



RETRAINEE - JOB CREATION

Training Proposal for:

Balfour Beatty Construction, LLC

Agreement Number: ET15-0339

Panel Meeting of: January 22, 2015

ETP Regional Office: San Diego

Analyst: K. Campion

PROJECT PROFILE

Contract Attributes:	Retrainee Priority Rate SET Job Creation Initiative	Industry Sector(s):	Construction Services Green Technology Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	San Diego, San Bernardino, Alameda, Orange, Ventura	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 376	U.S.: 2,852	Worldwide: 48,000
<u>Turnover Rate:</u>	5%		
<u>Managers/Supervisors:</u> (% of total trainees)	0%		

FUNDING DETAIL

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Program Costs</td></tr> <tr><td style="text-align: center;">\$350,400</td></tr> </table>	Program Costs	\$350,400	-	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(Substantial Contribution)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table>	(Substantial Contribution)	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">(High Earner Reduction)</td></tr> <tr><td style="text-align: center;">\$0</td></tr> </table>	(High Earner Reduction)	\$0	=	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Total ETP Funding</td></tr> <tr><td style="text-align: center;">\$350,400</td></tr> </table>	Total ETP Funding	\$350,400
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In-Kind Contribution:	100% of Total ETP Funding Required	\$656,762
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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 SET	Business Skills, Computer Skills, Continuous Impr., Commercial Skills, HazMat, OSHA 10/30	320	8 - 200	0	\$720	\$20.55
				Weighted Avg: 40			
2	Retrainee Priority Rate SET Job Creation Initiative	Business Skills, Computer Skills, Continuous Impr., Commercial Skills, HazMat, OSHA 10/30	100	8 - 200	0	\$1,200	\$13.70
				Weighted Avg: 60			

Minimum Wage by County: Job Number 1: \$20.55 per hour SET Statewide Average Hourly Wage (priority industry); Job Number 2 (Job Creation Wage): \$13.28 per hour for San Diego County; \$12.33 per hour for San Bernardino and Ventura Counties; \$13.35 per hour for Orange County; \$13.70 for Alameda 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

Up to \$3.75 per hour per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
JOB 1 - RETRAINEES		
Administrative Staff		18
Accountant		34
Marketing Coordinator		14
Estimator I		9
Estimator II		5
Tech Specialist		6
Engineer		42
Safety Staff		9
Scheduler		3
Project Manager I		77
Project Manager II		28

Superintendent I		53
Superintendent II		22
JOB 2 – JOB CREATION RETRAINEES		
Administrative Staff		2
Accountant		10
Marketing Coordinator		2
Estimator		4
Tech Specialist		3
Engineer		25
Safety Staff		2
Scheduler		2
Project Manager		25
Superintendent		25

INTRODUCTION

Balfour Beatty Construction, LLC (Balfour Beatty) www.balfourbeattyus.com is a construction management company for private developers and public entities such as K-12 school districts and higher education facilities.

Its parent company (Balfour Beatty Construction Group, Inc.) is headquartered in Dallas, Texas. This project will be administered by the Company's Southwest Division office in San Diego. Balfour Beatty has four additional California facilities in San Bernardino, Emeryville, Irvine and Oxnard; training will occur at these sites (San Diego, Emeryville and Irvine). Balfour Beatty is eligible for ETP funding under Special Employment Training provisions for frontline workers in a priority industry.

PROJECT DETAILS

Balfour Beatty's training requirements are driven by technology advances and customer demand. The construction industry is currently experiencing rapid changes around sustainability, technology, efficiency, and project delivery. Customers now demand increased energy efficiency and other sustainable features, including green-construction. Balfour Beatty must stay current with technological advances in Computer Assisted Drafting (CAD), Building Information Modeling (BIM), and 3D rendering to meet this demand.

Balfour Beatty is also moving into new markets. Although primarily focused on building schools, the Company is beginning to manage construction for more complex projects such as high-rises, mixed-use developments, hospitals, and airports.

Retrainee - Job Creation

Due to a significant backlog of construction projects, meaning work that the Company has been awarded, but construction has yet to start, Balfour Beatty is now ramping up hiring to have enough staff to work on the projected construction projects secured for 2015. The Company projects revenue growth in excess of 50% over the next two years based on construction management projects that they have won. The Company has hired 78 workers in the last 12 months and, under this proposal, is committed to hiring 100 frontline workers in the next two

years, as shown in Job Number 2. To be eligible for reimbursement under this Job Number, the trainees must be hired within the four-month period prior to Panel approval or during the term of contract. Training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage. The Company also represents that these trainees will be hired into “net new jobs” as a condition of contract.

Training Plan

The majority of the training will be delivered via class/lab. To ensure that training is provided consistently across all locations, approximately 5% of training hours may be delivered via “virtual classroom” with a real-time interactive instructor. This delivery method qualifies as Class Lab training.

Business Skills (20%) – This training will be provided to all occupations in order to upgrade job skills in project management, marketing & business development, front line leadership, effective communication, and change management. Trainees will learn how to work more effectively with internal and external customers. Additionally, trainees will learn the skills needed to effectively identify best practices and ensure project success, as well as, reduce uncertainties that occur during transitions from the preconstruction phase to the construction phase when contracts are issued.

Computer Skills (23%) – This training will be provided to all occupations. This training will enable trainees to integrate upgraded software applications and implement advanced capabilities into existing operations with rapid response for clients, provide quick turn around on change orders, and interface reports with existing software platforms. Trainees will learn financial accounting system, estimating software skills and the latest construction software applications to perform essential job duties for construction projects. BIM and CAD software applications will improve the capture, coordination and dissemination of information throughout the organization and provide the latest skills in construction industry computer technologies.

Continuous Improvement (20%) – This training will be provided to all occupations in order to minimize wasteful activities in all areas of operations, and improve operational processes. Empowering employees through Frontline Decision Making and Problem Solving will eliminate bottlenecks and improve customer response time. Trainees will learn best management practices on how to contribute to corporate sustainability goals.

Commercial Skills (20%) – This training will be provided to all occupations and will be focused on new construction technologies in Green Buildings, upgrading knowledge of construction best practices, construction defects, bidding techniques, building codes, and environmental stewardship.

Hazardous Materials (2%) – This training will be provided to Engineers, Project Managers, Superintendents and Safety Staff. Trainees will learn how to handle materials in the safest possible manner to minimize environmental exposure and decrease risk.

OSHA 10/30 (15%) – This training will be provided to Engineers, Project Managers, Superintendents and Safety Staff. OSHA 10/30 training is a series of courses “bundled” by industry sector and occupation. It consists of 10 hours of training for journeymen and 30 hours for supervisors or leaders. Completion of the training results in a certificate that expands employment opportunities. To ensure that each trainee receives certification, ETP will only consider payment earned upon completion of the full 10-hour or 30-hour course.

Frontline Worker

Balfour Beatty will be training Project Managers and Superintendents. According to company representatives, even though these occupations are exempt from overtime, their primary job

duties are managing construction projects, not people. Employees in these occupations do not have the authority to hire or fire, and spend more than 50% of their time directly providing services. As such, Project Managers and Superintendents meet the Panel's definition of frontline workers, and these trainees qualify for SET funding.

SET Training Wage Modification

Balfour Beatty requests a modified wage in Job Number 1 for selected Administrative Staff and Accountants. For trainees employed in a priority industry, the Panel may modify the State Average Hourly Wage of \$27.40 per hour by 25% to \$20.55 per hour.

Impact/Outcome

The goal of this training project is to increase employee productivity, efficiency, and job skills so Balfour Beatty can be better positioned for new business opportunities. Trainees may earn the following certifications from this training: Leadership in Energy and Environmental Design (Commercial Skills), Design Build Institute of America (Continuous Improvement), and Certified Construction Managers (Business Skills).

Commitment to Training

Balfour Beatty represents that ETP funds will not displace its existing financial commitment to training. The Company's current training budget is approximately \$150,000 annually for its workforce to cover such topics as OSHA mandated safety training, general safety training, code of conduct, sexual harassment prevention, new hire orientation, basic computer skills training, general operations training, and on-the-job training on an as needed basis. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

This ETP training project will be overseen by the Sustainability Project Manager with assistance from the Division Controller to ensure all training is properly captured for ETP reimbursement. Additionally, a training coordinator will be assigned at each company facility to schedule training. Balfour Beatty will utilize an administrative subcontractor for enrolling and tracking trainees in the ETP online systems.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Balfour Beatty retained Training Funding Source (TFS) in Seal Beach to assist with development of this proposal for a flat fee of \$7,000.

ADMINISTRATIVE SERVICES

Balfour Beatty also retained TFS to perform administrative services in connection with this proposal for an amount not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours
and E-Learning**

8 – 200

Trainees may receive any of the following:

BUSINESS SKILLS

- + Accounting Skills
- + Change Management
- + Client Relations & Effective Communications Skills
- + Frontline Leadership Skills
- + Marketing & Business Development
- + Performance Management / Goal Setting
- + Project Management Skills

COMPUTER SKILLS

- + Building Information Modeling (BIM) & Computer Assisted Drafting (CAD) Skills
 - o 360 Field/Glue
 - o Revit
 - o Navisworks
 - o SketchUp
 - o VICO Virtual Construction
- + Constructware
- + Financial Accounting Software Skills
- + Estimating Software Application skills
- + Construction Software & Scheduling Application Skills
- + Marketing Software Application skills
- + Customer Relationship Management (CRM - Oracle)
- + Microsoft Office (Intermediate & Advanced)
- + VEO (Design and Facility Management)
- + Laser Scanning Skills

CONTINUOUS IMPROVEMENT

- + Sustainability Concepts & Action Plans
- + Integrated Project Solutions
- + Quality & Process Improvement
- + Problem Solving & Frontline Decision Making Skills

COMMERCIAL SKILLS

- + Environmental Stewardship
- + Green Building
- + Leadership in Energy and Environmental Design (LEED)
- + Construction Estimating / Scheduling, & Operations Skills
- + Product Knowledge Skills
- + Zero Harm

HAZARDOUS MATERIALS

- ✚ Handling Hazardous Materials

OSHA 10/30 (OSHA Certified Instructor)

- ✚ OSHA 10 (requires completion of 10 training hours)
- ✚ OSHA 30 (requires completion of 30 training hours)

Safety Training cannot exceed 10% of total training hours per-trainee, not including Hazardous Materials and OSHA 10/30.

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.