



**Panel Amendment #3 Proposal for:
 Bay Alarm Company
 Agreement Number: ET15-0185**

Amendment Effective Date: June 11, 2015

Panel Meeting of: July 24, 2015

ETP Regional Office: Sacramento

Analyst: M. Mazzone

CURRENT PROJECT PROFILE

Contract Type:	SET/HUA Job Creation Priority Retrainee	Industry Sector(s):	Construction Services
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	Priority Industry:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Current Contract Term:	July 7, 2014 to July 6, 2016	Substantial Contribution:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

CURRENT FUNDING

Current Funding
\$269,641

AMENDMENT FUNDING

Requested Funding	Total Funding
+\$156,000	\$425,614

AMENDMENT TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Estimate d No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	SET Priority Rate Retrainee	Business Skills, Commercial Skills, Computer Skills, Cont. Imp., PL-Commercial Skills	7	8-200	0-20	\$702	\$25.06
				Weighted Avg: 39			
2	SET Priority Rate HUA Retrainee	Business Skills, Commercial Skills, Computer Skills, Cont. Imp., PL-Commercial Skills	133	8-200	0-20	\$900	\$13.49
				Weighted Avg: 50			
3	SET Priority Rate Retrainee Job Creation	Business Skills, Commercial Skills, Computer Skills, Cont. Imp., PL-Commercial Skills	215	8-200	0-20	\$1,400	\$12.70
				Weighted Avg: 70			

Minimum Wage by County: : Job Number 1 (SET/Priority Industry): \$20.32
 Job Number 2 (SET/HUA): \$12.19 per hour – Alameda County; \$11.70 per hour – Sacramento County; \$11.17 per hour - San Joaquin County.

Job Number 3 (Job Creation): \$13.55 per hour – Alameda, Contra Costa, San Mateo, and Santa Clara counties; \$13.37 per hour – Los Angeles County; \$13.32 per hour – Orange County; \$13.00 per hour – San Diego County; \$12.99 per hour – Sacramento County; \$12.19 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

\$1.70 per hour may be used to meet the Post-Retention Wage in Job Numbers 1, 2 & 3.

Commissions have ranged from \$.99 to \$42.50 per hour over the past 12 months, with the average hourly commission being \$15.00. Commissions may be used by Sales Staff to meet the post-retention wage requirements.

Wage Range by Occupation	
Occupation Title	Wage Range
Job Number 1	
Sales Staff	
Operations Staff	
Installer/Dispatcher	
Service Technician	

Job Number 2	
Sales Staff	
Operations Staff	
Installer/Dispatcher	
Service Technician	
Job Number 3	
Sales Staff	
Operations Staff	
Installer/Dispatcher	
Service Technician	

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 systems 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.

AMENDMENT DETAILS

BAC is requesting additional funding as they have completed more than 100% of the Agreement funding in nine months. During contract development, BAC made a conservative estimate of 45 net new hires; however, the Company is anticipating hiring as many as 215 net new hires before contract end. In addition, BAC originally estimated that the net new hires enrolled in Job Number 3 would receive an average of 50 hours of training per trainee. Trainees in Job Number 3 will receive between 100-200 hours of training. As of June 2015, BAC has already hired and trained 85 new employees and expects to hire and train an additional 60 before the end of the training period in the current Agreement.

BAC is requesting a retroactive effective date of the Amendment to June 11, 2015 when the Amendment request was originally submitted, BAC had uploaded training hours in the ETP Online Tracking site sufficient to earn more than 100% for all job numbers combined. The funding requested under this Amendment would enable the Company to hire and train 60 additional net new trainees in Job Number 3. BAC has already tracked enough training to exceed the current amount and has been hiring on a continual basis. This will allow enough time for the Company to hire and train the additional 60 trainees.

With only ten months remaining to train, BAC requests to increase the weighted average of 70 hours per trainee.

Increases to Job Number 3:

- Additional funding for \$156,000;
- Increase estimated number of trainees to 215;
- Increase cost per trainee to \$1,400;
- Increase weighted average to 70 hours.

RECOMMENDATION

Staff recommends approval of this Amendment.

SUMMARY OF PRIOR MODS/AMDS

- ❖ **Amendment No. 1** (effective September 24, 2014)
 - Added health benefits (\$1.70 per hour) to Job Number 1;
 - Added an additional location for training; and
 - Added E-Learning as a type of training.
- ❖ **Modification No. 2** (effective July 9, 2014)
 - Redistributed funds/trainees from Job Numbers 1 & 2 to Job Number 3;
 - Decrease Agreement amount by \$386;
 - Decrease total trainees by 30;
 - Decrease the weighted average by 1 in Job Number 1
 - Decrease the cost per trainee by \$18 in Job Number 1

CURRENT CONTRACT PERFORMANCE

The following table summarizes performance by BAC under the current ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees Enrolled	No. Completed Training	No. Retained
ET15-0185	\$269,614	7/7/14 – 7/6/16	Job No.1: 17 Job No.2: 92 Job No.3: 87	Job No.1: 0 Job No.2: 9 Job No.3: 25	Job No.1: 0 Job No.2: 0 Job No.3: 0

Based on ETP Systems, 14,289 reimbursable hours have been tracked for potential earnings of \$277,276 (103% of approved amount). The Contractor projects final earnings of 100% based on training currently committed to and in progress through the last day to train of April 7, 2016. All trainees are expected to successfully complete the 90 day retention period and meet the post-retention wage requirements.

Currently, 25 trainees in Job Number 3 have reached 200 hours of training and an additional 11 trainees have at least 120 hours of training. The remaining 57 enrolled trainees have received between 4 and 80 hours of training.