



**Retrainee - Job Creation  
Training Proposal for:  
Asepco**

<b>Small Business</b>
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**ET16-0476**

**Approval Date:** May 25, 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: 15
  - Worldwide: 15
  - Number to be trained: 20
  - Owner  Yes  No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 13%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$24,960
- In-Kind Contribution: \$24,000

**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 SB <100 Priority Rate	Business Skills, Computer Skills, Continuous Impr	15	8-60	0	\$1,248	\$17.02
				Weighted Avg: 48			
2	Retrainee Job Creation Initiative SB <100 Priority Rate	Business Skills, Computer Skills, Continuous Impr	5	8-60	0	\$1,248	\$14.19
				Weighted Avg: 48			

- Reimbursement Rate: Job #'s 1 and 2: \$26 SB Priority
- County(ies): Santa Clara
- Occupations to be Trained: Administration/Support, Technical, Production, Supervisors/Managers, Owner
- Union Representation:  Yes  
 No
- Health Benefits: Job #1: \$2.02 per hour; Job #2: \$1.19 per hour

**SUBCONTRACTORS**

- Development Services: Sallyanne Monti Consulting in San Francisco assisted with development for a flat fee of \$800.
- Administrative Services: Sallyanne Monti Consulting will also assist with administrative services for an amount not to exceed 13% of payment earned.
- Training Vendors: Altoviya, LLC in Daly City will provide Continuous Improvement training services in ISO and Quality Systems.  
  
Hawk Ridge Systems in Orinda will provide Computer Skills training services in CAD.

**OVERVIEW**

Founded in 1989, Asepco ([www.asepco.com](http://www.asepco.com)) designs and manufactures steel parts such as valves, diaphragms, actuators and connectors for aseptic processing equipment. Aseptic processing equipment is primarily used in the bio-pharmaceutical and bio-processing industries to ensure that liquid mediums avoid contamination and health hazards while maintaining purity. Customers include pharmaceutical manufacturers, research companies, and drug developers.

## **Need for Training**

This will be Asepco's first ETP-funded training project as it expands its product offerings, a line of redesigned actuators. This new line will broaden the range of products offered to customers. The new products are rugged, flexible, and easy to maintain, made from the highest-quality, solid-bar stainless steel. Training will allow the Company to produce these actuators at a lower cost than previous models. In addition, Asepco will need compliance training, as demand for its products expand into Europe and Asia to comply with international standards. With this training, Asepco's processes will comply with guidelines set by the International Organization for Standardization and the European Union.

## **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.

With the addition of a new actuator line and new equipment such as a milling machine and CAD workstations, the Company will be expanding business capacity and has committed to hiring five 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.

## **Training Plan**

Asepco will execute this training plan by scheduling most of the training during production down times which occur every 3 months in cycles. Additionally, employees will receive training in phases, with a mix of occupations in most cases, so that there will always be sufficient staff (not being trained at that time) to manage the day to day operations. There are at least five internal trainers and two external training vendors who are ready to deliver training. Department Managers and Human Resources are coordinating the launch, oversight and administration of the ETP funded training. Trainees will receive the following courses via Class/Lab and E-Learning:

**Business Skills** - Training will be provided to all occupations in performance management, customer service, and marketing for the new service offerings. Training will increase product knowledge and enable staff to manage growth.

**Computer Skills** - Training will be provided to Technical Staff in 3D CAD modeling software which is needed for the redesign of the actuator line. Training will increase productivity, reduce rework, and improve efficiency.

**Continuous Improvement** – Training will be offered to all occupations in quality systems, ISO, and compliance training. Training will allow the Company to manufacture quality products to comply with international standards.

## **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

- ✚ Performance Management
- ✚ Customer Service, Sales & Marketing for New Initiatives

#### COMPUTER SKILLS

- ✚ 3D Computer-Aided Design (CAD) Training

#### CONTINUOUS IMPROVEMENT

- ✚ Quality Systems for New Initiatives
- ✚ ISO 9001:2015 Best Practices
- ✚ ISO 14001:2015 Best Practices
- ✚ ISO 18001 Best Practices
- ✚ European Conformity (CE) Marking Compliance Training
- ✚ European Pressure Equipment Directive (PED) Compliance Training
- ✚ Devices for Use in Explosive Atmospheres (ATEX) Directives Training

### E-Learning Hours

8-60

#### BUSINESS SKILLS

- ✚ Project Management
- ✚ Customer Service, Sales & Marketing for New Initiatives

#### COMPUTER SKILLS

- ✚ 3D Computer-Aided Design (CAD) Training

#### CONTINUOUS IMPROVEMENT

- ✚ Quality Systems for New Initiatives
- ✚ ISO 9001:2015 Best Practices
- ✚ ISO 14001:2015 Best Practices
- ✚ ISO 18001 Best Practices
- ✚ European Conformity (CE) Marking Compliance Training
- ✚ European Pressure Equipment Directive (PED) Compliance Training
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Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery.