



**Training Proposal for:
Arrow Sign Co.**

Small Business ≤ \$50,000

ET16-0150

Approval Date: August 17, 2015

ETP Regional Office: San Francisco Bay Area

Analyst: R. Jackson

CONTRACTOR

- Type of Industry: Manufacturing
- Priority Industry: Yes No
- Number of Full-Time Employees
 - California: 70
 - Worldwide: 70
 - Number to be trained: 34
 - Owner Yes No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 15%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$12,688
- In-Kind Contribution: \$19,350

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 SB <100 Priority Rate	Commercial Skills, Computer Skills, Mfg Skills, Continuous Impr, OSHA 10/30, Management Skills, Business Skills	20	8-60	0	\$416	\$16.44
				Weighted Avg: 16			
2	Retrainee SB<100 Priority Rate HUA	Commercial Skills, Computer Skills, Mfg Skills, Continuous Impr, OSHA 10/30, Management Skills, Business Skills	14	8-60	0	\$312	*\$11.30
				Weighted Avg: 12			

*It will be made a condition of contract that the trainees in Job Number 2 will never be paid less than the statewide minimum wage rate as in effect at the end of retention, regardless of the wage expressed in this table.

- Reimbursement Rate: Job #'s 1 and 2: \$26 SB Priority
- County(ies): Alameda, San Joaquin
- Occupations to be Trained: Crane Operator, Welder, Fork Lift Operator, Truck Driver, Installation Staff, Production Staff, Sales Staff, Administrative Staff, Manager, Supervisor
- Union Representation: Yes
 No
- Health Benefits: Job #'s 1 and 2: \$2.65 per hour

SUBCONTRACTORS

- Development Services: NA
- Administrative Services: NA
- Training Vendors: Fred Pryor & All Crane Training (Oakland), H&H Trucking (Tracy), A-1 Trucking (Hayward) will provide some of the Commercial Skills for a fee to be determined.

OVERVIEW

For over 60 years, Arrow Sign Co. (Arrow) has manufactured electric and architectural signs for major hotels, property management companies, building owners, shopping centers, and general contractors who build structures such as stadiums, airport facilities and hospitals. As a full service sign company, Arrow provides initial design concepts up to detailed plans. The Company also provides fabrication, installation and maintenance. Its products are used primarily for brand identification and visibility of a store, outlet or location.

Arrow uses Computer-Aided Design and Computer-Aided Manufacturing software that is integrated for design and fabrication. The use of this technology allows the Company to create and develop high-end, custom-designed signs, giving it a competitive advantage over companies that lack the technology.

Training Plan

This will be Arrow's second ETP Agreement. The focus of this proposal differs from the last Agreement due to growing market demands for interior signs, new developments in sign making, and increased competitiveness in securing contracts through changing bidding processes.

Additionally, training is needed for new equipment and skills upgrades (including new trucks, cranes, and software) and cross-training to boost productivity and efficiency. Currently, the Company only has two employees able to operate and repair the new trucks. The Company plans to add 14 more employees which will allow more customer orders to be completed with greater scheduling flexibility. It will also allow the Company to reduce costs by keeping vehicle maintenance work in-house.

A few items in the proposed training topic list (Forklift, Microsoft Office, Crane Operations and Welding) were also delivered in the last Agreement, but the content has been refreshed. Trainees will not repeat the same subject matter.

Business Skills - Training will be offered to Administrative Staff, Sales Staff, Managers, and Supervisors. Training will assist the Company as they manage new product initiatives and implement ongoing business changes, such as reforms in industry bidding processes to support growth. Expanding the skillsets of employees reinforces the Company's high performance workplace goals by making each employee more adaptable, enabling them to make better quality decisions independently, and allowing them to complete tasks with greater efficiency.

Commercial Skills - Training will be offered to Production Staff, Crane Operators, Welders, Forklift Operators, Installers, and Truck Drivers. The Company aims to cross-train employees to diversify their current specializations. This will improve the ability of individual employees to perform more functions and services in order to boost overall productivity, improve safety, and gain specific competencies. Note: all driving related training will be delivered by vendors that offer certifications. However, the training does not include certifications. The training exceeds those requirements and is therefore deemed supplemental.

Management Skills - Training will be offered to Supervisors and Managers only. Recently promoted Supervisors and Managers were assessed as needing additional communication and leadership skills. Training will help the Company meet or exceed industry expectations pertaining to the management of Human Resources.

Computer Skills - Training will be offered to Administrative Staff, Sales Staff, Manager and Supervisors. Microsoft Office products like Gaant Charts and Microsoft Project are being used by key contractors. Thus, the Company has recognized the need to train with the newest software to keep pace with customer demands and meet the company's efficiency goals.

Manufacturing Skills - Training will be offered to Production Staff. This training aims to speed product fulfillment and increase the skills of staff to diversify abilities to accept assignments or tasks while simultaneously decreasing the time to completion on customer orders. Newly purchased machinery including a CAD machine, various welding tools, and metal benders was purchased to keep pace with business changes.

Continuous Improvement - Training will be offered to all staff. This training will help the Company improve efficiency.

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. 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.

Arrow has identified Production Staff employees, Welders, and Installers, that may attend OSHA 10. Frontline Managers or Supervisors may attend OSHA 30. High safety ratings will make Arrow more attractive to potential contractors. It also helps the Company maintain a safe work environment with better trained employees.

High Unemployment Area

The 14 trainees in Job Number 2 work in Stockton, a High Unemployment Area (HUA) with unemployment exceeding the state average by at least 25%.

Wage Modification

For trainees in an HUA, the Panel may modify the ETP Minimum wage by up to 25% if post retention wages exceed the start of training wages. Arrow requests a 25% wage modification from \$15.07 to \$11.30 for trainees in Job Number 2.

Union Letter

The Welders are represented by Iron Workers Local 378. A letter of support has been received from Local 378 (enclosed).

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET13-0305	Oakland, Stockton	03/08/2013 – 03/07/2015	\$45,760	\$13,104 (29%)

In ET13-0305, Arrow encountered difficulty releasing employees for training due to peak business periods. The Company was not aware of how much administration the Agreement required. To ensure better performance, the Company has planned its training schedules around the peak periods. In addition, the funding amount has been “right-sized” to reflect prior earnings.

Exhibit B: Menu Curriculum

Class/Lab Hours

8-60

Trainees may receive any of the following:

BUSINESS SKILLS

- + Public Speaking
- + Problem Solving
- + Negotiations
- + Contract Reading & Writing
- + Accounting Principles

COMMERCIAL SKILLS

- + Outriggers
- + Power Takeoff Systems (PTO)
- + Auxiliary Welders and Generators
- + Pre and Post Driving Inspections
- + Crane Operation
- + Skid Steer Training
- + Welding
- + Repelling

COMPUTER SKILLS

- + Microsoft Office

CONTINUOUS IMPROVEMENT

- + Improving Sales Skills
- + Efficiency Training
 - Planning, Scheduling, and Prioritizing

MANAGEMENT SKILLS (Managers and Supervisors only)

- + First Time Supervisors
- + Problem Solving
- + Success through Communications
- + Affordable Care Procedures

MANUFACTURING SKILLS

- + Forklift Driving
- + Blueprint Reading
- + Welding

OSHA Training

- + OSHA 10
- + OSHA 30

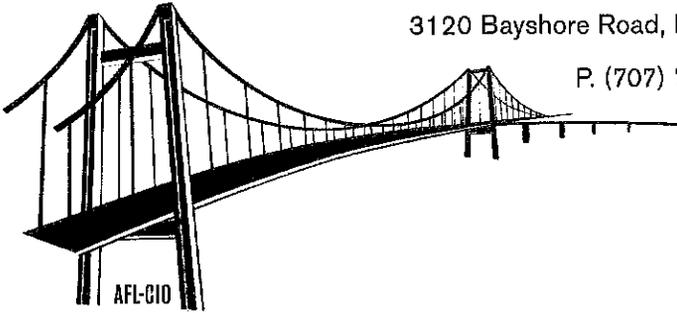
Note: Reimbursement for retraining is capped at 60 total training hours per trainee, regardless of the method of delivery.

IRON WORKERS LOCAL 378

UNION OFFICE OF BRIDGE, STRUCTURAL, ORNAMENTAL AND REINFORCING

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July 7, 2015

Robert J. Lux
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Jeff McEuen
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Financial Secretary-
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Jason Gallia
*Vice President/
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Ken Miller
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Organizer*

Mr. Robert Jackson
1065 East Hillsdale Blvd STE 415.
Foster City CA 94404

Mr. Robert Jackson:

The following letter serves to confirm that Arrow Sign Co. has been in accordance with our rules, regulations, and have complied with our Collective Bargaining Agreement.

We are very satisfied with the overall performance of this company, and we authorize Arrow Sign Co. to conduct specialized training to Iron Worker Local Union No. 378 members that is not included in our Training Facility curriculum.

Should you have any questions or concerns, please feel free to contact our office at (707) 746-6100.

Regards,

Robert Lux
President
Business Agent

RL:mf
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