



Training Proposal for:

Amgen Inc.

Agreement Number: ET16-0163

Panel Meeting of: September 25, 2015

ETP Regional Office: North Hollywood

Analyst: M. Webb

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Biotechnology/Life Sciences Manufacturing Services Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles, San Francisco	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: 6,041	U.S.: 11,612	Worldwide: 16,325
<u>Turnover Rate:</u>	11%		
<u>Managers/Supervisors:</u> (% of total trainees)	15%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$198,000		\$0	\$0		\$198,000

In-Kind Contribution:	100% of Total ETP Funding Required	\$366,300
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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	Business Skills, Computer Skills, Cont. Imp., HazMat, Mfg. Skills	275	8-200	0	\$720	\$15.97
				Weighted Avg: 40			

Minimum Wage by County: \$15.97 per hour for trainees in Los Angeles County and \$16.44 per hour for trainees in San Francisco 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
Corporate Supprt Staff		40
Senior Corporate Support Staff		5
Engineering/Information Systems Staff		25
Senior Engineering/Information Systems Staff		35
Manufacturing Operations/Quality Staff		40
Senior Manufacturing Operations/Quality Staff		30
Research and Development Staff/Scientists		35
Senior Research and Development Staff/Scientists		25
Managers		40

INTRODUCTION

Founded in 1980, Amgen Inc. (Amgen) (www.amgen.com), alongside its wholly owned subsidiary, Amgen USA Inc., is headquartered in Thousand Oaks. The Company also operates a research and development facility in South San Francisco. Both locations will receive training under this Agreement.

Amgen is considered one of the first in its industry to provide safe and effective medicines by developing, manufacturing and delivering human therapeutics globally. Amgen products have helped change the practice of medicine helping millions of people in the fight against cancer,

kidney disease, rheumatoid, arthritis, bone disease, and other serious illnesses. This will be the second Agreement between Amgen and ETP.

PROJECT DETAILS

Amgen's prior Agreement (ET13-0315) focused on product development, sales and marketing training. This training will also be included in the new Agreement and will include previous course topics; however, these topics were only provided to a limited number of employees. In addition, content for these courses have been modified as of 2013 to meet new standards.

Amgen continues to develop new medicines as a solution to improve health outcomes. To increase advances in biotechnology, Amgen has embarked on new initiatives being implemented that include the following:

Potential of Late-Stage Product Pipeline - During the first half of 2015, Amgen launched three new products and three pipeline medicines under regulatory review as of July 2015. In addition, Amgen has three medicines in the works that are expected to initiate global submissions and advance clinical trials.

Participation in the Biosimilar Market in 2017 - Amgen is developing six biosimilar medicines expected to launch in 2017. Biosimilar's are therapeutic alternatives for biologic medicines that offer potential for increased access and lower costs. Its complex structure and detailed production processes are shown on the basis of analytical, non-clinical and clinical data in relation to original biologics in terms of structural characteristics, safety, and efficacy.

Improved Drug Delivery Systems - Amgen has been approved to market its On-Body Injector for use of the drug *Neulasta*. Physicians will use the injector to administer *Neulasta* without requiring patients to return to the hospital following chemotherapy treatments. The injector represents Amgen's ongoing commitment to provide patient-friendly medicine delivery methods. New products are underway that will continue to improve drug delivery systems (combination products). This will require the introduction of new skills, processes, comprehension, and collaboration to succeed.

Manufacturing of the Future - New manufacturing technologies are being implemented to handle increased levels of Amgen products at lower costs and improved delivery times. Amgen's manufacturing facilities in California will receive training on new technologies currently used in other Amgen locations worldwide.

Training provided will increase product knowledge and lean manufacturing skills (Six Sigma); improve communication, team building, and marketing skills; and enhance employee skill set to develop and produce new medicines to further advances in biotechnology.

Training Plan

Amgen has developed an internal program to implement changes and opportunities that will affect frontline workers as it adapts to the overall transformation of the Company. Trainees will learn new skills to prepare them for recent changes in healthcare. Training will be delivered by in-house staff/instructors.

Business Skills (25%): Training will be offered to all occupations to increase staff product knowledge and customer service skills. Training provided will ensure best efforts towards designing, developing, producing, and selling new products by Amgen.

Computer Skills (10%): Training will be offered to all occupations to ensure employees can utilize computer software and systems related to their job duties. Topics to be delivered include clinical data management, electronic lab notebook, and SharePoint.

Manufacturing Skills (40%): Training will be offered to Research and Development/Scientists, Engineering/Information Systems and Manufacturing Operations/Quality Staff. Training in topics such as bio statistical and clinical development skills will increase staff capability to develop new products and positively impact product life cycle.

Continuous Improvement (20%): Training will be offered to all occupations to improve company production planning, decision making, control processes, and project management. Training will increase efficiency, improve pace to market Amgen products, and provide quality products.

Hazardous Materials (5%): Training will be offered to Research and Development/Scientists, Engineering/Information Systems and Manufacturing Operations/Quality Staff. Trainees will receive training on chemical hygiene/safety for laboratories, waste management, hazard communication, and incidental radiation.

LMS

Staff has approved Amgen's use of a Learning Management System for recordkeeping.

Commitment to Training

Amgen spends approximately one million dollars annually to train its California employees. Training provided includes basic job skills, introductory computer skills, orientation, workplace conduct and ethics training. Training is provided based on departmental need or specific job function.

Amgen 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

One staff member will manage the contract and work with ETP and the third party administrator. However, Amgen maintains a global training community and have designated staff members who will be responsible for administrative duties that include scheduling training and enrolling staff in the program. Amgen has also hired a third party, Training Funding Partners to provide administrative services.

Green/Clean Technology

Amgen is committed to utilizing environmentally responsible operations throughout its facilities. Company practices include processes that ensure low energy and water usage and reduces waste that meet green standards in the industry. Amgen has also been recognized by the U.S. Green Building Council and received a Leadership in Energy and Environmental Design Certification. In addition, Amgen continues to integrate environmental sustainable procedures in areas of its business through utilization of green products.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0315	Thousand Oaks, San Francisco	6/27/13- 6/26/15	\$458,000	\$198,301 (43%)

Although Amgen was able to deliver training to a majority of its training population, workers struggled to reach the 24-hour minimum hour requirement due to production demands, which prevented them from attending training as planned.

Amgen will continue to develop new medicines while also providing enough training to maximize earnings under the new Agreement. Training courses will be provided to staff at time frames that are conducive with employee availability. The Company has reduced its funding request to remain in accordance with the previous earning amount. A lower funding amount and minimum hour requirement will ensure Amgen will have higher performance in the following Agreement.

DEVELOPMENT SERVICES

Training Funding Partners in Fountain Valley assisted with development of this proposal for a flat fee of \$19,500.

ADMINISTRATIVE SERVICES

Training Funding Partners will also perform administrative services in connection with this proposal for a fee not to exceed 11% 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

- Advanced Communication Skills
- Audit Management Skills
- Business Process Skills
- Business/Technical Writing Skills
- Cross-Functional Skills
- Customer Service/Support Skills
- Data Element/Standards
- Data Analysis/Monitoring
- Facilitation/Train-the-Trainer Skills
- Finance/Accounting Skills
- Global Order Processing Skills
- International Business Practices/Doing Business in Other Countries
- Negotiation/Influence Skills
- Product Knowledge/Development
- Product Commercialization Skills
- Sales/Marketing Skills
- Vendor Management Skills

COMPUTER SKILLS

- Clinical Data Management
- Database Management Skills
- Electronic Lab Notebook Skills
- Intermediate/Advanced Microsoft Office Skills iPad Application Skills for Scientific Affairs
- Learning Management System Skills
- Microsoft Project
- SharePoint Application Skills
- Spotfire Data Viewing Tool
- TrackWise Enterprise Quality Management Software Application Skills
- Waste Reporting Tool

CONTINUOUS IMPROVEMENT

- Change Management Skills
- Conflict Management/Resolution Skills
- Decision Making Skills
- Leadership Development Skills
- Process Improvement/Productivity Skills
- Production Planning Process
- Project Management Skills

- Risk Assessment/Management Skills
- Quality Control/Quality Assurance Skills
- Six Sigma Skills
- Statistical Process/Analysis Skills
- Strategic Thinking/Planning Skills
- Team Building/ Collaboration Skills
- Troubleshooting Skills

HAZARDOUS MATERIALS

- Chemical Hygiene/Safety for Laboratories
- Hazardous Material Spill Response Team Training
- Waste Management for Laboratories
- Radiation Safety for Users/Supervised Staff
- Hazard Communication
- Incidental Radiation Training
- Hazardous Waste and Biowaste for Laboratories
- Storm Water Discharges

MANUFACTURING SKILLS

- Advanced Safety Skills
 - Catastrophic Incident Response
 - Cold Exposure Awareness
 - Hot Work Safety
- Biomanufacturing Technologies
- Biosimilar Production Skills
- Biostatistics Production Skills
- Clinical Development Skills
- Cross-Functional Manufacturing Skills
- Engineering Skills
- Experimental Design Skills
- Failure Modes and Effects Analysis
- Interpretation and Reporting of Diagnostic Tests
- Manufacturing/Laboratory Skills
- Research and Development 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.
