

DELEGATION ORDER



AB118

**Training Proposal for:
Altec Industries, Inc.**

Agreement Number: ET15-0806

Approval Date: May 14, 2015

ETP Regional Office: Sacramento

Analyst: A. Greene

PROJECT PROFILE

Contract Attributes:	Priority Rate Retrainee AB118 (Alt Funds)	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Solano	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: 267	U.S.: 2,000	Worldwide: 3,000
<u>Turnover Rate:</u>	8%		
<u>Managers/Supervisors:</u> (% of total trainees)	9%		

FUNDING DETAIL

All funding will be under the Alternative and Renewable Fuel and Vehicle Technology Program created under AB118.

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$40,194		\$0	\$0		\$40,194

In-Kind Contribution:	100% of Total ETP Funding Required	\$45,060
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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 Priority Rate AB118	Business Skills, Commercial Skills, Computer Skills, Cont. Imp., HazMat, Mnmg. Skills, Mfg. Skills	77	8-200	0	\$522	\$15.07
				Weighted Avg: 29			

Minimum Wage by County: \$15.07 for Solano 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 \$0.57 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Production Staff		49
Service Technicians		6
Engineers		9
Managers		2
Supervisors		3
Sales Staff		5
Admin Staff		3

INTRODUCTION

Altec Industries, Inc. (Altec) has been doing business in California since 1987. Altec is wholly owned and held by Altec, Inc. headquartered in Alabama (www.altec.com). The Company provides products and services to electric utility, telecommunications and tree care providers. Altec products include digger derricks, pressure diggers, telescopic cranes and hotline-insulator washers. Although Altec operates nationwide, it has two facilities in California, located in Dixon and Pomona. Training will be provided only in Dixon to support a new product line.

Need for Training

In 2012, Altec increased the size of the Dixon manufacturing facility to expand its Green Fleet product line, which is designed to reduce impacts on the environment. The Dixon plant develops and produces utility truck bodies that use electric, hybrid, and compressed natural gas drive-train power systems.

Green Fleet uses advanced hybrid-electric technologies such as Jobsite Energy Management System (JEMS). JEMS is an integrated plug-in system that uses stored electrical energy to

power truck equipment such as aerial lifts and cabin climate controls, and to export power to hand tools and other electrical devices. The energy storage system is recharged by plugging into shore power or by the truck's internal combustion engine. This reduces vehicle fuel consumption, lessens noise pollution, and decreases carbon footprints and tailpipe emissions.

This will be Altec's third ETP-funded Agreement. Under this proposal, training is needed to expand employee skills in the development, production and servicing of the Green Fleet line. There will be an emphasis on Lean manufacturing processes. The Company is also in the process of expanding its fabrication shop, and training will be needed on new equipment being purchased later this year.

AB118

This proposal will be funded under the AB118 Training Program that was created in FY 2009-10. The AB118 Program is administered by ETP in partnership with the California Energy Commission (CEC).

The overall goal of the AB118 Program is to support a transition from petroleum-based transportation to alternative and renewable fuels and clean, low carbon vehicle technologies. There is no expenditure of Employment Training Tax funds for the AB118 Program. Public entity employers are eligible to participate, such as city and county regional transit authorities.

Training is focused on job skills for a skilled workforce to produce and distribute new alternative fuels and design, construct, install, operate, service and maintain new fueling infrastructure and vehicles.

Alternative Fuel is defined as any fuel other than the traditional selections, gasoline and diesel from petroleum sources, used to produce energy or power. Examples of alternative fuels are: bio-diesel, ethanol, methanol, electricity, propane, compressed or liquid natural gas, and hydrogen.

PROJECT DETAILS

Altec will provide 8-200 hours of Class/Lab training delivered by primarily in-house staff.

Business Skills (4%) – Training will be offered to Engineers and will include topics such as Conflict Management, Product Knowledge and Communication.

Commercial Skills (13%) – Training will be offered to Production Staff on topics such as JEMS, Sales Drawing Reading, Aerials Sentry Training and Digger Derrick Sentry Training.

Computer Skills (6%) – Training will be offered to all occupations. Topics include Basic Megabase and Diamond Logic training.

Continuous Improvement (21%) – Training will be delivered to all occupations to improve efficiencies in all areas. Training topics include Whole Process Overview Value Stream Map (VSM), Quality Systems, and Eight Disciplines of Problem Solving (8D)

Hazardous Materials (3%) - Training will be offered to all occupations required to work with or handle hazardous materials. The trainees will be taught how to work safely with hazardous products and how to handle chemical spills. This training will improve workplace safety and avoid the mishandling of hazardous materials.

Management Skills (3%) – Training will be offered to Supervisors, Managers and Manager Trainees on the topic of Leadership.

Manufacturing Skills (50%) – Training will be offered to Production Staff on topics such as Crane Operation, Level 1 Default Equipment Product Standards, and Basic Hose and Fitting.

Certified Safety Training

Hazardous Materials (HAZMAT). This training is 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, Altec will receive up to 4 hours of refresher course training. Field training may be required, although not funded by ETP. Completion of the training results in a certificate that expands employment opportunities. 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. In this proposal, certification is by Altec’s Corporate Environmental Manager.

Commitment to Training

In 2014, Altec invested \$40,965 in employee training. The Company regularly provides training in safety and specific skill sets in the areas of continuous improvement, manufacturing processes and quality control expectations. The Company will continue with the same types of training with additions made based on continuous improvement needs.

Altec 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.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET12-0447	Dixon	6/26/12- 6/25/14	\$130,960	\$40,197 (31%)

Altec’s poor performance of 31% was due to insufficient recordkeeping practices and lack of a formal training schedule. The Company has developed a formal process to record and upload attendance rosters and to integrate the training with work schedules. This proposal has been right-sized to the prior payment earned.

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

- Communication
- Conflict Management
- Product Knowledge

COMMERCIAL SKILLS

- Aerials Sentry Training
- Basic Operations Per Stage
- Digger Derrick Sentry Training
- Forklift Certification
- General Jobsite Energy Management System
- Sales Drawing Reading
- Work Order Folder Training
- Work Order Interpretation

COMPUTER SKILLS

- Basic Megabase
- Diamond Logic

CONTINUOUS IMPROVEMENT

- Closed Loop Quality Failure Mode and Effects Analysis Control Plans
- Cost of Quality
- Effective Problem Solving
- Eight Disciplines of Problem Solving
- First Article Training
- Layered Process Unit
- Quality Systems
- Whole Process Overview Value Stream Map

HAZARDOUS MATERIALS

- Hazmat Training
- Spill Response Training

MANAGEMENT SKILLS (Managers/Supervisors Only)

- Leadership

MANUFACTURING SKILLS

- Basic Hose and Fitting
- Basic Truck Operations
- Basic Unit Operation
- Body Door Adjustment
- Body Mounting
- Bolt Education
- Chassis Layout

- Corporate Electrical
- Crane Operation
- DEPS Component Installation
- Door Seal
- Electrical DEPS
- Electrical Schematic
- Fabrication Machine Operation
- Final DEPS
- Flats From Wrench Resistance
- Frame Drilling
- Grounding Blocks
- Huckbolt Training
- Hydraulic DEPS
- Level 1 Default Equipment Product Standards
- Major Component Lifting
- Oxy, Torch Operation, and Safety
- Part Identification and Equipment
- Post Mounted Spotlight Installation
- Touchup Training
- Trailer Plugs
- Travel Height Measurement
- Unit Manuals

Safety Training cannot exceed 10% of total training hours per-trainee. This cap does not apply to Hazmat.

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