

DELEGATION ORDER



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

**B.T. Automotive, Inc. dba All Foreign and Domestic Auto
Body, Inc.**

Small Business

ET17-0106

Approval Date: June 14, 2016

ETP Regional Office: Sacramento

Analyst: W. Sabah

CONTRACTOR

- Type of Industry: Services

 - Number of Full-Time Employees
 - California: 72
 - Worldwide: 72
 - Number to be trained: 76

 - Out-of-State Competition: No OSC
 - Special Employment Training (SET): Yes No
 - High Unemployment Area (HUA): Yes No
 - Turnover Rate: 6%
 - Repeat Contractor: Yes No
- Priority Industry: Yes No
- Owner Yes No

FUNDING

- Requested Amount: \$95,544
- In-Kind Contribution: \$69,004

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	Business Skills, Commercial Skills, Computer Skills, Cont. Imprv., HazMat, PL-Comm Skills	67	8-60	0	\$1,232	\$11.70*
				Weighted Avg: 56			
2	Retrainee SB <100 HUA Job Creation Initiative SET	Business Skills, Commercial Skills, Computer Skills, Cont. Imprv., HazMat, PL-Comm Skills	10	8-60	0	\$1,300	\$11.00*
				Weighted Avg: 50			

*It will be made a condition of contract that trainees will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

- Reimbursement Rate: Job #'s 1 and 2: \$22 SB Non-Priority
- County(ies): San Joaquin
- Occupations to be Trained: Administration Staff, Estimator, Technician, Production/Parts Staff, Frontline Manager, Owner
- Union Representation: Yes
 No
- Health Benefits: Job #1 only: \$0.70 per hour

SUBCONTRACTORS

- Development Services: Synergy Management Consultants, LLC in Grass Valley assisted with development of this project for a flat fee of \$7,550.
- Administrative Services: Synergy Management Consultants, LLC will also provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

OVERVIEW

Founded in Stockton in 1988, B.T. Automotive, Inc. dba All Foreign and Domestic Auto Body, Inc. (AFD Auto Body) (www.afdbodyshop.com) is a full service automotive repair center. The Company specializes in automotive mechanical and collision repair services including the sale of parts and accessories. The customer base includes residents of Stockton and the surrounding vicinity.

Need for Training

The Company needs to re-tool and train employees due to changes in new materials used to manufacture vehicles. I-CAR training will be the primary focus for materials used for hybrid vehicles. Technicians and Estimators need on-going training to remain I-CAR and ASE certified to service new vehicle brands such as Toyota, Honda, Ford, Jaguar, Volkswagen and Tesla.

In addition, AFD Auto Body has undertaken an aggressive growth strategy to build existing market share. The Company acquired new Insurer Direct Repair Programs accounts, specifically State Farm and USAA. Trainees will need to learn automotive collision repair processes for these companies. The growth strategy also includes training in customer service, operating procedures, marketing, sales, and Lean Concepts. Training will allow the Company to manage growth while taking on more clients and increasing services.

Retrainee – Job Creation

The Panel offers incentives to companies that commit to hiring new employees. Trainees will be subject to a lower post-retention wage.

AFD Auto Body will be expanding existing business capacity by adding newly hired employees. The Company has committed to hiring ten new full time permanent employees (Job Number 2). The new positions will fill needs in the Technician, Estimator, and Frontline Manager occupations. The date-of-hire will be within the three-month period before contract approval or within the term-of-contract. Trainees will be hired into “net new jobs” as a condition of contract.

Training Plan

Training will be delivered by a combination of in-house subject matter experts and outside vendors to be identified during the contract term.

Business Skills - Training will be offered to Administration Staff, Estimators, and Frontline Managers. Staff will receive training on different sales processes, claims processes, and insurance claim transmitting processes to understand how each of the functions impacts the total customer experience. Estimators will learn skills to properly facilitate claims processes. Managers will be trained in all topics to increase support of employees and customers.

Commercial Skills - Training will be offered to Technicians, Production/Parts Staff and Estimators on maintenance service, new vehicle technology, electric and hybrid repair, and extended I-CAR credentials. Training will allow employees to receive certifications for Honda, Toyota, Ford, Cadillac and other specific original equipment manufacturers (OEM). Training will allow Sales Staff to understand changes in manufacturing processes and accurately estimate damage to create report plans for Technicians.

Computer Skills - Training will be offered to all occupations and will focus on job specific software programs. Training will enable staff to accurately assess current conditions, set objectives, recognize trends, and communicate in a high flow/paperless environment. Training will also allow the Company to track costs, plan production and service flow while communicating with customers, potential customers, and employees.

Continuous Improvement - Training will be offered to all occupations and will focus on team building, root cause analysis, Lean concepts and process improvement. The goal is to improve service quality, cycle time, and cost-efficiency and reduce waste.

Hazardous Materials – Training will be provided to Technicians to ensure that hazardous materials are handled and disposed of properly.

Productive Lab

Productive Lab (PL) training will be provided to Estimators and Technicians in Commercial Skills to supplement Class/Lab training. This training will strengthen their understanding of how to complete automotive collision repair services. Technicians will receive updated skills. Estimators will learn to correctly diagnose damage and properly work through documentation and insurance and pricing processes.

PL will consist of a normal collision repair duties where the trainer will walk the trainee through the repair process. The trainer will observe, coach, and mentor while the trainee completes repairs. Trainees will use the following equipment in PL training: resistance spot welder, metal inert gas welder, frame rack and measuring system, paint spray guns, paint spray booths, All-data IT, and ADP estimating systems. Staff will be trained on welding of structural parts, aluminum repair, measuring frames, glass replacement, unibody alignment, mechanical components and system diagnostics and repair. All PL training will take place onsite. Output is expected to decrease by 30%.

The trainer-to-trainee ratio will be 1:1 and trainees will receive up to 24 hours of PL training. Training will be delivered by a combination of in-house subject matter experts and outside vendors. All trainers will be Technicians and/or Estimators who are considered to be subject matter experts.

SET/HUA

Under SET, the participating employer is not required to demonstrate out-of-state competition. Trainees must earn at least the Statewide Average Hourly Wage at the end of the retention period. However, for companies located in a High Unemployment Area, trainees can qualify if they meet the ETP Standard Wage instead of the Statewide Average Hourly Wage. Additionally, the Panel may modify the ETP Standard Minimum Wage for these trainees by up to 25% if post-retention wages exceed the start-of-training wages. AFD Auto Body is requesting the HUA wage modification to \$11.70 per hour to allow training for 20 trainees in Job Number 1 and \$11.00 per hour to allow training for 5 trainees in Job Number 2.

All trainees in Job Number 1 & 2 work in San Joaquin County, a High Unemployment Area (HUA) 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.

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

- Customer Care Skills
 - Customer Retention
 - Customer Engagement
 - Customer Relationship Building
- Advanced Sales & Marketing Skills
 - Prospecting & Closing
 - Sales Account Management
 - Advanced Closing Techniques
 - Sales Procedures & Strategies
- Negotiation Skills
- Conflict Resolution
- Communication Skills
- Presentation Skills

COMMERCIAL SKILLS

- I-CAR Collision Repair Certification Skills
- Refinishing Skills
 - Trim & Hardware
 - Surface Preparation
 - Vehicle Priming/Sealing
 - Paint Spray Guns Maintenance & Set-up
 - Corrosion Protection Process
 - Sand, Buff & Detail
 - Color Theory & Tints
 - Blending Techniques
 - New Technologies
- Structural Repair
 - Unibody Alignment
 - Three dimensional measuring
 - Repair & replacement of Outer Body Panels
 - High Strength Steels
 - Aluminum Repair Processes
 - MIG Welding Skills
 - Straightening Structural Damage
 - Glass Replacement
 - Pillars, rocker Panels, Rails, Front Structures & Floor Pan Replacement
 - Heating Cooling and AC Systems
 - Steering & Suspension Systems
 - Advanced Vehicle systems
 - Composite materials and bonding techniques
- Non-Structural Vehicle Repair Skills
 - Remove & Install Trim & Hardware
 - Adhesive Bonding
 - Diagnose Wind Noise & Water Leaks
 - Aluminum Cosmetic Damage
 - Spot Welding
 - Composite repair

- Estimating Skills
 - Steering & Suspension System Damage Analysis
 - Damage on non-drivable vehicles
 - Electrical/Mechanical Systems
 - Stationary glass
 - Advanced Materials
 - Advanced Vehicle Systems
- Vehicle Operation, Maintenance, & Troubleshooting
- Alternative Fuel & Hybrid Vehicle Repair Diagnostics
- Service Procedures & Scheduling
- Product Knowledge
- OEM (Original Equipment Manufacturer) Knowledge/Skills

COMPUTER SKILLS

- CCone Software
 - Job Costing
 - Production Flow
 - Production Planning - ETA Times & Dates
 - Internal & External Customer Communication
- Michell & Michell Repair Center Software
- Audatex Software
- CCC Info Systems Software
- Alldata Software
- Microsoft Office Suite (Intermediate/Advanced)
- Quickbooks

CONTINUOUS IMPROVEMENT

- Leadership Skills
- Teambuilding
- Root Cause Analysis
- Kaizen Event Strategy & Implementation
- Lean Concepts
- Process/Quality Improvement
- Problem Solving/Decision Making Skills
- Inventory Control
- Standard Operating Procedures

HAZARDOUS MATERIALS

- Completing Material Safety Data Sheets (MSDS)
- Volatile Organic Compound (VOC) Tracking
- Emergency Clean-up
- Registration, Evaluation, Authorization & Restriction of Chemical Substances

Safety Training will be limited to 10% of total training hours per-trainee.

Productive Lab

0-24

COMMERCIAL SKILLS (trainer-to-trainee ratio of 1:1)

- Body Filler Methods
- Structural Resistance Spot Welding
- Mig Brazing Techniques
- Color Tinting

- Spraying/ Blending Techniques
- Measuring Vehicle Structures
- Alignment Process of Unitized Vehicles
- Alignment Process for Full Frame Vehicles
- Aluminum Repair
- Technical Estimating Skills
- Estimating Direct Repair Program (DRP) Skills
- Estimating System Software Skills

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. PL is capped at 24 hours per-trainee.