



RETRAINEE - JOB CREATION

Training Proposal for:

Bay Alarm Company

Agreement Number: ET17-0190

Panel Meeting of: August 26, 2016

ETP Regional Office: Sacramento

Analyst: K. Smiley

PROJECT PROFILE

Contract Attributes:	Retrainee Job Creation Initiative Priority Rate SET HUA Veterans	Industry Sector(s):	Services Construction Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Alameda, Contra Costa, Los Angeles, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Clara, Shasta, Sonoma, Ventura	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 1,537	U.S.: 1,537	Worldwide: 1,537
<u>Turnover Rate:</u>	13%		
<u>Managers/Supervisors:</u> (% of total trainees)	N/A		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	=	Total ETP Funding
\$490,000		\$0		\$490,000

In-Kind Contribution:	100% of Total ETP Funding Required	\$528,000
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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, Commercial Skills, Computer Skills, Continuous Improvement	50	8-200	0-20	\$396	\$21.28
				Weighted Avg: 22			
2	Retrainee Priority Rate SET HUA	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	100	8-200	0-20	\$486	*\$13.90
				Weighted Avg: 27			
3	Retrainee Job Creation Priority Rate SET HUA	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	135	8-200	0-20	\$2,960	*\$12.77
				Weighted Avg: 148			
4	Retrainee Veteran Job Creation Priority Rate SET HUA	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement	20	8-200	0-20	\$1,100	*\$12.77
				Weighted Avg: 50			

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

Minimum Wage by County: **Job Number 1** (SET/Priority Industry): \$21.28. **Job Number 2** (SET/HUA): \$12.77 per hour –Sacramento County; \$11.70 per hour - San Joaquin County. **Job Number 3 & 4** (Job Creation): \$14.19 per hour – Alameda, Contra Costa, San Mateo, and Santa Clara counties; \$13.73 per hour – Los Angeles County; \$13.76 per hour – Orange County; \$13.72 per hour – San Diego County; \$13.42 per hour – Sacramento County; \$12.77 per hour – San Bernardino, San Joaquin, Shasta, Sonoma, and Ventura counties.

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 \$1.70 per hour may be used to meet the Post-Retention Wage in Job Numbers 1, 3-4.

Commissions have ranged from \$.25 to \$49.17 per hour over the past 12 months, with the average hourly commission being \$12.88. Commissions may be used by Sales Staff to meet the post-retention wage requirements.

*The Company is not in Retail Trade. As such, occupations paid by commission do not fall under the Panel's "lowest priority" for FY 2016/17 for Job Number 1 only.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Sales Staff		5
Operations Staff		5
Installer/Dispatcher		15
Service Technician		15
Customer Service Staff		5
Frontline Manager		5
Job Number 2		
Sales Staff		20
Operations Staff		5
Installer/Dispatcher		25
Service Technician		25
Customer Service Staff		15
Frontline Manager		10
Job Number 3		
Sales Staff		20
Operations Staff		10
Installer/Dispatcher		40
Service Technician		40
Customer Service Staff		15
Frontline Manager		10
Job Number 4		
Sales Staff		2
Operations Staff		4
Installer/Dispatcher		4
Service Technician		4
Customer Service Staff		4
Frontline Manager		2

INTRODUCTION

Bay Alarm Company (BAC), a subsidiary of BALCO Holdings, Inc. is the largest independently owned and operated security company in the United States. The Company offers a full range of security products to approximately 100,000 residential and commercial customers across California, including burglar and fire alarm systems, access control and video surveillance.

Training will take place at BAC facilities in Alameda, Contra Costa, Los Angeles, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Clara, Shasta, Sonoma, and Ventura counties.

PROJECT DETAILS

This will be BAC's third Agreement within five years. Their first Agreement focused on expanding the technical training for entry level Installers and Service Technicians. The second Agreement focused on new technologies including migrating to 4G with higher data speed, implementing a new network, enabling quicker response time, and expanding its ZWave-Z/IP video surveillance solutions.

This Agreement will focus on the Company's new software system, Digital Watchdog Vmax IP+. This is an Internet Protocol camera platform that can be accessed remotely from a mobile application and can control up to 16 cameras at once. Training will also focus on Business Acumen, Customer Service, Effective Time Management and Team Building.

Some curriculum topics are repeated from the previous agreements; however, the subject matter has been updated and improved per new technology and developments so there will be no duplication of training content in those courses.

Retrainee - Job Creation

In support of 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.

BAC is currently developing two new products that will be released by the end of 2016.

1. Touchscreen, a smart controller that wirelessly connects to motion detectors, smoke detectors, glass sensors, sirens, wireless key fobs and security cameras.
2. Potter Panel, an intelligent fire alarm control panel that monitors wet and dry fire sprinkler systems and reports to a central BAC station.

These two products will expand business capacity. BAC is committed to hiring 155 new employees (Job Numbers 3&4) to support expansion. To be eligible for reimbursement, trainees must be hired within the three-month period prior to Panel approval or during the term of the contract. Trainees will be hired into "net new jobs" as a condition of contract.

Training Plan

Courses will be delivered through a combination of Computer-Based Training and Class/Lab Training.

Business Skills (25%): Training will be offered to all occupations as it relates to job function in order to improve client satisfaction and business efficiency. Courses will include Business Acumen, Technical Sales and Contract Knowledge.

Commercial Skills (25%): Training will be offered to Service Technicians and Installer Staff. Courses will include Digital Watchdog and other software systems; Equipment Servicing, and Troubleshooting. Training will enhance staff's ability to better install, maintain and serve BAC products and systems.

Computer Skills (20%): Training will be offered to all occupations as it relates to job function. This training will help improve employee efficiencies in utilizing BAC systems and applications that are vital to the staff's job roles and responsibilities. Courses will include Bay Alarm Proprietary Software System, Alarm and Computer System Procedures and ADP Human Capital System.

Continuous Improvement (30%): Training will be offered to all occupations as it relates to job function. This training will provide workers with skills to increase performance in time management and process improvement. Courses will include Planning/Efficiency, Problem Solving/Decision Making and Process & Quality Improvement.

Commitment to Training

BAC's annual training budget for California is estimated at \$330,000, and is spent on basic job skills training, new employee orientation and on boarding, driver safety, ergonomics, anti-harassment, basic OSHA training, basic computer skills, fire code training, and California State Fire/Life Safety Apprenticeship Program.

ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

➤ Training Infrastructure

BAC has appointed a central in-house administrator for ETP training at its Headquarters in Pacheco. This individual is responsible for scheduling and tracking all training; meeting with ETP staff; overall record keeping. BAC has two other staff members charged with roster collection and coordinating training among facilities.

Commission

BAC has a formal Commission Plan for Sales Staff. Commissions are calculated and paid twice monthly. BAC requests to use commission to meet the Post-Retention wage of \$21.28 for the occupational title of Sales Staff in Job Number 1. Commission for this occupation is based on a percentage of services rendered and sold as well as company profits.

Substantial Contribution

Over the past five years, BAC has earned \$648,154 in ETP funding. Of the \$648,154, only \$199,485 was for the reimbursement of incumbent retrainees. Job Creation retrainees received \$448,669 in reimbursement from ETP. The \$199,485 was split between 16 facilities throughout CA. Due to this, Substantial Contribution will not be applied to BAC.

SET/High Unemployment Area (HUA)

Under Special Employment Training (SET) companies are not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention.

However, Job Number 2 trainees work in a High Unemployment Area (HUA), with unemployment exceeding the state average by at least 15%. The Company's locations in Sacramento and San Joaquin counties qualify for HUA status. These HUA trainees qualify for the ETP Minimum Wage rather than the statewide average hourly wage. BAC is requesting a wage modification for the 100 trainees in Job Number 2.

Veterans Program

BAC actively recruits and has a hiring preference for Veterans. Veteran trainees are represented in Job Number 4.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET15-0185	Statewide	7/7/14 – 7/6/16	\$425,404	\$425,404 (100%)
ET12-0178	Statewide	11/21/11 – 11/20/13	\$222,750	\$208,773 (94%)

DEVELOPMENT SERVICES

Training Funding Partners in Fountain Valley assisted with development for a flat fee of \$12,500.

ADMINISTRATIVE SERVICES

Training Funding Partners will also perform administrative services for a fee not to exceed 7% of payment earned.

TRAINING VENDORS

N/A

Exhibit B: Menu Curriculum

Class/Lab Hours

8 – 200

Trainees may receive any of the following:

BUSINESS SKILLS

- Business Acumen
- Customer Service/Customer Account Skills
- Technical Sales/Contracts

COMMERCIAL SKILLS

- BayComm Network System and New Fire Panel Technology
- Digital Watchdog Technology
- Enhanced Industry Knowledge Enhanced Security Equipment
- E-waste Recycling
- Lyric System
- Multi-Camera Interactive Video Capture/Surveillance Systems
- Next Generation Cellular Communications
- Equipment Installation
- Equipment Servicing and Troubleshooting
- Residential and Commercial Systems/Applications Protocols

COMPUTER SKILLS

- ADP Human Capital System
- Advanced Microsoft Office
- Alarm and Computer System Procedures
- Bay Alarm Proprietary Software System

CONTINUOUS IMPROVEMENT

- Planning/Efficiency
- Problem Solving/Decision Making
- Process & Quality Improvement
- Team Building/Effectiveness and Team Leadership

CBT Hours

0 – 20

BUSINESS SKILLS

- Collection (4 hrs.)
- Effective Communication (4 hrs.)

CONTINUOUS IMPROVEMENT SKILLS

- Time Management (4 hrs.)
- Team Leadership (4 hrs.)
- Dealing with Difficult People (4 hrs.)

COMMERCIAL SKILLS

- Mobile Fire Inspection (4 hrs.)
- SharePlus Lite (SharePoint mobile access) (4 hrs.)
- PSA (Professional Services Automation) Web Application (4 hrs.)

- DVR (Digital Video Recorder) Basics (4 hours)
- Fire Panel Programming (4 hours)

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. CBT is capped at 50% of total training hours per trainee.