



**Retrainee - Job Creation  
Training Proposal for:**

**Beth Incorporated dba Fix Auto Downtown LA**

**Small Business ≤ \$50,000**

**ET16-0174**

**Approval Date:** September 3, 2015

**ETP Regional Office:** North Hollywood

**Analyst:** M. Paccerelli

**CONTRACTOR**

- Type of Industry: Services
- Priority Industry:  Yes  No
- Number of Full-Time Employees
  - California: 35
  - Worldwide: 35
  - Number to be trained: 42
  - Owner  Yes  No
- Out-of-State Competition: No OSC
- Special Employment Training (SET):  Yes  No
- High Unemployment Area (HUA):  Yes  No
- Turnover Rate: 7%
- Repeat Contractor:  Yes  No

**FUNDING**

- Requested Amount: \$49,588
- In-Kind Contribution: \$34,145

**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 SET SB<100 HUA	Business Skills, Commercial Skills, Computer Skills, Cont. Imp., Hazardous Mat., PL-Comm Skills	35	8-60	0	\$1,276	\$15.97
				Weighted Avg: 58			
2	Retrainee Job Creation Initiative SET HUA SB<100	Business Skills, Commercial Skills, Computer Skills, Cont. Imp., Hazardous Mat., PL - Comm Skills	7	8-60	0	\$704	\$13.31
				Weighted Avg: 32			

- Reimbursement Rate: Job #'s 1 & 2: \$22 SB Non-Priority
- County(ies): Los Angeles
- Occupations to be Trained: Administrative Staff, Technician, Estimator, Parts/Production Staff, Manager, Owner
- Union Representation:  Yes  
 No
- Health Benefits: Job #'s 1 & 2: \$2.04 per hour

**SUBCONTRACTORS**

- Development Services: Synergy Management Consultants, LLC in Grass Valley assisted with the development of this project for a flat fee of \$3,000.
- Administrative Services: Synergy Management Consultants, LLC will also provide administrative services for a fee not to exceed 13% of payment earned.
- Training Vendors: To Be Determined

**INTRODUCTION**

Beth Incorporated dba Fix Auto Downtown LA (FADLA) ([www.fixautousa.com/downtown-la](http://www.fixautousa.com/downtown-la)) is an automotive collision repair company located in Downtown Los Angeles. The Company offers collision repair services and auto repair parts and accessories sales.

**Need for Training**

FADLA's must retrain its workers in response to ongoing automobile industry changes in the processes and materials used to manufacture vehicles. Many of these changes are being

implemented to ensure that vehicles meet Corporate Average Fuel Economy standards. Key areas of training will include the repair of newer aluminum vehicles, automobiles that utilize metals such as Boron and ultra-high strength steels and composites, as well as how to properly assess damages related to newer technology vehicles.

The Company must also provide its Technicians comprehensive, industry-specific training pertaining to Inter-Industry Conference on Auto Collision Repair, Automotive Service Excellence, and Original Equipment Manufacturer credentials required by most insurers and vehicle manufacturers.

### **Job Creation**

FADLA has undertaken an aggressive growth strategy to build existing market share by obtaining new Insurer Direct Repair Program (DRP) contracts. Recently, FADLA acquired DRP contract with State Farm and is currently waiting for the executed DRP contract with USAA insurance for military personnel and their families. This program will result in a significant insurance claims volume which will require hiring new employees.

The Company has committed to hiring seven new employees at all locations (Job Number 2). The new positions will fill needs in the Technician, Estimator, Administrative Staff and Parts Staff occupations.

The Panel offers incentives to companies that commit to hiring new employees. Trainees will be subject to a lower post-retention wage. The Company represents that the date-of-hire for all trainees in the Job Creation program 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.

### **Training Plan**

**Business Skills** – Training will be provided to Administrative Staff, Estimators, Managers and Owners. The training will focus on customer care skills, advanced sales, marketing skills and communication skills to improve overall customer satisfaction and increase sales.

**Commercial Skills** - Training will be provided to Technicians, Estimators, Managers, Parts/Production Staff and Owners. The training goal is to update worker knowledge of the materials used in today’s vehicles and to obtain certifications authorizing the Company to service additional automotive brands.

**Computer Skills** - Training will be provided to all occupations and will focus on job specific software programs. The collision repair industry is in process of transitioning to a paperless environment and staff will receive training in all necessary software programs to properly exchange data with insurers and other partners.

**Continuous Improvement** - Training will be provided to Technicians, Estimators and Managers to improve efficiencies and to reduce waste. A Lean quality and production improvement system is being instituted and efficiencies are expected to increase by 15% with training.

**Hazardous Materials** - Training will be provided to Technicians, Estimators and Managers to ensure that hazardous materials are handled and disposed of properly. This is not the full HazMat curriculum as would be required for certification, but training will be conducted by qualified trainers.

## **Productive Lab**

Productive Lab (PL) training in Commercial Skills will be provided to Technicians and Estimators to supplement Class/Lab training. The delivery of PL training is necessary as trainees will be given real life projects to work. This will strengthen trainees' understanding of how to complete automotive collision repair services. Training for Technicians will mainly focus on updates to industry changes. Estimators training will focus on the correct diagnosis of damage and properly working through documentation, insurance and pricing processes.

The PL training will complement the class/lab training modules listed in the curriculum. Approximately 26 Technicians and Estimators will receive up to 19 PL hours. Upon completion of PL training, the trainees will continue to receive on-the-job training at company expense.

Majority of the PL training will have a trainer-to-trainee ratio of 1:1, but there will be approximately 5% of PL with 1:3 ratio depending on the process and equipment covered in the training. For instance, in the PL Body Filler Methods process, a team of three will be stationed around a full-size vehicle. Each trainee will repair a medium-sized dent on one of the vehicle's steel panels. The trainer is able to give instruction, observe, correct, and provide real time feedback while the team of three simultaneously repairs the vehicle. The trainers will be in-house subject matter experts exclusively dedicated to instruction for the entire reported training time. The trainers will be subject matter experts exclusively dedicated to instruction for the entire reported training time.

The tasks and competencies associated with the proposed PL training support the Company's expressed business needs for training. Training assignments will include collision repair and painting, body filler methods, structural resistance spot welding, mig brazing techniques, color tinting, spraying/blending techniques, measuring vehicle structures, alignment process for unitized and full frame vehicles, and aluminum repair. Trainees will be certified competent on the task assigned by the trainers at the conclusion of PL training.

## **SET/HUA**

Under Special Employment Training (SET), the participating employer is 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 period. However, trainees working in a High Unemployment Area (HUA) are allowed to qualify at the ETP Standard Minimum Wages.

### ➤ Wage Modification

The 35 trainees in Job Number 1 work in an HUA with unemployment exceeding the state average by at least 25%. FADLA's facility in Los Angeles is in an HUA and these trainees qualify for the ETP minimum wage of \$15.97 rather than the Statewide Average Hourly Wage of \$27.40. FADLA has requested this wage modification.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

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

8-60 Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Customer Care Skills:
  - Customer Retention
  - Customer Engagement
  - Customer Relationship Building
- + Advanced Sales & Marketing Skills:
  - Prospecting & Closing
  - Sales Account Management
  - Advanced Closing Techniques
  - Sales Procedures & Strategies
- + Negotiation Skills
- + Conflict Resolution
- + Communication Skills
- + Presentation Skills

**COMMERCIAL SKILLS**

- + I-CAR Collision Repair Certification Skills
- + Refinishing Skills:
  - Trim & Hardware
  - Surface Preparation
  - Vehicle Priming/Sealing
  - Paint Spray Guns Maintenance & Set-Up
  - Corrosion Protection Process
  - Sand, Buff & Detail
  - Color Theory & Tints
  - Blending Techniques
  - New Technologies
- + Structural Repair:
  - Unibody Alignment
  - Three Dimensional Measuring
  - Repair & Replacement of Outer Body Panels
  - High Strength Steels
  - Aluminum Repair Processes
  - MIG Welding Skills
  - Straightening Structural Damage
  - Glass Replacement
  - Pillars, Rocker Panels, Rails, Front Structures & Floor Pan Replacement
  - Heating Cooling and AC Systems
  - Steering & Suspension Systems
  - Advanced Vehicle Systems
  - Composite Materials & Bonding Techniques
- + Non-Structural Vehicle Repair Skills:
  - Remove & Install Trim & Hardware
  - Adhesive Bonding
  - Diagnose Wind Noise & Water Leaks

- Aluminum Cosmetic Damage
- Spot Welding
- Composite Repair
- ✚ Estimating Skills:
  - Steering & Suspension System Damage Analysis
  - Damage on Non-Drivable Vehicles
  - Electrical/Mechanical Systems
  - Stationary Glass
  - Advanced Materials
  - Advanced Vehicle Systems
- ✚ Vehicle Operation, Maintenance & Troubleshooting
- ✚ Alternative Fuel & Hybrid Vehicle Repair Diagnostics
- ✚ Service Procedures & Scheduling
- ✚ Product Knowledge
- ✚ Original Equipment Manufacturer Knowledge/Skills

### **COMPUTER SKILLS**

- ✚ CCC One Software:
  - Job Costing
  - Production Flow
  - Production Planning - ETA Times & Dates
  - Internal & External Customer Communication
- ✚ Michell & Michell Repair Center Software
- ✚ CCC Info Systems Software
- ✚ Alldata Software
- ✚ Microsoft Office Suite

### **CONTINUOUS IMPROVEMENT**

- ✚ Leadership Skills
- ✚ Teambuilding
- ✚ Root Cause Analysis
- ✚ Kaizen Event Strategy & Implementation
- ✚ Lean Concepts
- ✚ Process/Quality Improvement
- ✚ Problem Solving/Decision Making Skills
- ✚ Inventory Control
- ✚ Standard Operating Procedures

### **HAZARDOUS MATERIALS**

- ✚ Completing Material Safety Data Sheets
- ✚ Volatile Organic Compound Tracking
- ✚ Emergency Clean-Up
- ✚ Registration, Evaluation, Authorization & Restriction of Chemical Substances

### **PL Hours**

0 – 19

### **COMMERCIAL SKILLS (RATIO 1:3)**

- Body Filler Methods
- Structural Resistance Spot Welding
- MIG Brazing Techniques
- Color Tinting
- Spraying/Blending Techniques

- Measuring Vehicle Structures
- Alignment Process for Unitized Vehicles
- Alignment Process for Full Frame vehicles
- Aluminum Repair
- Technical Estimating
- Estimatics DRP (Direct Repair Program)
- Estimating System Software

Safety Training will be limited to 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. PL is capped at 19 hours per-trainee.