14 | \$330,014       | \$330,014 (100%)       |

**DEVELOPMENT SERVICES**

California Labor Federation in Sacramento and Strategy Workplace Communications in Oakland assisted with development at no cost.

**ADMINISTRATIVE SERVICES**

Strategy Workplace Communications will also perform administrative services for an amount not to exceed 13% of payment earned.

**TRAINING VENDORS**

N/A

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

**Journeyman**

Trainees may receive any of the following:

**COMMERCIAL SKILLS**

- Advanced Welding
- Architecture Designs and Advanced Plan Reading
- Blueprint Reading
- Energy Audits
- Forklift Training
- Heat Stress Safety
- Layout and Instruments
- Lead in Construction
- Mine Safety and Health Administration
- Post Tensioning Certification
- Proper Equipment Set-Up (Green Training)
- Proper Installation and Use of Testing and Auditing Materials and Equipment (Green Training)
- Qualified Rigger
- Rigging Review
- Safe Working Practices
- Scaffold Erector
- Scaffold User
- Subpart R (Steel Erection)
- Understanding New Technologies and Changes to Industry Standards (Green Training)
- Welding and Burning

**OSHA 10/30 (OSHA CERTIFIED INSTRUCTOR)**

- OSHA 10 (requires completion of 10 hours)
- OSHA 30 (requires completion of 30 hours)

**Class/Lab Hours**

8-210

**Apprentice and Veteran Apprentice**

Trainees may receive any of the following:

**COMMERCIAL SKILLS**

- Architectural
- Architectural Safe Work Practices
- Blueprint Reading
- Cranes (Includes Scaffold Erector/Dismantler)
- First Aid/CPR
- Green Construction For Ironworkers
- Heat Stress Safety
- Lead In Construction

- Measurement And Math
- Mixed Base (Introduction To Blueprint Reading and Math)
- Oxy-Fuel and Welding Safe Work Practices
- Post Tensioning
- Precast/Metal Building (Includes Scaffold User)
- Rebar Detailing
- Reinforcing Safe Work Practices
- Rigging and Forklift Training
- Rigging Safe Work Practices
- Structural
- Structural Safe Work Practices, Subpart R Steel Erection
- Welding

**OSHA 10 (OSHA CERTIFIED INSTRUCTOR)**

- OSHA 10 (requires completion of 10 hours)

Note: Reimbursement for training is capped at 200 total training hours per trainee for Job Number 1. Reimbursement is capped at 210 total hours per trainee for Job Numbers 2 and 3. Safety Training cannot exceed 10% of total training hours per-trainee. This 10% safety training cap does not apply to OSHA 10/30 training.



**Training Proposal for:**  
**District Council 16 Northern California Journeymen and  
 Apprentice Training Trust Fund**

**Agreement Number: ET16-0926**

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** San Francisco Bay Area      **Analyst:** R. Jackson

**PROJECT PROFILE**

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                        | Apprenticeship<br>Priority Rate<br>Retrainee<br>Veterans  | Industry Sector(s): | Construction<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                            | Statewide   | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):                                   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>Various Local Unions (16 in total) Painters Local Union No. 3, 83, 272, 376, 487, 507, 741, 913, 1176; Floor Covering Local No. 12, 1237; Glaziers Local No. 169, 718, 767, 1621, and Mixed trades Local No. 294 |                     |  |
| Turnover Rate:                              | ≤20%  |                     |  |
| Managers/Supervisors: (% of total trainees) | ≤0%   |                     |  |

**FUNDING DETAIL:**

|  |                      |           |   |  |                      |                |   |  |                          |           |
|--|----------------------|-----------|---|--|----------------------|----------------|---|--|--------------------------|-----------|
| <table border="1" style="width: 100%; background-color: #ffffcc;"> <tr><td style="text-align: center;"><b>Program Costs</b></td></tr> <tr><td style="text-align: center;">\$887,744</td></tr> </table> | <b>Program Costs</b> | \$887,744 | + | <table border="1" style="width: 100%; background-color: #ffffcc;"> <tr><td style="text-align: center;"><b>Support Costs</b></td></tr> <tr><td style="text-align: center;">\$61,304<br/>8%</td></tr> </table> | <b>Support Costs</b> | \$61,304<br>8% | = | <table border="1" style="width: 100%; background-color: #ffffcc;"> <tr><td style="text-align: center;"><b>Total ETP Funding</b></td></tr> <tr><td style="text-align: center;">\$949,048</td></tr> </table> | <b>Total ETP Funding</b> | \$949,048 |
| <b>Program Costs</b>   |                      |           |   |  |                      |                |   |  |                          |           |
| \$887,744  |                      |           |   |  |                      |                |   |  |                          |           |
| <b>Support Costs</b>   |                      |           |   |  |                      |                |   |  |                          |           |
| \$61,304<br>8%   |                      |           |   |  |                      |                |   |  |                          |           |
| <b>Total ETP Funding</b>   |                      |           |   |  |                      |                |   |  |                          |           |
| \$949,048  |                      |           |   |  |                      |                |   |  |                          |           |

|                       |                                   |          |
|-----------------------|-----------------------------------|----------|
| In-Kind Contribution: | 50% of Total ETP Funding Required | Inherent |
|-----------------------|-----------------------------------|----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                 | Type of Training  | Estimated No. of Trainees | Range of Hours   |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---------------------------------|-------------------|---------------------------|------------------|-----|--------------------------|---------------------|
|         |                                 |                   |                           | Class / Lab      | CBT |                          |                     |
| 1       | Apprentice Drywall Finishers    | Commercial Skills | 60                        | 8-200            | 0   | \$1,223                  | \$21.28             |
|         |                                 |                   |                           | Weighted Avg: 88 |     |                          |                     |
| 2       | Apprentice Painters             | Commercial Skills | 300                       | 8-200            | 0   | \$1,223                  | \$21.28             |
|         |                                 |                   |                           | Weighted Avg: 88 |     |                          |                     |
| 3       | Apprentice Floor Covering       | Commercial Skills | 100                       | 8-200            | 0   | \$1,223                  | \$21.28             |
|         |                                 |                   |                           | Weighted Avg: 88 |     |                          |                     |
| 4       | Apprentice Glaziers             | Commercial Skills | 300                       | 8-200            | 0   | \$1,223                  | \$21.28             |
|         |                                 |                   |                           | Weighted Avg: 88 |     |                          |                     |
| 5       | Apprentice Veterans- All Trades | Commercial Skills | 16                        | 8-200            | 0   | \$1,223                  | \$21.28             |
|         |                                 |                   |                           | Weighted Avg: 88 |     |                          |                     |

**Minimum Wage by County:** SET State Priority Wage \$21.28

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

To meet ETP’s Statewide post-retention wage of \$21.28, up to \$2.39 for Job Number 1; up to \$4.91 for Job Numbers 2 and 5; up to \$2.90 for Job Number 3; and up to \$3.39 for Job Number 4 may be used.

**Wage Range by Occupation**

| Occupation Titles                                  | Wage Range | Estimated # of Trainees |
|--|------------|-------------------------|
| Carpet, Linoleum & Soft Tile Layer (Floorcovering) |            | 100                     |
| Glaziers   |            | 300                     |
| Painters and Decorators                            |            | 300                     |
| Drywall Finishers (Tapers)                         |            | 60                      |
| Veteran Apprentice – All Trades                    |            | 16                      |

**INTRODUCTION**

The District Council 16 Northern California Journeymen and Apprentice Training Trust Fund (DC16 JATTF) [www.dc16apprentice.org](http://www.dc16apprentice.org) was formed in June of 2006, in order to consolidate expenses and focus revenue on training and infrastructure. District Council 16 covers four “master” collective bargaining agreements representing four trades, Floorcovering, Painters, Glaziers and Drywall Finishers.



DC16 JATTF provides funding for three separate apprenticeship programs, for the four trades identified above. Each is registered with the Division of Apprenticeship Standards (DAS) as outlined below:

1. Northern California Floor Covering JATC (DAS #04789)
2. Northern California District 16 Glaziers, Architectural Metal and Glass Workers JATC (DAS #000370)
3. Painter & Decorating JATC of the Bay Area, Inc. (DAS #00040 and #00076) [Note: Painter & Decorating JATC is one sponsor covering two programs for the allied occupations of Painters & Decorators and Tapers.]

There are currently more than 442 signatory employers organized under four trade associations for purposes of bargaining. All told, there are employer contributions being made to DC JATTF on behalf of 5,805 Journeymen and 1,100 Apprentices with California.

DC16 JATTF is administered by four union trustees and four employer trustees, one from each of the four trades. DC16 JATTF operates a 100,000 square foot training center in San Leandro and an 11,000 square foot training center in Sacramento where all of the training will occur.

This is the third ETP Agreement between ETP and DC16 JATTF in the last five years, but it is the first time Veterans have been included as a discrete cohort of Apprentice trainees.

### **DAS Completion Rates**

Last year, DC16 JATTF graduated 229 Apprentices and anticipates approximately 250 graduates over the next year. From 2009 to 2013, the DC16 JATTF had an average graduation rate as follows: 43% (Painters), 52% (Glaziers), 22% (Floor Covering) and 43% (Drywall Finishing). The average for these trades throughout the state is 38% (Painters), 50% (Glaziers) and 27% (Floorcovering) and 41% (Drywall) respectively. These are acceptable completion rates.

### **Apprentice Pilot**

The Panel is authorized to fund Apprentice training that does not displace any other source of government funds, or replace an existing apprenticeship program approved by the Division of Apprenticeship Standards (DAS). ETP funding is designed to supplement cost of delivery for the Related and Supplemental Instruction (RSI) portion of DAS-approved apprenticeship training. Depending on the type of trade, apprenticeship programs vary in length: 36 months for Tapers; 48 months for Painters and Decorators and Carpet, Linoleum, & Soft Tile Layers; and 60 months for Glaziers.

Apprentice programs are typically sponsored by a Joint Apprenticeship Training Committee (JATC). A JATC is created through collective bargaining, with an equal number of members appointed by union and management with employer contributions to a training trust fund. The employers are not "participants" but are signatories to the Collective Bargaining Agreement.

RSI is traditionally delivered as class/lab, and ETP does not reimburse CBT delivery for apprenticeship training. The curriculum is developed with input from DAS and a designated Local Educational Agency (in this case Pleasanton Unified School District and LA Unified School District). The Apprenticeship Program allows reimbursement for up to 200 hours of RSI plus OSHA10, per-apprentice.

For the building trades, it is not customary for workers to be employed for a standard retention period of 90 consecutive days with one employer. In that instance, the Panel may substitute non-consecutive hours worked for retention. This modified retention period must be no less than 500 hours within 272 days with more than one employer. Both the standard and modified retention periods will apply to this proposal.

To ensure ETP does not displace Montoya Funds, Apprenticeship reimbursement is reduced by \$5, reducing the priority industry rate from \$18 to \$13 per hour.

The ETP wage for Apprentices is no less than \$21.28 per hour, tracking the Special Employment Training wage as modified for priority industries. However, the actual wages paid are shown in the Training Plan Table and contract when they exceed \$21.28.

## **Employer Demand**

DC16 JATTF will train Apprentice Painters, Drywall Finishers, Glaziers and Floor Covering Installers to prepare them to work on the following projects:

- The Sacramento Sports and Entertainment Complex in Sacramento
- Apple Campus 2 in Cupertino
- Tehama County Courthouse in Red Bluff
- New Alameda County Courthouse, Dublin

New residential and commercial building construction is driving demand for workers. In addition, home improvement and remodeling projects are expected to create jobs as existing homes and commercial buildings age and need retrofitting and repair.

## **PROJECT DETAILS**

The proposed training is entirely center-based and is scheduled to commence after Panel approval at its facilities in San Leandro and Sacramento. The trades have added new curriculum topics (not delivered in prior ETP agreements) as a result of technology upgrades.

### **Commercial Skills 100%**

Glaziers will learn to use the tools and equipment of the trade; handle, measure, cut, and install glass and metal framing; cut and fit moldings; and install and balance glass doors. Training will also cover blueprints and specifications for size, color, type, and thickness of glass to be used.

Drywall installers will learn to mount walls and ceilings securely and safely; spread multiple coats of spackle over cracks, indentations, and any remaining imperfections; and use a mechanical applicator, a tool that spreads sealing compound on the wall joint while dispensing and setting tape at the same time.

Floor Covering Installers must be skilled in scribing, self-leveling, heat welding and seaming. They must also learn how to measure according to blueprints or drawings; prepare working areas for coverings; glue down borders, carpet, linoleum and new green floor coverings; and work on different areas such as stairs and internal and external spaces.

Painters will learn to apply/remove/create paints, stains, and coatings to interior and exterior surfaces and manufactured products such as furniture, toys, pottery, automobiles, and airplanes.

## **Curriculum Development**

The training curriculum was developed by DC16 JATTF with input from both union and employer representatives and customized to address the needs of its members, participating employers, and the industry. Feedback comes directly from employer and union representatives based on workplace performance, as well as student course evaluations. There are 8 full-time trainers who will assist with the training. The trainers are former or current DC16 JATTF workers and are experts in their field.

## **Class/Lab Trainer-to-Trainee Ratio**

While the majority of classes will be provided at the standard class/lab ratio of 1:20, DC16 JATTF is requesting that this ratio be expanded to 1:25 for all Job Numbers. Class/lab training at the training centers is typically conducted with a trainer-to-trainee ratio of less than 1:20. However, it is not always cost-effective for the Training Centers to offer two classes when fewer than 25 trainees require a particular course. In addition, scheduling classes at an exact ratio is difficult because Apprentices must also complete on-the-job training and may not be available at a particular time and date. If Apprentices cannot get into a particular class and maintain their work schedules, they may have to wait six months to a year before that class is offered again. For these reasons, DC16 JATTF is requesting the higher trainer-to-trainee of 1:25.

## **Impact/Outcome**

ETP funds will help expand the Apprentice program, including the addition of employer-driven certification classes, such as the Booms and Lifts, Confined Space, Flagging and Traffic Control, 24 hours Lead, Repair, Remedial and Prevention, Swing Stage, and Rigging. After completion of these classes, an Apprentice is eligible to receive the certification cards, which are in high demand with area employers.

## **Commitment to Training**

Each of the signatory employers contributes to the education training fund. DC16 JATTF certifies that signatory employers will continue to pay into their respective trust funds for both apprentice and journeymen training. In addition, employers will continue to provide structured, on-the-job Apprentice training that meets DAS standards. ETP funds supplement and do not displace employer contributions to training. DC16 JATTF represents that safety training is, and will continue to be, provided by the participating employers in accordance with all requirements under state and federal law.

## **Marketing and Support Costs**

DC16 JATTF is requesting 8% in support costs to fund marketing to employers; to recruit apprentices; and to conduct ongoing assessments of employer-specific job requirements. There are five staff people in the DC16 offices that will assist with the marketing, recruitment, needs assessments and scheduling of training.

DC16 JATTF and the various local unions will publicize the availability of training through direct mailings, brochures/flyers, personal contacts, telephone calls, public service announcements and e-mail announcements. It will also promote this training program at labor-management meetings and industry assemblies, site visits to local schools, trade shows, industry meetings, and vocational outreach organizations. Staff recommends the 8% in support costs.

## **Veterans Program**

The Panel has established incentives for training California veterans. District Council 16 Apprentice programs are Veteran Administration approved. DC16 JATTF also refers identified Veterans to Helmets to Hardhats, an independent organization, which permits Veterans to use Montgomery GI Bill benefits to learn new skills while training on the job and earn a full-time wage. DC16 JATTF does not receive alternative sources of funding for training Veterans in this ETP agreement.

The training curriculum will be the same as Apprentice training outlined above. These trainees are in a separate Job Number to better track performance for this cohort, toward the goal of improved outreach for the Veterans Pilot overall.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **ACTIVE PROJECTS**

The following table summarizes performance by DC16 JATTF under an active ETP Agreement:

| Agreement No. | Approved Amount | Term                      | No. Trainees (Estimated) | No. Completed Training | No. Retained |
|---------------|-----------------|---------------------------|--------------------------|------------------------|--------------|
| ET15-0912     | \$445,172       | 09/02/2014–<br>09/01/2016 | 364                      | 442                    | TBD          |

Based on ETP Systems, 26,257 reimbursable hours have been tracked for potential earnings of \$368,648 (83% of approved amount); however, the Contractor reports additional rosters to be entered will increase hours delivered to 30,157 which reflects an estimated potential earnings of \$423,404 (95% of approved amount).

## **PRIOR PROJECTS**

The following table summarizes performance by DC16 JATTF under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                  | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|-----------------------|-----------------|------------------------|
| ET13-0922     | Statewide       | 1/28/2013 – 1/27/2015 | \$352,698       | \$352,698 (100%)       |

## **DEVELOPMENT SERVICES**

DC16 JATTF retained California Labor Federation in Sacramento to assist with development of this proposal at no cost.

## **ADMINISTRATIVE SERVICES**

DC16 JATTF retained Strategy Workplace Communications in Oakland to assist with administration for a fee not to exceed 13% of payment earned.

## **TRAINING VENDORS**

N/A

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200 Trainees may receive any of the following:

**COMMERCIAL SKILLS****Drywall Finishers (Tapers) Job Numbers 1 & 5:**

## 2nd Year

- Advanced Applications, Level 7
- Blue Prints/ Job Economics
- Commercial-Residential Applications
- Commercial/Residential Spec Finish
- Spray-Hand Fin & Texture Paint
- Final Projects

**Painters Job Number 2 & 5:**2<sup>nd</sup> Year

- 24-Hour Lead
- 24-Lead and 8-RRP
- Abrasives, CAS Intro
- Coatings (new)
- Color, Mix & Match
- Specialty Applications (new)
- Spray All/Safety and Technology
- Spray Applications (new)

3<sup>rd</sup> Year

- Faux Finishes
- Preparing for Blasting (new)
- Blasting Techniques (new)
- Color, Mix & Match
- Industrial Deleading/SSPC C3 (new)
- Advanced Spraying/SSPC C12 (new)
- Final Exam
- Wallcovering, Estimating And Installing
- Wood Types & Finishing

**Floorcovering Job Number 3 & 5:**2<sup>nd</sup> Year

- Vinyl Composition Tile
- Knifing Skills And Flat Pattern
- Scribe And Seams (Hard Surface)
- Review Flat Pattern And Intro To Coving

3<sup>rd</sup> Year

- Cove Installation
- Heat Welding
- Stair Treads And Vinyl Composition Tile At Angle
- Carpet Sewing And Stair Work

4<sup>th</sup> Year

- Laminate, Prefinished Hardwood And Specialty Tile
- Blue Prints And Plans
- Exit Examination
- Specialty Projects or Finish Exit Examination

Glaziers Job Number 4 & 5:2<sup>nd</sup> Year

- Curtain Wall System
- Door Hardware
- First Aid/CPR, 7-Eleven
- Floor Closer and Shower Doors
- Longs Drugs and Projects
- Putty Glazing & Scaffold
- Mirrors & Shower Doors
- Shop Drawings, Caulking & Sealants
- Storefront

3<sup>rd</sup> Year

- Center For Construction Research and Training
- Curtain Wall System
- Door Hardware
- Fabrication & Layout Techniques
- First Aid/CPR, 7-Eleven
- Floor Closer and Shower Doors
- Hardware
- Longs Drugs and Projects
- Transits And Levels

All Job Numbers (1 – 5):

- First Aid/CPR

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.



**Amendment Proposal #1 for:  
Kern County Electrical Joint Apprenticeship  
& Training Committee  
Agreement Number: ET15-0920**

**Amendment Effective Date:** May 26, 2016

**Panel Meeting of:** May 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** L. Vuong

**CURRENT PROJECT PROFILE**

Contract Type:      Priority      Retrainee      Apprentice      Industry Sector(s):      Construction

Counties Served:      Kern      Repeat Contractor:       Yes       No

Union(s):       Yes       No      Priority Industry:       Yes       No

Current Contract Term: February 23, 2015 to February 22, 2017

|                 |                      |
|-----------------|----------------------|
| Current Funding | In-Kind Contribution |
| \$267,160       | Inherent             |

**AMENDMENT FUNDING**

|                   |               |                   |                      |
|-------------------|---------------|-------------------|----------------------|
| Requested Funding | Support Costs | Amendment Funding | In-Kind Contribution |
| + \$43,620        | + \$3,015     | + \$46,635        | Inherent             |

|                      |
|----------------------|
| <b>Total Funding</b> |
| \$313,795            |

**AMENDMENT TRAINING PLAN TABLE**

| Job No. | Job Description                    | Type of Training  | Estimated No. of Trainees | Range of Hours    |     | Average Cost per Trainee | Post-Retention Wage |
|---------|------------------------------------|---|---------------------------|-------------------|-----|--------------------------|---------------------|
|         |                                    |   |                           | Class / Lab       | CBT |                          |                     |
| 1       | Priority Rate Retrainee Journeyman | Business Skills, Commercial Skills, Computer Skills, OSHA 10/30 | 35                        | 8-200             | 0   | <b>\$705</b>             | \$36.65             |
|         |                                    |   |                           | Weighted Avg: 30  |     |                          |                     |
| 2       | Retrainee Apprentice               | Commercial Skills, OSHA 10                                      | 89                        | 8-210             | 0   | \$2,780                  | \$20.55             |
|         |                                    |   |                           | Weighted Avg: 200 |     |                          |                     |
| 3       | PHASE II Retrainee Apprentice      | Commercial Skills, OSHA 10                                      | 15                        | 8-210             | 0   | <b>\$2,780</b>           | <b>\$21.28</b>      |
|         |                                    |   |                           | Weighted Avg: 200 |     |                          |                     |

**Minimum Wage by County:** Job Number 1 & 2(2015)(SET/Priority Industry): \$20.55

Job Number 3 (2016)(SET/Priority Industry): \$21.28

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$0.39 per hour may be used to meet the Post-Retention Wage in Job Number 2 and up to \$1.12 per hour in Job Number 3.

| Wage Range by Occupation              |            |
|---------------------------------------|------------|
| Occupation Title                      | Wage Range |
| Journeyman Electrician/Inside Wireman |            |
| Apprentice Electrician/Inside Wireman |            |

**INTRODUCTION**

Kern County Electrical Joint Apprenticeship & Training Committee (Kern Electrical JATC) is a nonprofit training organization dedicated to providing up-to-date industry skills training and secure high-quality job opportunities for its members. Founded over 52 years ago, the JATC trains Electricians to install power, lighting, controls and other electrical equipment in commercial, industrial and residential facilities. Kern Electrical JATC is governed by a Board of Trustees comprised of three labor and three management representatives, and is a joint effort of the International Brotherhood of Electrical Workers (IBEW) Local 428 and the National Electrical Contractors Association (NECA). Kern Electrical JATC is located in Bakersfield and proposes to train Journeymen and Apprentice Electricians, all of whom are members of IBEW Local 428.

Kern Electrical JATC provides training to workers for commercial, industrial and oil field projects with local signatory contractors. Journeyman and Apprentice Electricians will be working on utility grade solar projects that are both planned and currently under construction. Most of these solar projects are expected to reach completion in 2016. In addition, it is anticipated that some of the Electricians trained under this proposal will work on oil refinery upgrade projects, as well as on a local Hydrogen Energy California plant that is projected to be operational in the near future.



## **AMENDMENT DETAILS**

The ETP training is currently being provided for Journeyman and Apprentice trainees and is progressing better than anticipated. The Contractor was conservative in their original request for funding; however, there is now more demand for training from participating employers. To date, the Contractor has delivered enough training hours to exhaust its current ETP training funds in Job Number 1 (Journeyman). Therefore, the Contractor is requesting additional ETP funds to provide training for trainees currently enrolled (Job Number 1); and add additional funding for 15 Apprentices (Number 3) (Phase II). The additional funding will allow the Contractor to implement its original training plan to accommodate participating employers' demand.

To date, the ETP online Tracking System shows that the Contractor has provided 77% in eligible Class/Lab training hours. The Contractor anticipates completing 100% of the training hours. Trainees are enrolled in an aggressive training plan (Monday to Thursday, for three to eight hours daily).

This Amendment will increase the Agreement amount from \$267,160 to \$313,795, and the number of trainees from 124 to 139. It also will increase the weighted average hours of training from 24 to 30, and the average cost per trainee from \$564 to \$705 in Job Number 1. With eight months (11/21/16) of training remaining in the contract term, the Contractor is confident that they can earn the increased amount. There will be no changes to curriculum or trainee wages.

## **RECOMMENDATION**

Staff recommends approval of this Amendment.

## **CURRENT CONTRACT PERFORMANCE**

The following table summarizes performance by Kern Electrical JATC under the current ETP Agreement:

| Agreement No. | Approved Amount | Term                   | No. Trainees (Average) | No. Completed Training | No. Retained |
|---------------|-----------------|------------------------|------------------------|------------------------|--------------|
| ET15-0920     | \$267,160       | 02/23/15 –<br>02/22/17 | 124                    | TBD                    | TBD          |

Based on ETP Systems, 14,194 reimbursable hours have been tracked for potential earnings of \$206,368 (77% of approved amount). The Contractor projects final earnings of 100% based on training currently committed to by employers and in progress through November 21, 2016.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 – 200 (Job Number 1)

Trainees may receive any of the following:

**Journeyman Training****COMMERCIAL SKILLS**

- Codeology:
  - National Electrical Code
  - Other Recognized Standards (Installation Changes)
  - Plan, Build and Use
  - Related Standards (Mandatory and Permissive Rules)
  - Special Occupancies and Equipment
  - Arc Flash
- Analog/Digital Circuit (AC/DC) Principles:
  - Math for Electricians
  - Ohm's Law
  - Generators
  - Inductance/Reactance
  - Series/Parallel Circuits
- Grounding:
  - Grounding and Bonding
  - National Electrical Code Article 100-Definitions and Provisions
  - National Electrical Code Article 110-Requirements
  - National Electrical Code Article 90-Introduction
  - National Electrical Code Article Chapters 1-4
  - Significant Changes to National Electric Code
- Fire Alarm Systems and Installations:
  - Definitions and Systems
  - Initiating Devices and Notification Systems
  - National Electrical Code and Installation Requirements
  - Start Up and Check Out Procedures
  - National Fire Protection Act, 1972 (NFPA 72)
- Fire Life Safety:
  - National Electrical Code (Relating to Fire Alarms)
  - National Electrical Code Article 725
  - National Electrical Code Article 760
  - NFPA 72
  - Principles of Electronics

- Industrial Motor Control:
  - Control Relays and Timers
  - Jogging and Plugging Controls
  - Manual Starters and Magnetic Coils
  - Push Buttons, Selector Switches, and Mechanical Devices
  - Solid State Electronic Devices
  - Variable Frequency Drives
- Programmable Logic Control (PLC):
  - Developing Ladder Programming
  - Introduction to Programmable Equipment
  - Programming Programmable Logic Controllers
  - Using Timers and Counters in Logic Programs
  - Writing a Program
- Electrical Design:
  - 3 and 4-Way Switching
  - Design of Electrical Circuits
  - Magnetic Motor Control and the Code
  - LonWorks and Building Automation
  - Transformers and the Code
- Voice, Data and Video:
  - Audio Distribution
  - CCTV Security Surveillance
  - Computer Networking
  - Fiber Optics
  - Telephonic Interconnect
- Industry Specific Skills:
  - Solar Panel Installation
  - Solar Photovoltaics
  - Building Automation Systems
  - Confined Space Entry
  - Specialized Tools
  - Conduit Bending
  - Rigging and Lifting
  - Firestop Installation
  - Blueprints and Schematics
  - Work Flow and Resources
  - Proper Installation and Use of Testing and Auditing Materials and Equipment (Green Training)
  - Understanding New Technologies and Changes to Industry Standards (Green Training)
  - Proper Equipment Set-Up (Green Training)
  - Safe Working Practices
  - Advanced Instrumentation and Motor Controls
  - Programmable Logic Controllers

- Advanced Welding
- Architecture Designs and Advanced Plan Reading
- Management and Monitoring of Materials
- Testing Materials and Equipment–Proper Set-Up and Use (Green Training)
- Understanding Changes to Industry Standards (Green Training)
  
- California Advanced Lighting Control Program (CALCP)
  - Advanced Lighting Control Systems
  - Lighting Control Strategies
  - Line Voltage Switching Controls
  - Low Voltage Switching Control
  - Dimming Controls
  - Occupancy Sensors
  - Photosensors
  
- CALCTP Acceptance Testing
- Electric Vehicle Infrastructure Training Program (EVITP)

**BUSINESS SKILLS**

- Teambuilding Skills
- Green Awareness Training and Green Certifications
- Leadership Skills
- Customer Service Skills
- Conflict Resolution
- Problem Solving
- Decision Making Skills
- Inventory Checklist
- Advanced Time Management
- Filling Out Work Documents and Reports Accurately
- Project Management
- Creating Project Bids

**COMPUTER SKILLS**

- Auto Computer-Aided Design (AutoCAD)
- Job Tracking System
- Scheduling & Planning Jobs

0-30

**OSHA 10/30 (OSHA CERTIFIED INSTRUCTOR)**

**Class/Lab Hours**

8 – 210 (Job Numbers 2 &amp; 3)

**Apprentice Training****COMMERCIAL SKILLS**

- Safety:
  - General Job-Site Safety Awareness
  - First Aid/CPR Certification
  - Emergency Procedures
  - Compliance with OSHA, NFPA and EPA Regulations
  - Substance Abuse Awareness
  
- Tools, Materials and Handling:
  - Proper Care and Use of Hand and Power Tools
  - Proper Rigging Methods
  - Proper Digging Techniques
  - Proper Use of Motorized Equipment; Platform Lifts, Fork-Lifts & Bucket Trucks
  - Proper Material Lifting and Handling
  
- Math:
  - Appropriate Mathematical Calculations to Solve for Related Problems.
  
- Electrical Theory:
  - Basic Electro-Magnetic Principals
  - Ohm's Law
  - AC/DC Theory
  - Series, Parallel and Combination Circuits
  - Characteristics of Circuits; Voltage, Current, Power, Resistance, Impedance, Capacitance and Reactance.
  - Theory of Superposition and Solving for Multiple Voltage-Sourced Circuits
  - Operation and Characteristics of Three-Wire Systems
  - Operation and Characteristics of Three-Phase Systems
  - Use of Electronics in the Electrical Industry
  - Code Requirements
  - National Electrical Code and Local Codes
  
- Conductors:
  - General Characteristics
  - Conductor Installation Codes and Techniques
  - Methods for Selecting Proper Size and Type of Conductors
  
- Conduit and Raceways:
  - Terms Associated with Conduits and Raceways
  - Procedures for Laying Out Various Types of Bends
  - Procedures for Making Proper Bends when Fabricating Conduits
  - Conduit Support Systems Recognized by Code
  
- First Aid/CPR

- Lighting Systems:
  - Function, Operation and Characteristics of Various Lighting Systems
  - Lighting Distribution and Layout
- Installation and Connection of Fixtures:
  - Over-Current Devices
  - Function, Operation and Characteristics of Over-Current Protection Devices
  - NEC Requirements for Over-Current Protection Devices
  - NEC Requirements for Ground-Fault and Arc-Fault Protection
- Grounding Systems:
  - Functions, Operation and Characteristics of Grounding Systems
  - Sizing, Layout and Installation of Grounding Systems
  - Insulation and Isolation
  - Proper Grounding and Bonding Techniques
  - Special Circumstances
- Services and Distribution Systems:
  - Function, Operation and Requirements for Various Panel Boards and Switch Gear
  - Grounding Requirements
  - Code Requirements
- Prints and Specifications:
  - Creation of Blueprints Plans and Specification
  - Use of Blueprints, Plans and Specification
  - Recognizing Information Contained within Blueprints
- Motors, Motor Controllers and Process Controllers:
  - Function, Operation and Characteristics of Motors (AC, DC, Dual-Voltage)
  - Proper Motor Installations
  - Motor Controllers, Control Circuits and Control Devices
  - Control Transformers, Switches and Relays
  - Instrumentation, Process Control Systems and Devices
- Generation and Power Supplies:
  - Principles of Generating Electricity
  - Principles of Alternative Energy Generating Systems
  - Installation and Maintenance of Uninterruptible Power Supplies (UPS)
  - Installation and Maintenance of Emergency Battery Systems
- Transformers:
  - Function, Operation and Characteristics of Transformers
  - Selection and Installation of Transformer Types
  - Transformer Grounding Techniques
  - Harmonics and Power Quality

- Personal Development:
  - Orientation to Organization and Structures
  - Working with Others
  - Personal Financial Development
- Electrical Testing:
  - Steps Used for Various Testing Processes
  - Proper Selection and Use of Test Meters
  - Utilizing the Results of Testing Procedures
- Specialty Systems:
  - Fire Alarms
  - Security Systems
- CALCTP:
  - Advanced Lighting Control Systems
  - Lighting Control Strategies
  - Line Voltage Switching Controls
  - Low Voltage Switching Control
  - Dimming Controls
  - Occupancy Sensors
  - Photosensors
- Electric Vehicle Infrastructure Training Program

0-10

**OSHA 10 (OSHA CERTIFIED INSTRUCTOR)**

Safety training cannot exceed 10% of total training hours per trainee. This cap does not apply to OSHA 10/30 training.

Note: Reimbursement for retraining is capped at 200 total training hours per trainee in Job Number 1, and 210 total hours per trainee in Job Numbers 2 & 3, regardless of the method of delivery.



**Retrainee - Job Creation  
Training Proposal for:  
Airborne America, Inc.**

|                       |
|-----------------------|
| <b>Small Business</b> |
|-----------------------|

**ET16-0458**

**Approval Date:** May 12, 2016

**ETP Regional Office:** San Diego

**Analyst:** H. Bernard

**CONTRACTOR**

- Type of Industry:
  - Services
  - Retail
  - Priority Industry:  Yes  No
  
- Number of Full-Time Employees
  - California: 4
  - Worldwide: 4
  - Number to be trained: 28
  - Owner  Yes  No
  
- Out-of-State Competition: No OSC
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 0%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$66,990
- In-Kind Contribution: \$63,761



**TRAINING PLAN TABLE**

| Job No. | Job Description  | Type of Training  | Estimated No. of Trainees | Range of Hours       |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|---|---------------------------|----------------------|-----|--------------------------|---------------------|
|         |  |   |                           | Class / Lab          | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>SET  | Business Skills,<br>Computer Skills                       | 3                         | 8-60                 | 0   | \$330                    | \$28.37             |
|         |  |   |                           | Weighted Avg:<br>15  |     |                          |                     |
| 2       | Retrainee<br>SB <100<br>Job Creation Initiative<br>SET             | Business Skills,<br>Commercial Skills,<br>Computer Skills | 21                        | 8 - 200              | 0   | \$2,640                  | \$13.72             |
|         |  |   |                           | Weighted Avg:<br>120 |     |                          |                     |
| 3       | Retrainee<br>SB <100<br>Job Creation Initiative<br>Veterans<br>SET | Business Skills,<br>Commercial Skills,<br>Computer Skills | 4                         | 8-200                | 0   | \$2,640                  | \$13.72             |
|         |  |   |                           | Weighted Avg:<br>120 |     |                          |                     |

- Reimbursement Rate: Job #'s 1-3: \$22 SB Non-Priority
- County(ies): San Diego
- Occupations to be Trained: Instructors, Managers
- Union Representation:  Yes  
 No
- Health Benefits: N/A

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

**OVERVIEW**

Founded in 2013 and headquartered in San Diego, Airborne America, Inc. (Airborne) builds and operates vertical wind tunnels for recreational and professional indoor skydiving experience. It plans to eventually open facilities throughout the United States. At present, San Diego is the only location, in a facility operated by the Company's wholly-owned subsidiary Airborne San Diego LLC (Airborne SD). This facility is located near the San Diego Convention Center and the Petco Park baseball stadium, as scheduled to open in Summer 2016. Airborne will hold the contract on behalf of Airborne SD for training at that facility.

The wind tunnels operated by Airborne simulate the “freefall” experience, affording novice individuals, professional teams and elite military units the capability to experience, practice and train in a safe environment. When it opens, Airborne SD will be only full service facility in the world to host two wind tunnels, according to the Company.

Professional skydivers are now utilizing indoor wind tunnels to advance their skills; consequently, indoor skydiving has risen in popularity in the novice market. By opening the new dual tunnel facility, Airborne is seeking to expand the indoor skydiving market by attracting retail customers including conventions and corporate parties. Eventually, the Company hopes to host world competitions in the sport of indoor skydiving.

According to the Company, most indoor skydiving Instructors are minimally trained, given just enough training to ensure they could safely instruct a customer through a one minute flying session. Airborne’s training model will provide extensive training to its Instructors under a rigorous 240-hour, 6-week program. Training will include classroom and simulated lab training in which trainees will spend time inside the wind tunnel learning how to fly, and instruct and spot customers. This training will ensure that the Instructors have the skills required to serve all customers that walk through the doors at the new facility in San Diego.

### **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

Airborne has committed to hiring 30 new flight Instructors for the new facility in San Diego, of which 25 will be included in the ETP project (Job Numbers 2 & 3). The date-of-hire for Job Creation trainees will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into “net new jobs” as a condition of contract.

### **Job Creation – Veterans**

Airborne expects to hire approximately four Veteran flight instructors, as enrolled in Job Number 3. The Panel has established a higher reimbursement rate and other incentives for training California veterans. At \$22 per hour, this is the same rate for all training under this non-priority Small Business project.

### **Training Plan**

Training will include flying and operating the wind tunnels, using computer software; and customer sales and service. Most of the training under this ETP project will be delivered in May and June of 2016, timed to the grand opening.

Training will be delivered via class/lab by in-house Instructors and outside training vendors in the following:

**Business Skills:** This training will be offered to Instructors in product knowledge, customer service and upselling. Training will include the Company’s membership programs, sales packages and pricing options.

**Commercial Skills:** This training will be offered to flying Instructors and includes spotting, proper handling techniques, how to control and operate wind speeds, communication inside the wind tunnels and the emergency procedures. Training will be provided by an in-house trainer and independent trainers.

**Computer Skills:** This training will be offered to all occupations in the Booking/Point of Sale system. This one-of-a-kind system makes reservations and controls the wind tunnels' operations. Training will be performed by an in-house expert who has been trained by the system's manufacturer.

### **Special Employment Training**

Airborne will be funded as Special Employment Training (SET), where the employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period. However, for Job Creation trainees, the Panel may modify the wage up to 25% below the statewide wage from \$28.37 to \$13.72. Airborne requests this modification for Job Numbers 2 & 3.

### **Training Hours Modification**

Small Business retraining hours is capped at 60 per trainee. However, the Panel may increase this Small Business maximum hour cap with justification. Respectively, Airborne requests an increase from 60 to 200 hours, based on the aforementioned extensive 240 training hours needed for new Instructors in Job Numbers 2 & 3. The weighted average will be 120 hours.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Customer Service
- Sales
- Product Knowledge

**COMMERCIAL SKILLS**

- General Aspects of the Tunnel
- Class A Flyer – Static
- Class A Flyer – Dynamic
- Class A Spotter
- Class A+ Spotter
- Class B Flyer – Static
- Class B Flyer – Dynamic
- Class B Spotter

**COMPUTER SKILLS**

- Wind Tunnel Controls
- Booking/Point of Sale System

Note: Reimbursement for retraining is capped at 200 total hours per-trainee, regardless of method of delivery.

**DELEGATION ORDER**



**Training Proposal for:  
Baker Electric, Inc.**

**Agreement Number: ET16-0447**

**Approval Date:** April 29, 2016

**ETP Regional Office:** San Diego

**Analyst:** K. Campion

**PROJECT PROFILE**

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                                  | Retrainee<br>Priority Rate<br>SET                                   | Industry Sector(s): | Construction<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | San Diego   | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |  |
| Number of Employees in:                               | CA: 1300  | U.S.:1300           | Worldwide: 1300  |
| <u>Turnover Rate:</u>                                 | 4%  |                     |  |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 0%  |                     |  |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$16,128      |   | \$0                        | \$0                     |   | \$16,128                 |

|                       |                                    |          |
|-----------------------|------------------------------------|----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$32,883 |
|-----------------------|------------------------------------|----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                   | Type of Training   | Estimated No. of Trainees | Range of Hours     |     | Average Cost per Trainee | Post-Retention Wage |
|---------|-----------------------------------|--|---------------------------|--------------------|-----|--------------------------|---------------------|
|         |                                   |  |                           | Class / Lab        | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate<br>SET | Business Skills,<br>Continuous Impr.,<br>Commercial Skills,<br>Computer Skills | 112                       | 8-200              | 0   | \$144                    | \$21.28             |
|         |                                   |  |                           | Weighted Avg:<br>8 |     |                          |                     |

**Minimum Wage by County:** \$21.28 per hour SET Statewide Average Hourly Wage (priority industry)

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$3.98 per hour may be used to meet the Post-Retention Wage.

**Wage Range by Occupation**

| Occupation Titles        | Wage Range | Estimated # of Trainees |
|--------------------------|------------|-------------------------|
| Admin/Safety/Warehouse   |            | 27                      |
| Engineer/Planner/Drafter |            | 18                      |
| Estimator                |            | 12                      |
| Project Leader           |            | 20                      |
| Sales Staff              |            | 35                      |

**INTRODUCTION**

Baker Electric, Inc. (Baker Electric), located in Escondido, is a full-service, electrical and solar energy contracting company that provides pre-construction, engineering and project management services to its customers located throughout Southern California. Its clients include residential customers and commercial, education, biotech, energy, healthcare, hospitality, industrial, manufacturing and military ([www.baker-electric.com](http://www.baker-electric.com)).

Baker Electric will be the lead employer in this proposal with its co-owned sister company, NB Baker Electric, Inc. dba Baker Solar (Baker Solar). Baker Solar, also located in Escondido, installs residential and commercial solar panels. Baker Electric and Baker Solar are eligible for ETP funding under Special Employment Training provisions for frontline workers in a priority industry (construction).

**PROJECT DETAILS**

This will be Baker Electric's second Agreement. In the first Agreement, Baker Electric needed training in project management, productivity, efficiencies, and new technologies. Training was beneficial, even though the Company was not able to earn the full amount (see Prior Project).

For this proposal, the Company is focusing on the evolving industry as it constantly looks to diversify services. The Company recently purchased over \$200,000 in new computer software and hardware tools to address customer needs and expanding services. Additionally, the Company needs to provide renewable energy services skills to office staff. Training will allow workers to be informed of new technologies and services.

Baker Electric represents that the proposed training, even though the Curriculums are similar, will not duplicate the previous Agreement. Training will be in new technologies and new processes. Only newly-hired employees or trainees who did not participate in the previous Agreement will receive courses offered in the prior Agreement.

## **Training Plan**

All training will be delivered via Class/Lab in the following:

**Business Skills** (40%) – This training will be provided to all occupations. Topics include Conflict Resolution, Financial Risk Analysis, Marketing and Business Development, and new Product Knowledge Skills. This training is projected to improve operational effectiveness, project financials, and business development skills.

**Continuous Improvement** (25%) – This training will be provided to all occupations to improve efficiencies, learn problem solving skills, and implement new process improvements. Leadership Skills, Performance Improvement, and Teamwork Skills will be provided based on job functions.

**Commercial Skills** (20%) – This training will be provided to all occupations. Training in equipment and field procedures will allow support workers to liaison effectively with workers at job sites. Trainees must also be trained in Solar Photovoltaics and Renewable Energy skills to be able to effectively offer new services to customers.

**Computer Skills** (15%) – This training will be provided to all occupations. New construction software application skills will keep workers current with new technologies embraced by the industry.

## **SET Priority Wage Modification**

For trainees funded under the SET program and employed in a Priority Industry, the Panel may modify the State Average Hourly Wage of \$28.37 per hour by 25% to \$21.28 per hour. This wage modification will allow the Company to reach more trainees who need job skills training.

## **Commitment to Training**

Baker Electric spends approximately \$300,000 yearly for training on an as-needed basis that includes OSHA-mandated safety training, sexual harassment prevention, new-hire orientation, basic computer skills training, product training and on-the-job training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### ➤ Training Infrastructure

The Company has a dedicated Director of Human Resources to schedule and oversee all training. There will be an official kick-off of the training project for all office employees supported by Directors and Executives to ensure commitment. Training attendance rosters will

be made accessible to all conference and training rooms and the Director of HR will provide monthly updates to the Company's leadership team to ensure the training program stays on task. ETP project administration, including enrolling and tracking all trainees in the ETP on-line systems, will be provided by an administrative subcontractor.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **PRIOR PROJECTS**

The following table summarizes performance by Baker Electric under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                   | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|------------------------|-----------------|------------------------|
| ET14-0191     | Escondido       | 10/21/13 –<br>10/20/15 | \$171,744       | \$16,112 (9%)*         |

\*The Contractor reported several reasons for poor performance in their first Agreement: 1) Inadequate administrative process for capturing and documenting training in the field and at construction job sites; 2) Too many locations (job sites) for training; and, 3) Delivery of training that did not qualify for ETP reimbursement (i.e. general safety training).

For the current proposal, training will not take place in the field. Additionally, the Company has outlined a detailed process for properly documenting ETP-funded training, with a dedicated in-house administrator and a third-party consultant. This proposal has been "right-sized" consistent with prior earnings.

## **DEVELOPMENT SERVICES**

Baker Electric retained Training Funding Source (TFS) in Seal Beach to assist with development of this proposal for a flat fee of \$900.

## **ADMINISTRATIVE SERVICES**

Baker Electric also retained TFS to perform administrative services in connection with this proposal for an amount not to exceed 13% of payment earned.

## **TRAINING VENDORS**

To Be Determined



**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8–200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- ✦ Conflict Resolution
- ✦ Financial Risk Analysis
- ✦ Marketing & Business Development
- ✦ Project Management
- ✦ New Product Knowledge Skills

**CONTINUOUS IMPROVEMENT**

- ✦ Leadership Skills
- ✦ Performance Improvement
- ✦ Problem Solving
- ✦ Process Improvement
- ✦ Productivity Improvement
- ✦ Project Planning
- ✦ Teamwork

**COMMERCIAL SKILLS**

- ✦ Equipment Operations
- ✦ Field Operation Procedures
- ✦ Green Construction
- ✦ Solar Photovoltaics and Renewable Energy
- ✦ Work Practices

**COMPUTER SKILLS**

- ✦ Acubid
- ✦ Bid2Win Estimating
- ✦ Computer Aided Design (CAD) - Auto Desk
- ✦ Estimate Breakdown
- ✦ Job Costing
- ✦ LSI Centerium
- ✦ Microsoft Office
- ✦ Spectrum
- ✦ Tool Watch

Safety Training cannot exceed 10% of total training hours per-trainee.

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.

# DELEGATION ORDER



## Training Proposal for: Balanced Body, Inc.

**Agreement Number: ET16-0420**

**Approval Date:** March 24, 2016

**ETP Regional Office:** Sacramento

**Analyst:** K. Smiley

### PROJECT PROFILE

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | HUA<br>Priority Rate<br>Retrainee                                   | Industry Sector(s): | Manufacturing<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Sacramento  | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 140   | U.S.:140            | Worldwide: 140  |
| <u>Turnover Rate:</u>                                 | 8%  |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 14%   |                     |   |

### FUNDING DETAIL

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$62,640      |   | \$0                        | \$0                     |   | \$62,640                 |

|                       |                                    |          |
|-----------------------|------------------------------------|----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$70,000 |
|-----------------------|------------------------------------|----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                   | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|-----------------------------------|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                                   |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>HUA<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Continuous Impr,<br>Mgmt Skills,<br>Mfg Skills | 87                        | 8-200               | 0   | \$720                    | \$13.10             |
|         |                                   |  |                           | Weighted Avg:<br>40 |     |                          |                     |

**Minimum Wage by County: Job Number 1(HUA):**\$12.08 for Sacramento County

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

**Wage Range by Occupation**

| Occupation Titles        | Wage Range | Estimated # of Trainees |
|--------------------------|------------|-------------------------|
| Accounting Staff         |            | 3                       |
| Education Staff          |            | 3                       |
| Marketing Staff          |            | 8                       |
| Production Staff         |            | 38                      |
| Engineers                |            | 2                       |
| Purchasing Staff         |            | 2                       |
| Sales Staff              |            | 15                      |
| Shipping/Receiving Staff |            | 4                       |
| Supervisor               |            | 6                       |
| Manager                  |            | 6                       |

**INTRODUCTION**

Founded in 1978 and located in Sacramento, Balanced Body, Inc. (Balanced Body) ([www.pilates.com](http://www.pilates.com)) is a manufacturer of Pilates and other “mindful” movement equipment. The Company’s products, shipped domestically and internationally, include Studio Reformer, the Allegro Reformer, the EXO Chair and the Bodhi Suspension System. The Company also offers education and continuing education for fitness instructors. Customers are mainly small business, independent fitness studios. However, a portion of business includes commercial fitness chains such as Equinox, LA Sports Club and Bally Total Fitness.

**PROJECT DETAILS**

Balanced Body competes internationally and must train employees to maintain its commitment to quality and innovation. The Company plans to invest nearly \$500,000 in the next six months

to replace old servers, workstations and software. The upgrades include Microsoft Dynamics CRM and NAV (ERP), Oracle Eloqua Marketing Automation, and the R360 Servers.

With ETP funds, Balanced Body will implement a formal training program to enhance supply chain logistics and improve manufacturing processes. The proposed training will give employees cross-functional skills; develop standardized, efficient processes; reduce costs; and decrease delivery time to customers. The proposed training will introduce Lean Manufacturing principles and provide tools for process improvement initiatives.

## Training Plan

Trainees will receive between 8-200 hours of classroom/laboratory training, as outlined below:

**Business Skills (20%):** Training will be offered to Accounting Staff, Education Staff, Sales Staff, Purchasing Staff, and Marketing Staff. Trainees will receive skills to better manage customer relationships and work as a team to ensure better communication. Training will include course topics such as Customer Service, Listening Skills, Developing Sales Strategies, Technical Writing, and Negotiating Skills.

**Computer Skills (35%):** Training will be offered to Accounting Staff, Engineers, Education Staff, Marketing Staff, Sales Staff, Production Staff, and Shipping/Receiving Staff. Trainees will receive training on the new ERP system to ensure effective use of systems and equipment. Training will also focus on scheduling, inventory control, and purchasing processes to enhance customer satisfaction. Course topics include database management, publishing, Enterprise Resource Planning software (ERP), and website development.

**Continuous Improvement (30%):** Training will be offered to Production Staff, Accounting Staff, Purchasing Staff, Engineers, Supervisors and Managers. Training will increase staff knowledge of cost reduction, quality improvement and error reduction. Course topics include Lean Manufacturing, process control principles, process capabilities, production operations/workflow, and root-cause analysis.

**Manufacturing Skills (10%):** Training will be offered to Production Staff, Engineers, Supervisors, and Managers. Training will include new manufacturing techniques, procedures and processes to improve technical knowledge, and job functions via cross-training to improve manufacturing processes and lower costs. Course topics include Assembly Operations, Computer-Aided Manufacturing (CAM), Ergonomics, Inventory Control, Lean Manufacturing Principles, and Kaizen Principles.

**Management Skills (5%):** Training will be offered to all Supervisors and Managers. Training will focus on skills required to run a team effectively and efficiently. Course topics include Coaching/Feedback, Developing Teams, Effective Meetings, Facilitation Skills and Conflict Management.

## Green/Clean Operations

Balanced Body purchases wood from suppliers who harvest trees from well-managed North American forests approved by the Forest Stewardship Council (FSC). In these forests, tree growth exceeds removals by a nearly 2-to-1 margin. From choosing only sustainably harvested lumber for their wood products to using recyclable shipping containers and packing materials, the Company is constantly improving their efforts to conduct environmentally friendly business practices. The Company also has over 1,000 solar panels on the company headquarter roof to reduce power consumption from the grid.

**High Unemployment Area**

All 87 trainees work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company's location in Florin CDP in Sacramento County qualifies for HUA status.

**➤ Wage Modification**

For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. Balanced Body is requesting a 19% wage modification for all trainees (from \$16.10 per hour to \$13.10 per hour).

**Commitment to Training**

Balanced Body has an annual budget of approximately \$10,000 per facility. Training includes new-hire orientation, specific equipment training, train the trainer, AutoCAD and sales training. The Company represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

**➤ Training Infrastructure**

The Company will have one person dedicated to uploading and maintaining rosters. Training schedules will be developed on a monthly basis to allow management to schedule training accordingly.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

Balance Body retained Manex in San Ramon to develop this proposal.

Note: Manex is eligible to receive 10% of the approved amount of funding for referrals such as this, under a marketing agreement with ETP, not to exceed \$15,000. In this proposal, the fee will be \$6,264. This fee does not affect the approved amount of funding.

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Budget Analysis
- Business Plans
- Business Strategies
- Shipping
- Inventory Management
- Communication Skills
- Computer/Internet Applications in Business
- Customer Service
- Developing Sales Strategies
- Developing Marketing Strategies
- Inventory Control
- Listening Skills
- Materials Management
- Marketing for Small/Medium-Sized Manufacturers:
  - Evaluating Marketing Effectiveness
  - Marketing Concepts
  - Marketing Techniques
  - Practical Marketing Applications
- Negotiating Skills
- New Product Introduction
- Project Management Techniques
- Selling/Serving the Customer
- Strategic Planning
- SWOT Analysis
- Sustainability
- Technical Writing

**COMPUTER SKILLS**

- Active Directory Administration Accounting Systems
- Basic Operations
- CAD
- CNC
- Computer-based/Web-Based Training Systems
- Communications Systems
- Database Management
- Desktop Publishing
- Digital Entertainment Systems
- Exchange Administration
- Enterprise Resource Planning Software
- Graphics
- Internet
- Payroll Systems

- Presentation
- Programming
- Publishing
- Spreadsheets
- Technical Writing
- Telecommuting
- Website Development and Maintenance
- Word Processing

### **CONTINUOUS IMPROVEMENT**

- Assessment Principles
- Audit Principles
- Basic Quality Tools
- Benchmarking Principles
- Building Teams
- Business Improvement Principles
- Continuous Improvement Skills
- Creative/Innovative Thinking Skills
- Creative Problem-Solving Skills
- Cycle-Time Reduction Techniques
- Cycle-Time Management Techniques
- Decision-Making Skills
- Defining Problems
- Design for Manufacturing Acceptability
- Design of Experiments
- Developing Action Plans
- Developing Solutions
- Effective Meetings
- Effective Teams
- Effective Writing
- Implementation Skills
- Interpersonal Skills
- Interpreting & Analyzing Data
- ISO
- Just-in-Time Production (JIT)
  - Cycle-time Reduction
  - Cycle-time Management
  - Developing JIT
  - Evaluating JIT
  - Implementing JIT
  - Organizing for JIT
  - JIT Principles
  - JIT Production
- Lean Manufacturing
- Leadership Skills
- Manufacturing Excellence
- Monitoring The Process
- Presentations

- Process Control Principles
- Process Capabilities
- Process Improvement
- Process/Product Handling
- Production Scheduling
- Production Operations/Workflow
- Root Cause Analysis
- Quality Systems – ISO 9001 Etc.
- Self-Directed Work Teams
- Situation/Problem Analysis
- Statistical Process Control (SPC)
  - System Analysis
  - System Strategies
  - Taguchi Methods
- Team Building/Problem Solving
  - Building Teams
  - Communication
  - Creative/Innovative Thinking
  - Decision Making
  - Developing Action Plans
  - Developing Solutions
  - Effective Teams
  - Empowerment Process
  - High Performance Work Teams
  - Leadership
  - Multicultural Communication/Diversity
  - Problem Solving
  - Self-Directed Work Teams
  - Situation/Problem Solving
  - Team Concepts
  - Team Building/Problem Solving
  - Teamwork in an Empowered Workforce
- Total Quality Management (TQM)
  - Audit Planning
  - Basic Quality Tools
  - Benchmarking
  - Business Process Improvement Change Process
  - Continuous Improvement
  - Creative Problem Solving/Innovation
  - Creative/Innovative Thinking
  - Developing TQM
  - Evaluating TQM
  - Implementing TQM
  - Organizing for TQM
  - Quality Concepts
  - TQM Strategies
- Train the Trainer
- Value Stream Mapping
- Variation/Process Control



**MANUFACTURING SKILLS**

- Assembly Operations
- Automated Equipment
- Blueprint Reading
- Computer-Aided Design (CAD)
- Computer-Aided Engineering (CAE)
- Computer-Aided Manufacturing (CAM)
- Computer Numeric Control (CNC)
- Cellular Manufacturing
- Cutting
- Electronics
- Electronic Assembly Workmanship
- Equipment Operations
- Equipment/Preventive Maintenance
- Ergonomics
- Facilities Management
- Five S Principles
- Fork Lift Training / Certification
- Good Manufacturing Practices (GMP)
- Handling Changes
- Inventory Control
- International Standards Organization (ISO) Certification
- Kaizen Principles
- Kanban Principles
- Layout
- Lean Manufacturing Principles
- Machining
- Machine Trades
- Maintenance Mechanic Overview Level 1
- Maintenance Mechanic Overview Level 2
- Machine Tool Technology
- Introduction to Hand Tools
- Manufacturing Modules
- Manufacturing Processes
- Meeting Customer Expectations (Internal/External)
- Metrology/Geometric Dimensioning & Tolerances
- Mounts
- Optimal Operating. Methods
- Pneumatics/Hydraulics
- Presses
- Pressing
- Production Techniques
- Programmable Logic Controllers (PLC)
- Quality
- Root Cause Analysis
- Sequencing Sewing Operations
- Set up Reduction

- Shipping/Receiving
- Shop skills -- Drawing, Measurement and Instrumentation
- Special Machines/Inspections
- Statistics Skills for Operations
- Technical Training
- Total Productive Manufacturing
- Total Quality Management
- Training Within Industry (TWI)
- Understanding Product Specs/Drawings
- Value Stream Mapping
- Warehousing Operations/Distribution
- Work Measurement
- Workflow
- World Class Manufacturing Principles

**MANAGEMENT SKILLS** (Managers/Supervisors only)

- Coaching/Feedback
- Communication Skills
- Conflict Management
- Decision Making/Problem Solving
- Developing Teams
- Effective Meetings
- Effective Writing
- Facilitation Skills
- Finance for Small/Medium-Sized Manufacturers
- Interviewing Skills
- Leadership/ Management Development
- Management Skills
- Management Styles
- Managing Change
- Managing Customer Service (Internal & External)
- Managing Diversity/Differences
- Managing Innovation
- Manufacturing Cells
- Marketing for Small/Medium-Sized Manufacturers
- Motivation/Reinforcement
- Performance Management
- Project Management
- Strategic Planning
- Supervisory Skills

Safety Training will be limited to 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.



**Training Proposal for:  
Belshire Environmental Services, Inc.**

|                       |
|-----------------------|
| <b>Small Business</b> |
|-----------------------|

**ET16-0429**

**Approval Date:** April 11, 2016

**ETP Regional Office:** San Diego

**Analyst:** K. Campion

**CONTRACTOR**

- Type of Industry: Services  
Transportation/Logistics  
Priority Industry:  Yes  No
- Number of Full-Time Employees  
California: 85  
Worldwide: 89  
Number to be trained: 85  
Owner  Yes  No
- Out-of-State Competition: Competitors Outside CA
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 11%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$56,100
- In-Kind Contribution: \$52,795

**TRAINING PLAN TABLE**

| Job No. | Job Description      | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|----------------------|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                      |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100 | Computer Skills,<br>Commercial Skills,<br>Business Skills,<br>HAZWOPER | 85                        | 8 - 60              | 0   | \$660                    | \$16.51             |
|         |                      |  |                           | Weighted Avg:<br>30 |     |                          |                     |

- Reimbursement Rate: Job #1: \$22 SB Non-Priority
- County(ies): Orange
- Occupations to be Trained: Admin. Staff; Designated Operator; Driver, Testing Staff; Supervisor/Manager
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$2.49 per hour

**SUBCONTRACTORS**

- Development Services: Training Funding Source (TFS) in Seal Beach assisted with development for a flat fee of \$2,900.
- Administrative Services: TFS will also provide project administrative services for an amount not to exceed 13% of payment earned.
- Training Vendors: To Be Determined.

**OVERVIEW**

Founded in 1991, Belshire Environmental Services, Inc. (Belshire) is a woman-owned, small business located in Foothill Ranch California. Belshire provides a full-spectrum of hazardous waste management, underground storage tank testing, and environmental compliance services to industrial, commercial and retail customers throughout California and the West.

Belshire’s sister company, Belshire Transportation Services, Inc. (Belshire Transportation), provides industrial and commercial waste transportation services. Both companies are co-owned and co-located, and each entity has less than 100 employees; the total number of employees combined is 89 worldwide. Belshire will hold liability of the ETP contract and Belshire Transportation will join as a participating employer for this agreement. This will be the second Agreement between ETP and Belshire.

In its first Agreement, Belshire needed training to help workers improve customer service, reduce costs and increase operational efficiencies by improving work quality and minimizing

errors. Training was beneficial and the Company projects to earn 100% of the Agreement amount. Belshire representatives report that it has new training needs, due to industry changes and company growth.

According to Belshire, its business model is evolving. Belshire is moving towards becoming a project management company rather than just a waste hauler, which requires expansion of job duties for all staff. Additionally, the Company is expanding to include “above-ground” storage tanks, and must now train more employees to use heavy equipment, and perform job costing/estimating. All of these changes are driven by customer demands, and the Company must respond quickly.

This new training initiative is designed to reach a strategic goal of improving workers’ job skills so that they are capable of handling a broader scope of work in the field, and in the boiler rooms, using new and different equipment. There will be no duplication of training for the same trainees.

## Training Plan

The majority of the training will be delivered via class/lab by in-house instructors, but training vendors may be used in the future. To ensure that training is provided consistently to Designated Operators and Testing Staff who work in the field, Belshire projects that a small percentage of training may be delivered via “virtual classroom” e-learning. Training will be managed by the Company’s controller; project administration will be provided by the consultant.

**Computer Skills** – This training will be provided to Designated Operators, Administrative and Supervisor/Manager occupations in order to create efficiencies in the transfer of data between employees and with customers. Employees will be trained to effectively estimate and invoice customers using the Company’s proprietary software. Administrative Staff will be trained in the Company’s new Odyssey 2 software system. Trainees will learn how to navigate the new software which is projected to improve operational efficiencies and reduce errors.

**Commercial Skills** – This training will be provided to all occupations. Some trainees will be trained in Equipment Operation, Maintenance, & Troubleshooting; Site Inspection Procedures, Vapor Recovery and Sampling Procedures. Through this technical training, Designated Operators and Testing Staff will learn to problem solve to meet customer needs, and improve jobs skills in new storage tank areas. Improvements in standard operating procedures will minimize unnecessary return trips to customers’ sites which will lead to a reduction in costs and an increase in customer satisfaction.

**Business Skills** – This training will be provided to Designated Operators, Drivers, Admin. Staff, and Supervisor/Manager occupations. Trainees will learn to negotiate, quote, estimate, communicate and obtain new clients and retain existing clients. Trainees will also learn Project Management Skills. Admin. Staff will be trained to accurately collect and analyze data received from the field and the field employees will be trained to accurately communicate and troubleshoot situations that arise on site. The expected outcome of Business Skills training is a work force that is able to address customer needs at a professional level.

**Hazardous Waste Operations and Emergency Response Standard (HAZWOPER)** – This training will be provided to Designated Operators, Drivers, Testing Staff and Supervisor/Managers. This training is a series of courses specifically designed for workers who handle hazardous substances as first-responders, or clean-up as needed at a hazard disposal or emergency site. It consists of 40 hours of classroom training for workers stationed at the hazard site; and 24 hours for workers who visit the site (e.g., engineers). Field training is also required, although not funded by ETP. Completion of the training results in a certificate that expands employment opportunities. Each certification requires an 8-hour annual refresher

course. This coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA. Belshire represents that trainees will not receive 40 hours unless they work full time onsite at the clean-up location.

### Request for 2-year Contract term

Given the estimated roll-out of training, Belshire projects that the standard 9-month training window might not be sufficient to ensure all training is completed. Therefore, the Company requests a 2-year term.

### RECOMMENDATION

Staff recommends approval of this proposal.

### ACTIVE PROJECTS

The following table summarizes performance by Belshire under an active ETP Agreement:

| Agreement No. | Approved Amount | Term                 | No. Trainees Enrolled | No. Completed Training | No. Retained |
|---------------|-----------------|----------------------|-----------------------|------------------------|--------------|
| ET15-0121     | \$45,188        | 7/07/14 –<br>7/06/16 | 87                    | 58                     | 58           |

The closeout invoice has been submitted on this project. Contractor has earned or has “placements in review” totaling in excess of the Agreement amount. The hours of training delivered and other data entries support 100% earnings.

**Exhibit B: Menu Curriculum****Class/Lab & E-learning Hours**

8 – 60

Trainees may receive any of the following:

**COMPUTER SKILLS**

- ✦ MS Office, Dynamics
- ✦ Nitro PDF
- ✦ Odyssey 2 (In house Proprietary software)
- ✦ Petrotools
- ✦ Trax

**COMMERCIAL SKILLS**

- ✦ Alarm history
- ✦ Electronic logs
- ✦ Emergency plans
- ✦ Equipment Operation, Maintenance & Troubleshooting
- ✦ Fuel Storage equipment
- ✦ Inventory Control & Materials
- ✦ Maintenance troubleshooting
- ✦ Planning Skills
- ✦ Profiling for disposal
- ✦ Sampling Skills
- ✦ Shipping & Receiving Skills
- ✦ Site Inspection procedures
- ✦ Standard Operating procedures
- ✦ Vapor recovery
- ✦ Yellow Iron – Operation and Maintenance

**BUSINESS SKILLS**

- ✦ Accounting (A/P and A/R)
- ✦ Communication Skills
- ✦ Customer Service
- ✦ Job Costing & Estimating Skills
- ✦ Proposal writing
- ✦ Product Knowledge
- ✦ Project Management Skills
- ✦ Quoting Skills
- ✦ Team Building
- ✦ Time Management
- ✦ Writing Skills (emails, quotes, letters)
- ✦ Work Procedures

**HAZWOPER** (Requires Certified Instructor)

- ✦ Hazardous Waste disposal

Safety Training cannot exceed 10% of total training hours per-trainee, with the exception of HAZWOPER training.

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.



**Retrainee - Job Creation  
Training Proposal for:  
Berrett-Koehler Publishers, Inc.**

|                       |
|-----------------------|
| <b>Small Business</b> |
|-----------------------|

**ET16-0413**

**Approval Date:** March 25, 2016

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** V. Estrada

**CONTRACTOR**

- Type of Industry:
  - Manufacturing
  - Multimedia/Entertainment
  - Priority Industry:  Yes  No
  
- Number of Full-Time Employees
  - California: 30
  - Worldwide: 30
  - Number to be trained: 34
  - Owner  Yes  No
  
- Out-of-State Competition: Competitors Outside CA NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 4%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$45,240
- In-Kind Contribution: \$50,000



**TRAINING PLAN TABLE**

| Job No. | Job Description                                      | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |  |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate                | Business Skills,<br>Computer Skills,<br>Continuous Improvement | 30                        | 8 – 60              | 0   | \$1,300                  | \$17.02             |
|         |  |  |                           | Weighted Avg:<br>50 |     |                          |                     |
| 2       | Retrainee<br>SB<100<br>Priority Rate<br>Job Creation | Business Skills,<br>Computer Skills,<br>Continuous Improvement | 4                         | 8 – 60              | 0   | \$1,560                  | \$14.19             |
|         |  |  |                           | Weighted Avg:<br>60 |     |                          |                     |

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Alameda
- Occupations to be Trained: Administrative Staff, Sales Staff, Marketing Staff, Technical Staff, Operations Staff, Editorial Staff, Production Staff, Supervisors, Managers, Owner
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$4.02 per hour Job #2: \$1.19 per hour

**SUBCONTRACTORS**

- Development Services: Sallyanne Monti Consulting in San Francisco assisted with the development for a flat fee of \$1,600.
- Administrative Services: Sallyanne Monti Consulting will also assist with administrative services for an amount not to exceed 13% of payment earned.
- Training Vendors: To Be Determined.

**OVERVIEW**

Berrett-Koehler Publishers, Inc. (BKP) ([www.bkconnection.com](http://www.bkconnection.com)) was founded in 1992 and located in Oakland. The Company is an independent publisher that designs, assembles and distributes literary publications to a variety of industries. BKP is an ethically conscious organization whose primary focus is publishing content that motivates stewardship, sustainability, quality, partnerships, and other values in support of a healthy community.

This is BKP's first ETP Agreement. ETP-funded training will help the Company transition from providing print-driven literature to multi-media products like digital subscriptions, audio books, and video content. Training will enable the Company to train new and current employees in the industry of electronic publishing, thus, modernizing their company and connecting to a broader client base. The delivery of training will be provided by in-house staff and outside vendors, experienced in the subject matter that they are instructing.

BKP is advancing the publishing industry by giving customers an enhanced reading experience through their new Video Subscription service. This service will provide subscribers access to visual recordings that are on-demand and include author readings, real-time interviews, presentations and workshops. The content in these new products will be updated on a regular basis which will encourage customers to pay subscription fees. In addition, BKP will upgrade their accounting infrastructure by using Acumen Accounting System, designed specifically to accommodate the needs of book publishers. Acumen will streamline BKP's accounting, inventory, and sales files so the Company can increase its operational efficiency. Further topics will be covered in the curriculum so BKP can meet their expansion goals and strengthen the skills of their workforce.

### **Retrainee – Job Creation**

In support of job creation, the Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage. As a priority Small Business, BKP will receive the \$26 reimbursement rate.

In 2015, the Company recently hired a total of 3 new employees and has committed to hiring 4 new employees (Job Number 2). The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into “net new jobs” as a condition of contract. As BKP expands their product offerings and reaches out to new customers, new employees are essential to the growth of the Company, therefore they must hire additional staff. BKP has the capacity to accommodate their current staff at its present location, with available work stations on the premises to accommodate the new-hires identified in this proposal.

### **Training Plan**

Trainees will receive the following courses via Class/Lab and E-Learning:

**Business Skills** - Training will be provided to all occupations. Trainees will be given an assessment to measure their business skills so their training can be tailored for each individual. Topics include selling techniques, leadership skills, project management and product knowledge. This training will result in better strategy and communication skills for Managers and improve operational flow for Production and Technical Staff with the launch of the new products.

**Computer Skills** - All occupations will receive this training and it will be tailored based on the trainees' job function. Training will include Acumen Accounting Systems, Adobe Creative Suite software, Filmmaker Pro 14 and a variety of new equipment such as Apple MacBook Air, MacBook Pro, and a Megapath phone system. Some topics will focus on their new audio books, eBooks, and video subscriptions.

**Continuous Improvement** - All occupations will participate in this training, focusing on implementing Quality Systems for their new products. Topics will include Defining Quality, Identifying Quality Check Points, and Quality Control Techniques. Trainees will enhance their analytical skills by improving their ability to read data, forecast sales, compare information, and find solutions to business-related issues.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-60 Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Customer Service, Sales & Marketing for New Products
- + Leadership Skills
- + Project Management

**COMPUTER SKILLS**

- + Audio/Video Conferencing Technology
- + Acumen Accounting Software
- + Adobe Creative Suite
  - o InDesign
  - o Illustrator
  - o Photoshop
- + Existing Software Integration for New Products
- + Filemaker Pro 14

**CONTINUOUS IMPROVEMENT SKILLS**

- + Quality Systems for New Initiatives
  - o Defining Quality
  - o Identifying Quality Check Points
  - o Implementing Quality Systems
  - o Quality Control Techniques

**MANUFACTURING SKILLS**

- + Equipment & Processes for New Products
  - o Audio Books
  - o EBooks
  - o Video Subscriptions
- + Production Improvements

**E-Learning Hours**

8 – 60

**BUSINESS SKILLS**

- + B-Corporation Certification Standards
- + Customer Service, Sales & Marketing for New Products
- + Leadership Skills
- + Project Management

**COMPUTER SKILLS**

- + Audio/Video Conferencing Technology
- + Acumen Accounting Software
- + Adobe Creative Suite
  - o InDesign
  - o Illustrator
  - o Photoshop
- + Existing Software Integration for New Products
- + Filemaker Pro 14

## **CONTINUOUS IMPROVEMENT SKILLS**

- ✚ Quality Systems for New Initiatives
  - Defining Quality
  - Identifying Quality Check Points
  - Implementing Quality Systems
  - Quality Control Techniques

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.



**Retrainee - Job Creation  
Training Proposal for:  
BGI Worldwide Logistics, Inc.**

**Small Business**

**ET16-0448**

**Approval Date:** April 29, 2016

**ETP Regional Office:** North Hollywood      **Analyst:** J. Romero

**CONTRACTOR**

- Type of Industry: Transportation/Logistics
  
- Number of Full-Time Employees
  - California: 24
  - Worldwide: 27
  - Number to be trained: 26
  - Owner  Yes  No
- Out-of-State Competition: Competitors Outside CA
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 3%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$20,280
- In-Kind Contribution: \$21,941

**TRAINING PLAN TABLE**

| Job No. | Job Description                       | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---------------------------------------|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                                       |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Improvement,<br>Hazardous Materials | 24                        | 8-60                | 0   | \$780                    | \$16.48             |
|         |                                       |  |                           | Weighted Avg:<br>30 |     |                          |                     |
| 2       | Job Creation<br>SB < 100              | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Improvement,<br>Hazardous Materials | 2                         | 8-60                | 0   | \$780                    | \$13.73             |
|         |                                       |  |                           | Weighted Avg:<br>30 |     |                          |                     |

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Los Angeles County
- Occupations to be Trained: Operations/Sales Staff, Administrative Staff, Warehouse staff, Technical Staff, Supervisor/Manager, Owner
- Union Representation:  Yes  
 No
- Health Benefits: Job #'s 1 & 2: \$0.59 per hour

**SUBCONTRACTORS**

- Development Services: BGI retained Training Funding Source (TFS) in Seal Beach to assist with development of this proposal for a flat fee of \$1,200.
- Administrative Services: BGI also retained TFS to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

## **OVERVIEW**

Founded in 1999, BGI Worldwide Logistics, Inc. (BGI) ([www.BGIworldwide.com](http://www.BGIworldwide.com)) is a global freight shipping and logistics company operating in Signal Hill. The Company is a one-stop supply chain resource for warehousing, distribution, transportation and shipping. Its customers are in the aerospace/defense, construction, import/export, industrial, manufacturing, technology, and wholesale/retail trade industries.

Continuous education and development is vital for BGI's future plans for growth and the key to remaining competitive in the industry. BGI recently implemented integrated marketing and operation strategies under new initiatives. This created the need to train all employees in new and enhanced skills.

## **Training Plan**

The Company plans to train staff in Business Skills, Commercial Skills, Computer Skills, Continuous Improvement and Hazardous Materials.

BGI has qualified, in-house trainers and is ready to start training upon approval of this Agreement. The Company has dedicated staff to schedule and track the training. In addition, BGI has engaged the services of a third-party administrator for the administration of the ETP project.

**Business Skills:** This training will be offered to all occupations. Trainees will be given techniques in teambuilding, coaching/leadership administrative processes, sales and marketing, and customer relations. The training will develop employee skills in achieving better customer satisfaction that translates to increased demand for Company products and services.

**Commercial Skills:** This training will be offered to Administrative, Management, Technical and Sales Staff and Operations occupations in order to develop a highly competent and effective staff.

**Computer Skills:** This training will be offered to Production, Administrative, Management, Technical and Sales Staff and Operations occupations in order to develop overall skills and knowledge of software tools like Microsoft Office Excel, PowerPoint, Outlook, ECAPE, and 3PL.

**Continuous Improvement:** This training will be offered to Administrative, Management, Technical and Sales Staff and Operations occupations in order to create an effective company.

**Hazardous Materials:** This training will be offered to Operations, Warehouse, and Management occupations in order to enhance the understanding and importance of safety and maintaining safety compliance.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **Exhibit B: Menu Curriculum**

### **Class/Lab Hours**

8 – 60

Trainees may receive any of the following:

#### **BUSINESS SKILLS**

- Accounting: QuickBooks; Payroll; Excel;
- Administrative Processes
- Carrier Logistics
- Change Management
- Coaching/Leadership
- Communication
- Credit and Collection Skills
- Customer Relations
- Inventory Control
- Planning
- Presentation Skills
- Sales & Marketing/Negotiation
- Time Management
- Teambuilding
- Work processes/procedures

#### **COMMERCIAL**

- Customs-Trade Partnership against terrorism
- Cargo & Deconsolidation
- Dangerous Goods for air and ocean
- Delivery; Inbound and outbound freight forwarding
- Distribution processes and procedures
- Domestic Shipping—Trucking, Rail, Ocean, Air
- Equipment operations
- International Commercial Terms
- Inspection Techniques
- Inventory Management
- International Shipping— Ocean, Air
- International Traffic in Arms Regulations (ITAR)
- Logistic Skills
- Order, Picking and Packing
- Quality Control
- Sales to operations turnover
- Shipping and Receiving – Expediting for On-Schedule
- Standard Operating Procedures
- Supply Chain/Warehousing
- Transportation Security Administration procedures
- Warehouse procedures

#### **COMPUTER SKILLS**

- Carrier Logistics (CLI)
- ECAPE-CRM-Proprietary cloud based operating system
- Microsoft Office/Project



- Payroll Reports
- Script Writing for Report Generation
- TMS (Transportation management system 3PL)
- Warehouse Management

**CONTINUOUS IMPROVEMENT**

- Problem Solving Tools and Techniques
- Process Improvement
- Quality improvement

**HAZARDOUS MATERIALS**

- Hazardous Material Handling

Safety Training will be limited to 10% of total training hours per-trainee.

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.



**DELEGATION ORDER**

**Training Proposal for:**

**Chef Works, Inc.**

**Agreement Number: ET16-0442**

**Approval Date:** April 19, 2016

**ETP Regional Office:** San Diego

**Analyst:** K. Campion

**PROJECT PROFILE**

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>Priority Rate  | Industry Sector(s): | Manufacturing<br>Services<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | San Diego   | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 160   | U.S.: 200           | Worldwide: 210  |
| <u>Turnover Rate:</u>                                 | 11%   |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 9%  |                     |   |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$99,630      |   | \$0                        | \$0                     |   | \$99,630                 |

|                       |                                    |           |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$141,265 |
|-----------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description         | Type of Training                                   | Estimated No. of Trainees | Range of Hours   |     | Average Cost per Trainee | Post-Retention Wage |
|---------|-------------------------|--|---------------------------|------------------|-----|--------------------------|---------------------|
|         |                         |  |                           | Class / Lab      | CBT |                          |                     |
| 1       | Retrainee Priority Rate | Computer Skills, Continuous Impr., Business Skills | 123                       | 8-200            | 0   | \$810                    | \$16.46             |
|         |                         |  |                           | Weighted Avg: 45 |     |                          |                     |

**Minimum Wage by County:** \$16.46 per hour for San Diego County  
**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.  
**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe  
 Up to \$1.50 per hour may be used to meet the Post-Retention Wage.

| Wage Range by Occupation        |            |                         |
|---------------------------------|------------|-------------------------|
| Occupation Titles               | Wage Range | Estimated # of Trainees |
| Accounting Staff                |            | 7                       |
| Customer Service Staff          |            | 23                      |
| Distribution & Production Staff |            | 12                      |
| Professional Staff              |            | 32                      |
| Program Administrator           |            | 4                       |
| Sales & Marketing Staff         |            | 28                      |
| Technician                      |            | 6                       |
| Supervisor & Manager            |            | 11                      |

**INTRODUCTION**

Founded in 1994, Chef Works, Inc. (Chef Works) (<http://www.chefworks.com>) designs, manufactures, sells and distributes chef clothing apparel and accessory options for the culinary and hospitality industries across the globe. Chef Works’ products include chef coats, pants, aprons, shirts, headwear, knives, and shoes. Chef Works also custom designs and develops specific product options for corporate program clients across the country.

Chef Works has two facilities in Poway, California, both of which are sites for the proposed training.

Chef Works is a trend setter in the culinary apparel industry and dedicates its time to craftsmanship, design, durability, and style. To remain a culinary fashion trend setter and compete internationally, the Company must continually develop and release new and innovative products to remain the culinary uniform choice for the industry. As a result, Chef Work’s sales, design, and marketing teams must be trained on fabrics, threads, apparel design, and product marketing as the Company’s new styles are introduced to the market.

In order to increase sales and gain market share, Chef Works must streamline its processes to become more efficient with overall business processes. The Company has recently hired a certified Six Sigma Black Belt who is working with the product development department to help identify and remove the causes of defects and minimize variability in the production process. Therefore, through Six Sigma training to the entire workforce, Chef Works plans to implement new process improvements designed to enhance productivity, product quality, and overall efficiency of the organization.

The need for training is also driven by the implementation of a new Product Lifestyle Management software system (PLM) in third quarter 2016 that is designed to fully automate the entire lifecycle of Chef Works' products. The PLM will help integrate Chef Work's staff, data, processes, and business systems and support the Company's overall growth. Most employees must be trained to navigate the new system.

### **PROJECT DETAILS**

Training will be delivered via class/lab by both outside vendors and in-house instructors.

#### **Training Plan**

**Computer Skills (43%)** – This training will be provided to all occupations for trainees to become proficient in navigating the new PLM software system and Client Services Associate System necessary to perform their job functions. Some trainees may receive MS Office and Illustrator/Photoshop based on job functions.

**Continuous Improvement (35%)** – This training will be offered to all occupations. Chef Works will use Kaizen principals to improve the Company's processes across all functions. Leadership Skills, Quality, Process Improvement and Six Sigma training will give trainees clearly defined roles and direction of the business processes, product, design, and decision making necessary for increased organizational efficiency.

**Business Skills (22%)** – This training will be provided to all occupations to improve trainees' skillsets in Client/Customer Service Skills, Communication Skills, Finance and Accounting Skills, Business Writing, and Sales systems.

#### **Impact/Outcome**

Training will increase job skills, business process efficiencies, and generate an estimated increase in sales. To truly develop the leadership and abilities of the leaders at the company, and to ensure full participation in training, Chef Works will provide a certificate of completion to those participants who attend all 12 sessions of Leadership Skills training.

#### **Commitment to Training**

Chef Works currently spends approximately \$143,300 per year for training in general safety, onboarding, new hire Client Services training, basic computer skills and sexual harassment prevention. This training will continue at the Company's expense.

ETP funds will help Chef Works offset the training costs of implementing and training in its new PLM and provide critical training in Continuous Improvement and Business Skills.

ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

The VP, Human Resources will have program oversight of this training project. The HR department will be ultimately responsible for scheduling training, providing training to vendors and in-house instructors on how to record each training session using the ETP rosters. Chef Works will utilize an administrative subcontractor for enrolling and tracking trainees in the ETP online systems.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

Chef Works retained RSM US, LLP (RSM) in Los Angeles to assist with development of this proposal for a flat fee of \$6,974.

### **ADMINISTRATIVE SERVICES**

Chef Works also retained RSM to perform administrative services in connection with this proposal for an amount not to exceed 13% of payment earned.

### **TRAINING VENDORS**

- Info Tech of Vista, CA has been retained to provide MS Office training;
- GetAKlu of San Diego has been retained to provide Leadership Skills Training;
- New Horizons of San Diego has been retained to provide Business Writing training.

Other trainers will be identified as they are retained by Chef Works.

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8 – 200

Trainees may receive any of the following:

**COMPUTER SKILLS**

- ✦ PLM Software Training – (Product Lifecycle Management)
- ✦ Client Services Associate Systems Training
- ✦ Inside Sales Associate Systems Training
- ✦ Microsoft Office Suite (Intermediate and Advanced)
- ✦ Illustrator/Photoshop (Intermediate and Advanced)

**CONTINUOUS IMPROVEMENT**

- ✦ Leadership Training
- ✦ Client Services Team Training
- ✦ Teambuilding
- ✦ Quality Control
- ✦ Process Improvement
- ✦ Problem Solving/Troubleshooting
- ✦ Decision Making
- ✦ New Product Knowledge Skills
- ✦ Six Sigma
- ✦ 5S
- ✦ Kaizen Events
- ✦ Supply-Chain Management
- ✦ Time Management
- ✦ Navigating Change

**BUSINESS SKILLS**

- ✦ Business Writing
- ✦ Customer & Client Service Skills / Upsell & Cross Sell
- ✦ Communication Skills
- ✦ Distribution Center Training
- ✦ Finance/Accounting Skills
- ✦ Sales Systems Training

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.



**Retrainee - Job Creation  
Training Proposal for:  
Dandelion Chocolate, Inc.**

|                       |
|-----------------------|
| <b>Small Business</b> |
|-----------------------|

**ET16-0425**

**Approval Date:** April 19, 2016

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** V. Estrada

**CONTRACTOR**

- Type of Industry: Manufacturing
  - Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 59
  - Worldwide: 59
  - Number to be trained: 68
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 12%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$26,052
- In-Kind Contribution: \$18,360

**TRAINING PLAN TABLE**

| Job No. | Job Description                                      | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |  |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate                | Computer Skills,<br>Continuous Impr,<br>Mfg Skills,<br>Literacy Skills,<br>PL-Mfg Skills | 50                        | 8-60                | 0   | \$390                    | \$17.02             |
|         |  |  |                           | Weighted Avg:<br>15 |     |                          |                     |
| 2       | Retrainee<br>Job Creation<br>SB<100<br>Priority Rate | Computer Skills,<br>Continuous Impr,<br>Mfg Skills,<br>PL-Mfg Skills                     | 18                        | 8-60                | 0   | \$364                    | \$14.19             |
|         |  |  |                           | Weighted Avg:<br>14 |     |                          |                     |

- Reimbursement Rate: Job #'s 1 and 2: \$26 SB Priority
- County(ies): San Francisco
- Occupations to be Trained: Chocolate Makers, Baristas, Operations Staff, Managers, Supervisors, Kitchen Staff, Community & Education Staff
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$2.25 per hour, Job #2: \$0.19 per hour

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

**OVERVIEW**

Founded in 2013 and located in San Francisco, Dandelion Chocolate (Dandelion) ([www.dandelionchocolate.com](http://www.dandelionchocolate.com)) sorts, roasts, cracks, winnows, and mélanges fine cacao beans to produce chocolate bars. Dandelion only uses two ingredients to make their chocolate, cacao beans and organic sugarcane to bring out the individual flavors and nuances of each bean.

**Need for Training**

Dandelion expects to double its sales this year (from the previous year) and continue growing sales into the future. Currently, demand has surpassed production capacity, with many customers on the waitlist. The Company has already started construction on a new 17,000-square-foot building, to open later this year, adding to the two current facilities at the chocolate factory. The Company has also purchased new equipment to increase production (training was not included with purchase): an Optical Sorter to automate sorting of beans; and a Ball Mill to grind the beans. The new equipment will enable the Company to produce chocolate at a higher rate.



Additionally, Dandelion will need to cross-train all employees so that staff can have a comprehensive understanding of the Company's operations. This will allow staff to perform multiple roles. Cross-training will consist of product knowledge, metric tracking, and software skills.

### **Retrainee - Job Creation**

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

In 2015, Dandelion had hired 25 employees to increase production. With the opening of the new facility and purchase of new equipment, the Company has committed to hiring 18 additional employees (Job Number 2) during the term of the ETP-funded training. The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. Trainees will be hired into "net new jobs" as a condition of contract.

### **Training Plan**

Training will be provided by in-house trainers and may include training vendors.

**Computer Skills** - Training will be provided to all occupations, focused on google drive, design, and HTML skills. Workers will be able to use online logs, program interfaces, electronic spreadsheets, and design programs.

**Continuous Improvement** - Training will be provided to all occupations. Trainees will learn about the Company's products and production processes to instill knowledge and promote research & development.

**Literacy Skills** - One Chocolate Maker will participate in this training. Training will result in improved communication with staff and customers.

**Manufacturing Skills** - All occupations will be cross-trained on vintage and modern machinery. Training will reduce costs, time, and errors during production, allowing the Company to sell a wide range of products.

### **Productive Laboratory**

Productive Lab will be offered to Baristas, Operations Staff, Managers, Supervisors, Kitchen Staff, and Community & Education Staff in Manufacturing Skills. PL will strengthen employees' understanding of the chocolate making process and enable them to be knowledgeable with customers and business partners. Each employee spends a day making chocolate (sorting beans, wrapping and polishing chocolate molds, and tasting) with experienced, in-house chocolate makers on modern and vintage machines. The trainer-to-trainee ratio will not exceed 1:1 to ensure full understanding and competency. PL will not exceed 8 hours per trainee.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

## **Exhibit B: Menu Curriculum**

### **Class/Lab Hours**

8-60

#### **COMPUTER SKILLS**

- ✚ Adobe Skills
  - Photoshop
  - InDesign
  - Illustrator
- ✚ Design Skills
  - Typography and color
- ✚ Google Drive Skills
  - Google Docs
  - Spreadsheets
  - Presentations
  - Forms
- ✚ HTML Skills
  - HTML tags and formatting
- ✚ Pattern-Making
  - Developing effective repeats and motifs
- ✚ Presentation Skills
  - Keynote & templates
- ✚ Productivity Tools
  - Asana
  - Zapier
  - Boomerang
  - Google Add-ons
  - Assistant.to

#### **CONTINUOUS IMPROVEMENT**

- ✚ American Chocolate Industry History & Education
  - Understanding the machine evolution
  - How cacao came to the United States
  - Original chocolate houses
- ✚ Cacao History & Chocolate Making Overview
- ✚ Café & Kitchen Cross-Training
  - Recipe development
  - Drink preparation
- ✚ Country Origin Investigation
  - How cacao is grown, harvested, and fermented by country location
- ✚ Chocolate Maker Identification and Tasting
  - The landscape of chocolate makers, their flavors, and identification by taste
- ✚ Chocolate Drinks & Beverage Identification – (for non-baristas),
  - Develop understanding of chocolate ganaches, cacao pulp, and nibs
- ✚ Culture & Leadership
  - Culture, artifacts, values, and leadership responsibilities
- ✚ Difficult Conversation Skills
  - How to address conflict and reach resolutions within teams

- ✚ Feedback & Coaching
  - Giving constructive, actionable feedback
- ✚ Flavor Assessment
  - Ingredient study
  - Bean origin study
- ✚ Goal Setting
  - How to set goals with meaningful milestones and track progress
- ✚ Systems & Processes
  - How to develop systems and processes such as machine maintenance, handbooks, checklists, etc.
- ✚ Teambuilding
  - Developing self-awareness of individual strengths & weaknesses for interpersonal effectiveness
- ✚ Tour Training
  - How to lead a chocolate making tour for customers including best practices for answering questions, leading guests through space, and providing opportunities for Q&A

### **MANUFACTURING SKILLS**

- ✚ Modern Production Machinery
  - Optical bean sorter
  - Convert roasting profiles from small roaster to large roaster
- ✚ Vintage Chocolate Production Machinery
  - How to use vintage chocolate making equipment
- ✚ Wrapping Machinery

### **LITERACY SKILLS**

- ✚ Vocational English

### **PL Hours**

0-8

### **MANUFACTURING SKILLS** (1:1 trainer-to-trainee ratio)

- ✚ Chocolate Manufacturing

Literacy Training cannot exceed 45% of total training hours, per trainee.

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. PL is capped at 8 hours per-trainee.



**Training Proposal for:  
Del Amo Construction, Inc.**

**Small Business**

**ET16-0419**

**Approval Date:** March 29, 2016

**ETP Regional Office:** North Hollywood      **Analyst:** E. Wadzinski

**CONTRACTOR**

- Type of Industry: Construction
  
- Number of Full-Time Employees
  - California: 90
  - Worldwide: 90
  - Number to be trained: 82
  - Owner  Yes  No
- Out-of-State Competition: No OSC
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 19%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$44,772
- In-Kind Contribution: \$89,421

**TRAINING PLAN TABLE**

| Job No. | Job Description                 | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---------------------------------|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                                 |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | SET<br>SB <100<br>Priority Rate | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Impr | 82                        | 8-200               | 0   | \$546                    | \$21.28             |
|         |                                 |   |                           | Weighted Avg:<br>21 |     |                          |                     |

- Reimbursement Rate: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Owner, Project Engineers, Assistant Project Manager, Project Manager, Project Accountant, Superintendent, Estimator, Administrative Staff
- Union Representation:  Yes  
 No
- Health Benefits: \$2.38 per hour

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: N/A

**OVERVIEW**

Del Amo Construction, Inc. (DAC) ([www.delamoconstruction.com](http://www.delamoconstruction.com)) was founded in 1968 by Jerry Donahue. The Company provides general construction contracting services for commercial, industrial, and institutional projects. The Company is focused on solutions to fit each client’s specific needs and goals during all phases of the construction process. Services include preconstruction, construction management, sustainable building, and general contracting.

**Training Plan**

This is DAC’s third ETP proposal. The Company’s prior project concentrated mainly on estimating techniques; new building standards; Building Information Management (BIM); and LEED (Leadership in Energy and Environmental Design). This proposal will focus on moving from a server-based to a cloud-based project management system, Procore. This will allow employees access to documents and information on any device with an internet connection. Employees need to be trained on how to use this system and implement new procedures enabled by it.

**Business Skills (10%)** – This training will primarily be provided to Estimators, Project Engineers, Superintendents and Project Managers to provide them with tools needed to excel in project management.

**Commercial Skills (5%)** – This training will be provided to Estimators, Project Engineers, Superintendents and Project Managers. Trainees will receive skills to help them take on more varied and advanced construction projects. Trainees will also receive LEED and Green building standards.

**Computer Skills (80%)** - Training will be offered to all occupations. This will be the bulk of DAC's training plan. Training will provide skills and knowledge to help the Company transition to a new project management system, Procore. Training will also include systems that will automate company functions.

**Continuous Improvement (5%)** - This training will be provided to all occupations. Training will support Project Engineers, Assistant Project Managers and Project Managers as they become more familiar with Procore. Estimators will be trained on recent changes and updates to help improve bidding techniques. Project Accountants and Administrative Staff training will include the integration of Procore with existing accounting software and reports.

### **Special Employment Training/Wage Modification**

Under Special Employment Training (SET), the participating employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees in non-priority industries must be earning at least the statewide average hourly wage (\$28.37 per hour) at the end of the retention period. Trainees employed in a Priority Industry qualify for a SET wage modification up to 25% below the statewide average hourly wage (\$21.28 per hour). DAC is a Priority Industry, and qualifies for this wage modification.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

The following table summarizes performance by DAC under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                   | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|------------------------|-----------------|------------------------|
| ET11-0162     | Torrance        | 05/13/11 –<br>05/12/13 | \$30,888        | \$30,428 (99%)         |

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8-200 Trainees may receive any of the following:

**BUSINESS SKILLS**

- ✦ Utilize Bid Tabulation Analysis
- ✦ Understanding the Scope of Subcontract Agreements
- ✦ Generate Scope of Work Narratives
- ✦ Evaluate Subcontractor Pricing
- ✦ Subcontractor Interpretations/Explanations
- ✦ Architect & Engineering Interpretations/Explanations
- ✦ Content and Value Comparisons/Evaluations

**COMMERCIAL SKILLS**

- ✦ Steps to Attaining LEED Certification
- ✦ BIM (Building Information Management)
- ✦ IPD (Integrated Project Delivery)
- ✦ Green Building Standards
- ✦ Complexities of Historic Building Preservation & Restoration
- ✦ Current Industry Means and Methods
- ✦ Subcontractor Negotiation Techniques
- ✦ Technical Communication for the Industry

**COMPUTER SKILLS**

- ✦ Procore- Project Management Software
- ✦ Bluebeam Software for Blueprint Plans
- ✦ Accounting Software

**CONTINUOUS IMPROVEMENT**

- ✦ Process Improvement
- ✦ Project Management
- ✦ Estimating Processes and Techniques

Note: Reimbursement for retraining is capped at 200 total hours per-trainee, regardless of method of delivery.



**Retrainee - Job Creation  
Training Proposal for:  
Discount Two Way Radio Corporation**

**Small Business**

**ET16-0410**

**Approval Date:** April 18, 2016

**ETP Regional Office:** North Hollywood      **Analyst:** M. Webb

**CONTRACTOR**

- Type of Industry:
  - Retail
  - Manufacturing
  - Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 30
  - Worldwide: 30
  - Number to be trained: 36
  - Owner  Yes  No
- Out-of-State Competition: Customers Outside CA
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 2%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$46,800
- In-Kind Contribution: \$49,590



**TRAINING PLAN TABLE**

| Job No. | Job Description                                       | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |   |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate                            | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Impr | 30                        | 8-60                | 0   | \$1,300                  | \$16.48             |
|         |   |   |                           | Weighted Avg:<br>50 |     |                          |                     |
| 2       | Job Creation Initiative<br>Retrainee<br>Priority Rate | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Impr | 6                         | 8-60                | 0   | \$1,300                  | \$13.73             |
|         |   |   |                           | Weighted Avg:<br>50 |     |                          |                     |

- Reimbursement Rate: Job #'s 1 and 2: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Repair Technician, Shipping Clerk, Customer Service Representative, Software Developer-Information Specialist, Marketing Specialist Government Sales Representative, Sales Representative, Manager/Supervisor, Owner, Accounting Staff
- Union Representation:  Yes  
 No
- Health Benefits: Job #1 only: \$1.48 per hour

**SUBCONTRACTORS**

- Development Services: Training Funding Source in Seal Beach assisted with development of this proposal for a flat fee of \$2,500.
- Administrative Services: TFS will also perform administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: N/A

**OVERVIEW**

Founded in 1997 and with a sole location in Harbor City (Los Angeles County), Discount Two Way Radio Corporation (DTWR) ([www.Dtwr.com](http://www.Dtwr.com)) is an RCA award-winning distributor of radio products and accessories. DTWR assembles, repairs, and distributes digital and economy portables, digital mobiles, waterproof radios, VHF marine radios, surveillance kits, speaker mics, headsets, and batteries. DTWR also designs and customizes hand held radios for customers. Design elements include frequency specifications, casings, and functional features based on the customer's preferences and requirements. The Company serves the construction, manufacturing, warehousing and logistics, schools, and public safety/government industries.

DTWR qualifies for standard retraining and priority status based on its manufacturing and assembly operations.

### **Need for Training**

Two-way radio technologies have advanced over the last few years. Traditional analog is being replaced with digital to provide better frequency and communications, with increased capacity. As a result, manufacturer and repair service providers must improve their services to remain up-to-date. Furthermore, the Federal Communication Commission (FCC) is mandating downsizing channels/frequencies (from 25 kHz to 12.5 kHz and eventually to 6.25 kHz) to increase room over public air waves. This necessitates the Company's need to educate employees on the latest FCC regulations.

Additionally, DTWR has experienced significant growth, with over 62,000 customers currently. Its staff is also increasing, with a 20% hiring goal (6 employees) expected during the term of this Agreement. To meet the needs of its customers, the Company must improve skills and increase productivity.

### **Retrainee – Job Creation**

In support of Job Creation, the Panel offers incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

DTWR is expanding existing business capacity to better serve its customer base. The Company is committed to hiring 6 employees (Job Number 2), as mentioned above. The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

### **Training Plan**

**Business Skills:** Training will be offered to Customer Service/Government Sales/Sales Representatives, Marketing Specialists, Repair Technicians, Accounting Staff, and Managers/Supervisors. Course topics to be delivered will increase employee skill set in contract negotiations, communication skills, and customer relations.

**Commercial Skills:** Training will be offered to Repair Technicians, Shipping Clerks, and Managers/Supervisors. Trainees will improve technical skills to provide better and quicker issue resolutions and maintenance recommendations.

**Computer Skills:** Training will be offered to all occupations to better analyze data and utilize software applications used by the company. Trainees will learn how to use new modules in NetSuite software updates in order to expedite the billing process and track purchase orders/invoices.

**Continuous Improvement:** Training will be offered to all occupations to increase productivity and efficiency. Training will include Production and Inventory Management, Reporting and Performance Goals, and Productivity Improvement.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Customer Relations
- Interpersonal Communications
- Leadership
- Negotiation
- Sales & Service
- Teamwork
- Technical Writing
- Warehouse Logistic and Inventory

**COMMERCIAL SKILLS**

- Batteries
- Government Services Admin Procedures
- Digital Portable and Mobiles
- Equipment Operation & Maintenance
- Headsets
- Industry Solutions
- IP67 ( Submersible rating for Radios) waterproof , (6 means Water , 7 means proof up to 1 meter in water )
- P25 Compliance Assessment Program Pick, Pack, Ship
- Preventive Maintenance Procedures
- Product/Service Knowledge
- Portable Radios
- Public Safety Two Way radios
- Radio Fabrication and Repair
- Radio Chargers and Accessories
- Speaker Mikes
- Surveillance Kits
- Troubleshooting
- Very High Frequency (VHF) Marine Radios

**COMPUTER SKILLS**

- Valogix Inventory
- Microsoft Office
- Netsuite

**CONTINUOUS IMPROVEMENT**

- Production and Inventory Management
- Reporting and Performance Goals
- Productivity Improvement

*\*Safety Training will be limited to 10% of total training hour's per-trainee.*

Note: Reimbursement for retraining is capped at 60 total hour's per-trainee, regardless of method of delivery.

**DELEGATION ORDER**



**RETRAINEE - JOB CREATION**

**Training Proposal for:**

**Dorfman-Pacific Co.**

**Agreement Number: ET16-0440**

**Approval Date:** April 18, 2016

**ETP Regional Office:** Sacramento

**Analyst:** W. Sabah

**PROJECT PROFILE**

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>Job Creation Initiative<br>HUA                         | Industry Sector(s): | Wholesale Trade/Distributor<br><br>Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Counties Served:                                      | San Joaquin   | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 157   | U.S.: 175           | Worldwide: 175  |
| <u>Turnover Rate:</u>                                 | 8%  |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 12%   |                     |   |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$91,800      |   | \$0                        | \$0                     |   | \$91,800                 |

|                       |                                    |          |
|-----------------------|------------------------------------|----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$91,800 |
|-----------------------|------------------------------------|----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                       | Type of Training                             | Estimated No. of Trainees | Range of Hours   |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---------------------------------------|--|---------------------------|------------------|-----|--------------------------|---------------------|
|         |                                       |  |                           | Class / Lab      | CBT |                          |                     |
| 1       | Retrainee HUA                         | Business Skills, Computer Skills, Cont. Imp. | 52                        | 8-200            | 0   | \$1,275                  | \$12.00*            |
|         |                                       |  |                           | Weighted Avg: 85 |     |                          |                     |
| 2       | Retrainee Job Creation Initiative HUA | Business Skills, Computer Skills, Cont. Imp. | 17                        | 8-200            | 0   | \$1,500                  | \$12.00*            |
|         |                                       |  |                           | Weighted Avg: 75 |     |                          |                     |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** Job Number 1 (HUA): \$11.70 per hour: Job Number 2 (Job Creation/HUA): \$10.00 per hour in San Joaquin County

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

| Wage Range by Occupation     |            |                         |
|------------------------------|------------|-------------------------|
| Occupation Titles            | Wage Range | Estimated # of Trainees |
| <b>Job Number 1</b>          |            |                         |
| Vendor Compliance Specialist |            | 4                       |
| Accounting Staff             |            | 11                      |
| Human Resources Staff        |            | 2                       |
| Purchasing Staff             |            | 4                       |
| Sales Representative I       |            | 1                       |
| Sales Representative II      |            | 1                       |
| Embroidery Digitizer Staff   |            | 1                       |
| Customer Service Staff       |            | 7                       |
| Material & Shipping Staff    |            | 13                      |
| Manager/Supervisor I         |            | 4                       |
| Manager/Supervisor II        |            | 4                       |
| <b>Job Number 2</b>          |            |                         |
| Web Developer                |            | 1                       |
| Warehouse Staff              |            | 16                      |

## **INTRODUCTION**

Founded in 1921 and located in Stockton, Dorfman-Pacific Co. (Dorfman Pacific) ([www.dorfman-pacific.com](http://www.dorfman-pacific.com)) is a full-line, in-stock headwear and handbag wholesaler. Their products include Stetson, Woolrich, Cappelli Strawworld, Inc., Tommy Bahama and Scala. The Company's customers include retail stores JC Penney, Ross, TJ Maxx, Disneyland, CVS and S-Mart.

Dorfman-Pacific is undergoing a companywide Creative Logistic Solutions (CLS) implementation that will require extensive workforce training on new systems. This new automated system will speed up the shipping process for parcel carriers from 16 seconds to 3 seconds per parcel. In addition, the Company recently invested in RepZio software to allow sales staff to take orders electronically while interacting with customers off-site. These new technologies will affect all facets of the organization by increasing productivity and efficiency throughout the business.

This is Dorfman-Pacific's second ETP Agreement within the last five years. Trainees will not receive training on duplicated courses. Repeat courses from the previous Agreement contain advanced versions. All staff will receive training on the new technology changes and company-wide processes to remain competitive in the market. The Company training will also include Business Skills and Continuous Improvement to focus on defining, simplifying and implementing core business processes and procedures.

### **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

Dorfman-Pacific is adding new product lines and expanding its current products. Since 2013, the Company's sales have grown 12% with the addition of 20 new employees. As Company sales continue to increase and customer demand begins to grow, Dorfman-Pacific will need to hire additional Warehouse Staff and a Web Developer to accommodate the growth of production and distribution.

Dorfman-Pacific has committed to hiring 17 new employees (Job Number 2). The Company represents that the date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

## **PROJECT DETAILS**

### **Training Plan**

Dorfman-Pacific will provide between 8-200 hours of Classroom/Laboratory training. Training will be delivered by both in-house experts and outside vendors.

**Business Skills (60%):** Training will be offered to all occupations. Training will focus on system procedures, new product lines, navigation through customers' accounts, and new ways of importing goods. Trainees will learn to perform business-related tasks with a high degree of professionalism and interact more effectively with customers and vendors to increase sales. Training will also reduce the Company's carbon footprint and streamline policies and procedures to manage all accounting functions.

**Computer Skills (20%):** Training will be offered to all occupations. Training will guide workers through the features and functionality of the Company's CLS and Repzio system to help staff become more proficient in business software solutions. The Web Developer will learn to update the Company website by creating a cohesive, user-friendly system for customer navigation.

**Continuous Improvement (20%)** Training will be offered to all occupations. Training will include leadership training, business efficiency, teambuilding and business efficiency to produce more effective trainers, and develop strategies to strengthen teamwork and system processes. Training will help reduce product costs, quality errors and enhance teambuilding.

### **High Unemployment Area**

Trainees work in a High Unemployment Area (HUA), a region with unemployment exceeding the state average by at least 25%. The Company's location in San Joaquin County qualifies for HUA status under these standards.

For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. Dorfman-Pacific is requesting a wage modification to \$12.00 for Job Number 1 & 2 to train workers in lower-wage occupations.

### **Temporary to Permanent Hiring**

Dorfman-Pacific intends to train 40 workers in Job Number 1 under Panel guidelines for the Temporary-to-Permanent program. The Company has retained these employees on a temporary basis, with the intention of hiring them into full-time, permanent positions after training. According to Dorfman-Pacific the average time for "converting" temporary workers into full-time permanent employment is three to six months. It is expected that these workers will receive employer-paid share-of-cost for healthcare premiums while on temporary status, and upon hire into full-time permanent employment.

These trainees must be eligible to participate in ETP-funded training pursuant to Unemployment Insurance Code Section 10201(c). However, they cannot be enrolled as trainees until after they have been hired by Dorfman-Pacific. Moreover, until they are so hired, retention and post-retention wage requirements cannot be satisfied and the Company will not receive progress payments.

### **Commitment to Training**

The Company's annual training budget is approximately \$25,000 for sexual harassment prevention, safety training, administrative classes and computer-based training.

ETP funds will allow the Company to expand its class/lab training efforts and offer additional skills enhancements training to current and newly-hired staff to support the Company's growth plans. ETP funds will not displace the existing financial commitment to training.

#### ➤ Training Infrastructure

Dorfman-Pacific has multiple staff members dedicated to administering the ETP project. Staff will schedule training, enroll trainees, track training hours, and meet with ETP staff. The CFO will meet with Company managers to create a formalized training schedule to track and complete the ETP project successfully.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

The following table summarizes performance by Dorfman-Pacific under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                 | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|----------------------|-----------------|------------------------|
| ET13-0377     | Stockton        | 5/15/13 –<br>5/14/15 | \$36,300        | 30,458 (84%)           |

**DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

David Diskin of Lodi will provide Computer Skills training. Other trainers will be identified as they are retained.



**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Customer Service Skills
- Special Order Processing
- Vendor Compliance
- Data Entry
- Accounting
- Charge Backs
- Communication Skills
- International Purchasing/Distribution
- Inventory Forecasting
- Sales Strategies

**COMPUTER SKILLS**

- Microsoft Word & Excel (Intermediate)
- Creative Logistics Solutions
- Web Development
- Alfresco Software
- Apprise Software
- Digitizing
- New Software-CLS
- RepZio (CSR Training)
- RepZio (Sales Rep Training)

**CONTINUOUS IMPROVEMENT**

- Business Efficiency and Work Challenges
- Process Improvement
- Teambuilding
- Train-the-Trainer
- Leadership Skills

|   |
|---|
| Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. |
|---|

**DELEGATION ORDER**



**Retrainee - Job Creation  
Training Proposal for:  
EI Clasificado**

**Agreement Number: ET16-0421**

**Approval Date:** March 23, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Paccereilli

**PROJECT PROFILE**

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>Priority Rate<br>Job Creation Initiative<br>HUA        | Industry Sector(s): | Manufacturing<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Los Angeles, San Bernardino, Kern, and Fresno                       | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 167   | U.S.: 168           | Worldwide: 168  |
| <u>Turnover Rate:</u>                                 | 10%   |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 20%   |                     |   |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$99,400      |   | \$0                        | \$0                     |   | \$99,400                 |

|                              |                                    |           |
|------------------------------|------------------------------------|-----------|
| <b>In-Kind Contribution:</b> | 100% of Total ETP Funding Required | \$121,076 |
|------------------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description  | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |  |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate                                   | Business Skills,<br>Computer Skills;<br>Adv. Technology;<br>Cont. Improv.;<br>Mgt. Skills | 86                        | 8-200               | 0   | \$648                    | \$16.48             |
|         |  |   |                           | Weighted Avg:<br>36 |     |                          |                     |
| 2       | Retrainee<br>Priority Rate<br>Job Creation Initiative        | Business Skills,<br>Computer Skills;<br>Adv. Technology;<br>Cont. Improv.;<br>Mgt. Skills | 18                        | 8-200               | 0   | \$800                    | \$13.73             |
|         |  |   |                           | Weighted Avg:<br>40 |     |                          |                     |
| 3       | Retrainee<br>Priority Rate<br>HUA                            | Business Skills,<br>Computer Skills;<br>Adv. Technology;<br>Cont. Improv.;<br>Mgt. Skills | 39                        | 8-200               | 0   | \$648                    | * \$11.70           |
|         |  |   |                           | Weighted Avg:<br>36 |     |                          |                     |
| 4       | Retrainee<br>Priority Rate<br>Job Creation Initiative<br>HUA | Business Skills,<br>Computer Skills;<br>Adv. Technology;<br>Cont. Improv.;<br>Mgt. Skills | 5                         | 8-200               | 0   | \$800                    | * \$10.00           |
|         |  |   |                           | Weighted Avg:<br>40 |     |                          |                     |

\* It will be made a condition of contract that the trainees in these Job Numbers will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** *Job Number 1:* \$16.48 in Los Angeles County; *Job Number 2:* \$13.73 in Los Angeles County; *Job Number 3:* \$12.36 in Los Angeles County and \$11.70 in Bakersfield, Fresno, and San Bernardino Counties; *Job Number 4:* \$10.30 in Los Angeles County and \$9.58 in Bakersfield, Fresno, and San Bernardino Counties

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

*Job Number 1:* Up to \$4.84 may be used to mee the Post-Retention Wage.

*Job Number 2:* Up to \$2.09 per hour may be used to meet the Post-Retention Wage

*Job Number 3:* Up to \$2.09 per hour may be used to meet the Post-Retention Wage in Los Angeles County and \$1.70 for all other counties

*Job Number 4:* Up to \$0.30 per hour may be used to meet the Post-Retention Wage in Los Angeles County. No health benefits will be used for all other counties.

**Job Numbers 1 & 2 Wage Range by Occupation**

| Occupation Titles | Wage Range | Estimated # of Trainees |
|-------------------|------------|-------------------------|
| Accounting Staff  |            | 2                       |

|  |  |    |
|--|--|----|
| Ad Control                             |  | 1  |
| Creative Marketing Staff               |  | 1  |
| Digital Products Staff                 |  | 10 |
| Editorial Staff                        |  | 5  |
| Marketing/Events Staff                 |  | 8  |
| MIS Administration Staff               |  | 1  |
| Production Staff                       |  | 5  |
| Sales Local Commercial Staff I (Job 1) |  | 15 |
| Sales Local Commercial Staff I (Job 2) |  | 25 |
| Sales Local Commercial Staff II        |  | 11 |
| Manager/Supervisor                     |  | 20 |

| <b>Job 3 &amp; 4 Wage Range by Occupation</b> |            |                         |
|---|------------|-------------------------|
| Occupation Titles                             | Wage Range | Estimated # of Trainees |
| Administration Staff                          |            | 2                       |
| Distribution Staff                            |            | 12                      |
| Sales Classified Staff                        |            | 14                      |
| Sales Local Commercial Staff                  |            | 6                       |
| Manager/Supervisor                            |            | 10                      |

## **INTRODUCTION**

Founded in 1988, El Clasificado ([www.elclasificado.com](http://www.elclasificado.com) / [echispanicmedia.com](http://echispanicmedia.com)) is a Spanish-language print and online publication distributed free of charge to the public. It has since grown into a multimedia publication and advertising solutions company.

Headquartered in Norwalk, El Clasificado also has offices in Los Angeles, Commerce, San Bernardino, Bakersfield, and Fresno. It has rebranded its company as EC Hispanic Media, and has developed a more robust product portfolio that local and national advertisers can use to reach the Hispanic community.

The Company's print publications include *El Clasificado* (Spanish Language classifieds publication), *EC Classifieds* (English-language classifieds publication), *El Punto* (Spanish language editorial-based magazine), and *Quinceañera.com* (magazine published in conjunction with the events).

To remain competitive in the declining print publication industry, the product portfolio was broadened to add online and mobile solutions. This includes: *Al Borde* (Latin Alternative platform); *Twyzle* (Self-serve website creation platform); *MasClientes for website design*, hosting and custom domain, directory management, and related services.

With its rapid online growth, El Clasificado must invest in advanced software such as Social Media Optimization, Google Analytics, Web Content Management, and Customer Relationship Management systems. The Company also upgraded to a web-based accounting system and project management tool designed to bring products to market faster. These technology advancements require substantial employee training. In addition, El Clasificado plans to provide thorough Management Skills training, as needed to lead staff during times of rapid growth and market change.

El Clasificado is eligible as a single employer for standard retraining and priority-industry funding under the out-of-state competition provisions as a print manufacturer.

### **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

El Clasificado has committed to hiring 23 new employees in Administration, Distribution, Sales, and Management in Job Number 2 and 4 to facilitate ongoing efforts to expand existing capacity at its Norwalk facility and regional sales offices. The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into “net new jobs” as a condition of contract.

## **PROJECT DETAILS**

### **Training Plan**

This will be the second ETP Agreement between El Clasificado and ETP within the last five years. The Company has added three more locations since the last project. This proposal will focus on training its existing workforce, integrating new employees, and implementing advanced media technology to enhance product quality and overall efficiency.

**Business Skills (26%)** – This training will be provided to all trainees focusing on customer retention, managing change, and sales techniques.

**Computer Skills (8%)** – This training will be provided to all trainees to help them become more proficient in the use of innovative business solutions technology in the areas of computerized accounting, integrated sales and marketing, and project management.

**Continuous Improvement (44%)** – This training will be provided to all trainees designed to maximize worker efficiency through proven problem solving and team building concepts, leadership principles, and time management techniques.

**Management Skills (16%)** – This training will provide Managers and Supervisors with the leadership, motivation, project management, and communication skills necessary to become more effective leaders in the Company’s high-performance workplace.

**Advanced Technology (6%)** – This training will be provided to Digital Products and Management Information Systems (MIS) Administration Staff. This training will help these trainees develop the knowledge and skills to administer current web and mobile technologies. Trainees will also improve proficiency in coding for mobile compliant websites and social applications with an emphasis on Search Engine Optimization best practices. AT will be delivered in highly technical learning environments, including special curricula, instructors and training labs. The costs for delivering AT training range from \$500 to \$1,000 per day, plus hardware and software. The trainer-to-trainee ratio for AT training is 1:10 to allow for in-depth coverage and personal attention from the instructor.

### **High Unemployment Area**

All trainees in Job Numbers 3 and 4 work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Panel may modify the ETP

Minimum Wage by up to 25% if post retention wages exceed the start of training wages. The Company's locations in Commerce, Bakersfield, Fresno, and San Bernardino qualify for HUA status under these standards.

➤ Wage Modification

El Clasificado requests the HUA hourly wage modifications for Job Number 3 from \$16.48 to \$12.36 for Los Angeles County and from \$15.60 to \$11.70 for Bakersfield, Fresno and San Bernardino Counties; and Job Number 4 from \$13.73 to \$10.30 for Los Angeles County and from \$12.77 to \$10.00 for Bakersfield, Fresno and San Bernardino Counties. These wages are consistent with the ETP Minimum Wage for CY 2016.

### **Commitment to Training**

ETP funds will not displace the existing financial commitment to training. In support of continuous employee development, The Company's current training budget is approximately \$136,500 and covers new-hire orientation, web-based Customer Relationship Management System, conferences, and other job-specific courses in a classroom or on-the-job training setting.

Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### **Impact/Outcome**

The proposed ETP-funded training will enable El Clasificado to remain competitive in an industry with rapid and continuous changes in demands and processes. The overall goal is to provide employee training that will yield a higher quality, more cost effective product from its growing grounds to consumers.

➤ Training Infrastructure

El Clasificado's Senior Manager of Recruiting and Talent will oversee the internal project administration. The Company will also dedicate two staff members to administer the project to ensure that the training documentation adheres to ETP requirements. Training will take place at all El Clasificado's locations in California and will be delivered by a combination of in-house subject matter experts and experienced outside training vendors.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

N/A

### **ADMINISTRATIVE SERVICES**

N/A

### **TRAINING VENDORS**

To Be Determined

**PRIOR PROJECTS**

The following table summarizes performance by El Clasificado under ETP Agreements that were completed within the last five years:

| Agreement No. | Location (City) | Term                   | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|------------------------|-----------------|------------------------|
| ET14-0119     | Los Angeles     | 10/07/13 –<br>10/06/15 | \$95,520        | \$85,515 (90%)         |

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200 Trainees may receive any of the following:

**BUSINESS SKILLS**

- Selling Multi-Platform Products
- Selling Special Publications
- Selling Events
- Selling Online Microsites
- Consultative Sales Process
- Managing Change
- Customer Retention
- Internet Marketing
- Interviewing Skills
- Managing a High Performance Workplace

**COMPUTER SKILLS**

- Accounting System
- Integrated Sales/Marketing Software
- Project Management Software
- Graphic Design
- Database Management
- Customer Relationship Management (CRM)
- Microsoft Office suite (Excel, Word, PowerPoint, Outlook)

**CONTINUOUS IMPROVEMENT**

- Leadership Skills for Frontline Workers
- Time Management Skills
- Team Building Skills
- Problem-Solving Skills
- Communication Skills
- Change Management
- Project Management
- Budgeting and Planning
- Productivity monitoring and management
- Managing a High Performance Workplace

**ADVANCED TECHNOLOGY**

*(Limited to Digital Products & MIS Admin. Staff Only)*

- Search Engine Optimization (SEO)
- Social Media Optimization (SMO)
- HTML, CSS
- Digital Analytics
- WordPress



- Joomla
- Web Content Management (WCM)
- Interactive Web Page Design
- Mobile Apps

**MANAGEMENT SKILLS**

*(Limited to Managers and Supervisors only)*

- Basic/Advanced Supervisory and Management Skills
- Coaching/Motivating Employees
- Conflict Management for Managers
- Leadership for Managers

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.

**DELEGATION ORDER**



**RETRAINEE - JOB CREATION**

**Training Proposal for:**

**ESET, LLC**

**Agreement Number: ET16-0444**

**Approval Date:** May 2, 2016

**ETP Regional Office:** San Diego

**Analyst:** J. Davey

**PROJECT PROFILE**

|  |   |                     |  |
|--|---|---------------------|--|
| Contract Attributes:                           | Job Creation Initiative<br>Priority Rate<br>Retrainee               | Industry Sector(s): | Technology/IT Services<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                               | San Diego   | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |  |
| Number of Employees in:                        | CA: 201   | U.S.:224            | Worldwide: 1,010   |
| Turnover Rate:                                 | 6%  |                     |  |
| Managers/Supervisors:<br>(% of total trainees) | 11%   |                     |  |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$36,400      |   | \$0                        | \$0                     |   | \$36,400                 |

|                       |                                    |          |
|-----------------------|------------------------------------|----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$81,978 |
|-----------------------|------------------------------------|----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                                       | Type of Training  | Estimated No. of Trainees | Range of Hours      |      | Average Cost per Trainee | Post-Retention Wage |
|---------|---|---|---------------------------|---------------------|------|--------------------------|---------------------|
|         |   |   |                           | Class / Lab         | CBT  |                          |                     |
| 1       | Retrainee<br>Priority Rate                            | Business Skills,<br>Computer Skills,<br>Continuous Impr | 150                       | 8-200               | 0-70 | \$216                    | \$16.46             |
|         |   |   |                           | Weighted Avg:<br>12 |      |                          |                     |
| 2       | Retrainee<br>Priority Rate<br>Job Creation Initiative | Business Skills,<br>Computer Skills,<br>Continuous Impr | 10                        | 8-200               | 0-70 | \$400                    | \$14.00             |
|         |   |   |                           | Weighted Avg:<br>20 |      |                          |                     |

**Minimum Wage by County:** Job Number 1 - \$16.46/hr. San Diego County; Job Number 2 - \$13.72/hr. San Diego County

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$1.46 per hour may be used to meet the Post-Retention Wage for Job Number 1.

| Wage Range by Occupation                               |            |                         |
|--|------------|-------------------------|
| Occupation Titles                                      | Wage Range | Estimated # of Trainees |
| <b>Job Number 1 - Retraining</b>                       |            |                         |
| Software Engineer/Information Technology/R&D Staff     |            | 22                      |
| Sr. Software Engineer/Information Technology/R&D Staff |            | 20                      |
| Marketing/Sales Staff                                  |            | 30                      |
| Sr. Marketing/Sales Staff                              |            | 21                      |
| Manager/Director                                       |            | 17                      |
| Support Staff  |            | 25                      |
| Sr. Support Staff                                      |            | 15                      |
| <b>Job Number 2 – Job Creation</b>                     |            |                         |
| Software Engineer/Information Technology/R&D Staff     |            | 2                       |
| Sr. Software Engineer/Information Technology/R&D Staff |            | 1                       |
| Marketing/Sales Staff                                  |            | 2                       |
| Sr. Marketing/Sales Staff                              |            | 1                       |
| Manager/Director                                       |            | 1                       |
| Support Staff  |            | 2                       |
| Sr. Support Staff                                      |            | 1                       |

## **INTRODUCTION**

ESET, LLC (ESET) ([www.eset.com](http://www.eset.com)) was founded in 1987 and is headquartered in Bratislava (Slovakia). ESET develops high-performing technological security solutions for residential and corporate customers. The Company's San Diego location is the sole North American facility and provides sales, distribution, and malware research.

Known for its proactive threat-detection capabilities, ESET specializes in anti-virus, anti-theft, and anti-phishing software; social media scanner; firewall; and parental control; and security software. The Company's products include: 1) ESET Security for Microsoft SharePoint Server which protects customer data and assets stored in the server; 2) ESET Mobile Security for Android smartphone and tablet users; and 3) ESET Secure Authentication which provides network access security for remote users.

## **PROJECT DETAILS**

In a prior Agreement completed in September 2015, ESET established the beginnings of a formalized training program. Most of the training was in Business and Computer Skills. For this proposal, the Company plans on delivering this same training to newly-hired trainees and incumbent workers who did not participate the first time. As well, the proposed training will include Continuous Improvement.

ESET must respond to rapid technological changes and complex customer expectations. It must continuously provide product enhancements and upgrades to ensure its customers remain protected against growing technology security risks.

In addition, ESET is planning to expand into a variety of new markets including Healthcare, Finance, and Manufacturing. Employees will need additional skills for marketing to these new segments.

In summary, this proposal will help to:

- Develop new virtual security products;
- Develop a new cloud solution for remote administration;
- Implement a Customer Relations Management (CRM) software solution;
- Initiate an employee development training program for new staff; and
- Create a market development training plan for expansion into new industries.

### **Retrainee - Job Creation**

The Panel is offering incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate.

ESET's expansion into new markets will increase employee workload. To offset the increase, the Company will expand business capacity by hiring 10 employees during the term of the Agreement (Job Number 2). Trainees must be hired within the three-month period prior to Panel approval or during the term of contract. Trainees must be hired into "net new jobs" as a condition of contract.

### **Training Plan**

ESET will provide a combination of Class/Lab, E-Learning, and CBT to 160 trainees in the following skills:

**Business Skills (30%):** Training will be offered to all job occupations as it relates to their job function. Trainees will receive new/upgraded product knowledge, communication skills, negotiation skills, customer service skills, and sales/marketing skills to provide excellent, consistent customer service.

**Computer Skills (35%):** Training will be offered to all job occupations based specifically on the systems utilized in their daily job function. Training topics such as ESET Proprietary Systems and Software, CompTIA A+, and Mobile Security Technology will allow workers to keep up with changing technology and increased customer demands. Newly-hired employees will receive training on all internal software systems.

**Continuous Improvement (35%):** Training will be offered to all job occupations to improve ESET's efficiencies and productivity. Training will allow the Company to improve processes throughout the organization. Skills need to be updated to continue to succeed and thrive in the current environment. Training topics will include change management, leadership/coaching skills, process/performance improvement, and team building skills.

### **Computer-Based Training**

Normally, Computer-Based Training (CBT) hours are capped at 50% of total training hours per-trainee. However, ESET is requesting to increase the cap to 70% of total training hours per-trainee for approximately 40 trainees. The cap will be 70 hours per-trainee.

Much of the CBT is proprietary, highly technical course material developed in-house by content developers. Self-paced CBT will allow frontline workers to receive training during opportune times when it best suits their work schedule. It will also allow trainees to receive on-demand training quickly on new product launches. CBT will supplement planned, instructor-led learning in an effort to ensure a solid understanding of concepts presented.

### **Commitment to Training**

ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law. ESET's 2016 training budget is approximately \$780,000 for its California workforce. The Company provides anti-harassment, diversity, basic computer skills, new employee orientation and on-boarding, and expense report processing.

#### ➤ Training Infrastructure

ESET has one main point of contact that will be responsible for managing, scheduling, and documenting training. This person will also be meeting with ETP staff and working with the third-party administrator.

Most of the training will be provided by in-house trainers who are subject matter experts. Some vendor training is expected for a small number of course topics (vendors have yet to be determined).

### **Director Occupations**

The job duties of Directors are equivalent to those of frontline managers. These Directors do not set company policies and thus, qualify to participate in ETP-funded training.

**RECOMMENDATION**

Staff recommends approval of this proposal with a 70% cap on total CBT hours.

**PRIOR PROJECTS**

The following table summarizes performance by ESET under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                      | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|---------------------------|-----------------|------------------------|
| ET14-0241     | San Diego       | 12/31/2013–<br>12/30/2015 | \$64,600        | \$35,838 (55%)         |

The primary issue that contributed to poor performance was incomplete, inaccurate rosters. The Company also had difficulty meeting the minimum 24 training hours per-trainee. However, towards the end of the Agreement, the Company spent considerable time and effort educating its key staff on proper procedures for documenting training, which increased eligible hours delivered near the end of term.

The request has been “right-sized” to correspond with the amount earned on this Agreement.

**DEVELOPMENT SERVICES**

ESET retained Training Funding Partners (TFP) in Fountain Valley to assist with development of this proposal for a flat fee of \$4,800.

**ADMINISTRATIVE SERVICES**

ESET also retained TFP to perform administrative services in connection with this proposal for a fee not to exceed 12% of payment earned.

**TRAINING VENDORS**

To Be Determined

## **Exhibit B: Menu Curriculum**

### **Class/Lab/E-Learning Hours**

8 – 200

Trainees may receive any of the following:

#### **BUSINESS SKILLS**

- Business Acumen
- Customer Service/Support Skills
- Data Management
- Cross-Functional Collaboration Skills
- Sales/Marketing Skills & Methodologies
- New Vertical Markets
- New/Updated Products & Technologies

#### **COMPUTER SKILLS**

- Cloud Computing
- Computer Software Skills
- Contact Center Workflow Management System
- ESET Proprietary Systems and Software
- HRIS (Human Resource Information) System Skills
- Intermediate/Advanced Microsoft Office Suite
- Malware Expert Skills
- NetSuite Systems Skills
- Salesforce CRM (Customer Relationship Management) System
- Workday System Skills

#### **CONTINUOUS IMPROVEMENT**

- Advanced Project Management Skills
- Change Management Skills
- Creative/Critical Thinking Skills
- Effective Time Management
- Goal Setting/Motivation Skills
- Process/Performance Management Skills
- Team Effectiveness/Collaboration Skills
- Trouble-Shooting/Problem Solving

### **CBT Hours**

0–70

#### **BUSINESS SKILLS**

- Interpersonal Communication: Listening Essentials (0.5 hour)
- Technical Tutorials: Filtering & Organizing Clients - ERA (0.5 hour)
- Technical Tutorials: Filtering and Organizing Clients (0.5 hour)
- Technical Tutorials: License Manager Configuration - ERA (0.5 hour)
- V6 Consumer Training Technical Overview (0.5 hour)
- Bomgar: Agent Training (0.5 hour)
- Customer Service Confrontation and Conflict (1 hour)

- Customer Service Fundamentals: Building Rapport in Customer Relationships (1 hour)
- Customer Service over the Phone (1 hour)
- The Essentials of Budgeting for Non–Financial Professionals (1 hour)
- Business Coaching: Conducting Coaching Sessions (1 hour)
- Creating a Social Media Strategy in 5 Simple Steps (1.25 hours)
- ESHP Market and Sales Overview (0.5 hour)
- ESET Cyber Security and Cyber Security Pro Product Overview (0.5 hour)
- ESET Endpoint Solutions Product Overview (0.5 hour)
- ESET Endpoint Solutions Technical Overview (0.5 hour)
- ESET Mobile Antivirus Overview (0.5 hour)
- ESET Mobile Security for Android Product Overview (0.75 hour)
- ESET Mobile Security for Android Technical Overview (2 hours)
- ESET Mobile Security Installation and Activation (0.5 hour)
- ESET NOD32 Antivirus 4 Business Edition Product Overview (0.5 hour)
- ESET NOD32 Antivirus 4 for Mac B.E. Product Overview (0.5 hour)
- ESET NOD32 Antivirus 4 Home Edition Product Overview (0.5 hour)
- ESET NOD32 Antivirus 4 Technical Overview (0.5 hour)
- ESET NOD32 AV and ESS 4 Product Overview (0.75hour)
- ESET Remote Administrator 4 Product Overview (0.5 hour)
- ESET Secure Authentication Market Overview (0.5 hour)
- ESET Secure Authentication Product Overview (0.5 hour)
- ESET Smart Security 4 Business Edition Product Overview (0.5 hour)
- ESET Smart Security 4 Home Edition Product Overview (0.5 hour)
- ESET Smart Security 4 Technical Overview (0.5 hour)
- ESET Smart Security 5 and ESET NOD32 Antivirus 5 Home Edition Product Overview (0.5 hour)
- ESHP SharePoint and Product Overview (0.5 hour)
- Technical Tutorials: Configuring an Update Mirror - ERA (0.5 hour)
- V6 Product Overview Training (1 hour)

### **COMPUTER SKILLS**

- CompTIA A+ 220-801: BIOS and Motherboards (1.5 hours)
- CompTIA A+ 220-801: Configurations, Displays, Connectors, & Peripherals (2 hours)
- CompTIA A+ 220-801: CPUs, Connections, and Power Supplies (1.5 hours)
- CompTIA A+ 220-801: Laptops (1 hour)
- CompTIA A+ 220-801: Memory, Expansion Cards and Storage Devices (2 hours)
- CompTIA A+ 220-801: Network Cabling, IP Addressing, Ports, and Protocols (1.5 hours)
- CompTIA A+ 220-801: Networking Devices and Tools (1 hour)
- CompTIA A+ 220-801: Networking Technologies (1.5 hours)
- CompTIA A+ 220-801: Operational Procedures (2 hours)
- CompTIA A+ 220-801: Printers (1 hour)
- CompTIA A+ 220-802: General Troubleshooting (2.5 hours)
- CompTIA A+ 220-802: Installing and Configuring Windows (2 hours)



- CompTIA A+ 220-802: Introducing Microsoft Windows (1 hour)
- CompTIA A+ 220-802: Managing Windows (2.5 hours)
- CompTIA A+ 220-802: Mobile Devices (1.5 hours)
- CompTIA A+ 220-802: Optimizing Windows (1 hour)
- CompTIA A+ 220-802: Security and Data Disposal (2 hours)
- CompTIA A+ 220-802: System Troubleshooting (2.5 hours)
- ITIL® 2011 Edition Overview: Certification and Benefits (2 hours)
- ITIL® 2011 Edition Overview: Creating a Service Culture (2 hours)
- ITIL® 2011 Edition Overview: Introduction to the ITIL® Framework (2 hours)
- Managing Attachments, Graphics, Signatures, and Autoreplies in Outlook 2010 (1 hour)
- Moving and Getting Around in Excel 2010 (1 hour)
- Moving Around in Word 2010 (1 hour)
- Word 2010, Excel 2010, and the New Office 2010 Interface (1 hour)
- Advanced Customizing with Project 2010 (1 hours)
- Advanced Reporting and Management Tools in Project 2010 (1 hour)
- Advanced Resource Management with Project 2010 (1 hour)
- Advanced Scheduling Management with Project 2010 (1 hour)
- Advanced Tools for Managing Multiple Projects with Project 2010 (1 hour)
- Building a Schedule with Project 2010 (1 hour)
- Communicating Project Information with Project 2010 (1 hour)
- Creating Resources in Project 2010 (1 hour)
- Defining Project Properties in Project 2010 (1 hour)
- Initializing a Project with Project 2010 (1 hour)
- Introduction to Project 2010 (1 hour)
- Introduction to Project Management using Project 2010 (1 hour)
- Managing Resource Assignments with Project 2010 (1 hour)
- Monitoring Schedule Performance with Project 2010 (1 hour)
- TestPrep 70-680 TS: Windows 7, Configuring (2 hours)
- Configuring Access to Resources in Windows 7 (2 hours)
- Configuring an Update Mirror - ERA (0.5 hour)
- Configuring Hardware and Applications in Windows 7 (1.5 hours)
- Configuring Mobile Computing in Windows 7 (1.5 hours)
- Configuring Network Connectivity in Windows 7 (2 hours)
- Deploying Windows 7 (1.5 hours)
- Dual Update Profile - ERA (1 hour)
- ESET Mail Security 4 for Microsoft Exchange Server (0.5 hour)
- Installing, Upgrading, and Migrating to Windows 7 (1.5 hours)
- Monitoring, Backing Up, and Restoring Windows 7 Systems (2.5 hours)
- Office 2010 New Core Features (1 hour)
- Windows 8 - Customer Care Training (0.5 hour)
- ESET EndPoint Security Solutions Technical Tutorials (2.5 hours)
- ESET EndPoint Security Solutions Technical Tutorials (2.5 hours)Dual
- Update Profile - ERA (1 hour)
- ESET Mail Security 4 for Microsoft Exchange Server (0.5 hours)
- Installing, Upgrading, and Migrating to Windows 7 (1.5 hours)

- Monitoring, Backing Up, and Restoring Windows 7 Systems (2.5 hours)
- Office 2010 New Core Features (1 hour)
- Windows 8 - Customer Care Training (0.5 hours)
- Customer Care Malware Training (0.5 hours)
- DESlock+ Product Overview (0.5 hours)
- EES EEA 6 Overview (0.5 hours)
- EESA 2 Overview (0.5 hours)
- ERA 6 Overview (0.5 hours)
- ERA\_Endpoint 6 Assessment (0.17 hours)
- ESET Endpoint for OS X (0.5 hours)
- ESET Endpoint Solutions Technical Overview (1 hours)
- ESET File Security Overview (0.5 hours)
- ESET License Administrator (0.33 hours)
- ESET Malware Removal Training (0.5 hours)
- ESET Managed Licensing System and EMU for MSP (0.17 hours)
- ESET Remote Administrator 5 Component Push/Install Walkthrough (0.33 hours)
- ESET Remote Administrator 5 Configuration Editor Walkthrough (0.33 hours)
- ESET Secure Authentication 2014: Product Overview (0.5 hours)
- DESlock+ Product Overview (2015) (0.5 hours)
- ESET Cyber Security 2014 Editions Product Overview (0.5 hours)
- ESET Cybersecurity Education Positioning (0.5 hours)
- ESET NOD32 Antivirus 7 and ESET Smart Security 7 Product Overview Training (0.5 hours)
- ESET Secure Authentication 2014: SDK (0.33 hours)
- ESET's Global Company Profile (0.5 hours)
- My ESET Internal Overview (0.5 hours)
- SOHO Product Overview (0.5 hours) ESET NOD32 Antivirus 8 and ESET Smart Security 8 Product Overview Training (0.5 hours)
- ESET Performance Management Training (0.5 hours)
- ESET Secure Authentication 2014: Market Overview (0.5 hours)
- Save Netropolis (ESET Cybersecurity Education) (0.5 hours)
- ESET Business Solutions Bundles: Sales Training (0.5 hours)
- Making the Switch to Microsoft Excel 2013 (0.17 hours)
- Making the Switch to Microsoft Lync 2013 (0.17 hours)
- Making the Switch to Microsoft Outlook 2013 (0.17 hours)
- Making the Switch to Microsoft Word 2013 (0.17 hours)
- Making the Switch to PowerPoint 2013 (0.17 hours)
- ESET Multi Device Security Home Office Edition and Small Office Security Product Overview (0.5 hours)
- ESET Phone Skills Case Studies (1 hours)
- ERA 6 Reports and Roles (0.5 hours)
- Searching for Training Materials (0.17 hours)
- Viewing and Accessing your Training (0.17 hours)
- ESET Cyber Security and Cyber Security Pro Installation and Activation (0.5 hours)
- ESET Family Security Pack Installation & Activation (0.5 hours)
- ESET Mobile Security for Android: Installation & Activation (0.5 hours)

- ESET Global Company Profile (0.5 hours)
- ESET Project Management Methodology for End Users (0.5 hours)
- ESET Vidyo Training (0.5 hours)
- Adding Computers, Agent Deployment, and Endpoint Deployment (0.5 hours)
- Advanced Setup Configuration and Protection Options - Endpoint (0.5 hours)
- Creating a Linux Remote Installation Package - Endpoint (0.5 hours)
- Creating a Rescue CD - Endpoint (0.5 hours)
- Creating Exclusions - Endpoint (0.5 hours)
- Disable Web Access Protection Remotely - ERA (0.5 hours)
- ERA Architecture and ERA Installation (0.5 hours)
- Filtering & Organizing Clients - ERA (0.5 hours)
- Installation & Initial Configuration - Endpoint (0.5 hours)
- License Manager Configuration - ERA (0.5 hours)
- Policy Manager - ERA (0.5 hours)
- Tasks and Triggers (0.5 hours)
- Types of Protection - Endpoint (0.5 hours)
- ESET Cybersecurity Training (0.5 hours)
- ESET Global Workforce (0.5 hours)
- Creating Workbooks, Worksheets, and Data in Excel 2013 (1 hours)
- ESET Partner Portal- Billing (0.5 hours)
- ESET Partner Portal - Custom Quotes (0.5 hours)
- ESET Partner Portal - Deal Registration (0.5 hours)
- ESET Partner Portal - Knowledgebase and Support (0.5 hours)
- ESET Partner Portal- Login and Profile (0.5 hours)
- ESET Partner Portal- Marketing Center, Resources, Feedback (0.5 hours)
- ESET Partner Portal - Placing Orders (0.5 hours)
- ESET Partner Portal- Product Part Codes and Prices (0.5 hours)
- ESET Partner Portal - Quotes (0.5 hours)
- ESET Partner Portal - Requesting a Refund (0.5 hours)
- ESET Partner Portal - Running Reports (0.5 hours)
- ESET Project Management Methodology for Managers (0.5 hours)
- ESET Endpoint Security for Android Technical Overview: Web Recording (0.5 hours)
- ESET Smart Security 6 Anti-Theft Protection Activation (0.5 hours)
- ESET Smart Security 6 Basic Configuration (0.5 hours)
- ESET Smart Security 6 Installation & Activation (0.5 hours)
- ESET Smart Security 6 Parental control Setup (0.5 hours)
- Types of Protection (0.5 hours)
- ESET NOD32 Antivirus 5 Installation & Activation (0.5 hours)
- ESET Smart Security 5 Installation & Activation (0.5 hours)
- ESET Forum Training (0.5 hours)
- ESET Secure Authentication Installation & Configuration (0.5 hours)
- Mac OS X Training (0.5 hours)
- EAV & ESS Version 5.2 Release (0.5 hours)
- ESET Cyber Security 4 B.E. Product Overview (0.5 hours)
- Technical Tutorials: Dual Update Profile - ERA (0.5 hours)

- Technical Tutorials: ESET NOD32 BE Installation and Initial Configuration -NOD32BE (0.5 hours)
- Bomgar: Manager Tools Training (0.5 hours)
- ESET Multi Device Security Home Office Edition and Small Office Security for ESET Partners (0.5 hours)
- ESET NOD32 Antivirus and ESET Smart Security Product Overview Training (0.5 hours)
- ESET Small Office Security for Micro Center (0.5 hours)
- Making the Switch to Microsoft Access 2013 (0.17 hours)
- Making the Switch to Microsoft OneNote 2013 (0.17 hours)
- Making the Switch to Microsoft Publisher 2013 (0.17 hours)
- Sales Syntellect App Bar Demo (0.17 hours)
- ESET Business Solutions Bundles: Business Support Training (0.5 hours)
- ESET Cyber Security Technical Overview: Web Version (0.5 hours)
- ESET Smart Security 5 Basic Configuration (0.5 hours)
- ESET Smart Security 5 Parental Controls (0.5 hours)
- ESAT - Simulation Demonstration (0.5 hours)
- CBT Nuggets Test Course - Microsoft MCSA Windows 8.1 70-688 (0.5 hours)
- Customer Care Syntellect App bar demo (0.17 hours)
- ESET NOD32 Antivirus & Smart Security Product Overview For Canada Computers (Update) (0.5 hours)
- Creating a Mac Remote Installation Package - Endpoint (0.5 hours)
- Endpoint - Express Training (0.5 hours)

### **CONTINUOUS IMPROVEMENT**

- Managing Change: Building Positive Support for Change (1 hour)
- Decision Making: The Fundamentals (1 hour)
- Business Coaching: Conducting Coaching Sessions (1 hour)
- First Steps for Turning Around a Performance Problem (1 hour)
- First Time Manager: Understanding a Manager's Role (1 hour)
- Leadership Essentials: Building Your Influence as a Leader (1 hour)
- Leadership Essentials: Motivating Employees (1 hour)
- Leading Teams: Dealing with Conflict (1 hour)
- Leading Teams: Developing the Team and its Culture (1 hour)
- Leading Teams: Motivating and Optimizing Performance (1 hour)
- Problem Solving: The Fundamentals (1 hour)
- Project Management Fundamentals (1 hour)
- Time Management: Analyzing Your Use of Time (1 hour)
- Time Management: Planning and Prioritizing Your Time (1 hour)

Note: Reimbursement for retraining is capped at 200 hours total per-trainee, regardless of method of delivery. CBT is capped at 70 hours or 70% of total training hours, per-trainee, whichever is less.



**Training Proposal for:  
Flavor Producers, Inc.**

|                       |
|-----------------------|
| <b>Small Business</b> |
|-----------------------|

**ET16-0390**

**Approval Date:** March 24, 2016

**ETP Regional Office:** North Hollywood      **Analyst:** M. Reeves

**CONTRACTOR**

- Type of Industry: Manufacturing
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 87
  - Worldwide: 111
  - Number to be trained: 78
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 8%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$91,260
- In-Kind Contribution: \$102,875

**TRAINING PLAN TABLE**

| Job No. | Job Description                              | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |  |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate        | Business Skills,<br>Computer Skills,<br>Continuous Imp.,<br>Mfg. Skills | 64                        | 8-60                | 0   | \$1,170                  | \$16.48             |
|         |  |   |                           | Weighted Avg:<br>45 |     |                          |                     |
| 2       | Retrainee<br>SB <100<br>HUA<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Continuous Imp.,<br>Mfg. Skills | 14                        | 8-60                | 0   | \$1,170                  | \$12.36*            |
|         |  |   |                           | Weighted Avg:<br>45 |     |                          |                     |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Laboratory Staff, Production Staff, Office Staff, Sales Staff
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$2.73 per hour Job #2: \$2.36 per hour

**SUBCONTRACTORS**

- Development Services: Downey, Smith & Fier in Lakewood assisted with development at no charge.
- Administrative Services: Downey, Smith & Fier will provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

**OVERVIEW**

Flavor Producers, Inc. (Flavor Producers) manufactures flavors for drinks, dairy products, baked goods, nutrition bars, cereals, and more. The Company was founded in 1981 and is located in Valencia. The Company’s premium custom flavors, produced in powder or liquid form, are available in: Certified Organic, Natural, Natural & Artificial, Artificial, Kosher, and Non GMO (genetically modified organism).

## **Need for Training**

Flavor Producers has experienced significant growth over the past few years. As such, the Company has determined that it must improve internal efficiencies to maintain quality and control costs. In addition, tighter flavor industry regulations make it necessary for the Company to improve its manufacturing procedures. Specific areas identified for improvement include food/material handling, laboratory skills, sanitation processes, communication skills, and order processing. The Company is implementing new systems and processes, including a new Manufacturing Resource Planning (MRP) system. This new system features an integrated platform that impacts all areas of the organization.

To maximize the utility of its new MRP system and improve overall operations, the Company plans to upgrade workers' skills in the areas of product development, customer service, manufacturing, sales, inventory control, and cost reduction. By retraining workers in the latest manufacturing software technology, Flavor Producers will be able to establish tighter business controls and achieve higher quality standards through improved plant efficiency.

## **Training Plan**

**Business Skills** – Training will be provided to all occupations. Training will focus on product knowledge, inventory control, sales techniques, and project management. This training is intended to improve customer communication and stimulate sales growth.

**Computer Skills** – Training will be provided to all occupations. All employees will receive training in the functionality and capabilities of the new MRP system. Trainees will develop staff's software navigation and resource planning skills to perform their jobs more efficiently. In addition to MRP training, workers will receive training in Microsoft Office applications, customer relationship management, and tablet technology to improve office customer relations and office productivity.

**Continuous Improvement** – Training will be provided to all occupations. This training is designed to improve internal processes, reduce costs, and maximize organizational efficiency through problem solving and data evaluation.

**Manufacturing Skills** – Training will be provided to Production Staff and Laboratory Staff. Trainees will gain the skills and knowledge to operate and maintain equipment, ensure product quality, and implement best practices in the areas of product production and food/materials handling.

## **High Unemployment Area Wage Modification**

The trainees in this proposal work in a High Unemployment Area (HUA). The Los Angeles County area encompassing Valencia and Val Verde is a region with unemployment exceeding the state average by at least 25%. Flavor Producers' facility in Valencia qualifies for HUA status under these standards.

For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. Flavor Producers is requesting a wage modification from \$16.48 to \$12.36 per hour for the 14 trainees in Job Number 2 only.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 - 60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Product Knowledge and Specifications
- + Customer Service
- + Leadership
- + Project Management
- + Team Building
- + Inventory control
- + Sales Skills
- + Time Management

**COMPUTER SKILLS**

- + MRP System
- + Office Software
  - o Customer Relationship Management (CRM)
  - o Enterprise Resource Planning (ERP)
  - o Microsoft Office
- + Tablet Training

**CONTINUOUS IMPROVEMENT**

- + Quality Improvement
- + Cost Reduction/Data Evaluation/Material Handling
- + Efficiency/Process Improvement

**MANUFACTURING SKILLS**

- + Production Equipment Operation
- + Equipment Maintenance Skills
- + Food Safety/Production Standards
- + Good Manufacturing Practices

|  |
|--|
| Note: Reimbursement for retraining is capped at 60 total training hours per trainee, regardless of the method of delivery. |
|--|





**Training Proposal for:  
Georg Fischer Harvel LLC**

|                       |
|-----------------------|
| <b>Small Business</b> |
|-----------------------|

**ET16-0400**

**Approval Date:** March 22, 2016

**ETP Regional Office:** North Hollywood      **Analyst:** L. Vuong

**CONTRACTOR**

- Type of Industry: Manufacturing
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 37
  - Worldwide: 230
  - Number to be trained: 37
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 5%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$43,290
- In-Kind Contribution: \$44,640

**TRAINING PLAN TABLE**

| Job No. | Job Description                              | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |  |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate<br>SB <100<br>HUA | Business Skills,<br>Computer Skills,<br>Continuous Impr.,<br>Mfg. Skills | 37                        | 8-60                | 0   | \$1,170                  | \$15.60             |
|         |  |  |                           | Weighted Avg:<br>45 |     |                          |                     |

- Reimbursement Rate: Job #1: \$26 SB Priority
- County(ies): Kern
- Occupations to be Trained: Extrusion Operator, Extrusion Supervisor, Maintenance Technician, Quality Control Technician, Manager, Shipping & Warehouse Associates
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$0.60 per hour

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

**OVERVIEW**

Georg Fischer Harvel LLC (GF Harvel), manufactures polyvinyl chloride (PVC) and post chlorinated polyvinyl chloride (CPVC) pipes, piping solutions, engineered piping systems, thermoplastic duct systems and machining stock extrusions. Its products and system are used in chemical processing, energy, biotech, marine, cooling technology, water treatment and micro-electronics. Major customers include residential, commercial and high-rise construction developer and contractors. The Company has manufacturing facilities in Pennsylvania, Arkansas and California (Bakersfield).

GF Harvel is requesting funding to train 37 employees at its Bakersfield facility. This will be GF Harvel’s first ETP Agreement.

GF Harvel must keep up with growing demand and new industry requirements. The Company must improve manufacturing skills, and update equipment. The Company’s goal is to incorporate the newest industry requirements and new technologies; offer reasonable prices; produce better quality products; reduce customer complaints, and provide on-time delivery. This requires a trained staff with a thorough understanding of parts, materials and specialized

equipment. The Company is committed to upgrading the skills of its workforce and implementing process improvements.

### **Training Plan**

ETP funds will help the Company deliver formalized training to its workforce. The proposed training will help GF Harvel to upgrade worker skills, increase customer services and help to expand business. Employees will be cross-trained to increase productivity, produce better products, be proactive with technological advances and improve overall business to remain competitive.

Classroom/Laboratory and Videoconference will be provided as follows:

**Business Skills:** This training will be offered to all occupations. Training will provide trainees with the skills to understand manufacturing fundamentals and demonstrate ways to build and sustain better business relationships.

**Computer Skills:** This training will be offered to all occupations. Trainees will gain the skills needed to use the Company's automated systems to provide efficient and effective customer service.

**Continuous Improvement:** This training will be offered to all occupations. Training will provide trainees the skill sets to eliminate waste, streamline processes and improve customer satisfaction.

**Manufacturing Skills:** This training will be offered to all occupations. This training will provide trainees with the knowledge and skills to operate with and maintain equipment, keep up with industry requirements and improve manufacturing processes.

### **High Unemployment Area**

All 37 trainees work in a High Unemployment Area (HUA) with unemployment exceeding the state average by at least 25%. The Company's location in Bakersfield, Kern County qualifies for HUA status under these standards. However, GF Harvel is not asking for a wage modification.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Business Practices and Principles
- Teamwork Building
- Manufacturing Fundamentals
- Establish and Maintain Effective Working Relationships

**COMPUTER SKILLS**

- CourseWorks Platform
- Computer Interactive Process and Materials Learning
- Manufacturing Process Simulations Software
- Compounding with the Twin-Screw Extrusion
- Extruder Operation and Control – Single Screw

**CONTINUOUS IMPROVEMENT**

- Standard Operating Procedures for Efficiency
- Reducing Defects and Waste
- Improve Customer Satisfaction
- Employee Development and Retention
- Contribute to the Effectiveness of the Workplace
- Contribute to Coordinating the Production Process
- Contribute to the Manufacturing Process

**MANUFACTURING SKILLS**

- Train the Trainer
- Hand over the Production Activities
- Maintenance of the Product Quality
- Maintenance Machinery Safety
- Continuous maintenance of Production Activities
- Machine-Based Plastics Production Process
- Run & Monitor Production Process
- Contribute to Coordinating the Production Process
- Contribute to the Improvement of the Manufacturing Process
- Prepare for Start-up of a Machinery-Based Plastics Product Operations
- Start Up and Maintain a Plastics Production Operation
- Shutdown and Changeover a Production Process

Safety Training will be limited to 10% of total training hours per-trainee.

|   |
|---|
| Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. |
|---|



**Training Proposal for:  
Golden Communications, Inc.**

**Small Business**

**ET16-0416**

**Approval Date:** March 22, 2016

**ETP Regional Office:** San Diego

**Analyst:** H. Bernard

**CONTRACTOR**

- Type of Industry: Technology/IT Services  
Priority Industry:  Yes  No
  
- Number of Full-Time Employees
  - California: 38
  - Worldwide: 40
  - Number to be trained: 30
  
- Out-of-State Competition: Owner  Yes  No
- Special Employment Training (SET): NAICS Code Eligible  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 0%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$15,600
- In-Kind Contribution: \$13,115

**TRAINING PLAN TABLE**

| Job No. | Job Description              | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|------------------------------|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                              |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Priority/Retrainee<br>SB<100 | Business Skills,<br>Computer Skills,<br>Continuous Improvement | 30                        | 8 - 60              | 0   | \$520                    | \$16.51             |
|         |                              |  |                           | Weighted Avg:<br>20 |     |                          |                     |

- Reimbursement Rate: Job #1: \$26 SB Priority
- County(ies): Orange
- Occupations to be Trained: Senior Back End Developers; Back End Developers; Front End Developers; Customer Service & Support Staff; Marketing Staff; Project Managers; Owner
- Union Representation:  Yes  
 No
- Health Benefits: N/A

**SUBCONTRACTORS**

- Development Services: NA
- Administrative Services: NA
- Training Vendors: To Be Determined

**OVERVIEW**

Golden Communications Inc. (GoldenComm) started in 1995 in CEO Jason Levin's garage before opening its first office in Orange County with three employees in 1999. Today, GoldenComm provides Internet Programming and Marketing Services to over 500 customers. The Company has grown from a simple web development firm to a "one-stop-shop" for internet programming and marketing services including custom websites, internet programming web personalization, e-commerce and marketing/strategic planning.

GoldenComm designs and develops websites for a variety of companies from many industries including automotive distributors, restaurants, fitness studios, law firms, identity security firms and medical offices. The Company provides custom programming for mid-range e-commerce systems to companies with \$1M to \$500M in annual sales. These e-commerce services include product listing ads, marketplaces, customer loyalty programs and social media strategies. Additionally, GoldenComm provides marketing planning services to their customers. These services include increasing sales through their business-to-business (B-2-B) e-commerce system, in which the marketing team drives new sales; improves marketing efficiencies; marketing automation; and assists companies with Google relevancy.

## Training Plan

GoldenComm has a company culture in which training is encouraged by executive and management staff and the Company provides training daily. Apart from the job skills training that its staff needs to perform their job functions, GoldenComm also encourages extensive cross-training as well as employee professional development. The Company's need for training is driven by constant changes to website and internet technologies. The primary focus of the Company's ETP-funded training initiative is the improvement of technical computer skills for all employees. Non-technical staff will receive basic training in computer programming and e-commerce, allowing staff to assist customers, and market services to potential clients. Front & back end web developers will receive highly technical and extensive programming training to stay current with new technology trends.

Additionally, the Company is currently engaged in a process improvement initiative to maximize efficiencies across all departments. A primary focus of this initiative includes the implementation of new project management methodologies and processes. GoldenComm staff will receive ETP-funded training on the Scrum project management methodology in which, development team's work together toward a common goal/project outcome. To complement the new methodology, the Company is utilizing a new project management software tool, Jira, on which staff will be trained.

The Company is committed to creating a better customer experience. Because the customer service team is the first line of communication with clients, they will need extensive training to ensure the highest level of customer satisfaction. Staff will be trained on communication, conflict resolution, and telephone skills. Staff will also be cross-trained in other departments including marketing and programming so they can provide comprehensive information to customers.

**Business Skills** - This training will be offered to all occupations and will include Project Management, Product Knowledge, Communication Skills, Strategic Planning, Customer Relations and Time Management. Training will increase employee's abilities to effectively manage projects and deal effectively with customers.

**Computer Skills** – This training will be offered to all occupations. Senior Back End Developers, Back End Developers and Front End Developers will receive the most training in Computer Skills as they must be continually trained on new code and programming software, including JavaScript, Coding Standards, Sass, Git, and Magento. Other staff will receive Computer Skills training as it relates to the Project Management software and any cross training on coding and programming software that will assist them in their job function.

**Continuous Improvement** - This training will be offered to all occupations as a part of the Company's process improvement initiative. This will include training on updated Standard Operating Procedures, Quality Improvement and Leadership Skills.

The above training will be provided by both in-house and outside training vendors. GoldenComm is in the process of selecting vendors.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 - 60 Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Project Management
- + Strategic Planning
- + Product Knowledge
- + Account Management
- + Advanced Product Knowledge
- + Customer Service
- + Telephone Skills
- + Conflict Resolution
- + Communication Skills
- + Time Management
- + Marketing and Business Development

**COMPUTER SKILLS**

- + Computer Programming
  - o Coding Standards
  - o Javascript
  - o Sass
  - o Git
  - o Magento
  - o Web Accessibility
  - o Kentico
  - o Wordpress
  - o SQL
  - o NopCommerce
- + Advanced Microsoft Office Suite
- + E-Commerce Skills
- + Website Development

**CONTINUOUS IMPROVEMENT**

- + Teambuilding
- + Process/Quality Improvement
- + Standard Operating Procedures
- + Leadership Skills

|   |
|---|
| Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. |
|---|





**Training Proposal for:  
Griswold Controls, LLC**

|                       |
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| <b>Small Business</b> |
|-----------------------|

**ET16-0424**

**Approval Date:** April 6, 2016

**ETP Regional Office:** San Diego

**Analyst:** M. Ray

**CONTRACTOR**

- Type of Industry:
  - Manufacturing
  - Services
  - Priority Industry:  Yes  No
  
- Number of Full-Time Employees
  - California: 69
  - Worldwide: 73
  - Number to be trained: 64
  - Owner  Yes  No
  
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 14%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$68,224
- In-Kind Contribution: \$98,611

**TRAINING PLAN TABLE**

| Job No. | Job Description                       | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---------------------------------------|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                                       |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>Mfg. Skills,<br>Literacy Skills,<br>OSHA 10/30,<br>PL-Mfg. Skills | 64                        | 8-60                | 0   | \$1,066                  | \$16.51             |
|         |                                       |  |                           | Weighted Avg:<br>41 |     |                          |                     |

- Reimbursement Rate: \$26 SB Priority
- County(ies): Orange
- Occupations to be Trained: Administrative Support, Sales, Quality, Engineering, Production/Assembly, Manager/Supervisor, Owner
- Union Representation:  Yes  
 No
- Health Benefits: \$2.32 per hour

**SUBCONTRACTORS**

- Development Services: Assured Incentives Group (AIG) in San Clemente assisted with development for a flat fee of \$3,750.
- Administrative Services: AIG will also provide administrative services for a fee not to exceed 8% of payment earned.
- Training Vendors: ISO Ready Quality Assurance in Concord will deliver Continuous Improvement training.

**OVERVIEW**

Founded in 1960, Griswold Controls, LLC (Griswold) ([www.griswoldcontrols.com](http://www.griswoldcontrols.com)) develops and manufactures energy and resource-efficient control products for Hydronic HVAC systems, irrigation systems, and various other industrial processes. Located in Irvine, Griswold pioneered automatic flow control with the introduction of its stainless steel flow cartridge more than 50 years ago. Today, Griswold has a wide array of flow control products including valves and pre-assembled systems for the HVAC industry as well as irrigation valves and pre-assembled piping systems for the landscaping market.

This will be Griswold's second ETP Agreement in the last five years. The majority of training focused on enhancing manufacturing and business processes through Lean Manufacturing concepts and maintenance of necessary certification such as the ISO9001:2008.

Recently, the ISO's flagship quality management systems standard, ISO9001, published a revision in September 2015. As an ISO9001-certified company, Griswold has an immediate need to bring their workers up-to-date with this standard to demonstrate consistent good quality products as well as organize and improve efficiency of processes.

Griswold's training needs are also driven by the continued out-of-state and international competition from companies bringing assembled low-cost products into the US. The Company reports that 75% of its revenues come from out-of-state businesses and 10% from international customers. To keep its competitive edge, Griswold must continuously design, develop and improve its products.

The Company must provide its workers a comprehensive training program to keep pace with industry standards, satisfy customer requirements, and surpass customer satisfaction. With the help of ETP funding, Griswold will be able to provide a comprehensive ISO9001:2015 training certification program that will involve a variety of operational and documentation requirements that are significantly different from the current ISO9001. Without this certification, Griswold may lose customers to out-of-state manufacturing, while others may seek competitors that have the required certification.

The training program will also focus on process improvement throughout the entire supply chain management, manufacturing, and fulfillment process including internal auditor upgrades. Overall, funding will continue to allow employees to improve skills necessary to increase production capabilities and improve manufacturing processes to meet customer demands and remain competitive in the global market.

## **Training Plan**

The proposed curriculum will enhance the training plan established in its first ETP Agreement and provide extensive ISO training. Although workers trained under prior Agreement will also be trained in this proposal, the Curriculum will be different. No trainee will receive training in same curriculum they received previously. ETP training will begin upon approval and will be delivered by in-house and outside vendor trainers at the Irvine location. The Company intends to train approximately 64 workers. Training will be delivered via Class/Lab and Productive Laboratory training method in the following:

**Business Skills** – Training will be provided to Administrative Support, Sales, Engineering and Manager/Supervisor as it relates to their specific job functions. Training topics include Sales & Negotiations Skills, Customer Service Best Practices, Conflict Resolution, Strategic Planning, and Financial Modeling. Training will allow workers to understand the Company's products and internal processes. Trainees will improve purchasing and negotiating skills to provide the highest level of customer service.

**Computer Skills** – Training will be provided to Administrative Support, Sales, Engineering and Manager/Supervisor. Microsoft Office 365 training will be repeated from prior Agreement; however, the Company ensures that the subject matter has been updated and/or improved; thus, no duplication of training will occur. Further, training will be delivered to trainees who did not participate in the previous project. This training will allow trainees to operate at intermediate and advanced levels of MS Office 365.

**Continuous Improvement** – Training will be provided to all occupations. Griswold is hiring an outside vendor to provide ISO 9001:2015 training to streamline processes and increase production efficiencies and meet the changes in customer requirements. Course topics also

include Quality Control: Inspection Techniques, Production Workflow Procedures, and Root Cause Analysis to help improve productivity and increase efficiency throughout the organization.

**Manufacturing Skills** – Training will be provided to Production Staff in Finishing Procedures, Machine Set-Up/Change-Over, Production Equipment Operation, Equipment Troubleshooting, and Preventative Maintenance. Training will provide the trainees with skills necessary to improve product quality and manufacturing processes.

**Literacy Skills** – Training will be provided to Production/Assembly Staff in Vocational English as a Second Language (VESL) and Basic Math. The changes in the customer requirements resulted in changes in the Company's internal processes causing a dramatic need for Literacy Skills training as it relates to the organization's manufacturing processes. VESL Skills training in Writing, Reading, and Language Comprehension will allow trainees to better understand business reports, work orders, instructions, and other documents to help them work more independently.

### **Certified Safety Training**

OSHA 10/30. This training is a series of courses "bundled" by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. OSHA training will be delivered to Production/Assembly and Manager/Supervisor with a coursework geared to manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

### **Productive Laboratory – Manufacturing Skills**

The Panel recently adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training, in the courses identified under the Curriculum and with no more than one trainee per instructor. The instructor must be dedicated to training delivery during all hours of training.

Griswold requests PL training in Manufacturing Skills for approximately 20 Production/Assembly Staff. The Company reports that Production/Assembly workers are more tactile than theoretical/visual learners. Hands-on training with actual components, parts and machineries will allow trainees to learn the sounds, resistances, tolerances and textures associated with proper machine operations, assembly, and preventative maintenance. In most cases, training may not be reproduced in a classroom or simulated laboratory setting.

PL trainers will be qualified and/or machine-certified to instruct and deliver the course content and material. Trainers are responsible for directing the operations and instructions as well as providing overview, objectives, standard operating procedures, demonstration and course correction during all sessions. Select trainers will have 5 to 10+ years of experience in the current function and/or will have been trained by machine-certified staff.

Trainees may receive all training hours in PL-Manufacturing Skills (up to 20 hours) or in combination of class/lab. Training topics include Finishing Procedures, New Parts & Operational Assembly, Machine Set-Up/Change-Over, Equipment Troubleshooting and Preventative Maintenance to ensure trainees receive a broader understanding of the entire manufacturing process.

The trainer-to-trainee ratio will be 1:1. This will allow trainees to acquire the skills to become competent in the operation of the equipment without the pressure of normal production requirements.

### **Contract Term**

Although the standard term of contract for Small Business is 12 months, Griswold requests an additional 12 months in the term of contract, from 12 to 24 months, to better align with the Company's training plan with the completion of the ISO training hours for its workers.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

The following table summarizes performance by Griswold under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term            | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|-----------------|-----------------|------------------------|
| ET14-0322     | Orange          | 5/5/14 – 5/4/16 | \$60,736        | \$46,826 (77% )        |

Training was completed in April 2015. The Company successfully provided 48 workers an average of 41 hours of training.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 – 60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Sales & Negotiation Skills
- Customer Service Best Practices
- Conflict Resolution
- Strategic Planning
- Financial Modeling

**COMPUTER SKILLS**

- Intermediate Microsoft Office 365
- Advanced Microsoft Office 365

**CONTINUOUS IMPROVEMENT**

- Quality Control: Inspection Techniques
- ISO9001:2015
  - Internal Auditor Training Preventive Actions Non-Conformance
- Production Workflow Procedures
- Root Cause Analysis

**MANUFACTURING SKILLS**

- Finishing Procedures
- New Parts & Operational Assembly
- Machine Set-Up/Change-Over
- Production Equipment Knowledge/Operation
- Machine Operator Cross-Training
- Equipment Troubleshooting
- Preventative Maintenance
- Shop Math

**LITERACY SKILLS**

- Vocational English as a Second Language
- Basic Math

**OSHA 10 (Certified OSHA Instructor)**

- OSHA 10 (requires 10 hours completion)
- OSHA 30 (requires 30 hours completion)

**Productive Lab**

0 – 20

**MANUFACTURING SKILLS (1:1 ratio)**

- Finishing Procedures
- New Parts & Operational Assembly
- Machine Set-U/Change-Over
- Equipment Troubleshooting
- Preventative Maintenance

Literacy Training cannot exceed 45% of total training hours, per-trainee.  
Safety Training will be limited to 10% of total training hours, per-trainee. This cap does not apply to OSHA 10/30.

Note: Reimbursement for retraining is capped at 60 total hours, per-trainee, regardless of method of delivery. PL is capped at 20 hours, per-trainee.



**Training Proposal for:  
Hammond Enterprises Inc.**

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| <b>Small Business</b> |
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**ET16-0475**

**Approval Date:** May 12, 2016

**ETP Regional Office:** Sacramento

**Analyst:** W. Sabah

**CONTRACTOR**

- Type of Industry: Manufacturing
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 42
  - Worldwide: 42
  - Number to be trained: 38
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 4%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$59,280
- In-Kind Contribution: \$88,764



**TRAINING PLAN TABLE**

| Job No. | Job Description                       | Type of Training  | Estimated No. of Trainees | Range of Hours      |      | Average Cost per Trainee | Post-Retention Wage |
|---------|---------------------------------------|---|---------------------------|---------------------|------|--------------------------|---------------------|
|         |                                       |   |                           | Class / Lab         | CBT  |                          |                     |
| 1       | Retrainee<br>Priority Rate<br>SB <100 | Computer Skills,<br>Continuous Improvement,<br>Manufacturing Skills | 38                        | 8-60                | 0-15 | \$1,560                  | \$17.02             |
|         |                                       |   |                           | Weighted Avg:<br>60 |      |                          |                     |

- Reimbursement Rate: Job #1: \$26 SB Priority
- County(ies): Contra Costa
- Occupations to be Trained: Administration & Planning Staff, Quality Assurance Staff, Maintenance Staff, Manufacturing Staff
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$1.02 per hour

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

**OVERVIEW**

Founded in 1989 and located in Pittsburg, Hammond Enterprises Inc. ([www.hammondenterprises.com](http://www.hammondenterprises.com)) (Hammond Enterprises) provides planning and manufacturing expertise to the semiconductor, medical, aerospace, environmental, precision lock, and custom grinding manufacturing industries. The Company also provides manufacturing solutions from quick turn prototypes through large volume production to turn-key manufacturing. Hammond Enterprises is ISO certified, and their current facility has approximately 37,000 square feet of work space to handle large orders. The Company is dedicated to producing high quality products and ensuring customer satisfaction through in-house manufacturing and cutting-edge technology.

Hammond Enterprise's goal is to maintain a prestigious reputation by delivering high quality products on time and exceeding customer expectations. Customers are now requiring companies to increase their capabilities to adhere to the standards of diverse industries such as semiconductor, medical and aerospace. To adapt to these new requirements, the Company formulated a stronger policy and training plan to build a more efficient, effective and a highly motivated team. Hammond Enterprise's current customers are now demanding that the Company become ISO 13485, ISO 14001 and AS9100 certified. Due to the evolving customer

demand, Hammond Enterprises needs to provide ISO and AS training to remain competitive in the market. With the acquisition of certifications in different quality management organizations, the Company will have the opportunity to build their clientele and promote their business by venturing into other industries.

In addition to ISO and AS training, staff require training on the recently implemented new ERP system. Trainees currently have limited knowledge on the software. Training will allow staff to fully utilize the full functions of the system. Quality Assurance Staff and Manufacturing Staff will also require training on different programming software to efficiently manufacture prototypes. ETP training will allow the Company to provide exceptional service to its' current customers and expand its competitive edge to secure new customers.

## **Training Plan**

Trainee's will receive 8-60 hours of Classroom/Laboratory training and 0-15 hours of Computer-Based Training. Training will be delivered by a combination of in-house subject matter experts and outside vendors to be identified during the contract term. The Quality Manager will be the primary project administrator of the ETP project. He will work with the Plant Manager and Document Control Assistant to schedule training, enroll trainees, and track training hours to complete the ETP project successfully.

**Computer Skills:** Training will be offered to all occupations on the Company's new ERP/CMM systems and Microsoft Excel (Intermediate/Advanced) application to improve operation productivity. Trainees will develop software navigation skills needed to perform their jobs more efficiently and gain the knowledge to program new company equipment. Training topics will include E2 Shop Tech (ERP system), Calypso (CMM system), and Microsoft Excel.

**Manufacturing Skills:** Training will be offered to all occupations on the design and fabrication of new products. Trainees will also receive cross-training in equipment operation, assembly, testing, inspection technologies, and packaging advancements for new products. Geometric Dimension and Tolerancing (GD&T) training will enable staff to accurately draw and manufacture prototypes. Training topics will include Geometric Dimensioning and Tolerancing and Programming of various software such as Part Maker, Surf CAM, Index Turning Machines, and Hurco Milling Machines.

**Continuous Improvement:** Training will be delivered to all occupations to advance quality management and assurance techniques. Training will focus on different ISO/AS courses from different industries to enable the Company to remain competitive and expand into new markets. Training topics include ISO 9001, ISO 13485, ISO 14001, and AS 9100.

## **Impact/Outcome**

Hammond Enterprise's goal is to enhance employee competencies that are vital to the long-term success of the organization by delivering quality products. Trainees will attain certifications in ISO 13485, ISO 14001 and AS9100 for Continuous Improvement to adapt and excel in new markets. Training will allow the Company to exhibit their best skills in various technologies and platforms to attain more customers.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-60

Trainees may receive any of the following:

**COMPUTER SKILLS**

- Microsoft Excel (Intermediate/Advanced)
- ERP (Enterprise Resource Planning) - E2 Shop Tech
- Calypso - CMM Software

**CONTINUOUS IMPROVEMENT**

- ISO
  - 9001 - Quality Management Systems
  - 13485 - Medical Device Systems
  - 14001 - Environmental Management Systems
  - AS (Aerospace) 9100

**MANUFACTURING SKILLS**

- Programming
  - Part Maker Software
  - Surf CAM Software
  - Index Turning Machines
  - Hurco Milling Machines
- Geometric Dimensioning and Tolerancing (GD&T)

**CBT Hours**

0-15

**MANUFACTURING SKILLS**

- Geometric Dimensioning and Tolerancing (GD&T) (15 hours)

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. CBT is capped at 50% of total training hours, per-trainee excluding OSHA 10/30, HAZWOPER or HAZMAT



**Training Proposal for:  
Haskell & White LLP**

**Small Business**

**ET16-0435**

**Approval Date:** April 15, 2016

**ETP Regional Office:** San Diego

**Analyst:** K. Campion

**CONTRACTOR**

- Type of Industry: Services
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 59
  - Worldwide: 59
  - Number to be trained: 59
  - Owner  Yes  No
- Out-of-State Competition: Competitors Outside CA
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 2%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$49,324
- In-Kind Contribution: \$88,855

**TRAINING PLAN TABLE**

| Job No. | Job Description      | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|----------------------|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                      |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100 | Business Skills<br>Commercial Skills<br>Computer Skills | 59                        | 8-60                | 0   | \$836                    | \$16.46             |
|         |                      |   |                           | Weighted Avg:<br>38 |     |                          |                     |

- Reimbursement Rate: \$22 SB Non-Priority
- Counties: Orange, San Diego
- Occupations to be Trained: Admin. Staff, Operations Staff, Staff Accountant, Senior Accountant, Principal, Manager, Owner/Partner
- Union Representation:  Yes  
 No
- Health Benefits: \$1.51 per hour

**SUBCONTRACTORS**

- Development Services: Training Refund Group (TRG) in Anaheim assisted with development for a flat fee of \$3,000.
- Administrative Services: TRG will also provide administrative services for an amount not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

**OVERVIEW**

Founded in 1988, Haskell & White LLP, Certified Public Accountant and Business Advisors (Haskell & White) (<http://www.hwcpa.com>), is an independently owned accounting and business advisory firm in Southern California. The Company is headquartered in Irvine and also has an office in San Diego; both will participate in ETP-funded training. Haskell and White provides auditing, accounting, tax and business advisory services to real estate, manufacturing and distribution, life sciences, and technology companies.

**Need for Training**

The need for training is driven by Haskell and White’s continuous effort to expand its business. The Company has grown by 15% a year over the past several years. To continue this trend, the Company must provide customers with sound financial advice and tax planning strategies by keeping up with rapid changes brought about by industry and government.

The Company must also upgrade staff skills to improve processes and increase knowledge, as outlined in the Training Plan below.

### **Training Plan**

All training will be conducted via class/lab in the following:

**Business Skills** – Training will be provided to all occupations. Business Skills training will ensure that employees develop skills to provide quality customer service, deliver informed product presentations and recommendations, and manage project assignments efficiently. Some managers and leaders of the organization will receive Leadership and Managing Growth Skills to improve management skills at work and communication skills with clients.

**Commercial Skills** – Training will be offered to all occupations. The IRS and regulatory agencies are continuously changing compliance rules. Trainees need to understand changes in accounting and tax rules from year to year. They also have to understand the planning aspects of law changes or new interpretations of existing law in order to provide beneficial services.

**Computer Skills** – Training will be provided to all occupations. Trainees will learn Accounting and tax software application skills. Trainees will also receive MS Office skills to be able to create databases, spreadsheets, reports, charts, graphs, and professional presentation materials.

### **Request for Two-Year Contract Term**

The Company requests a 2-year term. Most training will only be delivered May–September and again from November–January during the off-peak periods. A two-year term would offer the Company more time to deliver training.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8–60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Communication/Customer Service Skills
- + Conflict Resolution
- + Critical Thinking Skills
- + Leadership Training
- + Managing Growth
- + Marketing Skills
- + Networking Skills
- + Presentation Skills

**COMMERCIAL SKILLS**

- + Accounting & Auditing Update
- + Annual SEC Update
- + Best Practices & Projects
- + Municipal Bond Market Today
- + Tax Law Updates

**COMPUTER SKILLS**

- + Accounting and Process Software Application Skills
- + Intermediate and Advanced MS Office
- + Tax Software Application Skills

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.



**Training Proposal for:  
Infinite RF Holdings, Inc.**

|                       |
|-----------------------|
| <b>Small Business</b> |
|-----------------------|

**ET16-0434**

**Approval Date:** April 18, 2016

**ETP Regional Office:** San Diego

**Analyst:** M. Ray

**CONTRACTOR**

- Type of Industry: Manufacturing
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 79
  - Worldwide: 96
  - Number to be trained: 79
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 5%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$71,890
- In-Kind Contribution: \$62,325



**TRAINING PLAN TABLE**

| Job No. | Job Description                       | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---------------------------------------|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                                       |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate<br>SB <100 | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>HazMat,<br>Mfg. Skills | 79                        | 8 - 60              | 0   | \$910                    | *\$16.51            |
|         |                                       |   |                           | Weighted Avg:<br>35 |     |                          |                     |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

- Reimbursement Rate: \$26 SB Priority
- County(ies): Orange
- Occupations to be Trained: Administrative Support/Finance, Sales/Service, Quality Assurance, Production, Product Management, Marketing, Purchasing, Information Technology, Manager/Supervisor
- Union Representation:  Yes  
 No
- Health Benefits: Up to \$4.51 per hour

**SUBCONTRACTORS**

- Development Services: Training Funding Source (TFS) in Seal Beach assisted with development for a flat fee of \$1,900.
- Administrative Services: TFS will also provide administrative services for an amount not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

**OVERVIEW**

Founded in 1972 and located in Irvine, Infinite RF Holdings, Inc. (Infinite RF) ([www.infiniterf.com](http://www.infiniterf.com)) is the parent company of three wholly-owned subsidiaries located in California, Texas and Shanghai, China. This proposal will target workers from Infinite RF and its subsidiary, Pasternack Enterprises, Inc. (Pasternack) ([www.pasternack.com](http://www.pasternack.com)). Infinite RF and Pasternack manufacturer and supply radio-frequency (RF) and microwave components including adapters, connectors, attenuators, and coaxial cables to approximately 19 international distributors serving more than 35 countries worldwide. The Companies maintain an inventory of more than 40,000 products ranging from rare, hard-to-find components to a broad array of industry-standard assemblies. Customers include Boeing, Raytheon, General Dynamics and Honeywell.

The Company states that the RF and microwave industry is extremely competitive with out-of-state and international competitors. In order to maintain its place in the industry, both

Companies must keep up with technological advancements and provide its workers with the most innovative tools and methods to improve its products. As a result, Infinite RF has committed to implement new and upgrade existing software systems in the next two years, specifically, Sharepoint and Customer Relationship Management (CRM).

Recently, the Companies implemented its proprietary database, Product Hierarchy Database (PHDB), which contains all product data in a specific, organized format. The database is a hub for pertinent systems such as Navision (ERP system), company webpage, and Sharepoint in order to run parallel with each other. This hub effectively supports adding products and creating respective datasheets and webpages to streamline business processes. As a result, Infinite RF must provide its workers with comprehensive training to successfully utilize software systems.

Training is also driven by the Companies' plan to expand its Product Management Group. Created in 2014, this department covers two distinct but related activities, Product Management and Product Engineering. This group provides full management and support including sales, purchasing, quality assurance, and other interdepartmental activities related to specific products. These workers require training to successfully provide wide-array of support activities specific to the Company's products. Training will improve business strategies to reduce cost and allow the Companies to accelerate new product addition and drive revenue increase.

ETP funding will assist Infinite RF to continue to provide high-quality, cost-effective RF and microwave components to its customers. Most specifically, funding will provide the Company with the skill sets needed to keep up with technology, improve manufacturing efficiencies, increase production levels, and continue to grow and complete in the marketplace.

## **Training Plan**

ETP training will begin upon approval and will be delivered by in-house trainers at the Irvine location. Infinite RF may also procure outside vendors provide training. The Company intends to train approximately 79 workers. Training will be delivered via Class/Lab training method in the following:

**Business Skills** – Training will be provided to all occupations as it relates to their job function. Training topics include Conflict Management, Interdepartmental/Business Communication, Leadership, Product or Service Knowledge, Sales and Customer Relations, and Time Management. Training will allow workers to better understand the Company's products and internal processes in order to provide superior service to its customers.

**Computer Skills** – Training will be provided to all occupations as it relates to their job function. The majority of training will be in the Company's software systems as well as its proprietary system to address technological needs. Course topics include CRM, HRIS, MS Office, MS Project, MS Visio, MS Sharepoint, Navision (ERP), Paycom, PHDB and SQL.

**Continuous Improvement** – Training will be provided to all occupations. Training will focus in the improvement of business processes specifically in export regulations and quality to improve business performance and effectively support its customers.

**Hazardous Materials** – Training will be provided to Production, Manager/Supervisor and Purchasing to ensure staff understands how to safely manage and dispose hazardous materials in order to enhance a safe working environment.

**Manufacturing Skills** – Training will be provided to Production and Manager/Supervisor. Topics include Equipment Operations, Lean Manufacturing, Six Sigma, and Soldering. Training

will provide the trainees with skills necessary to improve product quality and the Company's overall manufacturing processes.

### **Contract Term**

Although the standard term of contract for Small Business is 12 months, Infinite RF requests an additional 12 months in the term of contract, from 12 to 24 months, to better align with the Company's training plan in the implementation of new software systems as well as improvements of existing systems for its workers.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 – 60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Conflict Management
- + Interdepartmental/Business Communication
- + Leadership
- + Product or Service Knowledge
- + Sales and Customer Relations
- + Time Management

**COMPUTER SKILLS**

- + Customer Relationship Management
- + Human Resource Information System
- + Microsoft Office
- + Microsoft Project
- + Microsoft Visio
- + Microsoft Sharepoint
- + Navision
- + Payroll (Paycom)
- + Product Hierarchy Database
- + Structured Query Language

**CONTINUOUS IMPROVEMENT**

- + Export Processes/Regulations
- + Quality Improvement

**HAZARDOUS MATERIALS**

- + Disposal of Hazardous Materials

**MANUFACTURING SKILLS**

- + Equipment Operations
- + Lean Manufacturing
- + Six Sigma
- + Soldering

Safety Training will be limited to 10% of total training hours, per-trainee. This cap does not apply to HAZMAT.

Note: Reimbursement for retraining is capped at 60 total hours, per-trainee, regardless of method of delivery.



**Training Proposal for:  
Jadra, Inc. dba Plastic Packaging, Inc.**

|                       |
|-----------------------|
| <b>Small Business</b> |
|-----------------------|

**ET16-0437**

**Approval Date:** April 13, 2016

**ETP Regional Office:** Sacramento

**Analyst:** M. Mazzone

**CONTRACTOR**

- Type of Industry: Manufacturing
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 67
  - Worldwide: 104
  - Number to be trained: 29
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 19%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$18,850
- In-Kind Contribution: \$35,740

**TRAINING PLAN TABLE**

| Job No. | Job Description                       | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---------------------------------------|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                                       |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>Mfg. Skills,<br>PL-Mfg. Skills | 29                        | 8-60                | 0   | \$650                    | \$16.10             |
|         |                                       |   |                           | Weighted Avg:<br>25 |     |                          |                     |

- Reimbursement Rate: \$26 SB Priority
- County(ies): Sacramento
- Occupations to be Trained: Setup Technician, Mechanic, Machinist, Designer, Supervisor, Sales Representative, Administrative Staff, Manager, Driver, Warehouse Staff
- Union Representation:  Yes  
 No
- Health Benefits: Up to \$0.85 per hour

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: N/A

**OVERVIEW**

Jadra, Inc. dba Plastic Packaging, Inc. (Jadra) is a privately held company located in Sacramento. For over 30 years the Company has manufactured plastic thermoformed trays for the food industry. The food containers include standard plastic trays with locking lids and plastic trays that are oven safe. Jadra’s customers include food service establishments, bakeries, candy companies, schools and medical companies.

Jadra recently expanded its operations (late 2014) and opened a production facility in La Porte, Indiana. Also, in the summer of 2015 the Company acquired Creative Malnove Hawaii to further expand their reach. All training under this proposal is for jobs in California.

**Need for Training**

This is Jadra’s third ETP Agreement and the second within five years. Although the curriculum is similar to the previous Agreements, trainees will not receive duplicated training. (Much training was not delivered under the prior Agreement, as explained on page 4.) Training that was delivered in the previous Agreements will be used as a building block in this proposal.

Jadra's recent expansion into Indiana and Hawaii has brought added responsibilities to the Sacramento office, which is now functioning as company headquarters. Conducting business in multiple states and acting as the lead location is new to the staff in Sacramento. Staff also requires training to improve overall business operations.

Professional staff training will concentrate on the enhancement of marketing, sales, computer, and planning skills. Additionally, Jadra will train Manufacturing Staff to increase quality and efficiency in Continuous Improvement. By November 2016, the Company will have a new conveyor system installed at the Sacramento facility. Production Staff will require training on sustainable/post-consumer materials, which are now being used to produce their thermoformed trays.

## Training Plan

Training will include a combination of Classroom/Laboratory and Productive Lab training in the following:

**Business Skills** – Training will be delivered to Sales Representatives, Administrative Staff and Managers. To reach more customers and to improve sales techniques, sales representative will receive training in marketing/sales techniques, negotiating skills, product knowledge and customer service skills. Managers and Administrative Staff will receive training in customer service skills, analytical skill and strategic planning.

**Computer Skills** – Job specific training will be delivered to all occupations to improve efficiencies and operations. Designers will receive training in Computer-Aided Drafting, MasterCam, and Solidworks. Administrative Staff and Managers will receive training in Microsoft Customer Resource Manager software, and intermediate and advanced Microsoft Office. Production Staff and Supervisors will receive training in the Microsoft Dynamics to improve planning and execution of customer orders.

**Continuous Improvement** – Training will be delivered to all occupations to promote a highly efficient and cohesive team work environment. Jadra is streamlining their procedures and will institute process improvements. In addition, the Company will train in the following: leadership, problem solving, decision making, team building, project management, root cause analysis and coaching.

**Manufacturing Skills** – Training will be delivered to Set-Up Technicians, Mechanics, Machinists, Supervisors, Managers, Drivers and Warehouse Staff. Training will focus on the operation and set-up of new equipment, maintenance of equipment, and production floor safety. Training topics will include courses such as quality control, machine safety, preventative machine maintenance, pressure forming equipment, and CNC set-up/operation.

## Productive Lab Training

The Panel recently adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of the training in the courses identified under the Curriculum, Exhibit B. The instructor must be dedicated to training delivery during all hours of training.

Jadra's in-house subject matter experts will deliver 1:1 PL training to an estimated 10 trainees. The PL training will supplement manufacturing skills classroom training and will be provided to Set-Up Technicians, Mechanics, Machinists and job specific Supervisors. PL training will ensure that their product is being produced efficiently and to company quality standards. The Company is installing a new conveyor system that will require training for all Production Staff. In addition,

Jadra will cross-train staff and this requires hands-on training for set-up, operation, troubleshooting and maintenance for all equipment.

The PL trainer will demonstrate the task and then monitor the trainee to ensure proper operation procedures are being followed. Once multiple successful runs of the equipment are completed the trainer will sign off that the trainee is competent. PL training will not exceed 24 hours per trainee.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

The following table summarizes performance by Jadra under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term              | Approved Amount | Payment Earned<br>\$ % |
|---------------|-----------------|-------------------|-----------------|------------------------|
| ET15-0184     | Sacramento      | 7/7/14 – 7/6/15   | \$28,860        | \$6,292 (22%)          |
| ET13-0107     | Sacramento      | 8/1/12 – 12/15/13 | \$28,860        | \$20,787 (72%)         |

ET15-0184 – Training was much slower than originally anticipated due to the turn-over of front office personnel, including the Chief Financial Officer (CFO) a few months after the start of the Agreement. Jadra did not hire a replacement for four months and it took even longer for the new CFO to become familiar with the ETP program.

Jadra has instituted mandatory monthly manager meetings to track training objectives and documentation requirements. In addition, the Office Manager and Accounting Staff are tasked with coordinating training and handling all administration. There is now a total of four staff members dedicated to their training project, and the new CFO is fully committed.

The weighted average of training hours per trainee has been reduced from 60 to 25 to ensure success. Staff supports funding at the requested \$18,850 as appropriately “right-sized” under these circumstances.



**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Marketing/Sales Techniques
- + Customer Service Skills
- + Product Knowledge
- + Negotiation Skills
- + Strategic Planning
- + Analytical Skills

**COMPUTER SKILLS**

- + Microsoft Dynamics SL, JAAS
- + Computer-Aided Drafting Mold Design Software
- + Intermediate & Advanced Microsoft Office
- + Solidworks
- + Microsoft Customer Resource Manager
- + Computer-Aided Manufacturing Software
- + MasterCam

**CONTINUOUS IMPROVEMENT**

- + Leadership Skills
- + Process Improvement
- + Coaching & Mentoring
- + Delegating
- + Project Management
- + Team Building
- + Problem Solving
- + Decision Making
- + Root Cause Analysis

**MANUFACTURING SKILLS**

- + Quality Control
- + Food Safety
- + Machine Safety
- + Lock-Out/Tag-Out
- + Stacker/Robot Training
- + Pressure Forming Equipment
- + Vacuum Forming Equipment
- + Conveyor Stacker
- + Preventative Machine Maintenance (Sencorp, GN, Lyle, CNC)
- + Equipment Set-Up/Operation (Sencorp, GN, Lyle)
- + CNC Machine Set-Up/Operation

Safety Training will be limited to 10% of total training hours per-trainee.

**Productive Lab**

0-24

**MANUFACTURING SKILLS** (1:1 Ratio)

- ✦ Equipment Set-Up – Lyle
- ✦ Equipment Set-Up – Sencorp
- ✦ Equipment Set-Up – GN
- ✦ Stacker/Robot Training
- ✦ Pressure Forming Equipment
- ✦ Vacuum Forming Equipment
- ✦ Conveyor Stackers
- ✦ Preventative Machine Maintenance – Lyle
- ✦ Preventative Machine Maintenance – Sencorp
- ✦ Preventative Machine Maintenance – GN
- ✦ CNC Machine Set-Up – Fadal
- ✦ CNC Machine Set-Up - YCM

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. PL is capped at 24 hours per-trainee.

Delegation Order



Panel Amendment #1 Proposal for:
Lili Mirtorabi, D.D.S., A Professional Corporation
Agreement Number: ET15-0109

Amendment Effective Date: February 29, 2016

ETP Regional Office: North Hollywood

Analyst: L. Vuong

CURRENT PROJECT PROFILE

Contract Type: Retrainee SET/HUA Job Creation
Industry Sector(s): Healthcare Services
Counties Served: Los Angeles
Repeat Contractor: [X] Yes [ ] No
Priority Industry: [ ] Yes [X] No
Union(s): [ ] Yes [X] No
Current Contract Term: July 7, 2014 to July 6, 2016
Substantial Contribution: [ ] Yes [X] No

CURRENT FUNDING

Table with 1 column: Current Funding, \$87,700

AMENDMENT FUNDING

Table with 2 columns: Requested Funding (+\$12,200), Total Funding (\$99,900)

**AMENDMENT TRAINING PLAN TABLE**

| Job No. | Job Description                         | Type of Training  | Estimated No. of Trainees | Range of Hours           |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---|---|---------------------------|--------------------------|-----|--------------------------|---------------------|
|         |   |   |                           | Class / Lab              | CBT |                          |                     |
| 1       | Retrainee<br>SET<br>HUA                 | Business Skills,<br>Commercial Skills<br>Computer Skills,<br>Cont. Imp. | 35                        | 8-200                    | 0   | \$1,095                  | *\$12.03            |
|         |   |   |                           | Weighted Avg: 73         |     |                          |                     |
| 2       | Retrainee<br>SET<br>HUA<br>Job Creation | Business Skills,<br>Commercial Skills<br>Computer Skills,<br>Cont. Imp. | 10                        | 8-200                    | 0   | <b>\$3,420</b>           | *\$10.03            |
|         |   |   |                           | Weighted Avg: <b>171</b> |     |                          |                     |
| 3       | Retrainee<br>SET<br>HUA                 | Business Skills,<br>Commercial Skills<br>Computer Skills,<br>Cont. Imp. | 25                        | 8-200                    | 0   | \$1,095                  | *\$16.04            |
|         |   |   |                           | Weighted Avg: 73         |     |                          |                     |

\*It will be made a condition of contract that the trainees will never be paid less than the State of local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. This highest minimum wage rate will prevail.

**Minimum Wage by County:** Job Number 1 (SET/HUA Wages): \$12.03 per hour for Los Angeles County (HUA cities: El Monte, Hawthorne and Huntington Park)  
Job Number 2 (Job Creation/HUA): \$10.03 for Los Angeles County  
Job Number 3 (SET/HUA Standard Wages): \$16.04 per hour for Los Angeles County

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No

Up to \$1.60 per hour may be used to meet the Post-Retention Wage in Job Numbers 1-3.

| Job 1 Wage Range by Occupation |            |
|--------------------------------|------------|
| Occupation Title               | Wage Range |
| <b>Job Number 1</b>            |            |
| Administrative Staff           |            |
| Sterilizer Staff               |            |
| Dental Assistant               |            |
| Laboratory Technician          |            |
| Supervisor/Manager             |            |
| <b>Job Number 2</b>            |            |
| Administrative Staff           |            |
| Sterilizer Staff               |            |
| Dental Assistant               |            |
| Laboratory Technician          |            |
| Supervisor/Manager             |            |

| <b>Job Number 3</b>   |  |
|-----------------------|--|
| Administrative Staff  |  |
| Sterilizer Staff      |  |
| Dental Assistant      |  |
| Laboratory Technician |  |
| Supervisor/Manager    |  |

\*Footnote: This table has been updated to show a \$1.00 per hour increase consistent with the new State minimum wage in effect on January 1, 2016. When this Agreement was approved in June 2014, the base wage started at \$9.00.

## **INTRODUCTION**

Founded in 1999, Lili Mirtorabi DDS., A Professional Corporation (Lili Mirtorabi DDS), specializes in orthodontics for children and adults at four locations: El Monte, Hawthorne, Huntington Park and Santa Ana. The Company is eligible for the Special Employment Training (SET) funding targeted for frontline workers. Trainees from the El Monte, Hawthorne and Huntington Park locations will participate in this ETP project.

## **AMENDMENT DETAILS**

Lili Mirtorabi DDS is requesting to increase its ETP funding amount by increasing the weighted average hours from 110 to **171** in Job Number 2 (Job Creation). During the course of the Agreement, the Contractor had a higher demand for training. Lili Mirtorabi DDS has already delivered enough training hours to exhaust all of its current ETP training funds. Additional training allows trainees to learn more skills and work more efficiently.

This Amendment will increase the Agreement amount from \$87,700 to **\$99,900**, and the Average Cost per Trainee by \$1,220 from \$2,200 to **\$3,420** in Job Number 2. There will be no change to the curriculum or trainee wages. During development, the Contractor was being conservative with the funding amount. As training progressed, the Contractor had a higher demand than anticipated. Therefore, the Contractor is requesting a retro date to February 29, 2016, the date of request.

## **RECOMMENDATION**

Staff recommends approval of this Amendment.

## **CURRENT CONTRACT PERFORMANCE**

The following table summarizes performance by Lili Mirtorabi DDS under the current ETP Agreement:

| Agreement No. | Approved Amount | Term          | No. Trainees (Average) | No. Completed Training | No. Retained |
|---------------|-----------------|---------------|------------------------|------------------------|--------------|
| ET15-0109     | \$87,700        | 7/7/14–7/6/16 | 70                     | 6                      | TBD          |

Based on ETP Online Systems, the Contractor has provided 6,926 hours, that exceeds the Agreement amount, for potential earnings of \$125,587 (143% of the Agreement amount).

**DELEGATION ORDER**



**Training Proposal for:**

**Lumentum Operations LLC**

**Agreement Number: ET16-0396**

**Approval Date:** March 24, 2016

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** L. Lai

**PROJECT PROFILE**

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee Priority Rate   | Industry Sector(s): | Manufacturing<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Santa Clara   | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 768   | U.S.: 1,029         | Worldwide: 1,867  |
| <u>Turnover Rate:</u>                                 | 0%  |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 11%   |                     |   |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$99,000      |   | \$0                        | \$0                     |   | \$99,000                 |

|                              |                                    |           |
|------------------------------|------------------------------------|-----------|
| <b>In-Kind Contribution:</b> | 100% of Total ETP Funding Required | \$282,535 |
|------------------------------|------------------------------------|-----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description            | Type of Training   | Estimated No. of Trainees | Range of Hours      |       | Average Cost per Trainee | Post-Retention Wage |
|---------|----------------------------|--|---------------------------|---------------------|-------|--------------------------|---------------------|
|         |                            |  |                           | Class / Lab         | CBT   |                          |                     |
| 1       | Retrainee<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Con't Improve,<br>Mfg. Skills,<br>HazMat | 275                       | 8-200               | 0-100 | \$360                    | \$17.02             |
|         |                            |  |                           | Weighted Avg:<br>20 |       |                          |                     |

**Minimum Wage by County:** \$17.02 per hour for Santa Clara County.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$0.76 per hour may be used to meet the Post-Retention Wage.

| Wage Range by Occupation                          |            |                         |
|---|------------|-------------------------|
| Occupation Titles                                 | Wage Range | Estimated # of Trainees |
| IT/Engineering/Research and Development Staff     |            | 74                      |
| Sr. IT/Engineering/Research and Development Staff |            | 53                      |
| Manufacturing Staff/Technicians                   |            | 55                      |
| Sr. Manufacturing Staff/Technicians               |            | 25                      |
| Marketing/Sales Staff                             |            | 5                       |
| Sr. Marketing/Sales Staff                         |            | 5                       |
| Operations/Support Staff                          |            | 20                      |
| Sr. Operations/Support Staff                      |            | 10                      |
| Supervisor/Manager                                |            | 20                      |
| Sr. Supervisor/Manager                            |            | 8                       |

**INTRODUCTION**

Headquartered in Milpitas, Lumentum Operations LLC (Lumentum) is a manufacturer of optical and photonic products enabling optical networking and commercial laser customers worldwide. The Company's optical components and subsystems are part of virtually every type of telecom, enterprise, and data center network. The Company spun off from JDS Uniphase in late 2015. The Company has two locations in San Jose, and one in Milpitas, where training will take place. It also operates in Connecticut, Canada, France, Switzerland, Thailand, China, and Japan.

The Company operates through two segments: Optical Communications (OpComms) and Commercial Lasers (Lasers). The OpComms portfolio includes products used by Telecom and Datacom nanoelectromechanical systems (NEMs) and both traditional and cloud/data center

service providers. The Lasers portfolio customers are in manufacturing, biotechnology, graphics and imaging, and precision machining.

## **PROJECT DETAILS**

There are tremendous growth opportunities in the data and telecommunications markets, driven by the rapid expansion of cloud networking, data center infrastructure, and high-performance lasers. Lumentum's goal is to become a global leader of optical components and subsystems for these markets. The Company is also focused on growing its 3D sensing and commercial lasers business, and expanding into new market segments.

To achieve these goals, Lumentum must continue to research, design and manufacture cutting-edge products to meet the expanding, highly technical and diverse needs of its customers. Hence, it is critical that employees receive supplemental training to keep pace with technology upgrades, standardize manufacturing procedures, and implement continuous improvement practices.

### **Training Plan**

Lumentum employees from three facilities in Milpitas and San Jose will receive the proposed training, delivered via Class/Lab and CBT.

**Business Skills (15%):** Training will be offered to all occupations as it relates to their specific job function. Topics include communication skills, customer relations, meeting management, and negotiation skills. Training will improve workers' ability to communicate with internal and external customers and effectively organize and meet work commitments.

**Computer Skills (30%):** Training will be offered to all occupations. Topics include a variety of complex systems, programming tools, and technology that are used for operation and product design purposes. Software applications are a critical component of how the Company operates and employees need to be proficient in the systems.

**Manufacturing Skills (15%):** Training will be offered to Manufacturing Staff, Technicians, Supervisors and Managers. Topics include Failure Mode Effects Analysis, Laser Technology, Optical and Photonic Product/Process, and Optical Systems. Staff will gain the requisite skills to quickly adapt to new technological changes to manufacture high quality products efficiently.

**Continuous Improvement (35%):** Training will be offered to all occupations. Topics include 5S/Six Sigma, Agile Product Lifecycle, Statistics, Process Improvement, and Quality Assessment. Training will enable workers to provide the best quality and service to customers, deliver innovative products and improve processes for production and quality assurance.

**Hazardous Materials Skills (5%):** Manufacturing Staff, Technicians, Supervisors and Managers will receive this training to learn how to properly handle, label, store, and dispose of hazardous materials.

### **Commitment to Training**

The company's annual training budget is approximately \$300,000 and is used for ethics, diversity, security practices, compliance, anti-harassment, basic computer skills, new employee orientation and on boarding training.



ETP funds will not displace existing financial commitments for training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

Lumentum has one main point of contact that will be responsible for managing the scheduling, delivery, and documentation of training. This dedicated staffer will also serve as liaison between ETP staff and Lumentum's third party administrator.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

Lumentum retained Training Funding Partner in Fountain Valley to assist with development of this proposal for a flat fee of \$5,900.

### **ADMINISTRATIVE SERVICES**

Training Funding Partner will also perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

### **TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**Business Skills**

- Communication Skills
- Conflict Management
- Customer Relations/Support Skills
- Decision Making Skills
- Meeting Management Skills
- Negotiation/Influence Skills
- New/Updated Optical and Photonic Product/Process (for non-production staff)
- Time Management Skills

**Computer Skills**

- .Net
- ADO.NET 4
- Adobe Skills
- CISSP – Certified Information Systems Security Professional
- Computer Programming/Language Skills
- Configuration Management
- EBS R12 Administration
- General Coding Best Practices
- GUI design
- HTML
- Intermediate/Advanced Microsoft Office
- LINQ and XML with ADO. NET
- Linux
- Maintaining Quality Code
- Microsoft Access
- Mobile Applications and Security
- Network Security/Administration
- Object Oriented Coding Best Practices
- Oracle database
- Oracle System Skills
- Programming Techniques and Strategies
- SDN
- SharePoint
- SQL servers
- Taleo Talent Acquisition System Skills
- VISIO
- Workflows

**Continuous Improvement Skills**

- 5S/Six Sigma
- Agile Product Lifecycle
- Change Management

- Coaching/Feedback Skills
- Data Management Skills
- Delegation Skills
- Finance/Accounting/Audit skills
- Goal Setting/Motivation Skills
- ISO 9001
- Leadership Skills
- Lean Manufacturing
- Process/Performance Improvement Skills
- Root Cause Analysis/Statistical Analysis
- Project/Program Management Skills
- Quality Assessment/Quality Control
- Statistical Process Control
- Statistics
- Teamwork/Collaboration Skills
- Troubleshooting/Problem Solving Skills

#### **Manufacturing Skills**

- Failure Mode Effects Analysis
- Laser Technology/Safety
- New/Updated Optical and Photonic Product/Process
- Optical Systems
- Product Testing
- Production/Inventory Management
- Supply Chain Management

#### **Hazardous Materials Skills**

- Hazardous Materials, Handling, Labeling, Storage and Disposal

### **E-Learning Hours**

8-200

#### **Business Skills**

- Communication Skills
- Conflict Management
- Customer Relations/Support Skills
- Decision Making Skills
- Meeting Management Skills
- Negotiation/Influence Skills
- New/Updated Optical and Photonic Product/Process (for non-production staff)
- Time Management Skills

#### **Computer Skills**

- .Net
- ADO.NET 4
- Adobe Skills
- CISSP – Certified Information Systems Security Professional
- Computer Programming/Language Skills
- Configuration Management
- EBS R12 Administration

- General Coding Best Practices
- GUI design
- HTML
- Intermediate/Advanced Microsoft Office
- LINQ and XML with ADO. NET
- Linux
- Maintaining Quality Code
- Microsoft Access
- Mobile Applications and Security
- Network Security/Administration
- Object Oriented Coding Best Practices
- Oracle database
- Oracle System Skills
- Programming Techniques and Strategies
- SDN
- SharePoint
- SQL servers
- Taleo Talent Acquisition System Skills
- VISIO
- Workflows

#### **Continuous Improvement Skills**

- 5S/Six Sigma
- Agile Product Lifecycle
- Change Management
- Coaching/Feedback Skills
- Data Management Skills
- Delegation Skills
- Finance/Accounting/Audit skills
- Goal Setting/Motivation Skills
- ISO 9001
- Leadership Skills
- Lean Manufacturing
- Process/Performance Improvement Skills
- Root Cause Analysis/Statistical Analysis
- Project/Program Management Skills
- Quality Assessment/Quality Control
- Statistical Process Control
- Statistics
- Teamwork/Collaboration Skills
- Troubleshooting/Problem Solving Skills

#### **Manufacturing Skills**

- Failure Mode Effects Analysis
- Laser Technology/Safety
- New/Updated Optical and Photonic Product/Process
- Optical Systems
- Product Testing
- Production/Inventory Management
- Supply Chain Management

**Hazardous Materials Skills**

- Hazardous Materials, Handling, Labeling, Storage and Disposal

**CBT Hours\***

0 – 100

**Business Skills**

- Operations/Communication Skills (1-20 hours)

**Computer Skills**

- Cisco (8-80 hours)
- Cloud Computing (4-20 hours)
- Desktop Computer Skills (8-28 hours)
- IT – Desktop (8-28 hours)
- Office 365 (2-8 hours)
- Oracle (8-80 hours)
- VMware Workstation (4-24 hours)
- Networking and Telecommunications Configuration (2-12 hours)

**Continuous Improvement Skills**

- Agile (2-12 hours)
- Organizational Design (2-8 hours)
- Professional Development (2-12 hours)
- Project Management (2-12 hours)
- Leadership and Strategic Management (8-28 hours)
- Process Improvement Skills (2-12 hours)

\*There are approximately 1,000 CBT courses/modules. Listed above are generic CBT course topics. An Excel spreadsheet listing specific CBT courses/modules including standards times must be provided to ETP staff prior to uploading into the Panel's Tracking System.

|  |
|--|
| Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours, per trainee. |
|--|



**Delegation Order**

**Training Proposal for:  
NeoPhotonics Corporation  
Agreement Number: ET16-0427**

**Approval Date:** April 13, 2016

**ETP Regional Office:** San Francisco Bay Area      **Analyst:** R. Jackson

**PROJECT PROFILE**

|   |   |                     |  |
|---|---|---------------------|--|
| Contract Attributes:                                  | Retrainee<br>Priority Rate  | Industry Sector(s): | Manufacturing<br>Technology/Other<br>Communication<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Alameda, Santa Clara  | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |  |
| Number of Employees in:                               | CA: 245   | U.S.: 245           | Worldwide: 2,560   |
| <u>Turnover Rate:</u>                                 | 9%  |                     |  |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 18%   |                     |  |

**FUNDING DETAIL**

|               |   |                            |   |                         |   |                          |
|---------------|---|----------------------------|---|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | - | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$51,660      |   | \$0                        |   | \$0                     |   | \$51,660                 |

|                              |   |                 |
|------------------------------|---|-----------------|
| <b>In-Kind Contribution:</b> | <b>100% of Total ETP Funding Required</b> | <b>\$55,000</b> |
|------------------------------|---|-----------------|

**TRAINING PLAN TAB**

| Job No. | Job Description            | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|----------------------------|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                            |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>Mfg. Skills,<br>OSHA 10/30 | 82                        | 8-200               | 0   | \$630                    | \$17.02             |
|         |                            |   |                           | Weighted Avg:<br>35 |     |                          |                     |

**Minimum Wage by County:** \$17.02 per hour for Santa Clara and Alameda counties.

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$4.02 per hour of health benefits may be used to meet the Post-Retention Wage.

| Wage Range by Occupation     |            |                         |
|------------------------------|------------|-------------------------|
| Occupation Titles            | Wage Range | Estimated # of Trainees |
| Administrative Support Staff |            | 22                      |
| Technical Staff              |            | 15                      |
| Production Staff             | *          | 30                      |
| Supervisor                   |            | 10                      |
| Manager                      |            | 5                       |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**INTRODUCTION**

Founded in 1996 and headquartered in San Jose, NeoPhotonics Corporation (NeoPhotonics) ([www.neophotonics.com](http://www.neophotonics.com)) designs and manufactures photonic integrated circuit-based optoelectronic modules and subsystems for bandwidth-intensive high-speed communication networks (chips that process light or photons to connect fiber-optic networks). The facility in Santa Clara performs accounting, finance, IT, HR, PLC wafer fabrication development, and chip testing. The Company's facility in Fremont specifically performs manufacturing, engineering, new product introduction, and research and development. NeoPhotonics customers include companies like Cisco, Ciena, that provide Cloud Storage to businesses and the public and private sector. Both facilities will participate in training.

This will be NeoPhotonics second ETP Agreement, which ended September 2015. The previous project focused on supporting skill upgrades and organizational leadership related to the product line development (i.e.: SFP, XFP, CFP circuits) to function with advanced Cloud technologies and next-generation products. This ETP proposal will focus on upgrading manufacturing equipment and software to support new products related to rapid changes in

technology markets (i.e. demand for significantly larger data accessibility in smaller devices and at faster speeds).

According to NeoPhotonics, a 32% growth in internet traffic (2010-2015) is fueling competition within data/technology markets. The trend in consumer technology is moving away from supporting 40G (increasingly obsolete slower technology) to innovating and building for 100G-400G new (faster) product lines including; high-speed indium phosphide based waveguide photodetectors, ultra-narrow linewidth lasers, small form factor coherent components and customized chips.

NeoPhotonics requests ETP funding to help cross-train staff to maintain a competitive position. The training plan developed reinforces strategies to expand new product offerings, increase production output and attain cost-saving efficiency and improved workplace safety goals.

## **PROJECT DETAILS**

NeoPhotonics recently acquired Emcore, January 2015, a pioneering laser technology company. Because of the merger, NeoPhotonics now offers ultra-narrow linewidth lasers useful to transmit more data down existing fibers. New team members (27) transitioning need substantial supplemental cross training to become familiar with the Company's broader product lines.

NeoPhotonics is introducing several new products related to the production of 100-400G technology. The new technology is faster and has larger bandwidth capabilities and includes; Micro Integrated Coherent Receiver, Dual Micro Integrable Tunable Laser Assembly, CFP2-Lr4, 4x16 Multi-cast switch, 4x4 MCS, and DFB Lasers. Since NeoPhotonics anticipates being among the first with new technology, the Company forecasts a large market share and is preparing staff accordingly.

Training topics will reinforce the Company's market position and growth strategies which includes:

- Increase product portfolio by 4%
- Increase sales by 5% as a result of new products
- Increase manufacturing capacity by 25% based on projections on new manufacturing equipment/software and new human resources
- Meet 7% efficiency improvements over the next 6-36 months for increased cost-savings and improved workplace safety
- Reduce subcontracting and improve delivery time by upgrading manufacturing skills to broaden in-house capabilities
- Software upgrade training will produce a 5% reduction of waste in prototype development phase
- Cross-train to upgrade skills to meet an estimated 20% customers base increase

Although the Company has hired an estimated 27 people since the last ETP Agreement, NeoPhotonics reports 54 trainees will receive ETP-funded training for the first time. While some types of training trainees are repeated from the previous ETP Agreement, only new training content is being provided.

## **Training Plan**

Training will begin late March 2016. Class/lab and E-learning will be delivered at the Santa Clara and Alameda facilities and will include in-house trainers and California based vendors in the following:



**Business Skills (25%):** Training will be provided to Administrative Support Staff, Supervisors and Managers. Training will include customer management to improve cross-functional working teams.

**Computer Skills (23%):** Training will be delivered to all occupation. Administrative Support Staff and select Supervisors and Managers will receive software training in LMS (Totara) and Oracle. Technical Staff and Production Staff and some Supervisors/Managers will be trained in Microsoft SharePoint to improve how workers share documents and communicate ideas. Workers will also receive training in Skype for Business to improve communication and increase efficiencies.

**Continuous Improvement (30%):** Training topic Processes for new Initiatives will be delivered to Production Staff, Managers and Supervisors. Training will ensure that processes put in place maximize resources and eliminate wasteful activity. This training is projected to reduce operating costs, improve reliability, increase quality and customer satisfaction, and reduce re-work by 5%.

**Manufacturing Skills (20%):** Training will be delivered to Managers, Supervisors, Technical and Production Staff. Training topics will focus on development and processes to launch 100G optical communications products and 400G products to better manage customer needs and attract new customers. Staff will also receive training in new equipment, including quality inspections and testing. Technical and Production Staff will receive training to develop, produce, and expand products with high bandwidth capacity for rapid communication and reliable connectivity. Topics include equipment operations, tunable laser production and production advancements.

**OSHA 10/30 (2%):** This training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for frontline supervisors. The coursework is geared to manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

Training will be delivered to Technical and Production Staff to ensure a safe and secure work environment for employees during this period of expansion and growth. It is critical to provide a work environment that secures the workplace. OSHA training will allow us to reduce the risk to and increase the integrity of our products, which are electronic components susceptible to impurities. This training will be delivered by certified OSHA trainers, and will expand in-house OSHA capabilities by reducing the risk of workplace industry incidents, and product defect, resulting in an increase in customer satisfaction and subsequent decrease in customer product returns. By bringing OSHA in-house, systems will be implemented from the initial design phase through delivery to the customer, with safety checkpoints established along the way. NeoPhotonics anticipates a reduction in product returns by 3-5% and lower injury incident rates.

### **Commitment to Training**

NeoPhotonics current training budget is \$60K per facility in California. Training in basic computer skills, on the job, orientations, regulatory training, CPR and seminars are provided.

NeoPhotonics estimates its investment in new manufacturing equipment and related safety training to be \$2.5M during the course of this proposed Agreement and represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

NeoPhotonics has an ETP experienced internal administrator and an experienced subcontractor for development and administration assisting with the project.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

The following table summarizes performance by NeoPhotonics under an ETP Agreement that was completed within the last five years.

| Agreement No. | Location (City) | Term              | Approved Amount | Payment Earned |       |
|---------------|-----------------|-------------------|-----------------|----------------|-------|
|               |                 |                   |                 | \$             | %     |
| ET14-0157     | Santa Clara     | 9/30/13 - 9/29/15 | \$99,840        | \$51,673       | (52%) |

The Company enrolled 276 and 63 received the minimum hours of training. Poor performance is due in part by increased global competition in hardware manufacturing taking place abroad at a reported 20% lower price. Consequently, the focus shifted away from training and to restructuring the Company. The internal restructuring of key leadership positions stalled training. In 2014, 35 people were laid off. Based on the swing in technology markets NeoPhotonics has diversified products and reformulated business practices to be more competitive. Recovery began in Quarter 3, 2014. While the 2016 total U.S. full-time employee figure (245) is comparable to the 2013 figure and hiring has taken place, the Company has taken steps to address some of the downturn causal factors. New manufacturing equipment reportedly reduces subcontracting and diversifies product offerings. The Company states it now has stronger internal management dynamics and recently hired highly qualified employees to help the Company remain competitive. A \$10M recent investment was secured from NeoPhotonics board to support new products and equipment at the Company's California and other global locations. A better market position achieved by mergers and strong global market demands all contribute to improving the chances for a stronger performance result on this proposed Agreement.

### **DEVELOPMENT SERVICES**

Sallyanne Monti in San Francisco assisted with development for a flat fee of \$2,000.

### **ADMINISTRATIVE SERVICES**

Sallyanne Monti will also perform administrative services for a fee not to exceed 13% of payment earned.

### **TRAINING VENDORS**

Kerr Hill of San Ramon will provide Business Skills training. Other trainers will be identified for ETP record-keeping purposes, as they are retained.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 – 200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Customer Management

**COMPUTER SKILLS**

- + Microsoft Intermediate/Advanced
- + Software Upgrades
  - o LMS (Totara)
  - o Oracle (CRM, Finance, Supply Chain Management)
  - o SharePoint Project Management
  - o Skype for Business

**CONTINUOUS IMPROVEMENT**

- + Continuous Improvement Processes for New Initiatives

**MANUFACTURING SKILLS**

- + 100G Optical Communications Products
- + Data Center Product Advancements & 400G
- + Equipment Operations
- + Tunable Laser Production
- + Production Advancements

**OSHA (Certified OSHA Instructor)**

- + OSHA 10 (requires completion of 10 hours)
- + OSHA 30 (requires completion of 30 hours)

\*Safety Training is capped at 10% of a trainee's total training hours

**E-Learning Hours**

8 – 200

**BUSINESS SKILLS**

- + Customer Management

**COMPUTER SKILLS**

- + Microsoft Intermediate/Advanced
- + Software Upgrades for Growth
  - o LMS (Totara)
  - o Oracle (CRM, Finance, Supply Chain Management)
  - o SharePoint Project Management
  - o Skype for Business

**CONTINUOUS IMPROVEMENT**

- + Continuous Improvement Processes for New Initiatives

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.

# DELEGATION ORDER



## Training Proposal for:

**Pacific Award Metals, Inc.**

**Agreement Number: ET16-0418**

**Approval Date:** April 18, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** J. Romero

### PROJECT PROFILE

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>Priority Rate<br>HUA   | Industry Sector(s): | Manufacturing<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Los Angeles   | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| Union(s):   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Los Angeles SMART Local Union 170 |                     |   |
| Number of Employees in:                               | CA: 425   | U.S.: 2,420         | Worldwide: 2,420  |
| <u>Turnover Rate:</u>                                 | 2%  |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 19%   |                     |   |

### FUNDING DETAIL

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$65,592      |   | \$0                        | \$0                     |   | \$65,592                 |

|                       |                                    |          |
|-----------------------|------------------------------------|----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$76,608 |
|-----------------------|------------------------------------|----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                   | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|-----------------------------------|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                                   |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate        | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>Mfg. Skills | 60                        | 8 - 200             | 0   | \$900                    | \$16.48             |
|         |                                   |  |                           | Weighted Avg:<br>50 |     |                          |                     |
| 2       | Retrainee<br>HUA<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>Mfg. Skills | 14                        | 8-200               | 0   | \$828                    | *\$12.36            |
|         |                                   |  |                           | Weighted Avg:<br>46 |     |                          |                     |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** Job Number 1: \$16.48 per hour for Los Angeles County; Job Number 2 (HUA): \$12.36 per hour for Los Angeles County

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$2.34 per hour may be used to meet the Post-Retention Wage for Job Number 1 and up to \$1.00 per hour in Job Number 2.

| Wage Range by Occupation |            |                         |
|--------------------------|------------|-------------------------|
| Occupation Titles        | Wage Range | Estimated # of Trainees |
| <b>Job Number 1</b>      |            |                         |
| Manager                  |            | 4                       |
| Frontline Supervisor     |            | 10                      |
| Production Worker        |            | 31                      |
| Administration Staff     |            | 9                       |
| Customer Service Staff   |            | 6                       |
| <b>Job Number 2</b>      |            |                         |
| Production Worker        |            | 11                      |
| Administration Staff     |            | 3                       |

**INTRODUCTION**

Founded in 1962 and located in Baldwin Park, Pacific Award Metals, Inc. (PAMI), ([www.awardmetals.com](http://www.awardmetals.com)) is a subsidiary of Gibraltar Industries, Inc. (Gibraltar). PAMI manufactures and distributes sheet metal products. Products include roof ventilation, roof trims,

flashing and rain ware, drywall trims, and specialized clips and connectors for concrete forming used in new construction, and repair and remodel segments in the construction industry.

The merger of Gibraltar and PAMI in 2011 started a consolidation of products, workforce and processes to have a progressive and consistent respond to changes in the industry. The merger has provided an increase in market area and product demand. Thus, the Company must upgrade worker skills. Training will help the Company stay competitive and become more efficient in producing parts that meet customer demands and are environmentally friendly. The Company plans to provide a structured company-wide training program to enhance employee skills and upgrade its current processes.

The Los Angeles SMART LOCAL 170 represents 74 employees who will be participating in this ETP Agreement and has provided a letter of support for this proposal. This will be PAMI's first ETP Agreement.

## **PROJECT DETAILS**

PAMI's goal is to become more efficient in producing parts with the accurate utilization of resources and reduce waste within the process. Training focuses in Lean Manufacturing and Six Sigma to improve the Company's processes and Enterprise Resource Planning (ERP) to facilitate the management of PAMI's business activities from product planning, costing, manufacturing and service delivery.

### **Training Plan**

PAMI will deliver classroom/laboratory training in the following:

**Business Skills (4%):** Training will be offered to Supervisors, Managers, Administration and Customer Service Staff. Trainees will learn to communicate better internally and externally. This training will develop trainee skill and confidence in the workforce and provide them a clearer understanding of products and processes.

**Computer Skills (8%):** Training will be offered to Managers, Supervisors, Administration and Customer Service Staff. Trainees will learn MS Office and the Company's DRP/ERP software to improve functionality, distribution and reduce errors and waste.

**Manufacturing Skills (22%):** Training will be offered to Production Workers and Frontline Supervisors. Trainees will be cross-trained on all production equipment to adapt to changing production runs. Lean Enterprise will become the driving force of the operations to allow for a more varied workforce to meet customer demand and increase sales.

**Continuous Improvement (66%):** Training will be offered to all occupations. PAMI will create teams to identify ways to reduce waste while improving manufacturing productivity and business operation efficiency. As training progresses, it is expected that Lean Manufacturing and its related techniques will lead to further ways to work more efficiently and reduce operating costs.

### **Commitment to Training**

PAMI spends approximately \$10,000 annually in providing job-specific training. Training includes new-hire orientation, OSHA, sexual harassment prevention and first-aid.

PAMI represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

PAMI has qualified, in-house trainers to provide training. The Company has dedicated staff to scheduling and tracking training, and serve as ETP contacts. In addition, PAMI has engaged the services of a third party administrator for project administration.

**High Unemployment Area**

The trainees in Job Number 2 work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 25%. The Company's location in Baldwin Park, Los Angeles County, qualifies for HUA status under these standards.

➤ Wage Modification

For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. PAMI requests a wage modification from \$16.48 to \$12.36 in Los Angeles County for these trainees.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

Kirkpatrick Enterprises International (KEI) in Valencia assisted with development at no cost.

**ADMINISTRATIVE SERVICES**

KEI will also perform administrative services for a fee not to exceed 13% of payment earned.

**TRAINING VENDORS**

N/A

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8 - 200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Business Operations and Procedures
- Business Communication Skills
- Advanced Customer Relationship Skills
- Project Management

**COMPUTER SKILLS**

- DRP/ERP Software and Reporting
- Intermediate and Advanced Microsoft Office

**CONTINUOUS IMPROVEMENT**

- Lean Manufacturing/6 Sigma
- Problem Solving/Root Cause
- Process Analysis
- Leadership Skills for Frontline Workers

**MANUFACTURING SKILLS**

- Production Equipment Usage
- Maintenance Skills

Safety Training cannot exceed 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.





**TRAINING PLAN TABLE**

| Job No. | Job Description                       | Type of Training                       | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---------------------------------------|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                                       |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate | Commercial Skills,<br>Continuous Impr. | 33                        | 8-60                | 0   | \$1,014                  | \$16.48             |
|         |                                       |  |                           | Weighted Avg:<br>39 |     |                          |                     |

- Reimbursement Rate: \$26 SB Priority
- Counties: Los Angeles, Orange
- Occupations to be Trained: Field Service Technician, Estimator, Project Manager
- Union Representation:  Yes  
 No
- Health Benefits: N/A

**SUBCONTRACTORS**

- Development Services: International Net Developers, Inc. (IND) in Santa Cruz assisted in the development of this proposal for a flat fee of \$3,100.
- Administrative Services: IND will also perform administrative services for an amount not to exceed 12% of payment earned.
- Training Vendors: To Be Determined

**OVERVIEW**

Pacific Coast Cabling, Inc., dba PCC Network Solutions (PCC) has over 30 years experience designing, building and delivering cabling systems; data, voice and wireless networks; and low voltage systems for security, surveillance, access control, and other sophisticated audio-visual applications. Customers (from a broad range of industries including media and entertainment, academia, technology, finance, telecommunications, healthcare, utilities and local government) include Northrop Grumman, Warner Brothers, Sempra, Sony, Under Armour, County of Riverside, JP Morgan Chase, Caldwell Banker and Walt Disney.

PCC is a licensed vendor for the Information Transport Systems Cabling Installation Program developed by the Building Industry Consulting Service International, Inc. (BICSI). The Company is eligible for standard ETP funding, meeting out-of-state competition provisions. PCC is also eligible for priority reimbursement as a NAICS eligible employer (Electrical and other Wiring Installation Contractor).

## **Demand for Training**

PCC is requesting ETP funding to train 33 employees at its two facilities: Chatsworth and Anaheim. This proposal will be PCC's second Agreement, first within the last 5 years. The previous Agreement addressed new technologies, at the time. However, since then, technology has improved tremendously.

Currently, the market for information technology infrastructure is competitive, with customers demanding high levels of expertise and services. Technology is advancing at a rapid pace and new materials, systems and methods are constantly being introduced into the industry. An example is the enhancement of copper and fiber systems to increase bandwidth and speed. These types of changes require changes in materials, tools and installation methods. PCC must keep up with technology to remain competitive.

In addition, customers are continually expecting better and faster services at lower costs. PCC recently invested approximately \$1 million to build an innovative training facility in Chatsworth, furnished with sophisticated equipment and systems. The facility will focus on courses tailored to improve the skill sets of its workforce, keep up with technological advances, and provide employees opportunities for career advancement. With a skilled workforce, PCC will be able to remain competitive and exceed customer demands.

## **Training Plan**

Training will take place at its two facilities: Chatsworth and Anaheim. Most of the training will be delivered by in-house staff through Class/Lab and Video Conference methods. Outside training vendors will be identified during the term of the proposed Agreement, if needed.

**Commercial Skills:** Training will be offered to all occupations. Training will focus on current standards/codes and industry best practices to meet industry requirements. Trainees will also learn about new technologies.

**Continuous Improvement:** Training will be offered to all occupations. Trainees will learn to manage projects more effectively and improve communication skills to provide better customer service.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-60

Trainees may receive any of the following:

**COMMERCIAL SKILLS**

- Codes and Standards/BICSI/Telecom Industry Best Practices
- Copper Transmission Principles
- Fiber Transmission Fundamentals
- Telecommunication Pathways
- Telecommunication Spaces
- Installation/Pulling Copper Cable
- Copper Splicing
- Installation/Pulling Optical Fiber Cable
- Optical Fiber Splicing
- Termination of Copper Cable
- Termination of Optical Fiber Cable
- Testing/Troubleshooting of Copper Cable
- Testing/Troubleshooting of Optical Fiber Cable
- Bonding, Grounding and Protection
- Firestopping Procedures and Standards
- Telecommunications Room/Equipment Room (TR/ER) Design
- Retrofitting
- Field Coordination

**CONTINUOUS IMPROVEMENT**

- Telecommunications Project Management
  - Telecommunications Project Initiation
  - Project Safety
  - Project Scheduling
  - Communication Management
  - Risk Management
  - Quality Management
  - Cost Management
  - Procurement Management
  - Change Management
  - Project Closing
- Registered Communications Distribution Designer Fundamentals
  - Principles of Transmission
  - Electromagnetic Compatibility
  - Telecommunications Spaces
  - Backbone Distribution Systems
  - Horizontal Distribution Systems
  - Information and Communications Technology (ICT) Cables and Connecting Hardware
  - Firestop Systems
  - Earthing
  - Power Distribution
  - Telecommunications Administration

- Field Testing of Structured Cabling
- Outside Plant
- Audiovisual Systems
- Building Automation Systems
- Data Networks
- Wireless Networks
- Electronic Safety and Security
- Business Development and Project Management
- Codes, Standards, Regulations, and Organizations – Healthcare, Residential, Data Centers and, Commercial
- Network Interfaces and Demarcation Points
- Regulations and Standards for Emissions and Immunity
- Mechanical, Ingress, Climatic/Chemical, and Electromagnetic Considerations
- Information Transport Systems Distribution Designer

Safety Training will be limited to 10% of total training hours per-trainee.

|   |
|---|
| Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. |
|---|

**DELEGATION ORDER**



**Panel Amendment #1 Proposal for:  
Partners in Control, Inc. dba Enterprise Automation  
Agreement Number: ET15-0333**

**Amendment Effective Date:** March 25, 2016

**ETP Regional Office:** San Diego      **Analyst:** K. Campion

**CURRENT PROJECT PROFILE**

|                        |   |                           |   |
|------------------------|---|---------------------------|---|
| Contract Type:         | Priority<br>Job Creation<br>SB<100                                  | Industry Sector(s):       | Services<br>Engineering   |
| Counties Served:       | Orange, Contra Costa  | Repeat Contractor:        | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Union(s):              | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Priority Industry:        | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Current Contract Term: | December 31, 2014 to<br>December 30, 2016                           | Substantial Contribution: | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

**CURRENT FUNDING**

|                 |
|-----------------|
| Current Funding |
| \$31,200        |

**AMENDMENT FUNDING**

|                   |               |
|-------------------|---------------|
| Requested Funding | Total Funding |
| +\$20,800         | \$52,000      |

**AMENDMENT TRAINING PLAN TABLE**

| Job No. | Job Description<br>(By Contract Type) | Type of Training                                    | Estimate d No. of Trainees | Range of Hours   |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---------------------------------------|---|----------------------------|------------------|-----|--------------------------|---------------------|
|         |                                       |   |                            | Class / Lab      | CBT |                          |                     |
| 1       | Priority SB<100                       | Business Skills, Computer Skills, Commercial Skills | 20                         | 8-200            | 0   | \$2,080                  | \$16.25             |
|         |                                       |   |                            | Weighted Avg: 80 |     |                          |                     |
| 2       | Priority SB<100 Job Creation          | Business Skills, Computer Skills, Commercial Skills | 5                          | 8-100            | 0   | \$2,080                  | \$33.00             |
|         |                                       |   |                            | Weighted Avg: 80 |     |                          |                     |

**Minimum Wage by County:** \$16.25 per hour in San Diego and Contra Costa Counties

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

| Wage Range by Occupation   |            |
|----------------------------|------------|
| Occupation Title           | Wage Range |
| <b>Job Number 1</b>        |            |
| Engineer                   |            |
| Project Manager            |            |
| Management Staff           |            |
| Administrative Staff       |            |
| Business Development Staff |            |
| Owner                      |            |
| <b>Job Number 2</b>        |            |
| Engineer                   |            |

**INTRODUCTION**

Headquartered in Irvine, Partners in Control, Inc. dba Enterprise Automation (EA) is a small engineering company that provides all phases of system integration services for industrial water and other systems, including design consultation, specification development, panel design, programming, data network design, virtualization, testing and documentation. EA also has a small satellite office in Walnut Creek, which allows the Company to serve both Northern and Southern California customers.

This project targeted to train 25 workers in Business, Computer and Commercial Skills. The Agreement was approved through the Delegation Order in December 2014 and training commenced on January 7, 2015.

### **AMENDMENT DETAILS**

During the development of the Agreement (Fall 2014), the Contractor requested a conservative number of average training hours (40) to ensure it could complete 100% of the Agreement amount, given that this was EA's first ETP Agreement. At the ETP Monitoring Visit of 3/23/16, EA reported that it had documented enough qualified training hours equal to 100% of the Agreement amount, however, has six months remaining in the Agreement training period and critical training yet to be delivered.

A substantial amount of training topics are currently scheduled for Job Number 1 incumbent workers, to be delivered in the next six months. One trainee has reached the maximum number of training hours, and several others are also close to reaching the 100-hour cap. Therefore, EA requests an Amendment to: 1) increase the weighted average training hours for Job Number 1 from 40 to 80; and, 2) increase the range of training hours to 200 for Job Number 1. No change is sought for Job Number 2 (Retrainee Job Creation).

ETP reports confirm that EA has tracked allowable training hours equal to 100% of the available funding for Job Number 1. Approximately 20 retrainees remain active in training. With five months remaining in the training period (9/30/16), there are insufficient funds available in Job Number 1 to meet the current demand.

This Amendment is for additional Phase I funding (increased weighted average training hours) of existing planned trainees. The Amendment will be retroactive to 3/25/16, the date the Revision request was submitted to ETP. The total amount of the funding will remain under Small Business funding cap of \$100,000.

By this Amendment:

- The Agreement amount will increase by \$20,800, to \$52,000;
- The Range of Hours in Job Number 1 will increase by 100, to 200;
- The weighted average training hours in Job Number 1 will increase by 40, to 80 hours;
- The average cost per trainee in Job Number 1 will increase by \$1,040, to \$2,080.

### **RECOMMENDATION**

Staff recommends approval of this Amendment.

### **CURRENT CONTRACT PERFORMANCE**

The following table summarizes performance by EA under the current ETP Agreement:

| Agreement No. | Approved Amount | Term                   | No. Trainees Enrolled | No. Completed Training | No. Retained |
|---------------|-----------------|------------------------|-----------------------|------------------------|--------------|
| ET15-0333     | \$31,200        | 12/31/14 –<br>12/30/16 | 24                    | 5                      | 4            |

Based on ETP Systems, 1,252 reimbursable hours have been tracked for potential earnings in excess of the current Agreement amount (100% of approved amount).



## **Exhibit B: Menu Curriculum**

### **Class/Lab Hours**

8 – 200

Trainees may receive any of the following:

#### **BUSINESS SKILLS**

- Communication Skills
- Sales & Marketing Skills
- Project Management
- Coaching/Mentoring & Leadership Skills

#### **COMPUTER SKILLS**

- Software Technical Application Skills
  - ❖ Ampla
  - ❖ Think and Do
  - ❖ Supervisor Control & Data Acquisition Software
  - ❖ Historian
  - ❖ Microsoft 360
  - ❖ Programmable Logic Controller Programs
  - ❖ Remote Desktop Program
  - ❖ Electronic Tools
  - ❖ SQL Server Reporting
  - ❖ Windows 8.1
  - ❖ Wonderware Product Line
  - ❖ Schneider Electric Product Line
  - ❖ Citect Product Line
  - ❖ Manufacturing Execution Systems
- System Networking Skills
- Virtualization, VMware, ESXi
- MS Office Application Skills

#### **COMMERCIAL SKILLS**

- Engineering Controls & Methodologies
- Engineering Standards, Practices and Job Specific Procedures
- Project Set-Up, Execution and Deployment
- Specification Writing, Reading and Interpreting
- Factory & Site Acceptance Testing (FAT, SAT)
- Site Documentation and Inspection
- Project and System Documentation
- Operation & Management Documentation and Training the End-User
- Electrical Wiring Skills

|   |
|---|
| Note: Reimbursement for retraining is capped at <b>200</b> total hours per-trainee, regardless of method of delivery. |
|---|



**Retrainee - Job Creation  
Training Proposal for:  
ProZyme, Inc.**

**Small Business**

**ET16-0426**

**Approval Date:** April 15, 2016

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** V. Estrada

**CONTRACTOR**

- Type of Industry: Manufacturing
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 44
  - Worldwide: 48
  - Number to be trained: 47
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 10%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$71,032
- In-Kind Contribution: \$93,939

**TRAINING PLAN TABLE**

| Job No. | Job Description                                       | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |   |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate                 | Business Skills,<br>Computer Skills,<br>Management Skills,<br>Continuous Improvement | 44                        | 8-60                | 0   | \$1,508                  | \$17.02             |
|         |   |  |                           | Weighted Avg:<br>58 |     |                          |                     |
| 2       | Retrainee-<br>Job Creation<br>SB<100<br>Priority Rate | Business Skills,<br>Computer Skills,<br>Management Skills,<br>Continuous Improvement | 3                         | 8-60                | 0   | \$1,560                  | \$38.46             |
|         |   |  |                           | Weighted Avg:<br>60 |     |                          |                     |

- Reimbursement Rate: Job #1 & 2: \$26 SB Priority
  
- County: Alameda
- Occupations to be Trained: Directors, Supervisors, Vice President, Managers, Owner, Support/Administrative Staff, Production Staff, Quality Staff, Customer Service, Associates
  
- Union Representation:  Yes  
 No
  
- Health Benefits: Job #1: \$.06 per hour

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: American Management Association will provide training services for the Mini MBA program and the Advanced Course in Strategic Marketing class.  
  
NewsWatch Media will provide training services for the Six Sigma, Project Management, and Data Analysis courses.

## **OVERVIEW**

Founded in 1990, ProZyme, Inc. ([www.prozyme.com](http://www.prozyme.com)) is a reagent manufacturing company that provides products and services to biotechnology, biopharmaceutical, and academic institutions worldwide. Their primary products consist of a range of glycan analysis tools, phycobiliprotein and streptavidin (types of proteins) that are all used in the analysis, testing and development of biological drugs and diagnostic kits. Glycans are polysaccharides (carbohydrate molecules) that are important to the development of biological drugs. Biological drugs can treat a wide range of illnesses from heart conditions to arthritis. In addition, ProZyme provides custom services like tailor-made protein manufacturing and glycan analysis for their customers.

This will be ProZyme's first ETP-funded project as it adjusts to the needs of the rapidly growing biotech/biopharma industries. In 2015, ProZyme saw an eight % growth in sales. This Agreement will enable the Company to advance the business acumen of their staff by providing training to their incumbent and new employees.

This Agreement will focus on improving the business operations of the Company by providing staff with a variety of training in Business Administration, Six Sigma, and Marketing. ProZyme's Mini MBA Program will teach company leaders to understand their market, implement corporate strategy and ways to adapt to constant change in the industry. The Six Sigma training will decrease waste in all aspects of the production process while providing quality products that are less costly, made faster, and add value to the customer. Since e-commerce is the modern way of trading products and services, the Sales Team will learn cutting-edge strategies to market ProZyme's offerings online. Further topics will be covered in the curriculum so that ProZyme can strengthen the skills of their workforce and continue to meet industry demands.

### **Retrainee - Job Creation**

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage. As a priority Small Business, the Company will receive the \$26 reimbursement rate. The Job Creation trainees, which are all Managers, will start earning at least \$38.46 an hour which exceeds the ETP minimum wage requirement.

In this proposal, ProZyme has committed to hiring 3 new employees (Job Number 2). The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract. As ProZyme adjusts to the 8% growth in Sales, they will need additional employees to meet customer demands. ProZyme's current facility has vacant space to accommodate the 3 new employees.

### **Training Plan**

All training will be provided via Class/Lab:

**Business Skills** - Training will be provided to Directors, Supervisors, Managers, Customer Service, Support/Administrative Staff, Production Staff, Quality Staff and the Sales Team. Topics include Finance, Marketing, Fundamental Statistics and Data Comparison. The Sales team will receive training in Advanced Strategic Marketing for online uses. Training will focus on competency to drive work teams that are highly skilled in business operations and data analysis.

**Management Skills** - Directors will participate in this training. Topics include Project Initiation, Work Estimation and Project Execution. Trainees will improve their management skills by learning to create projects, assess program risks and keep assignments on track.

**Computer Skills** - Training will be provided to all occupations and will learn how to utilize Microsoft Windows 365 Suite which includes digital content creation, communication, storage and management tools to improve operational flow.

**Continuous Improvement** - This training will be offered to all occupations. Topics include Lean Manufacturing, Process Capability, and Statistical Process Control (SPC). These occupations will learn to assess the needs of the customer, bring work teams together, and improve the quality of their products.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

## **Exhibit B: Menu Curriculum**

### **Class/Lab Hours**

8-60 Trainees may receive any of the following:

#### **BUSINESS SKILLS**

##### **Mini MBA**

- Accounting
- Finance
- Cost Analysis and Profit Planning
- Capital Expenditures
- Corporate Strategy
- Marketing
- Management and Leadership

##### **Data Analysis**

- Fundamental Statistics
- Basics of Data Mining and Representation
- Data Comparison
- Histograms and Frequency of Occurrence
- Frequency Analysis
- Regression Analysis and Curve Fitting
- Probability and Confidence

##### **Advanced Course in Strategic Marketing**

- Marketing Strategy Building Blocks
- Identifying and Responding to Strategic Growth Opportunities
- Developing an Effective Customer Relationship Management Approach
- New Product Evaluation
- Designing Life Cycle Strategies: Incorporating the Psychographic Perspective
- Managing Brand Value
- New Perspectives on Place: Redefining Your Customer Orientation
- Strategic Approaches to Pricing
- Integrated Marketing Communications

#### **COMPUTER SKILLS**

-  Microsoft Windows 365 Suite

#### **MANAGEMENT SKILLS**

-  **Project Management**

- The Project Management Framework
- Project initiation
- Work Breakdown Structure (WBS)
- Work estimation
- Project Scheduling
- Project Budgeting
- Project Planning Plan
- Project Execution

### **CONTINUOUS IMPROVEMENT**

#### Six Sigma

- Lean Manufacturing
- Process Capability
- Hypothesis Testing Regression Analysis
- Statistical Process Control (SPC)

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.

**DELEGATION ORDER**



**Training Proposal for:  
Rally Auto Group, Inc.**

**Agreement Number: ET16-0449**

**Approval Date:** May 12, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** J. Romero

**PROJECT PROFILE**

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>SET<br>HUA   | Industry Sector(s): | Retail Services<br><br>Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Counties Served:                                      | Los Angeles   | Repeat Contractor:  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 239   | U.S.: 239           | Worldwide: 239  |
| <u>Turnover Rate:</u>                                 | 17%   |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | N/A   |                     |   |

**FUNDING DETAIL**

|               |   |                            |   |                         |   |                          |
|---------------|---|----------------------------|---|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | = | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$96,000      |   | \$0                        |   | \$0                     |   | \$96,000                 |

|                              |                                    |           |
|------------------------------|------------------------------------|-----------|
| <b>In-Kind Contribution:</b> | 100% of Total ETP Funding Required | \$111,233 |
|------------------------------|------------------------------------|-----------|



**TRAINING PLAN TABLE**

| Job No. | Job Description   | Type of Training                   | Estimated No. of Trainees | Range of Hours   |     | Average Cost per Trainee | Post-Retention Wage |
|---------|-------------------|------------------------------------|---------------------------|------------------|-----|--------------------------|---------------------|
|         |                   |                                    |                           | Class / Lab      | CBT |                          |                     |
| 1       | Retrainee SET     | Business Skills; Commercial Skills | 26                        | 8-200            | 0   | \$750                    | \$28.37             |
|         |                   |                                    |                           | Weighted Avg: 50 |     |                          |                     |
| 2       | Retrainee SET HUA | Business Skills; Commercial Skills | 69                        | 8-200            | 0   | \$750                    | *\$16.48            |
|         |                   |                                    |                           | Weighted Avg: 50 |     |                          |                     |
| 3       | Retrainee SET HUA | Business Skills; Commercial Skills | 33                        | 8-200            | 0   | \$750                    | *\$12.36            |
|         |                   |                                    |                           | Weighted Avg: 50 |     |                          |                     |

\*It will be made a condition of contract that the trainees in these Job Numbers will never be paid less than the State or local minimum wage rate as in effect at the end of retention (final payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

|   |
|---|
| <p><b>Minimum Wage by County:</b> Job Number 1(SET Statewide): \$28.37<br/>                 Job Number 2(SET/HUA): \$16.48 for Los Angeles County<br/>                 Job Number 3(SET/HUA waiver): \$12.36 for Los Angeles County</p> <p><b>Health Benefits:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No This is employer share of cost for healthcare premiums – medical, dental, vision.</p> <p><b>Used to meet the Post-Retention Wage?:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Maybe<br/>                 Up to \$1.76 per hour may be used to meet the Post-Retention Wage in Job Numbers 1-3.</p> |
|---|

| Wage Range by Occupation |            |                         |
|--------------------------|------------|-------------------------|
| Occupation Titles        | Wage Range | Estimated # of Trainees |
| <b>Job Number 1</b>      |            |                         |
| Finance Representative   |            | 3                       |
| Service Manager          |            | 3                       |
| Service Technician       |            | 5                       |
| Service Advisor          |            | 5                       |
| Car Sales                |            | 10                      |
| <b>Job Number 2</b>      |            |                         |
| Body Shop Technician     |            | 33                      |
| Car Sales                |            | 36                      |
| <b>Job Number 3</b>      |            |                         |
| Body Shop Technician     |            | 15                      |
| Parts Sales              |            | 18                      |

## **INTRODUCTION**

Founded in 1969 and headquartered in Palmdale, Rally Auto Group, Inc. (Rally Auto), ([www.rallyauto.com](http://www.rallyauto.com)), is a group of auto dealerships consisting of Rally GM Superstore, Rally Hyundai and Rally Kia. The Company serves the Antelope Valley area as a new and used car dealership and service center.

The rapid change in technology has transformed the car buying process within the past decade. There are now unlimited resources available to customers through the internet that provides vast information about vehicle performance, quality, rating and pricing. Auto dealerships are faced with well-informed car buyers and have to be more equipped with information than their customers. This prompted Rally Auto to focus on employee skill upgrades to adapt to the constant development and progression in car buying, service and repair.

As vehicles become more complex due to technological innovation and regulatory safety mandates, they also require new techniques and methods to service and sell. Vehicle features such as self-parking capability, auto braking, electric and hybrid vehicles, emissions regulations, smart transmissions require Service Staff to acquire new skills. Auto Mechanics and Technicians must learn these new systems; and have the capability to use computerized test equipment to diagnose problems. Sales staff must develop the skills in product knowledge and customer relations in order to be more efficient in recommending the vehicle that would meet customer's needs.

Training will begin upon contract approval, and will be center-based at all three auto dealerships. Classes will be provided mainly by the in-house trainers. This will be Rally Auto's first ETP Agreement.

## **PROJECT DETAILS**

Rally Auto aims to be the premier auto dealership in the Antelope Valley and a customer's first choice in car buying. To achieve this, the Company has committed significant resources to provide employee training in Business and Commercial Skills for its sales and service department.

This training will enhance worker skills to provide accurate product information, correct diagnostic advice and repair recommendations, thereby reducing customer down time and cost while achieving customer satisfaction.

### **Training Plan**

Training will allow Rally Auto to establish a new training culture and provide structured and formal training that will improve employee performance, customer service and sales.

**Business Skills (50%):** Training will be offered to all occupations. Training will include techniques to better help employers meet customer expectations. Increased customer satisfaction will result in increased demand in company services and sales.

**Commercial Skills (50%):** Training will be offered to Service and Body Shop Technicians. Training courses in vehicle maintenance upgrades will improve employee skills in recognizing problems immediately to speed up the diagnosis and repair process, to reduce customer wait-time and improve customer satisfaction.

### **Frontline Worker**

Rally Auto's job classification of Service Manager denotes employees that actively manage teams and projects, provide training, and spend more than 50% of their time performing frontline work.

These individuals do not hire, fire, or make company policy. These trainees meet the Panel's definition of frontline workers and are not considered "Managers".

### **SET/HUA - Wage Modification**

Under Special Employment Training (SET), the participating employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees in non-priority industries must be earning at least the statewide average hourly wage at the end of the retention period.

However, all trainees in this proposal work in Palmdale, which is a city that has unemployment exceeding the state average by at least 25%. As such, this location qualifies as a High Unemployment Area (HUA). The Panel may modify the SET wage requirement from \$28.37 per hour, to the ETP Minimum Wage of \$16.48 in Los Angeles County. Rally is requesting this modification for 69 trainees (Job Number 2).

In addition, the Panel may modify the wage requirement for training in an HUA to 25% below the ETP Minimum Wage, if post-retention wages exceed the state-of training wages. Rally is requesting this further modification for 33 trainees (Job Number 3) to \$12.36 per hour.

### **Commitment to Training**

Rally Auto reserves an annual budget of \$300,000 for training, which includes mandatory training, employee orientation, OSHA mandated training, sexual harassment prevention and first aid training. Rally Auto represents, that ETP funds will not displace the Company's existing financial commitment to training and that safety training is, and will continue to be provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

Rally Auto is ready to start training upon approval. Training will be provided at the three Rally Auto facilities in Palmdale by a combination of in-house staff and trainers by outside vendors. Rally Auto has retained the services of Training Refund Group for the administration of the ETP project.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

Training Refund Group in Anaheim assisted with development for a flat fee of \$3,000.

### **ADMINISTRATIVE SERVICES**

Training Refund Group will also perform administrative services for a fee not to exceed 13% of payment earned.

### **TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 – 200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Product Knowledge
- Sales Technique
  - Getting to Know Customer Needs
  - Understanding the Hidden Objection
  - Presenting the Appropriate Solution
  - Closing the Sale
  - Understanding and Handling Buyer's Remorse
  - Delivering on Delivery
- Customer Relations
- Commission Calculation
- Financing Rules

**COMMERCIAL SKILLS**

- Engine Hardware & Mechanical Systems
- Engine Diagnosis & Repair
- Engine Management Advanced Diagnosis
- Fundamentals of Automatic Transmissions
- Automatic Transmission Electrical Diagnosis
- Automatic Transmission Repair
- Automatic Transmission Service
- Axle Service & Diagnosis
- 4WD/AWD Service & Diagnosis
- Manual Transmission Repair & Diagnosis
- Chassis Systems
- Advanced Chassis Version 1
- Body Systems Diagnosis
- Electric Power Management Systems
- Occupant Restraint & Safety
- Electrical Diagnosis
- Heating Ventilation and A/C Systems Operation & Diagnosis
- Noise Vibration
- Diesel Fuel Systems Version 1
- Diesel Emissions
- Diesel Engine Repair
- Specialty Parts Ordering
- Parts Desk
- Body Shop Dent Repair
- Body Shop Dent Filler
- Body Shop Parts Ordering
- Body Shop Paint Application
- Body Shop Color Matching Technique

|   |
|---|
| Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. |
|---|



**Training Proposal for:  
River Terrace Inn, LLC**

**Small Business**

**ET16-0439**

**Approval Date:** April 18, 2016

**ETP Regional Office:** Sacramento

**Analyst:** W. Sabah

**CONTRACTOR**

- Type of Industry: Services
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 38
  - Worldwide: 38
  - Number to be trained: 35
- Owner  Yes  No
- Out-of-State Competition: Competitors Outside CA
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 16%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$30,800
- In-Kind Contribution: \$26,320

**TRAINING PLAN TABLE**

| Job No. | Job Description      | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|----------------------|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                      |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100 | Business Skills,<br>Computer Skills,<br>Continous Improvement | 35                        | 8-60                | 0   | \$880                    | \$15.60             |
|         |                      |   |                           | Weighted Avg:<br>40 |     |                          |                     |

- Reimbursement Rate: Job #1: \$22 SB Non-Priority
  
- County(ies): Napa
- Occupations to be Trained: Administration Staff, Front Desk Staff, Food & Beverage Staff, Sales Staff, Maintenance Staff, Housekeeping Staff, Manager
  
- Union Representation:  Yes  
 No
  
- Health Benefits: Job #1: \$0.82 per hour

**SUBCONTRACTORS**

- Development Services: National Training Company in Middletown assisted with development of this project for a flat fee of \$814.42.
  
- Administrative Services: National Training Company will also provide administrative services for a fee not to exceed 13% of payment earned
  
- Training Vendors: To Be Determined

**OVERVIEW**

Built in 2002, River Terrace Inn, LLC (River Terrace) ([www.riverterraceinn.com](http://www.riverterraceinn.com)) is a boutique hotel overlooking the Napa River, near the downtown district. It borders the Napa River Trail and Oxbow Park Reserve. River Terrace has 106 rooms, including a fitness center, meeting rooms and an in-house restaurant. The hotel is considered a “destination resort” facing out-of-state competition given that it operates in the proximity of Napa wineries and park lands.

To increase market share and continue to satisfy the needs of a diverse clientele, River Terrace needs to enhance guest services from a 3-Diamond rating to a 4-Diamond rating. Hotel establishments that demonstrate the basic requirements of cleanliness, comfort and hospitality during an unannounced inspection are designated as AAA/CAA Approved. AAA 4 Diamond rating for hotels represents a combination of superior quality in a range of facilities, level of services, and guest satisfaction. The descriptive ratings are assigned exclusively to properties that meet and uphold AAA’s rigorous approval standards.

To meet its goal of being awarded a AAA 4 Diamond rating, River Terrace will undergo a \$5.9 million renovation upgrade in the middle of 2016. The hotel will renovate the lobby, retail space, restaurant, guestrooms, kitchen, ballroom, hotel entry, and the wedding lawn. All renovations are expected to be finished by the first quarter 2017. The Company has launched an initiative to improve teamwork, communication, and problem-solving in preparation for this upgrade. Training will allow the Company to enhance quality of service and improve customer satisfaction to be more competitive nationally and internationally as a destination hotel.

## Training Plan

Trainee's will receive 8-60 hours of Classroom/Laboratory training which will be delivered by in-house trainers. External vendors will be determined at a later date.

**Business Skills:** Training will be provided to all occupations. Trainees will learn the techniques to negotiate skillfully and communicate effectively with customers. Training topics will include Operating Procedures, Negotiating Skills, Point of Sale Skills, Payroll System, and Up-selling and Closing Skills.

**Computer Skills:** Training will be provided to Administration Staff, Food & Beverage Staff, Front Desk Staff, and Housekeeping Supervisors in order to stay current with new technology which includes system enhancements and inventory controls. Training topics will include Customer Information Systems, Internal Customer Application, Point of Sale Applications and Reservation Systems.

**Continuous Improvement:** Training will be provided to all occupations. Trainees will learn how to exceed guest expectations in all areas of service, work more efficiently in teams, resolve team conflicts, and improve communications. Additionally, trainees will learn critical leadership techniques. Trainees will also be able to make decisions on their own through advanced problem solving and communication skills classes. Training will include Quality Improvement, Resolving Team Conflict, Leadership Skills, and Time Management Skills.

## Post-Retention Wage

In addition to health benefits, mandatory service charges (banquet tips) of up to \$1.78 per hour may be used to meet the Post-Retention Wage of \$15.60 in Napa County.

## Full-Time Work Week

Full-time employment for purposes of ETP retention means at least 35 hours a week for 90 consecutive days. The Panel may approve less than 35 hours a week if that workweek is customary for the industry or occupation.

River Terrace requests a modification from 35 hours per week to 30 hours per week on grounds that this is considered full-time employment for front-line workers in the hospitality sector. These workers are not "temporary" but are employed by River Terrace on a permanent basis, with quarterly payroll reporting. Also, employees who work at least 30 hours per week are eligible for full-time health benefits. Because River Terrace's occupancy rates fluctuate during different months of the year, some workers' hourly status may also fluctuate. The hotel offer a 30-hour full-time workweek for all employees which allow workers the ability to remain on full-time status even if their work hours drop to 30 hours per week. The Panel has approved this same modification in the past for other hotel training projects.

**RECOMMENDATION**

Staff recommends approval of this proposal.



**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Operating procedures
- Negotiating Skills
- Point of Sale Skills
- Up-selling and Closing Skills
- Accounting Skills
- Payroll System Skills
- Advanced Telephone Techniques
- Integrated Kitchen Procedures
- New Menu Presentation and Selling Techniques

**COMPUTER SKILLS**

- Customer Information Systems
- Internal Customer Applications
- Internet Technology
- Point of Sale Applications
- Reservation Systems
- Sales Reports & Scheduling Software
- Smartphone Technology
- Tablet Technology

**CONTINUOUS IMPROVEMENT**

- Quality Improvement
- Team Building
- Improving Communication Skills with Guests
- Resolving Team Conflict
- Room Standards Techniques
- Resolving Guest Complaints
- Exceeding Guest Expectations
- Leadership Skills
- Standard Work Procedures
- Time Management Skills
- Critical Thinking Skills
- Improving Communication with Team Members

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.



**DELEGATION ORDER**

**Training Proposal for:  
Safe Refuge**

**Small Business**

**ET16-0433**

**Approval Date:** April 15, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Paccarelli

**CONTRACTOR**

- Type of Industry: Healthcare  
Priority Industry:  Yes  No
- Number of Full-Time Employees  
California: 35  
Worldwide: 35  
Number to be trained: 14  
Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 19%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$14,560
- In-Kind Contribution: \$15,680

**TRAINING PLAN TABLE**

| Job No. | Job Description                              | Type of Training                      | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|---------------------------------------|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |  |                                       |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate<br>SET | Commercial Skills,<br>Computer Skills | 14                        | 8-60                | 0   | \$1,040                  | \$21.28             |
|         |  |                                       |                           | Weighted Avg:<br>40 |     |                          |                     |

- Reimbursement Rate: Job # 1: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Registered Nurse, Therapist, Counselor, Administrative Staff, Frontline Supervisor
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$0.28 per hour

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

**OVERVIEW**

Safe Refuge, founded in 1988 was formerly known as the Substance Abuse Foundation of Long Beach, Inc., ([www.asaferefuge.com](http://www.asaferefuge.com)). It is a 240-bed facility with 90 State-licensed/certified beds. The remaining 150 beds are transitional housing/sober living).

Safe Refuge is certified by the Commission on Accreditation of Rehabilitation Facilities in residential, outpatient, and community housing for drug and alcohol treatment; and for employment services. Its mission is to provide treatment and support for those seeking recovery from addiction. Safe Refuge's services include housing for low-income and homeless individuals and families; outpatient group and individual counseling; and job training and employment services.

Safe Refuge is eligible for priority-industry funding as a Healthcare facility under Special Employment Training (SET) for frontline workers.

**PROJECT DETAILS**

This proposal will upgrade the skills of employees and equip them to make informed and timely decisions in order to improve client care.

## **Training Plan**

**Commercial Skills (85%)** - This training will be offered to all occupations and will cover industry-specific skills consistent with most healthcare settings such as infection control, nutrition, sanitation, and medical management.

**Computer Skills (15%)** – This training will be offered to all occupations in advanced Electronic Health Records which will enhance efficiency, reduce errors, and improve customer service.

## **Special Employment Training**

Under SET, the participating employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period.

## **Frontline Worker**

The Company will be training three Frontline Supervisors. These workers spend more than 50% of their time on frontline work duties. As such, they meet the Panel's definition of "frontline workers" and qualify for SET funding.

## **Turnover Rate**

The ETP program is designed to fund training for stable, secure jobs. Thus, the employer's turnover rate cannot exceed 20% annually for the facility where training is requested. But the Panel may accept a higher turnover rate if the employer provided evidence that the proposed training will significantly decrease the turnover, or if the employer experienced a singular reduction in workforce, or if industry data supports a higher turnover rate. If the Panel chooses to impose a turnover penalty, failure to stay under a maximum rate will trigger forfeiture of 25% of the amount earned for each trainee.

Safe Refuge is requesting a waiver to the 20% turnover threshold due to the fact that high turnover in 2015 was an anomaly. According to the Company, its rate has historically remained below 20%, with turnover at 2% in 2013 and 4% in 2014.

However, in 2015, the turnover rate climbed to 30% due to a singular reduction of workforce when Safe Refuge lost two contracts during the rebidding of two specific programs. Safe Refuge had since received new funding from other sources, and is confident that it will retain its current employees for a projected turnover rate of 20% or less by the end of 2016.

However, Safe Refuge is still requesting a waiver due to the general unpredictability of staff retention in the healthcare-rehabilitation sector. Staff recommends this waiver.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 - 60

Trainees may receive any of the following:

**COMMERCIAL SKILLS**

- Basic Life Support (BLS)
- Medication Administration & Management
- TB Prevention and Education
- Hepatitis Prevention and Education
- HIV Related Training
- Critical Incident and Infection Control
- Communicable Diseases Prevention and Control
- Alcohol and/or Drug Abuse
- Principles of Recovery
- Recognition of Individuals Under the Influence
- Ethics/Code of Conduct and Rights of Persons Served
- Person and Family Centered Services
- Prevention of Workplace Violence
- Confidentiality, Cultural Competency
- Incident Reporting/Adverse Events
- Non-violent Crisis Intervention
- Program Services Overview
- Housekeeping and Sanitation
- Nutrition, Food Preparation
- Storage and Menu Planning
- Corporate Compliance

**COMPUTER SKILLS**

- Electronic Health Records

|   |
|---|
| Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. |
|---|



**Training Proposal for:  
Santec, Inc.**

**Small Business**

**ET16-0445**

**Approval Date:** April 29, 2016

**ETP Regional Office:** North Hollywood      **Analyst:** J. Romero

**CONTRACTOR**

- Type of Industry: Manufacturing
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 50
  - Worldwide: 50
  - Number to be trained: 40
  - Owner  Yes  No
- Out-of-State Competition: Competitors Outside CA
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 12%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$49,920
- In-Kind Contribution: \$38,400

**TRAINING PLAN TABLE**

| Job No. | Job Description                       | Type of Training                           | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---------------------------------------|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                                       |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate | Computer Skills,<br>Continuous Improvement | 40                        | 8-60                | 0   | \$1,248                  | \$16.48             |
|         |                                       |  |                           | Weighted Avg:<br>48 |     |                          |                     |

- Reimbursement Rate: Job #1: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Administration, Manufacturing Staff, Customer Service, Designer, Manager
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$2.50 per hour

**SUBCONTRACTORS**

- Development Services: California Manufacturing Technology Consulting (CMTC) in Torrance assisted in the development of this ETP proposal at no cost.
- Administrative Services: CMTC will provide administration services for an amount not to exceed 13% of payment earned.
- Training Vendors: CMTC will provide training on Computer Skills and Continuous Improvement.

**OVERVIEW**

Santec, Inc. (Santec) ([www.santecfaucet.com](http://www.santecfaucet.com)) is a manufacturer of high-end kitchen and bath fixtures distributed to commercial and residential contractors and designers. The Company operates from its facility in Torrance, and is dedicated to creating innovative products that meet the highest standards of quality, design and functionality.

Santec needs to remain competitive in an industry that has moved a large amount of manufacturing to other countries. The Company must also find ways to be more competitive and meet customer expectations to reduce costs while maintaining quality.

Santec is implementing a new Enterprise Resource Planning (ERP) system and will train its employees on LEAN manufacturing. This training will address current inefficiencies within the Company's processes, increasing production while maintaining quality and reducing waste.

## **Training Plan**

The implementation of Santec's new ERP will impact all of the Company's operating and manufacturing processes. Santec employees will become competent in operating and navigating the new system to maximize its capabilities. In addition, employees will receive training in Continuous Improvement so they can easily adopt and integrate these principles.

Training will be provided by qualified vendors and in-house trainers. Santec is ready to start training upon approval of this proposal. The Company has assigned a number of staff dedicated to scheduling and tracking the training, and act as the point of contact between Santec and ETP. In addition, Santec has engaged the services of a third-party administrator for the administration of the ETP project.

**Computer Skills:** This training will be offered to all occupations. Workers will receive training in the new ERP system, specific to their job duties, to ensure they are able to utilize the new system tools, improve efficiencies, and help the Company maintain control of inventory, costs and quality.

**Continuous Improvement** This training will be offered to all occupations, but will focus on Managers and Manufacturing Staff. Trainees will participate in continuous improvement training to identify opportunities to reduce costs, improve proficiencies, increase speed-to-market and meet customer needs

## **RECOMMENDATION**

Staff recommends approval of this proposal.



**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 – 60

Trainees may receive any of the following:

**COMPUTER SKILLS**

- ERP – Chart of Accounts
- ERP – Customer, Vendor, Parts
- ERP – Data Cleaning and Set-Up
- ERP – Purchasing,
- ERP – Accounts Receivable, Accounts Payable
- ERP – Testing – Mock Testing
- ERP – Bill of Materials/Routing
- ERP – Visual Business Intelligence
- ERP – Custom Receipts
- ERP – Warehouse Management System (WMS) Training

**CONTINUOUS IMPROVEMENT**

- Lean 101
- 5S
- Value Stream Mapping (VSM) – Process Mapping
- Kaizen

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.

**Delegation Order**



**Retrainee - Job Creation  
Training Proposal for:  
Sinecera Inc. dba Crown Precision**

**Small Business**

**ET16-0430**

**Approval Date:** April 13, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Paccereilli

**CONTRACTOR**

- Type of Industry: Manufacturing
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 80
  - Worldwide: 80
  - Number to be trained: 76
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 2%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$98,800
- In-Kind Contribution: \$95,000

**TRAINING PLAN TABLE**

| Job No. | Job Description   | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |   |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate<br>SB<100                            | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>Literacy Skills,<br>Mgmt. Skills,<br>Mfg. Skills,<br>PL-Mfg. Skills | 66                        | 8 - 60              | 10  | \$1,300                  | \$16.48             |
|         |   |  |                           | Weighted Avg:<br>50 |     |                          |                     |
| 2       | Retrainee<br>Priority Rate<br>Job Creation Initiative<br>SB<100 | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>Literacy Skills,<br>Mgmt. Skills,<br>Mfg. Skills,<br>PL-Mfg. Skills | 10                        | 8 - 60              | 10  | \$1,300                  | *\$13.73            |
|         |   |  |                           | Weighted Avg:<br>50 |     |                          |                     |

\*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Los Angeles
- Occupations to be Trained: Production Staff, Administrative Staff, Manager/Supervisor
- Union Representation:  Yes  
 No
- Health Benefits: Job #'s 1 & 2: \$3.50 per hour

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

**OVERVIEW**

Founded in 1984, Sinecera Inc. dba Crown Precision (CP) ([www.crownprecision.com](http://www.crownprecision.com)), manufactures hydraulic aerospace components. CP is a state-of-the-art CNC machine shop specializing in high-precision CNC turning, milling, grinding and component part assemblies. CP has the capability of manufacturing parts from customers' blueprint specifications at the tightest tolerances using a wide range of materials including steel, aluminum, titanium, copper, bronze and aircraft alloys.

In the early 2000's, Lean manufacturing philosophies were introduced to the Company and production equipment was upgraded. Lean philosophies allowed the business to control costs, improve quality and on-time delivery.

CP continued to expand and started producing complex precision-machined parts with tight tolerances for the aerospace industry. To meet quality objectives and delivery commitments, the Company purchased ten Vertical CNC Mills and Turning Centers in 2015 and a Horizontal Machining Center was installed in January 2016. In addition, CP recently installed new manufacturing software, Profit Key. Training is not included in the purchase price of the new equipment and software; however, it is critical to properly operate and implement both.

This will be CP's second ETP Agreement within the last five years. In this new proposal, its primary goal is to train employees in the new equipment and manufacturing software. Some curriculum courses are repeated from the last Agreement; however, there will be no repeat trainees in those courses.

### **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired workers under Small Business will be subject to a lower post-retention wage.

CP will hire 10 new employees in production to fill the second (night) shift to support strong production demands and meet customer order and delivery requirements. The Job Creation trainees (Job Number 2) must be hired into "net new jobs" as a condition of contract. The date-of-hire for these trainees will be within the three-month period before contract approval or within the term-of-contract.

### **Training Plan**

Training via Class/lab and Computer-Based Training (CBT) in the following:

**Business Skills:** Training will be offered to all occupations to improve communication skills.

**Computer Skills:** Training will be provided to Administrative Staff to improve productivity using new manufacturing software, Profit Key. This training will be delivered as a class/lab and Computer Based-Training (CBT). CBT will serve as a supplement to the Computer Skills class/lab training either as a prerequisite or as a follow-up to ensure trainee's competency in the subject matter. CBT is capped at 50% of the total training hours per trainee.

**Continuous Improvement:** Training will be provided to all occupations in varying degrees. Training will include current set-up procedures and help improve efficiencies. Training will also focus on quality and process improvements to reduce costs and eliminate waste. Production Staff, particularly inspection personnel, need skills for inspection and know the AS9100 quality systems.

**Literacy Skills:** Training will be offered to Production Staff and include basic workplace terminology, math and Vocational English as a Second Language to help improve trainees' job skills and overall performance.

**Management Skills:** Training will be provided to Managers/Supervisors and include advanced leadership skills, change management, goal setting, and effective coaching and delegation.

**Manufacturing Skills:** Training will be provided to Production Staff to integrate new equipment operations and Lean manufacturing systems and processes. This training will also cover blueprint reading and geometric tolerancing.

### **Productive Laboratory**

The Panel adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of training in the courses identified under the Curriculum.

To ensure trainees reach optimal skills levels to select materials, set-up machines, operate, troubleshoot, and manage the job, PL training on the new equipment will provide the requisite hands-on training to meet quality and standards and customer requirements. PL-Manufacturing skills training will be delivered to Production Staff.

PL training will compliment Class/Lab training. Trainers will work directly with trainees in a 1:1 trainer-to-trainee ratio setting. The trainer's time will be dedicated to training delivery during all hours of training. Production Staff may receive up to 24 hours of PL training.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

The following table summarizes performance by CP under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                   | Approved Amount | Payment Earned    |
|---------------|-----------------|------------------------|-----------------|-------------------|
| ET13-0197     | Irwindale       | 10/18/12 –<br>10/17/14 | \$49,036        | \$48,924<br>(99%) |

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 - 60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Strategic Planning/Goal Setting/Project Management
- Advanced Marketing Strategies
- Inventory Control/Advanced Product Knowledge
- Communication Skills
- Advanced Customer Service Skills

**COMPUTER SKILLS**

- Manufacturing Software – Profit Key

**CONTINUOUS IMPROVEMENT**

- Teambuilding
- Problem Solving/Decision Making
- Process Improvement
- Leadership Skills for Frontline Workers
- Total Quality Management

**LITERACY SKILLS**

- Vocational English as a Second Language
- Basic Math

**MANAGEMENT SKILLS (Managers/Supervisors Only)**

- Advanced Leadership Skills
- Effective Coaching/Delegation
- Change Management

**MANUFACTURING SKILLS**

- Equipment Operation/Procedures
- Maintenance Skills
- Production Operations/Workflow
- Blueprint Reading
- Geometric Tolerancing

Literacy Training cannot exceed 45% of total training hours per-trainee.  
Safety Training will be limited to 10% of total training hours per-trainee.

**Productive Lab**

0 – 24

**MANUFACTURING SKILLS (RATIO 1:1)**

- Equipment Operation/Procedures
- Maintenance Skills
- Production Operations/Workflow

**CBT Hours**

0 – 10

**COMPUTER SKILLS**

- Profit Key Software

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. CBT is capped at 50% of total training hours per-trainee. PL is capped at 24 hours per-trainee.

**DELEGATION ORDER**



**Training Proposal for:  
The SYGMA Network, Inc.**

**Agreement Number: ET16-0453**

**Approval Date:** May 9, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Paccereilli

**PROJECT PROFILE**

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>Priority Rate  | Industry Sector(s): | Warehousing<br>Transportation/Logistics<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Los Angeles   | *Repeat Contractor: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| Union(s):   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Teamsters Local Union 848; Teamsters Automotive, Industrial and Allied Workers Local Union 495; Teamsters Local Union 630 |                     |   |
| Number of Employees in:                               | CA: 241   | U.S.: 241           | Worldwide: 51,700   |
| <u>Turnover Rate:</u>                                 | 19%   |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 20%   |                     |   |

\*Prior project approved in March 2016, for a different location.

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$99,144      |   | \$0                        | \$0                     |   | \$99,144                 |

|                              |   |                  |
|------------------------------|---|------------------|
| <b>In-Kind Contribution:</b> | <b>100% of Total ETP Funding Required</b> | <b>\$137,700</b> |
|------------------------------|---|------------------|



**TRAINING PLAN TABLE**

| Job No. | Job Description         | Type of Training  | Estimated No. of Trainees | Range of Hours   |      | Average Cost per Trainee | Post-Retention Wage |
|---------|-------------------------|---|---------------------------|------------------|------|--------------------------|---------------------|
|         |                         |   |                           | Class / Lab      | CBT  |                          |                     |
| 1       | Retrainee Priority Rate | Cont. Imp., Computer Skills, Business Skills, Comm'l Skills, PL-Comm'l Skills | 204                       | 8-200            | 0-14 | \$486                    | *\$16.48            |
|         |                         |   |                           | Weighted Avg: 27 |      |                          |                     |

**Minimum Wage by County:** \$16.48 in Los Angeles County  
**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.  
**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe  
 Up to \$4.48 per hour may be used to meet the Post-Retention Wage

| Wage Range by Occupation |            |                         |
|--------------------------|------------|-------------------------|
| Occupation Titles        | Wage Range | Estimated # of Trainees |
| Warehouse Staff          |            | 55                      |
| Administrative Staff     | *          | 15                      |
| Transportation Staff     |            | 84                      |
| Maintenance Staff        |            | 10                      |
| Manager/Supervisor       |            | 40                      |

\*It will be made a condition of contract that these trainees will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**INTRODUCTION**

Located in Lancaster, The SYGMA Network, Inc. (SYGMA) ([www.sygmanetwork.com](http://www.sygmanetwork.com)) is a foodservice distributor to restaurant chains in the United States. The Company warehouses, distributes, and delivers food products, beverages, equipment and supplies to chain restaurants throughout Southern California, Arizona and Nevada. Its customers include Panera Bread, Wing Stop, Panda Express, Einstein, Checker Rally's, Jenny Craig and Fire House Subs.

To meet quality objectives and delivery commitments, SYGMA is investing \$167,000 in new equipment and technology including Driver scanners, Telogias Onboard Technology and Cuba Scanners. Training is not included in the purchase price of the new equipment and technology; however, it is critical to properly operate and implement both.

SYGMA is also expanding its Internet technology and is moving to a paperless operation. The proposed training will help the Company become paperless resulting in increased business efficiency and improved customer satisfaction. With these changes, the Company expects to increase sales and profitability.

This is SYGMA's second ETP Agreement. The first Agreement, approved by the Panel in March 2016, was for training at the Company's distribution center in Stockton, which did not face out-

of-state competition. This Agreement will be for training at the center in Lancaster, which distributes goods to chain restaurants across the United States. Combined, funding for these two locations is under the Single Employer contract cap for FY2015/2016. [Note: The locations were developed separately due to a variation in the training plans.]

## **PROJECT DETAILS**

### **Training Plan**

Training will provide employees the skills necessary to recognize effective processes and procedures. This knowledge base will allow the Company to find solutions to improve productivity, quality and efficiency. Training will be delivered by in-house experts and outside vendors in the following:

**Computer skills (25%):** Training will be provided to all occupations on how to best utilize its current applications as well as the new software and technology.

**Continuous improvement (20%):** Training will be provided to all occupations in SYGMA Quality Standards and Food Safety to improve service quality and customer satisfaction.

**Business skills (10%):** Training will be provided to all occupations and focus on customer service standards, category management and time management.

**Commercial skills (45%):** Training will be provided to Warehouse, Transportation and Maintenance Staff on SYGMA's operating procedures and processes. This training is vital to serving its customers accurately and on time.

### **Productive Laboratory**

The Panel adopted regulations to authorize reimbursement for training delivered in a Productive Laboratory (PL) setting. PL trainees may produce goods for profit as part of training in the courses identified under the Curriculum.

PL in Commercial Skills will be offered to Warehouse, Maintenance and Transportation Staff in equipment operation consisting of balers, electric pallet jacks, forklift, scissor lifts, scrubbers, sweepers, trailers and tractors.

SYGMA developed the following PL training plan: Trainees will be provided with operating procedures and instruction on the equipment. Trainees will learn to diagnose and repair machinery by observation, shadowing the trainer, and completing supervised assignments. Each PL event is structured with specific skills that trainees must learn. Trainees are ultimately evaluated on knowledge, skill, and proficiency. After the successful completion of a PL training course, the trainer will certify competency for each skill before trainees are allowed to work independently. Although PL will average 40 hours per trainee, some trainees will require more PL based on their job duties. PL will not exceed 60 hours per trainee.

PL training will take place onsite and the trainer-to-trainee ratio will not exceed 1:3. The Company requires a higher ratio due to the limited number of equipment and trainers. As most equipment is in constant use, it is necessary to optimize the trainer and trainee's time when the equipment is available. Trainers will be in-house staff and subject matter experts with at least two years of experience in equipment operation.

[Note: PL was approved for training at the Stockton facility under ET16-0394 at the same cap of 60 hours and ratio of 1:3, for the same reasons.]

### **Computer-Based Training**

Some training will also be delivered in a Computer Based-Training (CBT) setting. CBT will serve as a supplement to the class/lab training either as a prerequisite or as a follow-up to ensure trainee's competency in the subject matter. CBT is capped at 50% of the total training hours per trainee.

### **Union Support**

The proposed training is supported by the Teamsters Automotive, Industrial & Allied Workers Local 495 representing the Maintenance staff; Teamsters Local Union 848 representing the Transportation staff; and Teamsters Local Union 630 representing the Warehouse Staff. Letters of support have been provided to ETP.

### **Commitment to Training**

The Company's current training budget for Lancaster is approximately \$1M and covers OSHA-mandated training, new-hire orientation, defensive driver training, sexual harassment prevention, ethics training, ergonomics, environmental and on-the-job training.

ETP funds will not displace the existing financial commitment to training. Safety training is provided in accordance with all pertinent requirements under state and federal law.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

N/A

### **ADMINISTRATIVE SERVICES**

N/A

### **TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**CONTINUOUS IMPROVEMENT**

- Change Management
- Critical Thinking
- Coaching Skills
- Problem Solving
- Quality Assurance
- SYGMA Food Safety
- SYGMA Quality Standards
- Team Communication

**COMPUTER SKILLS**

- Cuba Scan
- Computerized Inventory
- Contact Management
- Laptop Techniques
- Mobile Scanners
- Onboard Truck Software
- Smartphone Applications
- SYGMA Desktop Applications
- Tablet Applications
- Wearable Computer Terminals

**BUSINESS SKILLS**

- Category Management
- Customer Service Standards
- Leadership Skills
- Time Management

**COMMERCIAL SKILLS**

- Best Practices
- Computer Controlled Systems
- Electrical System
- Fuel Cells System
- Operating Procedures
- Order Selection Procedures
- Preferred Work Methods

**Productive Lab Hours**

0-60

**COMMERCIAL SKILLS (Ratio 1:3)**

- Balers
- Forklifts
- Electric Pallet Jacks
- Order Selection Procedures

- Preferred Work Methods
- Product Handling
- Scissor Lifts
- Scrubbers
- Tractor
- Trailers
- SYGMA Labeling Systems
- Sweeper
- Wearable Computer Terminals

**CBT Hours**

0 – 14

**BUSINESS SKILLS**

- Customer Service Training For Drivers (.25)
- Customer Service in the Field (1)
- Customer Service Processes and Procedures (3)
- Customer Service Confrontation and Conflict (1)
- Customer Service Over the Phone (1)
- Customer Interactions (3.5)
- Customer Service Fundamentals: Building Rapport in Customer Relationships (1)
- Quality Customer Service (.75)
- Internal Customer Service (1)

**CONTINUOUS IMPROVEMENT**

- Business Coaching: Build the Coaching Relationship (1)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours. PL is capped at 60 hours per-trainee.



# Teamsters Local Union No. 848

Chartered in 1937

**ERIC TATE**  
SECRETARY-TREASURER

March 24, 2016

Employment Training Panel  
1100 "J" Street  
4<sup>th</sup> Floor  
Sacramento, CA 95814

**Re: Sygma Network, Inc.**  
**Lancaster, CA**

Teamsters Local 848 supports the proposed Sygma Network, Inc., Employment Training Panel Project.

Sincerely,

A handwritten signature in blue ink that reads "Tom Tullius".

Tom Tullius  
Coordinator  
Business Representative  
Teamsters Local 848

*Our Members Are Our Strength. . . Our Children Are Our Future. . . Our Retirees Are Our Foundation*

731 EAST ARROW HIGHWAY

GLENDORA, CALIFORNIA 91740

PHONE (626) 732-4700

FAX (626) 732-4707

Affiliated with the International Brotherhood of Teamsters



# TEAMSTERS AUTOMOTIVE, INDUSTRIAL AND ALLIED WORKERS LOCAL UNION No. 495

R.M. "BOB" LENNOX  
*Secretary-Treasurer*

GEORGE PARK  
*President*

April 11, 2016

Employment Training Panel  
1100 J Street  
Sacramento, CA 95814

**RE: THE SYGMA NETWORK, INC. EMPLOYMENT TRAINING PANEL PROJECT**

The Teamsters Union Local No. 495 supports the proposed Sygma Network, Inc Employment Training Panel (ETP) project.

Sincerely,

**TEAMSTERS AUTOMOTIVE, INDUSTRIAL, THEME PARK  
SERVICE SECTOR AND ALLIED WORKERS LOCAL NO. 495**

A handwritten signature in black ink that reads "George A. Park".

George A. Park  
President

GAP: jg



Food, Industrial and Beverage Warehouse, Drivers  
and Clerical Employees Union - Los Angeles and Vicinity

(213) 627-2178  
Fax (213) 627-0846

## **Teamsters Local Union No. 630**

750 S. Stanford Avenue / Los Angeles, California 90021-1416

**LOU VILLALVAZO**  
SECRETARY-TREASURER

**FRANK AFOA**  
PRESIDENT

April 8, 2016

### **Employment Training Panel**

**1100 J Street  
4th floor  
Sacramento, Ca. 95814**

**Re: Sygma Network Lancaster, Inc Employment Training Panel Project**

To whom it may concern,

Teamsters Local Union 630 support the proposed Sysco Los Angeles, Inc Employment Training Panel (ETP) project..

Sincerely,

*Lou Villalvazo*

**Secretary Treasures  
Teamster Local 630**





**Retrainee - Job Creation  
Training Proposal for:  
Trofholz Technologies, Inc.**

|                       |
|-----------------------|
| <b>Small Business</b> |
|-----------------------|

**ET16-0441**

**Approval Date:** April 20, 2016

**ETP Regional Office:** Sacramento

**Analyst:** K. Smiley

**CONTRACTOR**

- Type of Industry: Technology/IT Services  
Priority Industry:  Yes  No
- Number of Full-Time Employees  

|                       |    |
|-----------------------|----|
| California:           | 36 |
| Worldwide:            | 89 |
| Number to be trained: | 46 |
- Out-of-State Competition: Owner  Yes  No
- Special Employment Training (SET): NAICS Code Eligible  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 13%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$58,552
- In-Kind Contribution: \$71,209

**TRAINING PLAN TABLE**

| Job No. | Job Description                                    | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |  |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate              | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Impr,<br>Mgmt Skills | 30                        | 8-80                | 0   | \$1,092                  | \$19.00             |
|         |  |   |                           | Weighted Avg:<br>42 |     |                          |                     |
| 2       | Job Creation Initiative<br>SB<100<br>Priority Rate | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Impr                 | 10                        | 8-80                | 0   | \$1,924                  | \$19.00             |
|         |  |   |                           | Weighted Avg:<br>74 |     |                          |                     |
| 3       | Veterans<br>SB<100<br>Priority Rate                | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Impr,<br>Mgmt Skills | 6                         | 8-60                | 0   | \$1,092                  | \$19.00             |
|         |  |   |                           | Weighted Avg:<br>42 |     |                          |                     |

- Reimbursement Rate: Job #'s 1-3: \$26 SB Priority
- County(ies): Placer County
- Occupations to be Trained: System Integration Staff, Professional Service Staff, Manager, Information Technology Staff, Administrative Staff, Contract Services Staff, Business Development Staff, Accounting Staff
- Union Representation:  Yes  
 No
- Health Benefits: N/A

**SUBCONTRACTORS**

- Development Services: Sierra Consulting Services of El Dorado Hills assisted with development of this proposal for a flat fee of \$5,800.
- Administrative Services: Sierra Consulting Services will also assist with administrative services for a fee not to exceed 10% of earned funds.
- Training Vendors: To Be Determined

**OVERVIEW**

Founded in 2002 and located in Rocklin, Trofholz Technologies, Inc. (Trofholz) (<http://www.trofholz.com/>), is a woman/veteran-owned information technology (IT) security firm. Trofholz designs, integrates, and supports comprehensive information security solutions to protect clients' sensitive information and assets.

## Need For Training

Recently, Trofholz graduated from the 8(a) Federal Business Development Program designed to help small businesses grow their customer base while securing federal contracts. Since graduating from this program, Trofholz has faced competition in winning contract bids. This competition has caused Trofholz to develop a comprehensive training plan to improve services, negotiations, and business performance to better compete with larger IT firms.

Currently, Trofholz has contracted \$15 million of new work including contracts with Sutter Health, Department of Homeland Security, and the U.S. Army Corps of Engineers. The Company is also involved in the Sacramento Kings Arena project. The Company must train on project management, customer relationship management, and planning and organization to ensure that staff can manage the workload. The Company will also provide training on products and services, including Business Management International and Revit, to increase information security software knowledge.

## Retrainee - Job Creation

In addition to information security services, Trofholz is expanding into help desk and software support services. The Company is anticipating increased business capacity due to this expansion and is committed to hiring and training 10 new employees (Job Number 2). These trainees must be hired within the three-month period prior to Panel approval or during the term of the Contract. These trainees will be hired into "net new jobs" as a condition of contract.

## Training Plan

The following courses will be delivered through Class/Lab, Video Conference and E-Learning.

**Business Skills:** Training will be offered to all occupations to enhance customer service, marketing and time management skills. Courses will include customer relationship management, marketing/sales techniques, project management and methodology.

**Commercial Skills:** Training will be offered to System Integration Staff, Professional Service Staff, Manager, Information Technology Staff, Contract Services Staff, and Business Development Staff to increase product and technical knowledge.

**Computer Skills:** Training will be offered to all occupations to enhance knowledge of internal and security software systems. Courses will include Revit, BIM, AutoDesk/AutoCAD and QuickBooks.

**Continuous Improvement:** Training will be offered to all occupations to improve communication and decision making skills. Courses will include decision making, problem solving and communication skills.

**Management Skills:** Training will only be offered to Managers. Courses will be offered to improve decision making and teambuilding skills at the management level.

## Maximum Hours Modification

Trofholz is requesting a waiver to increase the maximum hours from 60 hours to 80 hours for Job Numbers 1 and 2. The Company has created a comprehensive training plan designed specifically for six incumbent and seven newly hired System Integration Staff. This occupation will receive extensive training in help desk and software support services in addition to the

company-wide training plan. Thus, Trofholz is requesting to increase the standard cap on hours for small business from 60 hours to 80 hours.

**Veterans**

Trofholz will train six veterans (Job Number 3). As a veteran-owned business, Trofholz is committed to creating career development opportunities for former military personnel.

**RECOMMENDATION**

Staff recommends approval of this proposal.

## **Exhibit B: Menu Curriculum**

### **Class/Lab, E-Learning, and Video Conferencing Hours**

Job Numbers 1-2: 8-80

Job Number 3: 8-60

Trainees may receive any of the following:

#### **BUSINESS SKILLS**

- Accounting
- Business Fundamentals
- Business Performance
- Business Writing
- Conflict Resolution
- Creative Marketing
- Customer Relationship Management
- Customer Service
- Communication Skills
- Cost Control
- Employee Coaching
- Essential Skills for the New Supervisor
- Financial Analysis
- Leadership
- Marketing/Sales Techniques
- Negotiating
- Operational Skills
- Planning and Organization
- Product Knowledge
- Project Management and Methodology
- Project Requirements Analysis and Specifications
- Relationship Building
- Sales
- Strategic Planning
- Successful Selling Techniques/Sales
- Time Management
- Administration
- Coaching Procedures
- Decision Making
- Finance Skills
- Teambuilding
- Leadership skills

#### **COMPUTER SKILLS**

- Autodesk/AutoCAD
- Client Relationship Management Software (Salesforce)
- Computer Networking
- Computer Programming
- Financial Management System
- Microsoft Office (Intermediate and Advanced only)
- Quickbooks
- Software applications and equipment Time Management

**COMMERCIAL SKILLS**

- Product Knowledge
- Access Control
- Video Surveillance Systems
- Cabling
- Engineering
- Design
- Security System

**CONTINUOUS IMPROVEMENT**

- Cross Training
- Communication Skills
- Change Management
- Decision Making
- How to Coach and Mentor
- Leadership Skills for Frontline Workers
- Process Improvement
- Project Management
- Problem Solving
- Quality Measurement Systems
- Quality Management
- Systems Failure Analysis
- Strategic Planning
- Team Building
- Teamwork Development Skills
- Time Management

**MANAGEMENT SKILLS** (For Managers only)

- Administration
- Coaching Procedures
- Decision Making
- Finance for Technical Managers
- Leadership for Managers
- Supervisor Skills
- Teambuilding for Managers

Note: Reimbursement for retraining is capped at 80 total hours per-trainee for Job Numbers 1 and 2 and 60 total hours per-trainee for Job Number 3, regardless of method of delivery..



**Retrainee - Job Creation  
Training Proposal for:  
Twist Bioscience Corporation**

**Small Business**

**ET16-0414**

**Approval Date:** March 24, 2016

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** V. Estrada

**CONTRACTOR**

- Type of Industry: Biotechnology/Life Sciences
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 90
  - Worldwide: 92
  - Number to be trained: 46
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 1%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$57,200
- In-Kind Contribution: \$55,000

**TRAINING PLAN TABLE**

| Job No. | Job Description                         | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |   |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate   | Mfg Skills,<br>Mgmt Skills,<br>Continuous Impr,<br>Business Skills | 28                        | 8-60                | 0   | \$1,040                  | \$18.00             |
|         |   |  |                           | Weighted Avg:<br>40 |     |                          |                     |
| 2       | Job Creation<br>SB<100<br>Priority Rate | Mfg Skills,<br>Continuous Impr,<br>Business Skills                 | 18                        | 8-60                | 0   | \$1,560                  | \$17.00             |
|         |   |  |                           | Weighted Avg:<br>60 |     |                          |                     |

- Reimbursement Rate: Job #'s 1 and 2: \$26 SB Priority
- County: San Francisco
- Occupations to be Trained: Manager, Engineers, Research Associates, Control Specialist, DNA Specialist, Lab Technician, Lab Assistant, Production Leads
- Union Representation:  Yes  
 No
- Health Benefits: N/A

**SUBCONTRACTORS**

- Development Services: Twist Bioscience Corporation retained Manex in San Ramon to develop this proposal.  
  
Note: Manex is eligible to receive 10% of the approved amount of funding for referrals such as this, under a marketing agreement with ETP, not to exceed \$15,000. In this proposal, the fee will be \$5,720. This fee does not affect the approved amount of funding.
- Administrative Services: N/A
- Training Vendors: To Be Determined

**OVERVIEW**

Founded in 2013, Twist Bioscience Corporation ([www.twistbioscience.com](http://www.twistbioscience.com)) designs, develops, manufactures and sells a range of synthetic DNA. The Company caters to four main industries: agriculture, chemical production, drug development, and academic research. The Company is headquartered in San Francisco and has two adjacent facilities, both of which are participating in training.



## **Need for Training**

This will be Twist's first ETP-funded training project as it advances from alpha phase to beta production. Training will enable the Company to train new and current employees in the manufacturing of synthetic DNA.

This proposal is driven by a burgeoning industry of manufacturing where DNA can be assembled in an automated fashion. Twist is using silicon chip technology with a proprietary system and process (currently seeking patents). Production employees and Quality Technicians must expand their knowledge with a variety of training in technical processes and equipment to produce high quality synthetic DNA (artificial genes produced in a laboratory where the producer does not have to begin with preexisting DNA sequences) faster and cheaper than any of its competitors. This process also allows the Company to more easily customize products towards customer requests.

## **Retrainee – Job Creation**

The Panel is offering incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

Twist has expanded significantly in the past two years and may increase workspace in mid-2016. In 2015, the Company hired a total of 70 new employees. For this proposal, the Company will be moving into full production, adding new shifts to manufacture products around the clock (24 hours a day, 7 days a week). The Company has committed to hiring 18 new employees as shown in Job Number 2. The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

## **Training Plan**

All training will be delivered via Class/Lab in the following:

**Business Skills** - Training will be offered to all occupations. Topics include Conflict Management, Effective Meetings, Effective Writing, and Facilitation Skills. Training will improve interpersonal communication skills and job performance.

**Management Skills** - Training will be provided to Manager. Topics include leadership and management skills and will focus on the needed skills to manage highly technical, accuracy-driven work teams.

**Manufacturing Skills** - Training will be offered to all occupations. Trainees will be cross-trained on the usage of new and existing equipment such as the Brooks Sample Storage and the Lab Cyte Liquid Handler. Training will also cover production processes, which will be customized to meet customer demands as each product is unique.

**Continuous Improvement** - Training will be offered to all occupations with a focus on waste recognition to reduce expenses. Other topics include Lean Manufacturing, Monitoring The Process, and Process Control/Improvement.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-60 Trainees may receive any of the following:

**BUSINESS SKILLS**

- Conflict Management
- Effective Meetings
- Effective Writing
- Facilitation Skills

**CONTINUOUS IMPROVEMENT**

- 5S: Sort, Set, Shine, Standardize, Sustain
- ISO Audit Principles
- Basic Quality Tools
- Building Teams
- Communication Skills
- Continuous Improvement Skills
- Creative Problem Solving Skills
- Cycle-time Reduction Techniques
- Decision Making Skills
- Interpreting & Analyzing Data
- ISO 9001 / 13485/ 14001
- Just-in-Time Production (JIT)
- Lean Manufacturing
- Monitoring The Process
- Performance Management
- Process Control / Process Improvement
- Process / Product Handling
- Production Scheduling
- Production Operations / Workflow
- Project Management
- Appraisal Skills
- Coaching/Feedback
- Decision Making/Problem Solving
- Developing Teams
- Leadership/ Management Development

**MANAGEMENT SKILLS** (Managers Only)

- Management Skills

**MANUFACTURING SKILLS**

- Basic Laboratory Skills
  - Clean Room Protocols
  - Trough Preparation
  - Mix Mating
  - Centrifuging
  - Sealing/Desealing
  - Proper Pipetting Technique

- Serological Pipetting
  - Multi-Channel
  - Single Channel
- Synthesis Processes
  - Change Dewers
  - Ink Prep
  - Writer Processes
  - Changing Reagents
  - Deprotection
  - Extraction – Centrifuge Operation
  - Extraction – Korvis Operation
- Gene Assembly Processes
  - Polymerase Cycling Assembly/Polymerase Chain Reaction (PCA/PCR)
  - Purification
  - Quantitation
  - Normalization
  - Fragment Analysis
  - Dry/Anneal
  - Error Correction Reaction/Polymerase Chain Reaction (ECR/PCR)
  - Quality Control Handoffs
- Cell Processes
  - Cloning
  - Transformation
  - Pick/Innoculate/Grow
  - Rolling Circle Amplification (RCA)
  - Mini Prep
  - Quantitation
  - Primer Removal
- Quality Control
  - Oligo Extraction Quantity Control
  - Post Error Correction Quality Control
  - Quantitation
  - Fragment Analysis
- Next Generation Sequencing (NGS)
  - Tagmentation
  - Barcoding
  - Pooling
  - Run Illumina MiSeq
- Oligo Pool Production
  - Phosphorylation
  - Ligation
  - Quality Control – Ligation
  - Exonu Clease
  - Rolling Circle Amplification (RCA )
  - Digestion
  - Quality Control – Digestion
  - High Performance Liquid Chromatography (HPLC) Prep/Setup
  - Purify
  - Desalt
  - Quality Control – High Performance Liquid Chromatography (HPLC)
  - Sample Dry

- Dilution
- Final QC
- Shipping
- Product Aliquoting
- Final Release
- Systems Training
  - Thermocyclers
  - BioAnalyzer
  - Qubit
  - Nanodrop
  - Hamilton
  - BioDot
  - Cybio
  - Frag Analyzer
  - General Lab Training (Science)
  - Media Prep
  - Qtray Prep
  - Safety

Safety Training will be limited to 10% of total training hours per-trainee.

|   |
|---|
| Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. |
|---|



**Training Proposal for:  
U.S. Continental Marketing, Inc.**

|                       |
|-----------------------|
| <b>Small Business</b> |
|-----------------------|

**ET16-0436**

**Approval Date:** April 15, 2016

**ETP Regional Office:** San Diego

**Analyst:** H. Bernard

**CONTRACTOR**

- Type of Industry: Manufacturing
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 39
  - Worldwide: 39
  - Number to be trained: 29
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 8%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$41,470
- In-Kind Contribution: \$96,425

**TRAINING PLAN TABLE**

| Job No. | Job Description | Type of Training   | Estimated No. of Trainees | Range of Hours   |     | Average Cost per Trainee | Post-Retention Wage |
|---------|-----------------|--|---------------------------|------------------|-----|--------------------------|---------------------|
|         |                 |  |                           | Class / Lab      | CBT |                          |                     |
| 1       | Retrainee       | Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills | 29                        | 8-200            | 0   | \$1,430                  | \$15.60             |
|         |                 |  |                           | Weighted Avg: 55 |     |                          |                     |

- Reimbursement Rate: Job #1: \$26 SB Priority
- County(ies): Riverside
- Occupations to be Trained: Owner, Management Staff, Professional Staff, Production Staff, Administrative Staff
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$2.38 per hour

**SUBCONTRACTORS**

- Development Services: Training Refund Group of Anaheim assisted with development of this project for a fee of \$3,000.
- Administrative Services: Training Refund Group will also provide administrative services in connection with this project for a fee not to exceed 13% of funds earned
- Training Vendors: ABCI Consultants, Huntington Beach; and other vendors TBD

**OVERVIEW**

U.S. Continental Marketing, Inc. (U.S. Continental) is headquartered in Corona. This is a family owned and operated vertically integrated company that has been manufacturing, packaging and distributing leather and fabric care products for over 20 years. The Company’s retail customers include Sperry Topsider, Michael Kors and Coach. The products include fabric and leather cleaners, water repellants, and car additives.

The Company is a one-stop shop with the capability to create the label design, formulate, and packaging. The Company will be training at two locations in Corona. The first location houses the main production facility; the second location, less than a mile away, houses the Research and Development staff.

**Training Plan**

The Company has seen steady sales growths since 2013 and is forecasting continued growth throughout 2016. U.S. Continental customers are requesting faster productions, lowered costs and faster delivery times. In order to meet the customer's needs, maintain high quality, and reduce inefficiencies, the Company will be implementing the following three major training initiatives.

- ISO updates at its two locations in Corona. The production location will update from the ISO 9001:2008 certification to the 9001:2015 standard. The research and development location will be pursuing the 9001:2015 ISO certification.
- Updated ERP system, Batchmaster. This will allow the Company to track all of its products through the production line from start to finish. Staff will receive training in: inventory monitoring, costing methods, production development & management, and quality control methods. Training will also include characteristics of alternate cleaning ingredients and adjusting formulas based on actual and target costs.
- Lean manufacturing processes designed to improve production, quality, and frontline leadership.

**Business Skills** - This training will be offered to all occupations. Training will include Communication Skills, Conflict Resolution, Leadership, Customer Service and Project Management. These skill sets will increase trainee's abilities to deal effectively with customers as well as improve internal communications between managers and staff.

**Computer Skills** - This training will be offered to Production Staff, Management Staff and Administrative Staff. These staff members will be trained on the Batchmaster ERP system from end to end. This training will assist the Production Staff to create better and less costly formulations and shorter delivery times for U.S. Continental's product line.

**Continuous Improvement** - This training will be offered to all occupations as a part of the ISO updates and the Lean Manufacturing initiatives and will be the bulk of the total training hours. This will include training on Process Improvements as well.

**Manufacturing Skills** - This training will be offered to Production Staff and Management Staff. Failure Mode Analysis will train staff to identify which production processes may fail or lead to product failure and the Root Cause Analysis will train staff on how to eliminate instances that are hindering performance. These training sessions will be a benefit to the implementation of Batchmaster and the Lean Manufacturing.

### **Training Hours Modification Request**

Small Business retraining hours are capped at 60 per trainee for small business projects; however, the Panel may increase the maximum training hours with justification. US Continental requests an increase in the maximum training hours from 60 to 200.

US Continental has a very aggressive training plan over the next two years and anticipates that 18 staff members will exceed the 60 hour cap. ISO training for both locations includes a combined total of 76 training hours for 9 staff members. Additionally these trainees will also receive Lean Manufacturing skills totaling 16 hours and training on the new ERP system, Batchmaster at 8 hours. In particular, the U.S. Continental has identified that the Management

Staff will receive approximately 120 hours of training encompassing all areas, including the ISO and Batchmaster implementations.

### **Request for a Two Year Contract Term**

US Continental requests a two year agreement term for this project. A longer term will allow the Company to deliver the training needed while also keeping up with production demands. With the implementation of ISO and the new ERP system, a longer term allows the Company to successfully complete all training.

### **RECOMMENDATION**

Staff recommends approval of this proposal.



## **Exhibit B: Menu Curriculum**

### **Class/Lab Hours**

8-200 Trainees may receive any of the following:

#### **BUSINESS SKILLS**

- Report Writing
- Communication Skills
- Business Writing
- Team Building
- How to Lead Effective Meetings
- Problem Solving
- Conflict Resolution
- Leadership Skills
- Customer Service
- Project Management
- Product Knowledge

#### **COMPUTER SKILLS**

- Batchmaster Enterprise Resource Planning

#### **CONTINUOUS IMPROVEMENT**

- ISO Procedures and Updates
- Process Improvement
- Lean Manufacturing

#### **MANUFACTURING SKILLS**

- Manufacturing Operating Procedures
- Quality Control Analysis
  - Failure Mode Analysis
  - Root Cause Analysis

|  |
|--|
| <p>Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.</p> |
|--|



**Training Proposal for:  
VCA Consultants, Inc.**

**Small Business**

**ET16-0423**

**Approval Date:** April 11, 2016

**ETP Regional Office:** San Diego

**Analyst:** H. Bernard

**CONTRACTOR**

- Type of Industry:
  - Engineering
  - Construction
  - Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 88
  - Worldwide: 88
  - Number to be trained: 68
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 16%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$95,472
- In-Kind Contribution: \$146,084

**TRAINING PLAN TABLE**

| Job No. | Job Description | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|-----------------|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                 |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee       | Business Skills, Commercial Skills, Computer Skills, Continuous Improvement | 68                        | 8-200               | 0   | \$1,404                  | \$16.51             |
|         |                 |   |                           | Weighted Avg:<br>54 |     |                          |                     |

- Reimbursement Rate: Job #1: \$26 SB Priority
- County(ies): Orange
- Occupations to be Trained: Aministrative Staff, CAD Operations Staff, Engineer, Production Staff, Project Manager
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$2.65 per hour

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: Sustained Solutions and other vendors TBD

**OVERVIEW**

VCA Consultants, Inc. (VCA), founded in 1979 as VanDorpe Chou Associates, provides structural engineering consulting, building code administration and green, sustainability consulting services to both public and private clients. VCA will take the lead in this proposal with its sister company, The Code Group. The Code Group provides plan check, inspection, and green building compliance services. Both companies are co-owned and co-located, with a combined number of less than 100 employees.

**PROJECT DETAILS**

This is the second ETP Agreement for VCA and The Code Group. The Companies are currently completing their first ETP Agreement (ET15-0203) which trained staff in Computer, Commercial and Continuous Improvement skills. In that proposal, VCA hired 14 Job Creation trainees, providing a discipline for training that helped workers collaborate and share knowledge.

An upswing in the construction industry has increased business and requires the Company to train staff in order to remain competitive. The Company must continue to provide their workers with highly technical skills training on new features and enhancements to existing software (VCA Calc2016) and other software as may be utilized. Given technology changes, many of the

skill sets delivered in the first Agreement need updating. Numerous changes in building codes and technology also require more training.

In this proposal, the Company will focus on the following training initiatives:

- California Building Code 2016 dictates minimum standards of buildings and structures and is updated every two years. Training in the 2016 code allows the Company to stay compliant with the new codes.
- CalGreen Code, 2016 updates which requires all new buildings be energy efficient and environmentally sensitive. This code is updated every two years.
- AutoCAD 2016 computer-aided drafting software used for drafting. This software is continually updated. VCA staff will be trained in incorporating the latest advancements to the program.
- VCA Calc 2016 is software developed by VCA used for the designing of wood structures and was recently updated to incorporate new building codes and design methods.
- Ajera 8.0 used for project management. Training in this Agreement will focus on the software's reporting tools that staff is unfamiliar with.

Trainees will not receive training in topics delivered under the first Agreement.

## Training Plan

VCA will roll out training in weekly and monthly sessions, continuing its schedule from the first Agreement. Training will be in the areas shown below:

**Business Skills** - Training will be provided to Project Managers and Administrative Staff. Training will be delivered in customer service, strategic planning and project management.

**Commercial Skills** – Training will be provided to CAD Operations Staff, Project Managers, Engineers and Production Staff to train staff on technical skills including 2016 code and LEED updates, Building Design Modeling Skills, solar and energy efficiencies. These training sessions will provide VCA staff with the critical technical job skills that are required by VCA customers. These sessions will also familiarize trainees with the changes in the Company's business environment.

**Computer Skills** - Training will be provided to all occupations. As new building codes are released, staff needs to be trained to incorporate new concepts and new requirements into their current software applications. Trainees will focus on the latest versions of VCA's internal design software, VCA Calc 2016 and on the reporting functions of the Ajera 8.0 project management and accounting software. Trainees will also receive training on updates to BlueBeam Revue 2016, Enercalc Application and Revit 2016.

**Continuous Improvement** – Training will be provided to all occupations. Training will focus on leadership skills, process improvement and team building. This training will focus on increasing efficiencies to ensure that trainees are functioning at their highest production level.

## Waiver Request to 60-Hour Cap

VCA requests a waiver to the small business 60-hour cap in order to provide training of up to 200 hours, with a weighted average of 54 per-trainee. The industry requires a substantial commitment of training in technical skills. In the first Agreement, VCA had a waiver on the cap,

such that 41% of the trainees exceeded 60 hours of training. The hours proposed in this project are supported by performance in the prior Agreement.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **ACTIVE PROJECTS**

The following table summarizes performance by VCA under the first ETP Agreement, which is still active:

| Agreement No. | Approved Amount | Term             | No. Trainees Enrolled | No. Completed Training | No. Retained |
|---------------|-----------------|------------------|-----------------------|------------------------|--------------|
| ET15-0203     | \$83,044        | 8/1/14 – 7/31/16 | 73                    | 53                     | 0*           |

\*VCA has completed all training and retention. To date, it has entered 3,212 eligible training hours for reimbursement, which equates to \$83,512 in potential earnings, 101% of the approved agreement amount. VCA has submitted the Final Closeout and has 53 placements in review. This Agreement is expected to close prior to the end-of-term.

## **Exhibit B: Menu Curriculum**

### **Class/Lab Hours**

8 - 200                      Trainees may receive any of the following:

#### **BUSINESS SKILLS**

- Customer Service
- Client Relations
- Leadership Skills

#### **COMMERCIAL SKILLS**

- 2013 International California Building Standards
- 2016 California Building Green Standards
- California Energy Code – 2016 Updates
- Leadership Energy Environmental Design (LEED) – 2016 Updates
- Building Design Modeling Skills
- Solar Electrical Generation
- Mechanical, Electrical & Plumbing Energy Efficiencies

#### **COMPUTER SKILLS**

- AutoCAD 2016
- Revit 2016
- VCACalc 2016
- BlueBeam Revue 2016
- Enercalc Application Skills 6.14
- Ajera 8
- ShoreTel Communicator Software

#### **CONTINUOUS IMPROVEMENT**

- Project Management
- Planning and Strategy Skills
- Team Building
- Process Improvement Techniques

|   |
|---|
| <p>Note: Reimbursement for retraining is capped at 200 total hours per-trainee, regardless of method of delivery.</p> |
|---|



**Training Proposal for:  
Wells Construction, Inc.**

|                       |
|-----------------------|
| <b>Small Business</b> |
|-----------------------|

**ET16-0422**

**Approval Date:** March 24, 2016

**ETP Regional Office:** Sacramento

**Analyst:** M. Jones

**CONTRACTOR**

- Type of Industry:
  - Construction
  - Services
  - Priority Industry:  Yes  No
  
- Number of Full-Time Employees
  - California: 50
  - Worldwide: 50
  - Number to be trained: 46
  - Owner  Yes  No
  
- Out-of-State Competition: Competitors Outside CA
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 9%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$51,428
- In-Kind Contribution: \$58,282

**TRAINING PLAN TABLE**

| Job No. | Job Description                       | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---------------------------------------|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                                       |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate<br>SB <100 | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Improvement,<br>Management Skills | 46                        | 8-60                | 0   | \$1,118                  | \$16.50             |
|         |                                       |  |                           | Weighted Avg:<br>43 |     |                          |                     |

4

- Reimbursement Rate: Job #1: \$26 SB Priority
- County(ies): Placer
- Occupations to be Trained: Accounting Staff, Administrative Staff, Project Administration, Manager, Field Superintendent, Business Development Staff, Owner, Carpenter, Warehouse Staff
- Union Representation:  Yes  
 No
- Health Benefits: N/A

**SUBCONTRACTORS**

- Development Services: Sierra Consulting Services in El Dorado Hills assisted with the development of this project for a flat fee of \$5,068
- Administrative Services: Sierra Consulting Services will also provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

**OVERVIEW**

Founded in 1989, and headquartered in Roseville, Wells Construction, Inc. (Wells) ([www.wellsconstruction.com](http://www.wellsconstruction.com)) is a full-service general contractor that assists customers through the entire process of finding a building, securing financing, design solutions, estimating and construction. The Company has 2 locations in California. However, only trainees in Roseville will participate in this agreement.

**Need for Training**

Recent business growth has accelerated over the past year and Wells has discovered the need to upgrade employee skills, improve efficiencies, reduce waste, remain competitive and keep up



with customer/industry demands. Currently the Company has only one employee certified in Leadership in Energy and Environmental Design (LEED). Staff must be knowledgeable about California building standards, including the “Green Building Code” for commercial buildings. LEED certified staff is a customer and industry demand. Wells will in part focus on certified LEED training. Training will bring LEED skills to additional employees.

Training will also focus on newly-acquired data management software: Timberline, and cloud-based Procore. These software programs are industry-specific. Together they are a comprehensive platform to manage the Company’s vital project data. The use of this platform, and Docusign, will allow the Company to bridge the gap between departments and create “real-time” communication across projects.

To continue to meet customer and industry demands, the Company’s goal is to create an Ownership Thinking Culture. ETP-funded training will assist in this effort.

## **Training Plan**

Training will be conducted in a Class lab/Videoconferencing and e-Learning setting.

**Business Skills** – Training will be offered to all occupations to provide the skills necessary for effective job performance. The training will focus on proper company communications, time management to improve efficiencies, and work flow processing to improve customer service skills, and enhance sales and marketing techniques. Training topics will include Retaining Customers, Interpersonal Communication, Relationship Building and Strategic Planning.

**Commercial Skills** – Training will be provided to all occupations to enable the organization to provide quality work from well trained staff. Training topics will include LEED Accreditation, Light Construction Methodologies (LEAN), and Engineering Theory/Planning/Design.

**Computer Skills** – Training will be provided to all occupations in job specific computer skills. New software programs will allow staff to be more cost efficient and improve communication within the Company. Training topics will include Computer Networking, Crystal Reports, QuickBooks and Financial Management System.

**Continuous Improvement** - Training will be provided to all occupations to support the Company’s goals of improving operating costs, efficiencies and internal communication. Training topics will include Decision Making, Time Management, Lean Procedure Practices and Process Improvement.

**Management Skills** - Training will be provided to all Managers to learn leadership qualities, be more efficient problem solvers and gain necessary skills to be confident in the role of a leader. Training topics will include courses such as Decision Making, Leadership and Motivation.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum****Class Lab/Videoconferencing Hours**

8 - 60 Trainees may receive any of the following:

**BUSINESS SKILLS**

- Accounting
- Communication Skills
- Customer Service
- Dealing with Difficult People
- Employee Coaching
- Interpersonal Communications
- Leadership
- Marketing/Sales Techniques
- Negotiating
- Planning & Organization
- Retaining Customers
- Relationship Building
- Strategic Planning
- Successful Selling Techniques

**COMMERCIAL SKILLS**

- Insurance
- Leadership in energy and Environmental Design (LEED) Accreditation
- Engineering Theory/Planning/Design
- Work Order Processing
- Material Safety
- Inventory Control
- Troubleshooting
- Warehousing
- Light Construction Methodologies (LEAN)
- Light Construction Job Site Sequencing
- Light Construction Team Support

**COMPUTER SKILLS**

- Intermediate/Advanced Microsoft Office
- Autodesk/AutoCAD/Revit
- Computer Networking
- Computer Programming
- Crystal Reports
- Financial Management System
- Quickbooks
- SQL Server (Management Studio)
- Procure

**CONTINUOUS IMPROVEMENT**

- Cross Training
- Creating a Quality Organization
- Change Management
- Decision Making

- How to Coach and Mentor
- Leadership Skills for Frontline Workers
- Lean Manufacturing
- Lean Procedures Practices
- Meeting Management
- Process Improvement
- Product Knowledge
- Systems Failure Analysis
- Strategic Planning
- Team Building
- Teamwork Development Skills
- Time Management

### **MANAGEMENT SKILLS (Managers Only)**

- Administration
- Coaching Procedures
- Decision Making
- Effective Meetings for Leaders
- Leadership
- Motivation
- Supervisor Skills
- Teambuilding

### **E-Learning Hours**

8 - 60

### **BUSINESS SKILLS**

- Accounting
- Communication Skills
- Customer Service
- Dealing with Difficult People
- Employee Coaching
- Interpersonal Communications
- Leadership
- Marketing/Sales Techniques
- Negotiating
- Planning & Organization
- Retaining Customers
- Relationship Building
- Strategic Planning
- Successful Selling Techniques

### **COMMERCIAL SKILLS**

- Insurance
- LEED
- Engineering Theory/Planning/Design
- Work Order Processing
- Material Safety
- Inventory Control
- Troubleshooting

- Warehousing
- Light Construction Methodologies (LEAN)
- Light Construction Job Site Sequencing
- Light Construction Team Support

### **COMPUTER SKILLS**

- Intermediate/Advanced Microsoft Office
- Autodesk/AutoCAD/Revit
- Computer Networking
- Computer Programming
- Crystal Reports
- Financial Management System
- QuickBooks
- SQL Server (Management Studio)
- Procure

### **CONTINUOUS IMPROVEMENT**

- Cross Training
- Creating a Quality Organization
- Change Management
- Decision Making
- How to Coach and Mentor
- Leadership Skills for Frontline Workers
- Lean Manufacturing
- Lean Procedures Practices
- Meeting Management
- Process Improvement
- Product Knowledge
- Systems Failure Analysis
- Strategic Planning
- Team Building
- Teamwork Development Skills
- Time Management

### **MANAGEMENT SKILLS (Managers Only)**

- Administration
- Coaching Procedures
- Decision Making
- Effective Meetings for Leaders
- Leadership
- Motivation
- Supervisor Skills
- Teambuilding

Note: Reimbursement for retraining is capped at 60 total training hours per trainee, regardless of the method of delivery.



**Retrainee - Job Creation  
Training Proposal for:  
Western Pump, Inc.**

**Small Business**

**ET16-0428**

**Approval Date:** April 15, 2016

**ETP Regional Office:** San Diego

**Analyst:** J. Davey

**CONTRACTOR**

- Type of Industry:
  - Construction
  - Services
  - Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 70
  - Worldwide: 70
  - Number to be trained: 79
  - Owner  Yes  No
- Out-of-State Competition: Competitors Outside CA
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 18%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$74,360
- In-Kind Contribution: \$72,000

**TRAINING PLAN TABLE**

| Job No. | Job Description                     | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|-------------------------------------|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |                                     |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100                | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Impr,<br>HazMat,<br>PL-Comm Skills | 68                        | 8-60                | 0   | \$880                    | \$16.46             |
|         |                                     |   |                           | Weighted Avg:<br>40 |     |                          |                     |
| 2       | Retrainee<br>SB<100<br>Job Creation | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Impr,<br>HazMat,<br>PL-Comm Skills | 11                        | 8-60                | 0   | \$1,320                  | \$13.72*            |
|         |                                     |   |                           | Weighted Avg:<br>60 |     |                          |                     |

It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

- Reimbursement Rate: Job #'s 1 and 2: \$22 SB Non-Priority
- County(ies): San Diego
- Occupations to be Trained: Administration/Accounting Staff, Construction Staff, Dispatch/Call Center Staff, Estimator, Field Service Technicians, Purchasing/Inventory Staff, Managers, Sales Staff, Owner
- Union Representation:  Yes  
 No
- Health Benefits: Job #'s 1 and 2: \$2.02 per hour

**SUBCONTRACTORS**

- Development Services: Western Pump, Inc. retained Strategic Business Solutions, Inc. (SBS) in Visalia to assist with development of this proposal for a flat fee of \$5,200.
- Administrative Services: Western Pump, Inc. also retained SBS to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

## **OVERVIEW**

Founded in 1948 and headquartered in San Diego, Western Pump, Inc. (Western Pump) performs compliance testing for fully-integrated wholesale distribution, construction, and fuel facility services for petroleum and lubrication systems. The Company's specializations are in the construction and servicing of fleet fueling facilities (including aviation), retail (gas) service stations, marinas, convenience stores, automated car washes, and vehicle maintenance facilities. Western Pump is an active member of the Petroleum Equipment Institute (PEI) and subscribes and adheres to PEI Safety Guidelines and Best Practices in all of its service, construction, and testing activities.

Western Pump is eligible for standard funding under the out-of-state competition provisions as a company that provides support activities for oil and gas operations within California that regularly competes with service providers located out-of-state.

## **PROJECT DETAILS**

Western Pump must retrain its workers on the installation and servicing of new Point-of-Sale (POS) systems. The eventual switch to Euro MasterCard Visa (EMV) chip cards, by next year, requires that all retail fueling POS systems accept the new chipped credit and debit cards. In some cases, the Company will need to install completely new systems.

Additionally, workers need to be trained on the installation of new water-efficient car washes, now in demand due to the drought. These car wash systems have become a fast-growing service line for the Company. Western Pump's staff will require cross-functional training in order to meet demand.

### **Retrainee - Job Creation**

Western Pump has committed to hiring 11 new employees (Job Number 2) due to the expansion of business (POS system upgrades and water-efficient carwash installations). These new workers will need extensive, job-specific training to work safely and efficiently in their new jobs.

Training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage. The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of contract.

### **Training Plan**

Most of the training will be conducted in a Class/Lab setting at the Company's San Diego facility while the remaining will be delivered through E-Learning.

E-Learning is the preferred method of delivery for Fuel Dispensing Systems Installation; Repair & Testing; POS System Training; and American Petroleum Institute (API) Worksafe Advanced Safety Training due to the high cost of Class/Lab delivery. Additional Class/Lab training to reinforce the E-Learning courses will be provided by in-house experts.

**Business Skills** - Training will be offered to all trainees in the following job-specific skills: Account Development, Job Estimating, Purchasing Best Practices, Inventory Management Best Practices, Project Management, Accounting/Payroll Processing. Training is focused on

upgrading the skill level of all trainees to better serve its customers and improve business processes.

**Commercial Skills** - Training will be offered primarily to Construction, Field Service Technicians, and Managers in the skills related to Underground Construction Best Practices, Leak Detection, Heavy Equipment Operation, Fuel Dispensing Systems, and other related skills. Training will be focused on improving skills for safe installation of the Company's products.

**Computer Skills** - Training will be offered to all trainees in job-specific software skills related to internal applications such as Jonas Construction ERP Software, Jet-Trac Compliance Forms Software, and new Point-of-Sale and Vendor Management. Training in these skills will improve productivity.

**Continuous Improvement** - Training will be offered to Managers and Leads in all occupations. These skills will build the framework for teambuilding to improve productivity and decrease waste.

**Hazardous Materials** – Training will be offered to Managers, Dispatch/Call Center Staff, Purchasing/Inventory Staff, Construction Staff, and Field Service Technicians. Trainees will learn the processes of controlling and containing hazardous waste.

### **Certified Safety Training**

American Petroleum Institute (API) WorkSafe is an extensive training course on the hazards present in the petroleum industry. This training, on safety in and around tanks and fuel dispensing operations, is used throughout the industry. Many current and potential clients view API certification as an advantage when considering bids and awarding jobs. This 8-hour course will be offered to Owners, Managers, Dispatch/Call Center Staff, Purchasing/Inventory Staff, Construction Staff, and Field Service Technicians through E-Learning and Class/Lab.

Select employees will also receive training in Hazardous Waste and HAZWOPER classes, in order to ensure appropriate response to hazardous waste spills on the worksite or in transit. This training is highly technical and will meet all industry and OSHA governmental standards.

1. HAZWOPER. This training is a series of courses specifically designed for workers who handle hazardous substances as first-responders, or clean-up as needed at a hazard disposal or emergency site. It consists of 40 hours of classroom or CBT training, for workers stationed at the hazard site; and 24 hours for workers who visit the site (e.g., engineers). Field training is also required, although not funded by ETP. Completion of the training results in a certificate that expands employment opportunities. Each certification requires an 8-hour annual refresher course. This coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA
2. Hazardous Materials (HAZMAT). This training is also a series of courses, specific to industry sectors involved in the transport of hazardous materials. The coursework varies in length depending on the industry and the occupational title, as organized in five levels ranging from "first responder" to "incident commander." It is generally a minimum of 24 hours with an 8-hour annual refresher, and may be delivered by classroom or CBT. In this proposal, Field Service Technician and selected Construction Staff will receive training as needed. No specific number of hours have been determined and no certificate will be received at the completion of training.



**Productive Lab**

Productive Lab (PL) in Commercial Skills will be offered primarily to newly-hired Construction Staff and Field Service Technicians (Job Number 2) in order to train and verify proficiencies on the various pieces of heavy equipment needed on job sites such as backhoes, trenchers, and bobcats. This training will be given in an initial classroom setting; however, “real time” operation is important because of the combustible and potentially catastrophic nature of the work and the cost of the equipment involved.

In addition, PL delivery will be used for Field Service Technicians in the installation, servicing, and testing of Fuel Dispensing Systems. Trainees will learn how to safely install, set-up, and test new equipment at the actual job site. The equipment is very technical and very costly, requiring real time training to measure competencies given the nature of the equipment involved and the fuels dispensed (for public safety). This training will supplement class/lab training.

Training will be delivered to as many as 20 trainees with a 1:1 trainer-to-trainee ratio in most cases and will not exceed 1:2. Trainees will receive no more than 17 hours per trainee. Trainees will receive instructions from the certified trainer, then demonstrate the skills under constant supervision throughout the training. The trainer will stop during training to reinforce skills or correct a trainee who performs a task incorrectly.

**RECOMMENDATION**

Staff recommends approval of this proposal.

## **Exhibit B: Menu Curriculum**

### **Class/Lab and E-Learning Hours**

8-60

Trainees may receive any of the following:

#### **BUSINESS SKILLS**

- Account Development
- Job Estimating Skills
- Purchasing Best Practices (APICS)
- Inventory Management Best Practices
- Project Management
- Accounting /Payroll Processing Skills
- Strategic Planning

#### **COMMERCIAL SKILLS**

- Underground Construction Best Practices
- Leak Detection
- Vapor Recovery Installation/Repair/Testing
- Heavy Equipment Operation (Backhoe/Trencher/Bobcat)
- Fuel Dispensing Systems Installation/Repair/Testing (*Class/Lab & E-Learning*)
- Automated Car Wash Installation/Repair
- Underground Tank Installation/Testing
- Vehicle Service Equipment Installation/Inspection/Service
- Materials Handling Equipment Training
- Confined Space
- API (American Petroleum Institute) Worksafe Advanced Safety (*Class/Lab & E-Learning*)

#### **COMPUTER SKILLS**

- POS System Training (Gilbarco, Veeder-Root, Verifone) (*Class/Lab & E-Learning*)
- Jonas Construction ERP Software
- Jet-Trac Compliance Forms Software
- Vendor's Management System Training (*Gilbarco, Veeder-Root, Verifone*)
- ADP Software Training
- Public Works Labor Compliance Reporting and Tracking Portal
- Customer Management System Training (Berisae/Tesoro)

#### **CONTINUOUS IMPROVEMENT**

- Leadership Training
- LEAN Processes

#### **HAZARDOUS MATERIALS**

- HAZMAT
- HAZWOPER

Safety Training will be limited to 10% of total training hours per trainee

**PL Hours**

0-17

**COMMERCIAL SKILLS** (1:2 trainer-to-trainee ratio)

- Heavy Equipment Training
- Fuel Dispensing Systems Installation/Repair/Testing

Note: Reimbursement for retraining is capped at 60 total training hours per trainee, regardless of the method of delivery. PL is capped at 17 hours per trainee.



**Retrainee - Job Creation  
Training Proposal for:  
Wisoman Foods, Inc.**

**Small Business**

**ET16-0466**

**Approval Date:** May 9, 2016

**ETP Regional Office:** San Francisco Bay Area

**Analyst:** V. Estrada

**CONTRACTOR**

- Type of Industry: Manufacturing
  - Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 29
  - Worldwide: 29
  - Number to be trained: 30
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 5%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$40,716
- In-Kind Contribution: \$29,954

**TRAINING PLAN TABLE**

| Job No. | Job Description                                      | Type of Training   | Estimated No. of Trainees | Range of Hours      |      | Average Cost per Trainee | Post-Retention Wage |
|---------|--|--|---------------------------|---------------------|------|--------------------------|---------------------|
|         |  |  |                           | Class / Lab         | CBT  |                          |                     |
| 1       | Retrainee<br>SB <100<br>Priority Rate                | Business Skills,<br>Computer Skills,<br>Continuous Improvement,<br>Manufacturing Skills,<br>PL-Manufacturing | 21                        | 8-60                | 0-17 | \$1,404                  | \$17.02             |
|         |  |  |                           | Weighted Avg:<br>54 |      |                          |                     |
| 2       | Retrainee<br>Job Creation<br>SB<100<br>Priority Rate | Computer Skills,<br>Continuous Improvement,<br>Manufacturing Skills,<br>PL-Manufacturing                     | 9                         | 8-60                | 0-17 | \$1,248                  | \$15.00             |
|         |  |  |                           | Weighted Avg:<br>48 |      |                          |                     |

- Reimbursement Rate: Job #'s 1 & 2: \$26 SB Priority
- County(ies): Alameda
- Occupations to be Trained: Administrative/Operations Staff, Maintenance Technician, Production Staff, Managers/Supervisors, CEO
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$1.83 per hour

**SUBCONTRACTORS**

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

**OVERVIEW**

Founded in 2011, Wisoman Foods, Inc. (Wisoman) ([www.wisoman.com](http://www.wisoman.com)) is located in Hayward. The Company manufactures Organic, Non-GMO flour tortillas, wraps and flatbreads. Wisoman stands out from other tortilla manufacturing companies due to its new, highly efficient and automated production line where no manual tortilla handling is required. Despite being a young company, Wisoman already produces regularly for private label brands, retail stores, restaurants, wholesale markets, and grocery stores.

This will be Wisoman’s first ETP-funded training project as it expands its business with a new product, “Organic Naan.” In addition, other new products coming out this year include a variety of flavored tortillas, pita bread, and roti flat bread. With the new product offerings, the Company projects a 20% sales growth.

Wisoman must enhance the skills and cross-train employees so staff will have a comprehensive understanding of the Company's operational flow. The Company will train new and current employees in the manufacturing of tortillas and tortilla-related products which is highly technical, requiring heavy machine operation and knowledge of health regulations.

Using both in-house operation and vendor trainers, Wisoman will train their operations team on Assembly Procedures, Manufacturing Practices, and Production Machine Programming. In addition, Wisoman will provide training to their higher level staff (Administrative/Operations Staff and Managers/Supervisors) in Business Skills to improve all aspects of the business. ETP funding will support the Company in meeting customer demands, remaining competitive, and ensuring product quality.

### **Retrainee - Job Creation**

In support of job creation, the Panel offers incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

In 2015, Wisoman hired a total of 8 new employees. In this proposal, Wisoman has committed to hiring 9 new employees (Job Number 2). The date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. These trainees will be hired into "net new jobs" as a condition of the contract. Wisoman has the capacity to house their current and new staff in its 25,000 square foot facility.

### **Training Plan**

Wisoman plans to execute this training plan by scheduling most of the training during two days of each month throughout the year when only half of the production takes place. There are two dedicated staff, the Head of Human Resources and the Finance Manager, that will administer the ETP funded training project. Training will be delivered via Class/Lab, Computer Based Training (CBT), and Productive Lab (PL):

**Business Skills** - Training will be offered to the CEO, Managers/Supervisors, and the Administrative/Operations Staff. Topics will include Financial Strategies, Inventory Control, Business Planning, Forecasting Sales, Communication Skills, and Customer Service. The outcome of this training will result in maximizing company profits, improving interpersonal skills, and addressing customer needs.

**Computer Skills** - Managers/Supervisors, Administrative/Operations Staff, and the CEO will participate in this training. Training will include Microsoft Office for daily use, QuickBooks, Payroll, Material Requirements Planning, Enterprise Resource Planning, and SAP. This instruction will improve the trainees' computer literacy and use of the Company's inventory control.

**Manufacturing Skills** – Production Staff and Managers/Supervisors will participate in this training. Topics include Quality Policy, Food Defense Program, and Chemical Control. The outcome of this training will result in trainees being able to perform multiple functions when needed and work with a higher level of efficiency.

**Continuous Improvement** - Training will be provided to all occupations. Training will include Data Collection, Improving Workflow, Eliminating Waste, Just In Time, and Project Management. This training will result in a reduction of waste, quality control, and statistical analysis for company growth.

## **Productive Laboratory**

The Panel authorizes reimbursement for training delivered in a Productive Laboratory (PL) setting. Trainees may produce goods for profit as part of training, in the courses identified under the Curriculum.

PL-Manufacturing training will be offered to Production Staff and Managers/Supervisors. Food manufacturing is highly technical. In addition to baking the flatbreads, trainees also perform vital tasks in pursuit of food safety, quality assurance and R&D. Through proper training, employees will become more productive, compliant and cost efficient.

Wisoman needs skilled workers to do advanced troubleshooting, to do multiple jobs, to operate automated machines, and to have knowledge of programmable logic control, computers, palletizers, and automatic packing equipment. Trainees will learn to troubleshoot, operate and maintain a variety equipment. Each employee will shadow an expert tortilla maker to make at least one pack of tortillas. Other outcomes of this training include the ability to read and understand mechanical and electrical blueprints.

Equipment being used will include mixers, dividers, pressers, ovens, automated conveyors, visual inspection systems, metal detectors, coders, and forklifts. The trainer-to-trainee ratio will be 1:2 to ensure full understanding and competency of the tortilla making process. Productive lab training will not exceed 24 hours per trainee.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **Exhibit B: Menu Curriculum**

### **Class/Lab Hours**

8-60

Trainees may receive any of the following:

#### **BUSINESS SKILLS**

- Achieving Goals
- Adaptability
- Administrative
- Analytical Ability
- Assertiveness
- Budget Management
- Business Management
- Business Storytelling
- Business Performance
- Business/Report Writing and Editing
- Business Planning
- Collaboration
- Communication Skills
- Conflict Management
- Conflict Resolution
- Coordination
- Critical Thinking
- Customer Service
- Customer Relations
- Delegation
- Business Strategy
- Client Relationships
- New Client Outreach
- Marketing Campaigns
- Competitive Analysis
- Marketing Research
- LinkedIn Networking
- Diplomacy
- Financial Strategies
- Forecasting
- Goal-oriented
- Handling Customer Requests
- Human Resources
- Identifying Customer Needs
- Leadership Skills
- Interpersonal Skills
- Inventory Control
- Manage multiple tasks
- Mechanical aptitude
- Organizational Ability
- Payroll
- Problem-Solving Skills
- Planning Skills
- Product Knowledge



- Public Speaking
- Resolving Customer Complaints
- Telephone Skills
- Time Management
- Written Expression

### **COMPUTER SKILLS**

- Computer Network Knowledge
- Computer-Related Storage Devices
- Computer Security Knowledge
- Downloading/Installing Software onto a Computer System
- Enterprise Resource Planning (ERP)
- Material Requirements Planning (MRP)
- Microsoft Office
- Payroll
- QuickBooks
- SAP Software
- Scanner Knowledge
- WebCT or Blackboard Teaching Skills

### **CONTINUOUS IMPROVEMENT**

- Coaching Procedures
- Data Collection
- Decision Making
- Eliminate Waste
- Evaluations
- Improving Work Flow
- Interpreting Charts/Graphs
- JIT (Just-in-time process)
- Leadership
- Motivation
- Monitoring
- Production Operation/Workflow
- Production Scheduling
- Project Management
- Quality Control
- Root Cause Analysis
- Statistical Process Control
- Strategic Planning
- Statistical Analysis
- Teambuilding
- Total Quality Control

### **MANUFACTURING SKILLS**

- Allergen Training
- Assembly Procedure
- Blood Borne Pathogen
- Chemical Control
- Cross-Training in Production Equipment
- Equipment Operation

- Food Defense Program- Suspicious Mail or Package
- Forms and Document Record Keeping
- Forklift Safety Training
- GMP (Good Manufacturing Practice) Training
- Sanitary Handling of Food
- Manufacturing Practices
- Non-GMO Training/Organic Training
- PLC (Programmable Logic Controllers)/Computer function
- Production Machine Programing
- Proposition 65
- Quality Policy
- SQF (Safe Quality Food) Training

**PL Hours**

0-24

**PRODUCTIVE LAB (PL) (1:2 ratio)**

- Assembly Procedure
- Baking Equipment
- Cross-Training in Production Equipment
- Equipment Operation
- Manufacturing Practices
- PLC (Programmable Logic Controllers)/Computer function
- Production Machine Programing
- Tortilla making procedure

**CBT Hours**

0-17

**COMPUTER BASED TRAINING (CBT)**

- Cost Accounting – 5hrs
- Decision making – 3hrs
- Inventory Control – 4hrs
- Leadership skill – 5hrs

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. CBT is capped at 50% of total training hours. PL is capped at 24 hours per-trainee.



**Training Proposal for:  
Yamabe & Horn Engineering, Inc.**

**Small Business**

**ET16-0438**

**Approval Date:** April 15, 2016

**ETP Regional Office:** Sacramento

**Analyst:** W.Sabah

**CONTRACTOR**

- Type of Industry: Engineering
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 31
  - Worldwide: 31
  - Number to be trained: 31
  - Owner  Yes  No
- Out-of-State Competition: No OSC
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 8%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$28,210
- In-Kind Contribution: \$38,000

**TRAINING PLAN TABLE**

| Job No. | Job Description                                     | Type of Training  | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|---|---|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |   |   |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>SB <100<br>SET<br>Priority Rate<br>HUA | Business Skills,<br>Commercial Skills,<br>Computer Skills,<br>Continuous Impr | 31                        | 8-60                | 0   | \$910                    | \$17.00             |
|         |   |   |                           | Weighted Avg:<br>35 |     |                          |                     |

- Reimbursement Rate: \$26 SB Priority
- County(ies): Fresno
- Occupations to be Trained: Administration Staff, Engineer, Assistant Engineer, Surveyor, Survey Crew, Drafter, GIS Technician, Field Inspector, Owner
- Union Representation:  Yes  
 No
- Health Benefits: N/A

**SUBCONTRACTORS**

- Development Services: Strategic Business Solutions, LLC in Visalia assisted with development of this project for a flat fee of \$1,670
- Administrative Services: Strategic Business Solutions, LLC will also provide administrative services for a fee not to exceed 13% of payment earned
- Training Vendors: To Be Determined

**OVERVIEW**

Founded in 1979 and located in Fresno, Yamabe & Horn Engineering, Inc. (Yamabe) ([www.yandhengr.com](http://www.yandhengr.com)) is a full-service engineering, design and surveying firm that provides program development and site planning, construction design, project management, construction cost estimate, and entitlement assistance. Customers include city planners, schools, water facilities, commercial businesses, and residential owners.

**Need for Training**

The engineering industry is constantly changing as design technology evolves. For example, drought requirements for landscapes, water retention, and run-off controls now require companies to change the way site and building plans are configured. To keep up, Yamabe needs to update both skills and equipment. For skills development, the Company has

developed a comprehensive, company-wide training program to help employees plan, design, inspect, and build projects accurately and timely. The Company also invested over \$50,000 on new GIS equipment to produce state-of-the-art, highly accurate surveys (training was not included in the purchase price). Ultimately, ETP-funded training will allow the Company to stay current with market trends, remain strong in the marketplace, and maintain excellent quality and customer service.

## **Training Plan**

Trainees will receive Classroom/Laboratory and E-learning training which will be delivered by in-house trainers. External vendors, if needed, will be retained at a later date.

**Business Skills** - Training will be delivered to all occupations. Training will produce a strong team that can plan, design, and implement strategic plans to move projects forward efficiently and timely. Trainees will also gain skills to inspect projects properly, resolve conflicts, mitigate measures, communicate with customers, and effectively manage workload.

**Commercial Skills** - Training will be provided to Surveyors and Survey Crew on the newly purchased GIS equipment. Trainees will learn to set-up, calibrate, and operate the equipment in addition to learning surveying best practices. Training will allow the staff to minimize costly mistakes and miscalculations.

**Computer Skills** - Training will be delivered to Engineers, Assistant Engineers, Drafters, GIS Technicians and Owners on different computer-assisted drawing software to produce the highest level of site plans and blueprints available and allow trainees to fully utilize software. Training will also be provided on the various systems that provide storm drainage information, sewer and water plans, site plans, and 3-D models.

**Continuous Improvement** - Training will be delivered to all occupations. Training will encompass all the basic components and principals involved in developing a quality control program that exceeds customer and industry requirements. Training will include an overview of quality programs, concepts, quality control, and process analysis.

## **SET/HUA**

Under SET, the employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period.

However, the 31 trainees in Job Number 1 work in Fresno County, a High Unemployment Area (HUA) with unemployment exceeding the state average by 25%. Under HUA guidelines, SET trainees qualify for the ETP Standard Minimum Wage rather than the Statewide Average Hourly Wage.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

**Exhibit B: Menu Curriculum**

**Class/Lab, E-learning Hours**

8-60

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Strategic Planning
- Account Development
- Project Management

**COMMERCIAL SKILLS**

- Land Survey Best Practices

**COMPUTER SKILLS**

- Computer-Assisted Drawing Program
- Traffic Control and Design Software
- G.I.S. System
- Microsoft Office Suite (Intermediate/Advanced)

**CONTINUOUS IMPROVEMENT**

- Process Analysis and Improvement
- Quality Control Program Training

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.



**DELEGATION ORDER**

**Retrainee-Job Creation**

**Training Proposal for:**

**Zodiac Seat Shells U.S. LLC**

**Agreement Number: ET16-0446**

**Approval Date:** April 22, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Webb

**PROJECT PROFILE**

|   |   |                     |   |
|---|---|---------------------|---|
| Contract Attributes:                                  | Retrainee<br>Job Creation Initiative<br>Priority Rate               | Industry Sector(s): | Manufacturing<br><br>Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served:                                      | Santa Barbara   | Repeat Contractor:  | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |
| Union(s):   | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                     |   |
| Number of Employees in:                               | CA: 1,800   | U.S.: 11,100        | Worldwide: 30,900   |
| <u>Turnover Rate:</u>                                 | 5%  |                     |   |
| <u>Managers/Supervisors:</u><br>(% of total trainees) | 6%  |                     |   |

**FUNDING DETAIL**

|               |   |                            |                         |   |                          |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | <b>Total ETP Funding</b> |
| \$64,150      |   | \$0                        | \$0                     |   | \$64,150                 |

|                       |                                    |          |
|-----------------------|------------------------------------|----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$81,200 |
|-----------------------|------------------------------------|----------|

**TRAINING PLAN TABLE**

| Job No. | Job Description                            | Type of Training   | Estimated No. of Trainees | Range of Hours      |     | Average Cost per Trainee | Post-Retention Wage |
|---------|--|--|---------------------------|---------------------|-----|--------------------------|---------------------|
|         |  |  |                           | Class / Lab         | CBT |                          |                     |
| 1       | Retrainee<br>Priority Rate                 | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>HazMat,<br>Mfg. Skills,<br>PL-Mfg. Skills | 127                       | 8-200               | 0   | \$450                    | *\$15.60            |
|         |  |  |                           | Weighted Avg:<br>25 |     |                          |                     |
| 2       | Priority Rate<br>Job Creation<br>Retrainee | Business Skills,<br>Computer Skills,<br>Cont. Imp.,<br>HazMat,<br>Mfg. Skills,<br>PL-Mfg. Skills | 7                         | 8-200               | 0   | \$1,000                  | *\$12.77            |
|         |  |  |                           | Weighted Avg:<br>50 |     |                          |                     |

**Minimum Wage by County:** Job Number 1: \$15.60 per hour for Santa Barbara County  
 Job Number 2 (Job Creation): \$12.77 per hour for Santa Barbara County

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe  
 Up to \$3.02 per hour may be used to meet the Post-Retention Wage in Job Number 1 and up to \$2.77 per hour in Job Number 2.

| Wage Range by Occupation  |            |                         |
|---------------------------|------------|-------------------------|
| Occupation Titles         | Wage Range | Estimated # of Trainees |
| <b>Job Number 1</b>       |            |                         |
| Production Staff          | *          | 42                      |
| Lead                      | *          | 10                      |
| Administrative Staff      | *          | 10                      |
| Support Staff             | *          | 15                      |
| Manager/Supervisor        |            | 10                      |
| Engineer                  |            | 35                      |
| Information Systems Staff |            | 5                       |
| <b>Job Number 2</b>       |            |                         |
| Production Staff          | *          | 1                       |
| Lead                      | *          | 1                       |
| Administrative Staff      | *          | 1                       |
| Support Staff             | *          | 1                       |
| Manager/Supervisor        |            | 1                       |



|                           |  |   |
|---------------------------|--|---|
| Engineer                  |  | 1 |
| Information Systems Staff |  | 1 |

\* It will be made a condition of contract that these trainees will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

## **INTRODUCTION**

Located in Santa Maria, Zodiac Seat Shells U.S. LLC (Zodiac) ([www.zodiacaerospace.com](http://www.zodiacaerospace.com)) designs and manufactures seat shells used in airplanes. These seat shells become components of products designed and manufactured by its parent division, Zodiac Seats LLC. Zodiac is a wholly owned subsidiary of Zodiac Aerospace SA of France. The Company's signature model, Zodiac 5751 (slim line economy class seat), is used by commercial airlines such as Delta and American Airlines. This will be the only location participating under this Agreement.

## **PROJECT DETAILS**

This will be the Company's second ETP Agreement. Under the prior contract, training focused on lean manufacturing to improve on-time delivery and reduce production cost. Due to increased production and rapid company growth during this time, workers were unable to receive training as originally planned. Training not provided under ET14-0216 will now be delivered to incumbent and newly hired staff, which includes new manufacturing processes, upgrades on computer software programs, and problem solving, and project management.

Airlines continue to find ways to improve the travel experience and refurbish its first and business class areas every five years. To meet the demand for Zodiac's low-weight aircraft interior products, the Company improved its design and increased its manufacturing capacity. As a result, staff needs training to increase skill sets to produce quality products and meet customer expectations. Training will be provided by in-house instructors.

Zodiac manufactures its own composite materials used to make seat shells. These composites (fiberglass, Kevlar, and graphite) are combined with various plastic resins, honeycomb core, and pre-impregnated fabrics to construct high quality, low weight seat shells. Construction materials utilized by Zodiac must be compliance with the Federal Aviation Administration's cabin interior flammability requirements. With complex manufacturing processes, Zodiac employees must learn new manufacturing techniques to reduce production costs, improve product quality, and improve on-time delivery.

The Company continues to push new initiatives that will require workers to learn new production processes and manufacturing techniques. Training in Lean manufacturing will enable workers to identify areas in the manufacturing process that need improvement. Curriculum topics in Continuous Improvement, Business and Computer Skills will increase product knowledge, and improve the production process.

### **Retrainee - Job Creation**

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Zodiac has committed to hiring seven new employees (Job Number 2). In the last few years, the Company has experienced high demand from airlines. As a result, Zodiac implemented

new manufacturing processes to increase proficiency and meet higher productivity levels. New employees need training to ensure they can complete job duties equivalent to incumbent workers.

Zodiac represents that the date-of-hire for all trainees in the Job Creation program will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into “net new jobs” as a condition of contract.

## Training Plan

**Business Skills (20%):** Training will be offered to Engineers and Managers/Supervisors to improve project management skills. Training courses such as Business Processes and Project Management will increase customer satisfaction by improving delivery times.

**Computer Skills (10%):** Training will be offered to Engineers, Leads, Information Systems Staff and Managers/Supervisors. Training will improve worker skills to design and manufacture customized products for clientele. Courses include 3-D PDF Viewer, Network Developer Tools and Utilities and MS Office.

**Manufacturing Skills (35%):** Training will be offered to Production Staff in new manufacturing procedures recently implemented to improve production processes, reduce waste, and improve product quality. Course topics include Manufacturing Techniques, Seat Shell Fabrication and Plastic Injection Molding.

**Continuous Improvement (25%):** Training will be offered to all occupations to improve efficiency and increase productivity. Training topics such as Team Problem Solving and Lean Manufacturing will teach staff to identify waste in the production process and create new techniques that will improve the manufacturing process.

## Certified Safety Training

**Hazardous Materials (5%):** Training will be offered to Leads, Managers/Supervisors, Production and Support Staff. Production processes reiterate proper usage of all materials when manufacturing seat shells. Workers will learn how to handle hazardous chemicals correctly and reduce the misuse of hazardous materials in the workplace. Training is also a series of courses, specific to industry sectors involved in the transport of hazardous materials. The coursework varies in length depending on the industry and the occupational title, as organized in five levels ranging from “first responder” to “incident commander.” It is generally a minimum of 24 hours with an 8-hour annual refresher, and may be delivered by classroom or CBT. This coursework is not under Cal-OSHA, but is administered under the Department of Transportation and CalTRANS. There are various certification entities for the coursework and instructors.

## Productive Laboratory (5%)

Approximately 30 Production Staff will receive Productive Lab (PL) training in Manufacturing Skills. Training will include component fabrication and forming equipment, plastic thermoforming and injection molding equipment, and production assembly and repair machinery. Newly hired workers will learn operation procedures for Zodiac equipment. PL training will be conducted in small groups with a 1:1 trainer-to-trainee ratio not to exceed 40 PL hours per trainee.

During PL training, staff will learn the function of equipment being trained on, observe their instructor operate the machinery, and then perform the same procedures while being observed by the instructor. While operating machinery, the instructors will critique the trainee’s techniques and ensure they are following all operating procedures correctly. Once the trainee has

demonstrated competency, the instructor will evaluate the trainee's skills and certify that the trainee can operate equipment independently.

### **Commitment to Training**

Zodiac spends approximately \$98,500 on training at the Santa Maria facility. Training delivered includes sexual harassment prevention, new hire orientation, safety regulations, basic computer skills training, commercial skills, and on-the-job training.

Zodiac represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

#### ➤ Training Infrastructure

Zodiac has hired a third party administrator to perform administrative duties. Administrative procedures and the coordinator are in place to schedule training, collect rosters, and track training hours.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **PRIOR PROJECTS**

The following table summarizes performance by Zodiac under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term                  | Approved Amount | Payment Earned |       |
|---------------|-----------------|-----------------------|-----------------|----------------|-------|
|               |                 |                       |                 | \$             | %     |
| ET14-0216     | Santa Maria     | 11/25/13-<br>11/24/15 | \$180,680       | \$60,603       | (33%) |

Zodiac experienced high product demand during the Agreement term. Due to rapid growth and increase in business, trainees could not be released from their jobs to attend training classes. The Company is now familiar with ETP administration duties and requirements and feels they are in a better position to focus on training. Final earnings are estimated at approximately \$64,000 once all trainees have been submitted for final payment. The current proposal has been "right-sized" consistent with this projection.

### **DEVELOPMENT SERVICES**

National Training Company, Inc. in Irvine assisted with development for a flat fee of \$3,850.

### **ADMINISTRATIVE SERVICES**

National Training Company, Inc. will also perform administrative services for a fee not to exceed 13% of payment earned.

### **TRAINING VENDORS**

N/A

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8-200

Trainees may receive any of the following:

**BUSINESS SKILLS**

- Accounting Skills
- Business Processes
- Marketing Strategies
- Project Management

**COMPUTER SKILLS**

- 3D PDF Viewer
- Computerized Reports
- Computer-Aided Design
- Database Administrator/Developer Tools and Utilities
- MS Office (Intermediate and Advanced)
- Network Developer Tools and Utilities
- Production/Distribution/Planning Software
- Project Management Applications
- Software Development

**CONTINUOUS IMPROVEMENT**

- Best Manufacturing Practices
- Coaching/Counseling/Motivation Techniques
- Communication Skills
- Inspection Procedures
- Lean Manufacturing
- Leadership Skills
- Operating Procedures
- Quality Control
- Team Building
- Team Problem Solving
- Zodiac Quality Systems

**HAZARDOUS MATERIALS**

- Flammability Control Procedures
- Hazardous Materials Handling
- Hazardous Safety Procedures

**MANUFACTURING SKILLS**

- Assembly Procedures and Methods
- Manufacturing Techniques
- Material Handling
- Plastic Thermoforming
- Plastic Injection Molding
- Production Equipment/Tools
- Production Processes
- Repair Station Procedures
- Resolving Production Problems

- Seat Shell Fabrication
- Standard Operating Procedures
- Technical Specifications

Safety Training cannot exceed 10% of total training hour's per-trainee

### **Productive Lab Hours**

0-40

#### **MANUFACTURING SKILLS** (Ratio 1:1)

- Component Fabrication Equipment
- Component Forming Equipment
- Plastic Thermoforming Equipment
- Plastic Injection Molding Equipment
- Production Assembly and Repair Equipment

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 40 hours per-trainee.