

DELEGATION ORDER



RETRAINEE - JOB CREATION

Training Proposal for:

C&H Sugar Company, Inc.

Agreement Number: ET15-0454

Approval Date: May 18, 2015

ETP Regional Office: Sacramento

Analyst: M. Jones

PROJECT PROFILE

| | | | |
|---|---|---------------------|---|
| Contract Attributes: | Priority Rate Retrainee Job Creation Initiative Priority Rate | Industry Sector(s): | Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Counties Served: | Contra Costa | Repeat Contractor: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Union(s): | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Sugar Worker's Union Local #1 and Int'l Longshore & Warehouse Union Local #6 | | |
| Number of Employees in: | CA: 450 | U.S.:450 | Worldwide: 450 |
| <u>Turnover Rate:</u> | 6% | | |
| <u>Managers/Supervisors:</u> (% of total trainees) | 17% | | |

FUNDING DETAIL

| | | | | | |
|---------------|---|----------------------------|-------------------------|---|--------------------------|
| Program Costs | - | (Substantial Contribution) | (High Earner Reduction) | = | Total ETP Funding |
| \$79,000 | | \$0 | \$0 | | \$79,000 |

| | | |
|-----------------------|------------------------------------|----------|
| In-Kind Contribution: | 100% of Total ETP Funding Required | \$80,000 |
|-----------------------|------------------------------------|----------|

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, Computer Skills, Continuous Improvement, Manufacturing Skills, OSHA 10/30, HAZWOPER, PL-Manufacturing Skills | 100 | 8-200 | 0 | \$630 | \$16.44 |
| | | | | Weighted Avg: 35 | | | |
| 2 | Retrainee Priority Rate Job Creation Initiative | Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills, OSHA 10/30, HAZWOPER, PL-Manufacturing Skills | 40 | 8-200 | 0 | \$400 | \$13.70 |
| | | | | Weighted Avg: 20 | | | |

Minimum Wage by County: \$16.44 for Job Number 1 and \$13.70 for Job Number 2 for Contra Costa 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 \$1.44 for Job Number 1 and up to \$0.70 for Job Number 2 per hour may be used to meet the Post-Retention Wage.

| Wage Range by Occupation | | |
|----------------------------|------------|-------------------------|
| Occupation Titles | Wage Range | Estimated # of Trainees |
| Job Number 1: | | |
| Administrative Staff | | 5 |
| Buyer | | 4 |
| Transportation Coordinator | | 3 |
| Sales Staff | | 5 |
| Electrician | | 5 |
| Welder | | 5 |
| Millwright | | 5 |
| Pipe Fitter | | 5 |

| | | |
|----------------------------|--|----|
| Chemist | | 5 |
| Laboratory Staff | | 5 |
| Engineer | | 5 |
| Production Staff | | 15 |
| Shipping Staff | | 15 |
| Supervisor/Manager | | 18 |
| Job Number 2: | | |
| Administrative Staff | | |
| Buyer | | |
| Transportation Coordinator | | 2 |
| Sales Staff | | 3 |
| Electrician | | 2 |
| Welder | | 4 |
| Millwright | | 4 |
| Pipe Fitter | | 2 |
| Chemist | | 3 |
| Laboratory Staff | | 3 |
| Engineer | | 3 |
| Production Staff | | 9 |
| Shipping Staff | | 3 |
| Supervisor/Manager | | 2 |

INTRODUCTION

C&H Sugar Company, Inc. (C&H Sugar) began refining pure cane sugar in Crockett, California in 1906. Today the Crockett facility produces over 700 thousand tons of cane sugar annually – more than 70 types, grades, and package sizes, including packaged consumer sugars as well as liquid and bulk granulated industrial-use cane sugars.

NEED FOR TRAINING

There has been a significant increase in demand for organically certified cane sugar and other natural sweeteners. For C&H to remain competitive and meet customer demands new processes must be instituted. Product development guidelines are being introduced throughout the organization from marketing and sales through production and shipping. During their last ETP Agreement, C&H Sugar determined that Continuous Improvement (Lean Practices) was a priority training need to eliminate wasteful activities and improve efficiencies. After successfully completing the Lean concept training, C&H Sugar is now ready to focus on other training needs.

Training is required throughout the organization on new products and unique production processes. This includes customized software systems. For example, C&H Sugar has also implemented Kronos Cloud Based Technology to ensure easy access to real-time information from anywhere in the world. The Company also integrated support systems into all aspects of the upgraded Customer Relationship Management (CRM) System, Applications, and Product

(SAP) systems. Business soft skills, SQF 200, and OSHA 10/30/40 will also be part of the training plan.

In addition, C&H Sugar will be replacing four of its Gantry cranes, which requires specialized training. With the implementation of the upgraded equipment the Company anticipates a 10% increase in productivity, and 25% quicker dock unloading time.

The proposed training will not duplicate courses previously offered, with the exception of new hires and/or advanced versions.

Retrainee - Job Creation

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

In this proposal, C&H Sugar has committed to hiring 40 new employees as shown in Job Number 2. C&H Sugar 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.

C&H Sugar is currently recruiting and plans to hire the new staff within the next 3-6 months resulting in an anticipated 10% increase in productivity with the four new Gantry cranes as well as a 3-5% expansion in the Company's customer base with the implementation of the new Organic Product line. The Organic Product line will be implemented in winter 2015.

PROJECT DETAILS

Training Plan

Business Skills (18%) – Training will be offered to all occupations to meet increased business demands, solve customer problems and identify how daily activities and decisions affect the customer perception and satisfaction. Training topics will include Frontline Decision Making and Problem Solving, Managing Change, Manager Forums, and Performance Management. Supervisors/Managers will also receive training in leadership skills upgrades.

Computer Skills (14%) – Training will be offered to all occupations and will enable the Company to increase integrity and reduction in rework. Training topics will include courses on CRM, Kronos Cloud Based Technology and SAP.

Manufacturing Skills (23%) – Training will be offered to Electrician, Welder, Millwright, Pipe Fitter, Chemist, Laboratory Staff, Engineer and Production staff to fully integrate the four new gantry cranes. Training topics will include Equipment Operations, Organic Products, Production Techniques, Sugar Refinery Advancements, Troubleshooting, Repair and Maintenance.

Continuous Improvement (20%) – Training will be provided to all occupations to support the Company's reputation of product quality and company reliability. Electrician, Welder, Millwright, Pipe Fitter, Chemist, Laboratory Staff, Engineer and Production Staff training will be emphasized to improve operating costs. Training topics will include HAACP, Quality Management and SQF 2000.

OSHA 10/30 (5%)

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.

Hazardous Waste Operations and Emergency Response Standard (HAZWOPER). This training is also a series of courses specifically designed for workers who handle hazardous substances as first-responders, or clean-up as needed at a hazard disposal or emergency site. It consists of 40 hours of classroom or CBT training, for workers stationed at the hazard site; and 24 hours for workers who visit the site (e.g., engineers). Field training is also required, although not funded by ETP. Completion of the training results in a certificate that expands employment opportunities. Each certification requires an 8-hour annual refresher course. This coursework must be approved by Cal-OSHA, and the instructors must be certified by Cal-OSHA.

Productive Laboratory (Manufacturing Skills) (20%)

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, and special attendance rosters will be used to assist in monitoring.

PL training will be provided to Electrician, Welder, Millwright, Pipe Fitter, Chemist, Laboratory Staff, Engineer and Production Staff to supplement Class/Lab training. The delivery of PL training is necessary as trainees will encompass hands on demonstration of actual work. This training will focus on the trainee’s competency of producing and the integrity of the end result. Training will include course topics that require the trainee’s skills to be updated or in areas that C&H Sugar determines that quality must improve.

Trainees will use the following equipment in PL training: Gantry cranes, forklifts, trucks, production and packaging equipment. All PL training will take place onsite at the C&H Sugar facility in Crockett with a trainer-to-trainer ratio of 1:1. Electrician, Welder, Millwright, Pipe Fitter, Chemist, Laboratory Staff, Engineer and Production Staff will receive 60 hours of PL. These parameters are in keeping with the Panel’s standards.

PL training will consist of actual work production on a singular scale. The trainer will review the materials and equipment required, discuss the process by which to produce the end result and will then perform all the tasks in a demo mode to create the end product. The trainer will then observe the trainee complete all the steps and produce the end product. Trainers, whether in-house or vendor, will be at the journey-level as an Electrician, Welder, Millwright, Pipe Fitter, Chemist, Laboratory Staff, or Engineer. After the successful completion of PL training, the trainer will “sign off” that the trainee has achieved competency.

Commitment to Training

C&H Sugar currently has an annual training budget of \$50,000, which includes training such as state mandated safety training, new employee orientation and sexual harassment prevention training.

C&H Sugar 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.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by C&H Sugar under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term | Approved Amount | Payment Earned \$ % |
|---------------|-----------------|-------------------------------|-----------------|------------------------|
| ET12-0329 | Crockett | 04/02/2012 – 04/01/2014 | \$223,200 | \$68,775 (31%) |

Upon execution of the prior Agreement, C&H Sugar hired a new Human Resources Manager, and made other management changes in this area. During the transition in management style, much of the training was not delivered or was not documented.

Since then, company-wide communication channels have been opened, such that the Vice President of Human Resources, Plant Manager and their Department heads are now closely involved with the training plan. C&H Sugar is confident the training plan will be successful with a goal of 100% performance.

Due to prior performance, the requested funding amount under this proposal has been right-sized to \$79,000.

DEVELOPMENT SERVICES

C&H Sugar retained Sallyanne Monti Consulting in San Francisco to assist with development of this proposal for a flat fee of \$3,500.

ADMINISTRATIVE SERVICES

Sallyanne Monti Consulting will also perform administrative services 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

- Frontline Decision Making and Problem Solving
- Manager Forums
- Performance Management
- Managing Change

COMPUTER SKILLS

- CRM – Customer Relationship Management
- SAP – Systems, Applications & Products
- Kronos Cloud Based Technology

CONTINUOUS IMPROVEMENT

- HACCP (Hazardous Analysis & Critical Control Points)
- SQF 2000 (Safe Quality Food)
- Quality Management

MANUFACTURING SKILLS

- Organics Products
- Equipment Operations
- Production Techniques
- Trouble-Shooting, Repair, and Maintenance
- Sugar Refinery Advancement

OSHA 10/30 Hours (OSHA Certified Instructor)

0-30

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

HAZWOPER Hours (Certified Instructor)

0-40

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

Productive Lab Hours (Ratio 1:1)

8 – 60

EQUIPMENT OPERATIONS

- ACT – White Centrifugal Operator
- Behind the Wall Forklift Drivers
- Belt gang Forklift Drivers
- Bemis Operator
- Bosch Operator
- Brown Carton Operator
- Brown Clear Pack Operator

- Bulk Products Operator
- CFO – Char Furnace Operator
- Drivert Operator
- Elba Operator
- FPR – Filter Press Operator
- Hesser Operator
- MHS – Melthouse Operator
- Milk Carton Operator
- RCT – Remelt Centrifugal Operator
- Rainbow Operator
- Raw Sugar Crane Operator
- Ropack Operator
- Specialty Forklift Drivers
- Velocriton Operator
- Von Gal Operator
- WST – Waste Station Operator

ORGANICS PRODUCTION

- LIG – Liquid gallery Operator
- EVP – Evaporators Operator

PRODUCTION TECHNIQUES

- Dock Clerks
- HSB – Head Sugar Boiler
- Sanitation Workers
- Shipping Clerk
- Stock Clerk
- Truck Foreman

SUGAR REFINERY ADVANCEMENTS

- GOP – Granulator Operator
- RSO – Refinery Syrup Operator
- RCL – Raw Clarifiers Operator
- RSB – Remelt Sugar Boiler
- SBL – Sugar Boiler
- SHO – Soft Sugarhead Operator
- SSB – Soft Sugar Boiler

TROUBLE-SHOOTING, REPAIR & MAINTENANCE

- ASRS Coordinators
- Belt Gang Foreman
- Drivert Packer
- Head Sugar Controller
- Powder Clear Pack Operator
- Powder Sugar Carton Operator
- Power Sugar Bulk Packer
- Pulverizer Technician
- PUO – Process Utility Operator
- Raw Sugar Foreman
- Soft Bulk Packer

- Sugar Controller
- Super Sack Packer
- Utility Foreman

E-Learning Hours

8 – 200 Trainees may receive any of the following:

BUSINESS SKILLS

- Frontline Decision Making & Problem Solving
- Managing Change
- Performance Management

COMPUTER SKILLS

- CRM - Customer Relationship Management
- SAPS – Systems, Applications & Products
- Kronos Cloud Based Technology

CONTINUOUS IMPROVEMENT

- HACCP (Hazardous Analysis and Critical Control Points)
- SQF 2000 (Safe Quality Food)
- Quality Management

MANUFACTURING SKILLS

- Equipment operations
- Organics Products
- Production Techniques
- Sugar Refinery Advancements
- Trouble-Shooting, Repair & Maintenance

| |
|---|
| Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery. PL is capped at 60 hours per-trainee. |
|---|



**SUGAR
WORKERS
UNION
LOCAL**

#1

641 Loring Avenue
P.O. Box 583
Crockett, CA 94525
(510) 787-1676
(510) 787-2788
FAX (510) 787-1776



INSTRUCTION FOR UNION:

1. KINDLY PRINT THIS LETTER ON YOUR UNION LETTERHEAD
2. SIGN THE LETTER
3. SCAN A COPY TO JILL.NOHL@asr-group.com
4. MAIL ORIGINAL TO

Jill Nohl,
Manager, Human Resources
C&H Sugar Company, Inc.
830 Loring Ave.
Crockett, CA 94525

Today's Date

To Whom It May Concern:

This letter is to express our support of C & H Sugar, Inc.'s application for funding with the State of California Employment Training Panel.

We anticipate that this program will enable the company to upgrade employee skills. The company anticipates increased employee retention and product quality, enabling them to remain competitive while growing their business, leading to greater job creation and security.

This letter has been emailed to Jill Nohl, Manager Human Resources, via jill.nohl@chsugar.com.

Sincerely,

Your Name

RICHARD TUCKER

Your Title

BIA.



Warehouse Union Local 6

INTERNATIONAL LONGSHORE & WAREHOUSE UNION

99 HEGENBERGER ROAD, OAKLAND, CA 94621-1485 • (510) 638-5605 • 1-800-864-8302 • FAX: (510) 638-3297

March 6, 2015

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Sincerely,

WAREHOUSE UNION LOCAL 6, ILWU

Corey Tacconi

Corey Tacconi, Business Agent

cc: Fred Pecker, Secretary Treasurer

CT:bb.cwa39521