



**Panel Amendment #2 Proposal for:
BAE Systems San Diego Ship Repair, Inc.
Agreement Number: ET16-0102**

Amendment Effective Date: July 15, 2015

Panel Meeting of: December 4, 2015

ETP Regional Office: San Diego **Analyst:** H. Bernard

CURRENT PROJECT PROFILE

Contract Type:	Critical Proposal Job Creation Priority/Retrainee Veterans	Industry Sector(s):	Manufacturing
Counties Served:	San Diego	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Priority Industry:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Current Contract Term:	July 13, 2015 to July 12, 2017	Substantial Contribution:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CURRENT FUNDING

Current Funding
\$834,160

AMENDMENT FUNDING

Requested Funding	Total Funding
\$63,800	\$897,960

AMENDMENT TRAINING PLAN TABLE

Job No.	Job Description (By Contract Type)	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee Job Creation	Mfg Skills, Continuous Impr, Business Skills, Computer Skills, OSHA 10/30, HazMat, HAZWOPER	200	8-200	0	\$2,000	\$13.28
				Weighted Avg: 100			
2	Priority/Retrainee	Mfg Skills, Continuous Impr, Business Skills, Computer Skills, OSHA 10/30, HazMat, HAZWOPER	603	8-200	0	\$720	\$15.93
				Weighted Avg: 40			
3	Priority/Retrainee Job Creation Veterans	Mfg Skills, Continuous Impr, Business Skills, Computer Skills, OSHA 10/30, HazMat, HAZWOPER	29	8-200	0	\$2,200	\$13.28
				Weighted Avg: 100			

Minimum Wage by County: Job Number 1 (Job Creation): \$13.28 per hour for San Diego County; Job Number 2: \$15.93 per hour in San Diego County; **Job Number 3 (Veteran): \$13.28 for San Diego 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

Although employer provides health benefits, they are not being used to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
JOB NUMBER 1 - JOB CREATION RETRAINEES	
Production Worker	
JOB NUMBER 2 - RETRAINEES	
Production Worker	
Administrative/Professional Staff	
Supervisor/Manager	
JOB NUMBER 3 – JOB CREATION VETERANS	
Production Worker	
Administrative/Professional Staff	
Supervisor/Manager	

INTRODUCTION

Located on San Diego Bay, BAE-SDSR repairs and refurbishes marine vessels for government and commercial customers (www.baesystems.com). The majority of shipyard work at BAE-SDSR center on the U.S. Navy fleet, Navy destroyers, Military Sea Lift Command landing platform docks, and dock landing ships. It also has commercial customers including cruise ships, tankers, and barges. BAE-SDSR's ship-repair capabilities include structural and piping modifications, machinery repairs and alterations, combat systems and electronics upgrades, ship conversions, and modernizations. The Company employs 1,600 full-time workers at its shipyard in San Diego, the site of the proposed training.

AMENDMENT DETAILS

This critical proposal agreement was approved at the Panel Meeting on June 26, 2015 and training commenced on July 15, 2015. At the Meeting, Panel members discussed BAE-SDSR's veteran hiring practices with Mr. Robert Koerber, Vice President and General Manager. According to Mr. Koerber, BAE-SDSR heavily recruits Veterans. In response, the Company explained that it has a dedicated team that travels across the country, focusing on the recruitment of veterans and service members and working directly with them to assist with transition to the civilian workforce. The Company uses Military Transfer, a service to assist service members in transferring their military skills to the private sector. Further, the Company has numerous initiatives to support military recruiting efforts such as Camo to Corporate, Veterans Employee Resource Group, and Warrior Integration Program and also provide career-oriented workshops including Transition Assistance Program and Army Career Alumni Program. For the career opportunities and support it offers Veterans, BAE-SDSR was recognized as one of the Top 100 Military Employers in 2013, 2014 and 2015.

Given the Panel's inquiry on the subject of hiring Veterans, staff reached out to BAE-SDSR to add a veteran component to the ETP Agreement. Given this sequence of events, the amendment will be made retroactive to start-of-term.

To support BAE-SDSR's continued need for hiring and training Veterans, this amendment will add additional funding for a Veterans Job Number (Job Number 3) for 29 trainees. This Amendment will add \$63,800, bringing the Agreement total amount to \$897,960. The 29 Veterans will be hired into fulltime employment within the benchmark period set forth in the Retrainee Job Creation Guidelines, on or after March 26, 2015.

RECOMMENDATION

Staff recommends approval of this Amendment.

SUMMARY OF PRIOR MODS/AMDS

- Revision 1 added course topics to the curriculum.

CURRENT CONTRACT PERFORMANCE

The following table summarizes performance by BAE-SDSR under the current ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees Enrolled	No. Completed Training	No. Retained
ET16-0102	\$834,160	7/13/15 – 7/12/17	322	0	0

Based on ETP Systems, 9,728 reimbursable hours have been tracked for potential earnings of \$190,450 (23% of approved amount) after three months of training.