

DELEGATION ORDER



**Training Proposal for:
Air Conditioning Trade Association
Agreement Number: ET15-0392**

Approval Date:

ETP Regional Office: Sacramento

Analyst: M. Mazzone

PROJECT PROFILE

Contract Attributes:	SB <100 Retrainee Priority Rate HUA SET	Industry Sector(s):	Construction Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Contra Costa, Fresno, Kings, Sacramento, and Shasta	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Turnover Rate:	≤20%		
Managers/Supervisors: (% of total trainees)	N/A		

FUNDING DETAIL

Program Costs	+	Support Costs	=	Total ETP Funding
\$26,520		\$1,840 8%		\$28,360

In-Kind Contribution:	50% of Total ETP Funding Required	\$38,000
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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 SB <100 HUA SET	Commercial Skills	5	8-210	0	\$2,836	\$15.07
				Weighted Avg: 102			
2	Retrainee SB<100 Priority Rate SET	Commercial Skills	5	8-210	0	\$2,836	\$20.55
				Weighted Avg: 102			

Minimum Wage by County: Job Number 1 (SET Priority HUA): \$15.07 per hour for Fresno and Kings Counties; Job Number 2 (SET Priority): \$20.55 per hour statewide.

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

Participating employers may use health benefits to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
HVAC/R Service Technician (Job 1)		5
HVAC/R Service Technician (Job 2)		5

INTRODUCTION

Air Conditioning Trade Association (ACTA) (<http://www.actrade.ac/>) is a non-profit, member association that was founded in 1990 and is operated by a Board of Trustees composed of trade industry members, primarily small-business construction contractors. ACTA assists its membership, in part, by providing sheet metal, Service Technician and EPA certification training programs. The Service Technician training program focuses in heating, ventilation, air-conditioning and refrigeration (HVAC/R). This proposal will only include HVAC/R trainees.

The HVAC/R training courses prepare new workers with the skills and knowledge required to be an effective employee and to work within industry codes. The Service Technician training is offered to employers and to individuals throughout the state of California. For this proposal, ACTA has participating employers located in Contra Costa, Fresno, Kings, Sacramento and Shasta County.

Need for Training

The contractors that are members have expressed a need for this type of Service Technician training for the past several years. It has proven difficult for these contractors to find quality, non-union, Service Technicians that are able to complete all aspects of the HVAC/R Service Technician position. Training will focus on increasing the knowledge and efficiencies of employees, while increasing the profitability for employers. With fully trained staff, employers will be able to offer prospective customers more competitive bids.

The HVAC/R training program consists of six modules: Electrical, Refrigeration, Air Conditioning, Heating, Advanced Refrigeration and Chiller/Cooling Towers. After completion of the training program, trainees will be prepared to take the North American Technician Excellence (NATE) certification tests. Consumers prefer certified technicians, and the participating employers will have a competitive edge over their competition as there are many HVAC contractors that do not have NATE certified HVAC technicians.

PROJECT DETAILS

Trainees in Job Number 1 and Job Number 2 will receive between 8–210 hours of Classroom/Laboratory training. The entire training program developed by ACTA is 210 hours in length. ACTA will place an emphasis on completing all six modules of training. This proposal has been developed based on estimated trainees completing the 3 modules in which there are no prerequisites (102 hours).

Training Plan

Commercial Skills (100%) – Training will be provided to HVAC/R Service Technicians to prepare them for NATE certification testing. The training will focus on HVAC/R Electrical, Refrigeration, Air Conditioning, Heating, Advanced Refrigeration and Chiller/Cooling Towers. Class/Lab training will include course topics such as Electricity, Magnetism, Leak Detection, Refrigerants, Air Distribution and Balance, Electric Heat, Gas Furnaces, Oil Heat, Compressors, Ice Machines, Chilled Water Systems, and Cooling Towers.

Commitment to Training

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

Impact/Outcome

Training will develop skilled HVAC/R technicians who will be able to complete all job functions within the industry. Having a skilled workforce will allow the participating small businesses to submit bids for projects for which they would have otherwise not been considered. ETP-funded Training will grow the businesses of the participating employers and in turn will create additional jobs.

Marketing and Support Costs

Marketing activities include postcards sent by mail, email, trade shows, events, and website marketing. ACTA has about 70 members, and marketing is aimed at both members and non-members businesses.

Support costs of 8% will be used to recruit additional participating employers and assess employer specific job training requirements throughout the term of the project.

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.

Wage Modification – High Unemployment Area

The five trainees in Job Number 1 work in a High Unemployment Area (HUA). This is a region with unemployment exceeding the state average by 25%. The determination of HUA status is based on unemployment data from the Labor Market Information Division of the Employment Development Department. The participating employer's locations in Fresno and Kings Counties qualify for HUA status under these standards. ACTA is requesting the HUA Wage Modification for trainees in Job Number 1.

Training Coordinator

All training will be center based at ACTA's single location in Manteca, delivered by experienced, in-house journeyman staff with formal instruction in training methods and subject matter.

Training Hours Limitation

Retraining hours for small business are capped at 60 per-trainee, however, ACTA is requesting a modification to the cap. The HVAC/R training plan includes 6 modules of instruction and in total the training is 210 hours long. ACTA is requesting ETP reimbursement for an average of 102 hours, which equates to 3 modules of the HVAC/R training.

Tuition Reimbursement

ACTA represents that students enrolled in the ETP-funded program will not be charged tuition, fees, or any other costs associated with training. The representation will be made a condition of the Agreement.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET09-0301	Manteca	10/18/2008 – 10/17/2010	\$41,700	\$18,672 (44.8%)*

*ACTA failed to reach 70% performance in the ET09-0301 contract due to an overestimation of 20 participants in their training program. All trainees that participating employers originally committed did not

start the planned training. In addition, ACTA allowed trainees to enroll separately for each training module and because of this some trainees did not reach the weighted average as originally anticipated.

To ensure higher performance in this proposal, ACTA is emphasizing the importance of trainees attending all 6 modules of training. In addition, ACTA has reduced the estimated number of trainees from 20 to 10 and reduced the weighted average from 130 to 102, by way of "right sizing" this proposal.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To Be Determined

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

8-210

Trainees may receive any of the following:

COMMERCIAL SKILLS

Electricity

- Electricity
- Magnetism
- Automatic Controls
- Types of Electrical Motors
- Troubleshooting

Refrigeration

- Heat
- Temperature
- Matter and Energy
- Refrigerants
- Refrigeration Tools
- Piping
- Leak Detection
- System Clean-up
- Evaporators and Condensers
- Refrigeration Safety

Air Conditioning

- Comfort
- Psychrometrics
- Air Distribution and Balance
- Installation
- Operating Conditions
- Troubleshooting
- Heat Pumps

Heating

- Electric Heat
- Gas Furnaces
- Oil Heat
- Hydronic Heat
- Indoor Air Quality
- Load Cycle

Advanced Refrigeration

- Compressors
- Expansion Devices
- Special Refrigeration System Components
- Applications of Refrigeration Systems
- Ice Machines
- Troubleshooting

Chiller/Cooling Towers

- Chilled Water Systems
- Cooling Towers
- Operation
- Maintenance
- Troubleshooting
- Commercial Packaged Rooftop
- Variable Refrigerant Flow
- Variable Air Volume Systems

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

Note: Reimbursement for retraining is capped at 210 total training hours per trainee, regardless of the method of delivery.