



RETRAINEE - JOB CREATION

Training Proposal for:

Bell Brother's Heating and Air, Inc.

Agreement Number: ET16-0177

Panel Meeting of: September 25, 2015

ETP Regional Office: Sacramento

Analyst: M. Jones

PROJECT PROFILE

Contract Attributes:	Priority Rate HUA Job Creation Initiative Veterans	Industry Sector(s):	Construction Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Sacramento, Stanislaus	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: 173	U.S.: 173	Worldwide: 173
<u>Turnover Rate:</u>	14%		
<u>Managers/Supervisors:</u> (% of total trainees)	7%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	=	(High Earner Reduction)	=	Total ETP Funding
\$560,000		\$0		\$0		\$560,000

In-Kind Contribution:	100% of Total ETP Funding Required	\$598,000
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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	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Hazardous Materials, OSHA 10/30, PL Commercial Skills	144	8-200	0	\$2,520	\$16.04
				Weighted Avg: 140			
2	Retrainee Priority Rate HUA	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Hazardous Materials, OSHA 10/30, PL Commercial Skills	6	8-200	0	\$2,520	\$13.29
				Weighted Avg: 140			
3	Job Creation Initiative Priority Rate	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Hazardous Materials, OSHA 10/30, PL Commercial Skills	41	8-200	0	\$3,500	\$13.29
				Weighted Avg: 175			
4	Job Creation Initiative Veterans Priority Rate	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Hazardous Materials, OSHA 10/30, PL Commercial Skills	10	8-200	0	\$3,850	\$13.29
				Weighted Avg: 175			

Minimum Wage by County: Job Number 1: \$15.75 for Sacramento County

Job Number 2 (HUA): \$11.30 for Stanislaus County

Job Number 3 (Job Creation): \$13.13 for Sacramento County and \$12.33 for Stanislaus County

Job Number 4 (Veteran): \$13.13 for Sacramento County and \$12.33 for Stanislaus 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 \$2.29 per hour may be used to meet the Post-Retention Wage for Jobs 1 - 4.

Wage Range by Occupation

Occupation Titles	Wage Range	Estimated # of Trainees
Job Number 1		
Technician		55
Administrative Staff		20
Sales Staff		13
Installer		35
Plumber		10
Manager		11
Job Number 2:		
Technician		5
Manager		1
Job Number 3 (Job Creation):		
Technician		22
Administrative Staff		4
Sales Staff		4
Installer		1
Plumber		9
Manager		1
Job Number 4 (Veterans):		
Technician		3
Administrative Staff		2
Sales Staff		2
Installer		1
Plumber		1
Manager		1

INTRODUCTION

Founded in 1991 and headquartered in Mather, Bell Brother's Heating and Air, Inc. (Bell Brother's) provides heating, ventilation, air conditioning, plumbing installation, and repair, diagnostic services to residential homeowners or tenants.

PROJECT DETAILS

California Code of Regulations, Title 24, Part 6, California Building Standards Code, also titled The Energy Efficiency Standards for Residential and Nonresidential Buildings, was created by the California Building Standards Commission in 1978 to reduce California energy consumption. The standards are updated periodically by the California Energy Commission to allow consideration and possible incorporation of new energy efficiency technologies and methods.

Need For Training

This will be the second Agreement between ETP and Bell Brother's. The first contract focused on specific segments of Commercial Skills training. In this proposal Bell Brother's plans to institute plumbing and glass installation training, HVAC training and remaining training that didn't occur during the current agreement to all incumbent and newly hired trainees. Bell Brother's had successfully trained only a small portion of the prior curriculum leading to the weighted average training hours needing to be increased. This would allow more training per trainee.

Bell Brother's has exhausted all funding in their current contract. Bell Brother's created a curriculum to follow the regulations and guidelines of Title 24 as well as the expected standards of the Company to be trained to all staff. As of January 1, 2016, the expected changes to Title 24 will go into effect thus, creating more need for training. Although not all changes are known, some however have been recently adopted such as:

- Increased requirement for documentation, charts, calculations and verifications in home build design, ductwork, airflow and equipment sizing
- All building air leak thresholds. Current levels of air leak inefficiencies at 15% will now be reduced to 5%
- Cold weather charging and verification in front of Herz rater and confirm the metering device is working correctly, weigh in charging rules and specifications
- Adding of insulation to locations previously not needed

Green/Clean

Bell Brother's is involved in Green, Clean technology with several recent changes to California Title 24 which requires substantial increases in heat and cooling efficiency along with air quality and ventilation systems. Bell Brother's services and installs systems known as "Nano air" that uses nanotechnology to eliminate the use of common refrigerants such as CFC/HCFC. This technology harnesses Nano particles and doesn't use cooling agents like fluorocarbons, thus cutting the carbon footprint by 50%, and toxic CO2 emissions are reduced by 57%.

Retrainee – Job Creation

In support of job creation, the Panel is offering 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.

Bell Brother's has committed to hiring 51 new employees as shown in Job Numbers 3 and 4. The date-of-hire for all trainees will be within the three-month period before contract approval or within the term-of-contract. The Company also represents that these trainees will be hired into "net new jobs" as a condition of contract.

Bell Brother's plans to train newly-hired staff to achieve competence with technology, installation and repair methods in its full service training center located at the Mather location. Additionally, Bell Brother's has expanded its operations taking on plumbing installation, whole house fans, residential glass and pool pumping systems, which will all require training. The Company has created an extensive and in depth training plan for new hires that includes 120 hours of training in the first 6 weeks of employment and 80 hours of additional training within the first year because it was discovered that the technicians trained in traditional programs or by trade schools lacked the necessary skills to perform up to company standards. Bell Brother's expanded operations into the Central Valley with a new facility in Manteca that opened in May and another training facility in Elk Grove opening within the next six months. With the expansion, additional staffing will be required which is currently underway, and those newly hired employees will need extensive training.

PROJECT DETAILS

Training Plan

Business Skills (20%) - Training will be offered to all occupations. Courses include sales procedures and strategies, customer needs, communication, negotiation skills, conflict management, marketing, and presentation skills. This training will focus on advanced sales techniques, improving customer interaction, and upgrading transaction processes.

Commercial Skills (20%) - Training will be offered to Technicians and Installers to meet energy efficiency standard changes. Training will include topics such as mini-splits, inverter technology, smart system controllers, compression fittings, trenchless replacements, plumbing for mobile homes, metal sash, residential glass code and glass layout. Training will focus on new technology, equipment, and tools to install, repair, and diagnose energy efficient HVAC systems, plumbing and glass installations.

Computer Skills (5%) - Training will be offered to all occupations. Courses include Successware and regulatory code research techniques. This training will provide the Administrative and Sales Staff with necessary skills to facilitate the logistical and managerial aspects of the business, and the Technicians the skills to research methods to ascertain code parameters with regard building codes.

Continuous Improvement (20%) - Training will be offered to all occupations to increase operational efficiency, improve quality control, build effective teams, and implement lean strategies. Courses include Team Building, Root Cause Analysis, Logistical Efficiency and Lean Production.

Hazardous Material (5%) - Training will be offered to Technicians and Installers to understand proper handling and disposal of hazardous material.

OSHA 10/30 (10%) – Training will be offered to Technicians, Installers, Plumbers, and Administrative Staff.

OSHA 10/30. This training is a series of courses "bundled" by industry sector and occupation. It consists of 10 hours of classroom or CBT training for journey-level workers and 30 hours for

frontline supervisors. The coursework is geared to construction work, and also manufacturing. Completion of the training results in a certificate that expands employment opportunities. The coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

Productive Laboratory

PL trainees may produce goods for profit as part of the PL training in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training, and special attendance rosters will be used to assist in monitoring.

Installers and Technicians will receive PL training on thermal dynamics, heat pump systems, smart systems, copper pipe fittings, corrugated stainless steel tubing, water heaters, back flow systems, water supply treatment systems, and metal sash. Bell Brother's will provide up to 60 hours of PL in HVAC, Plumbing and Glass to its trainees from the approved ETP Curriculum.

The Company determined that hands-on training, when paired with classroom training, is the best training technique for trainees. PL training will have a ratio of either 1:1 or 1:2 as some training requires a "team" of 2 trainees. For instance, the installation of a heat pump or air conditioning unit will require 2 technicians to perform the task. As such, the ratio would need to increase in this and similar situations.

Commitment to Training

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.

The Company currently spends approximately \$666,500 on training annually. The Company currently provides basic sales, phone etiquette, customer service and software training to Administrative and Sales Staff. Newly-hired Technicians and Installers receive core technical training within the first six weeks of employment. Bell Brother's also provides job-specific regulatory training, and company-wide ethics and values initiatives.

High Unemployment Area

All trainees Job Number 2, 3 and 4 work in a High Unemployment Area (HUA), regions with unemployment exceeding the state average by at least 25%. The Company's locations in Stanislaus County qualify for HUA status under these standards. For these trainees, the Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages.

Bell Brother's is asking for a wage modification for trainees in Job Number 2.

Veterans Program

The Panel has established a higher reimbursement rate and other incentives for training California veterans. Currently Bell Brother's is working with California Workforce Services for the hiring of veterans as well as other veteran service locations.

➤ Curriculum

At least 50% of total training in Job Number 4 must consist of vocational skills training. The remaining hours may consist of literacy training, as an exception to the standard 45% limitation.

ACTIVE PROJECTS

The following table summarizes performance by Bell Brother's under an active ETP Agreement:

Agreement No.	Approved Amount	Term	No. Trainees (Estimated)	No. Completed Training	No. Retained
ET15-0195	\$154,584	07/01/14 – 06/30/16	113	12	0

Based on ETP Systems, 9,002 reimbursable hours have been tracked for potential earnings of \$154,584 (100% of approved amount). To date, Bell Brother has earned \$48,060 with two Pay 2 Invoices totaling \$72,106.50 pending approval. The Retention period will end September 22, 2015, and Contractor will submit the Final Invoice September 23, 2015. The Contractor projects final earnings of 100%.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Bell Brother's retained Synergy Management Consultants, LLC in Grass Valley to assist with development of this proposal for a flat fee of \$33,600.

ADMINISTRATIVE SERVICES

Bell Brother's also retained Synergy Management Consultants, LLC to perform administrative services in connection with this proposal for a fee not to exceed 13% of payment earned.

TRAINING VENDORS

To Be Determined

Exhibit B: Menu Curriculum**Class/Lab Hours**

8 - 200 Trainees may receive any of the following:

BUSINESS SKILLS

- Sales Procedures and Strategies
- Communication
- Customer Needs Assessment and Relationship Training
- Negotiation Skills
- Conflict Management
- Marketing
- Presentation Skills

COMMERCIAL SKILLS**HVAC:**

- Thermal Dynamics
- Switches and Electrical Components
- Heat Pump Systems
- Air Conditioning Systems
- Metering Devices
- System Controls/Smart System Controllers
- Motors
- Inverter Technology
- Digital Tools
- Wiring
- Thermostats
- Tune-Up Procedures
- Field Tools/Gauges
- Digital Tools/Gauges
- Air Quality Diagnostics and Methodologies
- Inverter Type Motors
- Ventilation Systems
- Insulating/Barriers Methodologies
- Barriers Methodologies

PLUMBING:

- Plumbing Safety
- Basic Tools
- Specialized Tools
- Drawings/Plans
- Pipes and Fittings including Install
- Compression Fittings
- Fixtures and Faucets including Install
- Disposals
- Drains-Roof/Floor and Area
- Valves
- Water Heaters

- On Demand Hot Water Systems
- Pipes and Supply Lines
- Gas and Fuel Systems
- Back Flow Systems
- Sewage and Pump Systems
- Venting
- Water Pressure Booster and Recirc Systems
- Water Supply Treatment Systems
- Plumbing for Mobile Homes
- Diagnostics
- Septic Systems
- Video Inspection
- Trenchless Replacements
- Plumbing Codes

GLASS:

- Glass Materials
- Diagnostics and Measuring
- Cutting Tools
- Cutting and Handling Glass
- Metal Sash
- Mirror, Shower Doors and Tub Enclosures
- Safety Glass Procedures
- Sealants
- Residential Glass Code
- Remodel Replacement
- Encapsulated Glass Procedures
- Glass Layout
- Building Design
- Title 24 Standards

COMPUTER SKILLS

- Successware (proprietary HVAC management software) skills
- Regulatory Code Research Techniques

CONTINUOUS IMPROVEMENT

- Leadership skills
- Team Building
- Root Cause Analysis
- Quality Control/Systems
- Logistics Efficiency
- Kaizen Event Strategy and Implementation.
- Lean Production

HAZARDOUS MATERIALS

- Coolant Systems - HAZMAT Handling
- HAZMAT Safety

OSHA 10/30 (OSHA Certified Instructor)

- OSHA 10 (Requires Completion of 10 Hours)
- OSHA 30 (Requires Completion of 30 Hours)

Safety Training cannot exceed 10% of total training hours per-trainee
(This cap does not apply to OSHA 10/30)

Productive Lab Hours

0 - 60

COMMERCIAL SKILLS (limited ratio 1:2)**HVAC:**

- Switches and Thermal Dynamics
- Electrical Components
- Heat Pump Systems
- Air Conditioning Systems
- Metering Devices
- System Controls/Smart System Controllers
- Motors
- Inverter Type Systems/Technology
- Whole Home Fans
- Digital Tools
- Wiring
- Thermostats
- Tune-Up Procedures
- Air Quality Diagnostics and Methodologies
- Ventilation systems
- Barriers Methodologies
- Diagnostics
- Customer Engagement/Retention
- Conflict Management
- Scheduling/Logistics

PLUMBING:

- Drawings/Plans
- Pipes and Fittings including Install
- Copper and Fittings
- Cast Iron Pipe and Fittings
- Corrugated Stainless Steel Tubing
- Fixture and Faucets Including Install
- Disposals
- Drains-Roof/Floor and Area
- Valves
- Water Heaters
- On Demand Hot Water Systems
- Pipes and Supply Lines
- Gas and Fuel Systems
- Back Flow Systems

- Sewage and Pump Systems
- Locating Buried Water/Sewer Lines
- Venting
- Water Pressure Booster and Recirc Systems
- Water Supply Treatment Systems
- Plumbing for Mobile Homes
- Septic Systems
- Video Inspection
- Trenchless Replacements

GLASS:

- Glass Materials
- Diagnostics and Measuring
- Cutting Tools
- Cutting and Handling Glass
- Metal Sash
- Mirror, Shower Doors and Tub Enclosures
- Safety Glass Procedures
- Sealants
- Residential Glass Code
- Remodel Replacement

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