



**Training Proposal for:  
Bergelectric Corp.  
Agreement Number: ET15-0163**

**Panel Meeting of:** June 27, 2014

**ETP Regional Office:** San Diego

**Analyst:** J. Davey

**PROJECT PROFILE**

Contract Attributes:	Priority Rate Retrainee SET	Industry Sector(s):	Construction Services Green Technology  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles, Orange, Sacramento, San Diego, 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: 1,208	U.S.: 2,519	Worldwide: 2,519
<u>Turnover Rate:</u>	12%		
<u>Managers/Supervisors:</u> (% of total trainees)	7%		

**FUNDING DETAIL**

<b>Program Costs</b>	-	<b>(Substantial Contribution)</b>	<b>(High Earner Reduction)</b>	=	<b>Total ETP Funding</b>
\$423,792		\$0	\$0		\$423,792

<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$612,144
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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, Management Skills	438	8-200	0	\$648	\$18.00
				Weighted Avg: 36			
2	Retrainee Priority Rate SET	Business Skills, Commercial Skills, Computer Skills, Continuous Improvement, Management Skills	216	8-200	0	\$648	\$20.32
				Weighted Avg: 36			

**Minimum Wage by County:** Job Number 1: \$16.04 per hour in Los Angeles; \$15.98 per hour in Orange; \$15.59 per hour in Sacramento; \$15.60 per hour in San Diego; and \$14.90 per hour in Ventura.

Job Number 2 (SET/Priority Industry): \$20.32 per hour.

**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 2.32 per hour may be used to meet the Post-Retention Wage for Job Number 2 only.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees	
	Job 1 & Job 2	Job 1	Job 2
Administrative Support Staff		35	5
Estimation/Pre-Construction/Project Support Staff		44	30
Field Staff (Journeyman Electrician, Sound Technician)		327	181
Managers/Supervisors		32	N/A

**INTRODUCTION**

This is the second ETP proposal for Bergelectric Corp. (Bergelectric). Established in 1946, Bergelectric provides large scale industrial electrical contracting nationwide. Headquartered in Los Angeles, the Company has four additional sites in California (Agoura Hills, Escondido, Irvine, and Sacramento) and seven out-of-state locations across the US. Employing over 1,800 employees nationwide Bergelectric support clients throughout the nation. The Company

provides new electric design/build services, construction and remodel; data and telecom backbone infrastructure installations; fiber-optic communications; photovoltaic and wind generation systems, and other electrical construction services.

Bergelectric's corporate support functions in Los Angeles and Escondido (San Diego) provide internal support to locations within California and nationwide. These locations face out-of-state competition and are eligible for standard retraining (Job Number 1). (Title 22, California Code of Regulations, Section 4416(e).)

The Company's other locations in Orange, Sacramento and Ventura counties do not face out-of-state competition. These trainees are eligible for ETP funding under the Special Employment Training (SET) (Job Number 2).

For this proposal, only the workers in Los Angeles, Orange, San Diego and Ventura will participate in training.

Recently, many opportunities for new construction projects have re-emerged that were delayed or put on hold as the economy recovered. To meet this demand, the Company is in a high growth mode, seeking to diversify and expand its services. The Company faces stiff competition from other electrical contracting firms. Therefore, the Company must provide real, measurable value to its customers.

As a major commercial construction electrical contractor, Bergelectric is constantly evolving to provide the best products and services to its clients. Bergelectric must stay current on the latest construction technology, innovations and green sustainability methods, processes and requirements; and, it must provide outstanding customer service to be successful. Clients rely on Bergelectric to insure that the various compliance, environmental, and economic issues that affect a construction project are being met at each phase of a project life cycle.

Maintaining a reputation for quality and reliability has become more difficult as the Company's personnel have become lean and the Company has added significant new employees at a rapid pace over the past couple of years. Company training must be increased significantly to upgradeg the skills and productivity of current and newly hired workers.

To meet these challenges, employees must be cross-trained, more productive and highly efficient in all areas. Improving Continuous Improvement, Business, Computer, Commercial and Management Skills are critical. Training in these areas is necessary for Bergelectric to thrive and grow.

## **PROJECT DETAILS**

### **Training Plan**

Most training will be provided by in-house trainers who are subject matter experts at each of the companies four California locations.

**Business Skills (20%)** - Training will be provided to all occupations to streamline business operations. Training will enable employees to be more productive in common communication platforms and techniques. Training will increase customer satisfaction by using efficient and rapid information response processes and effective communication techniques.

**Commercial Skills (30%)** - Training will be provided to Field Staff and Managers/Supervisors in skills upgrades and company-specific application of new requirements, environmentally sound techniques, current best practices, and overall project management skills. All categories of

Commercial Skills training will help trainees effectively perform their respective jobs. Selected personnel will receive construction project management training to make them deployable across multiple projects. No electrical trade skills will be provided under this Agreement.

**Continuous Improvement (20%)** - Training for all occupations is designed to provide the skills to identify, improve and incorporate new practices, procedures and methods across all facilities. Process Improvement Skills training will enable all employees to participate in identifying/upgrading outmoded methods of operation. Teambuilding and Teamwork Skills, and Cause Analysis/Problem Solving/Decision Making training will provide employees skills they need to work individually and in teams to manage and participate in the preparation and implementation of the process improvement efforts.

**Management Skills (10%)** - Training will be provided to Managers/Supervisors and Field Staff (Foremen) and will include Leadership and Team Building. Many Field Staff (Foremen) and Managers/Supervisors have promoted from within and have had minimal formal leadership or management training. Selected professional staff will move into management positions. The Company needs to train these personnel in planning, organizing, directing, controlling, documenting, goal setting, coaching, discipline and motivation. These skills will enable all levels of managers to better lead and manage.

**Computer Skills (20%)** - Training will be offered to all occupations in software usage such as Microsoft Office, and technologies which will improve the capture, coordination and dissemination of information throughout the organization. During the course of the ETP contract term, Bergelectric will be seeking to better deploy estimating, scheduling, project management, and accounting software through an integrated database system. Also included will be specialty training in Oracle Management Suite (Human Resources, Learning Management, Management, Project Management, and Training and Development).

### **SET Wage Modification**

Under SET, the Company is not required to demonstrate out-of-state competition, and the trainees are not required to meet eligibility standards for retraining. To qualify, trainees must be earning at least the state average hourly wage at the end of the retention period. (Unemployment Insurance Code 10214.5; Title 22, CCR, Section 4409(a).)

SET funding will be used to train frontline staff in Job Number 2. Because Bergelectric is a priority industry, these trainees qualify for a SET Wage modification of up to 25% below the 2014 statewide hourly wage (\$20.32).

### **Commitment to Training**

Bergelectric does not currently have an identified, line-item training budget. The Company trains as necessary in all areas at all locations. Estimates of training expenses in 2013 were approximately \$1M (materials, instructors, facilities, etc.). The Company has historically spent \$1-2M per year and plans to spend approximately \$2-3M on training in 2014/2015.

Bergelectric 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.

#### ➤ Training Infrastructure

The Company has two dedicated in-house trainers and will hire a training coordinator prior to the beginning of training.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**PRIOR PROJECTS**

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

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned	
				\$	%
ET12-0376	Statewide	5/7/12 – 5/6/14	\$424,310	\$0	(0%)

The Company was unable to perform training due to the timing of its Oracle ERP system implementation. The original anticipated procurement of the software and subsequent training on the system was scheduled for June 2012, the beginning of the ETP Agreement. Unfortunately, the implementation was necessarily postponed for a year. The Company acquired the Oracle ERP software in June 2013 and immediately began the multi-staged implementation. Because ERP training was a major portion of the training plan, training was delayed for a year to allow for the ERP implementation to be completed. Consequently, no ETP-funded training was conducted. There was a combination of issues with the consultant involved and the previous training administrator, neither of whom are involved with this project. Some training was done, but no trainees were enrolled or documented. The Oracle implementation was the linch pin of the training plan, taking precedence over the rest of the training and the contract was terminated.

Bergelectric reports that the Oracle ERP system is now fully operational. Bergelectric has conducted an analysis of skills gaps throughout the organization and designed its training program to address these gaps.

In addition, to ensure the successful use of the ETP funds for this project, Bergelectric has taken the following steps: 1) Training will be centralized from the Escondido office to ensure operational control and coordination, with more corporate oversight rather than decentralized from each separate location; 2) Hired internal trainers and developed the curriculum irrespective of any further software implementation; 3) Developed internal software for tracking and monitoring the scheduling, attendance and effectiveness of the training to be administered. 4) Identified and requisitioned a Training Coordinator whose primary responsibility is to ensure the delivery of training and compliance with the ETP Agreement.

Staff recommends funding this proposal at nearly the same amount as the prior project amount because the training plan is consistent with the training plan in that proposal.

**DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

To Be Determined

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

8-200 Trainees may receive any of the following:

**BUSINESS SKILLS**

- Company Processes/Administration
- Project Management
- Strategic Planning
- Communication Skills
- Time/Priority/Workspace Management
- Customer Service Skills
- Train-the-trainer skills

**COMMERCIAL SKILLS**

- Professional Project Management Training
- Professional Estimators Training
- Construction Management

**COMPUTER SKILLS**

- CADD/BIM Certification
- Oracle Management Suite
- Cisco Certifications

**CONTINUOUS IMPROVEMENT**

- Cause Analysis/Problem Solving/Decision Making
- Process Improvement/Process Control
- Teambuilding & Teamwork

**MANAGEMENT SKILLS** (Manager/Supervisors only)

- Time/Priority/Workspace/ Meeting Management for Leaders
- Manager/Supervisor Skills
- Leadership and Team Building for Managers

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