



**Training Proposal for:
Bell Brother's Heating and Air, Inc.
Agreement Number: ET15-0195**

Panel Meeting of: June 27, 2014

ETP Regional Office: Sacramento

Analyst: W. Atkinson

PROJECT PROFILE

| | | | |
|---|---|---------------------|--|
| Contract Attributes: | Retrainee Priority Rate | Industry Sector(s): | Construction Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served: | Sacramento | 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: 160 | U.S.: 160 | Worldwide: 160 |
| <u>Turnover Rate:</u> | 13% | | |
| <u>Managers/Supervisors:</u> (% of total trainees) | 0% | | |

FUNDING DETAIL

| | | | | | |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | Total ETP Funding |
| \$154,584 | | \$0 | \$0 | | \$154,584 |

| | | |
|-----------------------|------------------------------------|-----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$310,766 |
|-----------------------|------------------------------------|-----------|

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 Impr, HazMat, OSHA 10, PL-Comm Skills | 113 | 8-200 | 0 | \$1,368 | \$15.59 |
| | | | | Weighted Avg: 76 | | | |

Minimum Wage by County: \$15.59 for Sacramento 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 \$3.29 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

| Occupation Titles | Wage Range | Estimated # of Trainees |
|-------------------|------------|-------------------------|
| Technicians | | 65 |
| Installers | | 35 |
| Sales Staff | | 13 |

INTRODUCTION

Founded in 1991 and headquartered in Mather, California, Bell Brothers Heating and Air, Inc. (Bell Brothers) provides heating, ventilation, air conditioning and plumbing installation, repair, and diagnostic services. Primary customers include 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.

Several recent changes to California's Title 24 energy standards will require HVAC additions and alterations to duct insulation/sealing, hot water pipe insulation, night ventilation, and radiant barrier requirements, to name a few. As a result of these changes several HVAC equipment manufacturers have developed products with different coolant systems and methodologies using digital tools versus mechanical and analog devices. For example, there are new vapor barriers, and whole home automation systems. As such, Installers and Technicians must be trained on mini-splits, radiant barriers, smart systems, and advanced duct and ventilation systems.

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 all occupations to meet Title 24 changes. Training will include topics such as mini-splits, inverter technology, smart system controllers, digital tool gauges, and barriers / insulating methodologies. Training will focus on new technology, equipment, and tools to install, repair, and diagnose energy efficient HVAC systems.

Computer Skills (5%) - Training will be offered to Sales Staff to facilitate the logistical aspects of the Company. Successare (HVAC management) software will be included.

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 topics such as 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 (10%)

OSHA 10/30 training is a series of courses "bundled" by industry sector and occupation. It consists of 10 hours of training for journey-level and 30 hours for frontline supervisors.

This training is not required as a condition of doing business in California. However, the coursework must be approved by, and the instructors must be certified by Cal-OSHA. When delivery is by CBT all training hours must be delivered in a classroom over a finite number of time, and the vendor must have a certified instructor present to confirm attendance.

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. OSHA 10/30 is not included in the 10% limitation on safety training, nor in the 50% limitation on CBT. Installers and Technicians will receive OSHA 10.

Productive Laboratory

Productive Laboratory (PL) trainees may produce goods for profit as part of the training, in the courses identified under the Curriculum. The instructor must be dedicated to training delivery during all hours of training.

Installers and Technicians will receive PL training on mini-splits, vapor barriers, radiant barriers, air conditioning compressors and associated coolant R410A, smart systems, inverter systems, compressors, and digital test equipment. The Company determined that hands-on training, when paired with classroom training, is the best training technique for trainees. PL training will be capped at 35 hours with a maximum ratio of 1:3.

Commitment to Training

Bell Brother's represents that 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 \$700,000 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 Brothers also provides job specific regulatory training, and company-wide ethics and values initiatives.

➤ Training Infrastructure

The Company employs four full-time trainers, in addition to four other employees who have been trained to provide training during the off-season schedule.

Bell Brothers has a third party administrator who employs two full-time associates to administer this training program and ensure compliance with contract terms and conditions.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Bell Brothers retained Synergy Management Consultants, LLC in Grass Valley to assist with development of this proposal for a flat fee of \$15,400.

ADMINISTRATIVE SERVICES

Bell Brothers 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

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

COMPUTER SKILLS

- Successware (Proprietary HVAC Management Software) Skills

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 – Haz Mat Handling
- HAZMat Safety

OSHA 10 (Certified OSHA Instructor)

- OSHA 10 (requires 10 hrs completion)

Productive Lab Hours

0-35

COMMERCIAL SKILLS

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

Safety Training will be limited to 10% of total training hours per-trainee (This cap does not apply to HazMat or OSHA 10/30)

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