



**Training Proposal for:  
California Amforge Corporation  
Agreement Number: ET15-0280**

**Panel Meeting of:** August 22, 2014

**ETP Regional Office:** North Hollywood

**Analyst:** E. Fuzesi

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate	Industry Sector(s):	Manufacturing  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No International Brotherhood of Boilermakers Local 92		
Number of Employees in:	CA: 133	U.S.:133	Worldwide: 133
<u>Turnover Rate:</u>	1%		
<u>Managers/Supervisors:</u> (% of total trainees)	11%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$54,054		\$0	\$0		\$54,054

In-Kind Contribution:	100% of Total ETP Funding Required	\$78,732
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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	Manufacturing Skills	91	8-200	0	\$594	\$20.19
				Weighted Avg: 33			

**Minimum Wage by County:** \$20.19 for Los Angeles 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

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
Administrative Staff		2
Production Staff		78
Supervisor		5
Manager		5
Senior Manager		1

**INTRODUCTION**

Founded in 1952, California Amforge Corporation (CAC) is a closed die and upset forging manufacturer based in Azusa, the Company's only facility where all parts are produced. These metal parts are heated to a plastic condition, then pressed into steel forgings that eventually become key components in jet engines, helicopters and oil rigs. This woman-owned business serves the aerospace, oil & gas industry, and various other material handling industries worldwide. This is CAC's first ETP Agreement. Production Staff is represented by the International Brotherhood of Boilermakers Local 92, and a union support letter has been submitted.

**PROJECT DETAILS**

In recent years, the forging industry has undergone significant shrinkage due to consolidations, associated with intense global competition, technological changes, and economic factors. To face the competitive challenges of industry-wide downsizing, CAC needs to remain current with today's manufacturing trends and be prepared to handle escalating customer demands, changing markets and global competition.

CAC's customer-base has shifted toward multi-year purchasing agreements. The prospect of committing to doing business for several years is an attractive business prospect. Larger companies who have been doing business with a company for several years have an

advantage. A smaller company like CAC cannot afford to lose money on parts in the early years, with the expectation of making it up in later years. The incumbent on any new aircraft programs has a significant advantage over all competitors during later price negotiations. This trend, coupled with a shrinking competitive market, a direct result of industry consolidations, makes it difficult for small businesses to compete at current levels.

In response to this, and increased expectation for higher levels of quality at a lower price, CAC has developed a two-year, company-wide Lean Manufacturing training plan to reduce set-up time and increase production. This robust training will help CAC become more efficient and competitive with improved staff training and overall skill development.

## **Training Plan**

**Manufacturing Skills (100%)** Training will be offered to all staff in a class/lab setting over a two-year period divided into three 16-hour sessions, each building on the previous one. During the two beginning sessions, staff will be introduced to implementing basic lean concepts to improve organizational performance such as standardization, problem solving, practical applications, measurements, and improvement plans. The third phase will focus on empowering individuals to move beyond reactionary problem solving to predictive performance and process improvement.

## **Commitment to Training**

CAC is committed to providing ongoing training with a budget of \$60,000 a year. This covers company-wide 5S, Team Building, Shop Skills, Safety, Sexual Harrassment Prevention, Improving Performance Reviews, and Improving Meetings, most of which are mandatory. Training will be provided using classroom and occasionally computer-based delivery methods.

CAC represents that ETP funds will not displace the existing financial commitment to training. CAC also represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### ➤ Training Infrastructure

SkillPath is providing CAC with a two-year Lean Manufacturing training that supports the organization's mission. Classes will begin in October, 2014 and training administration will be done by CAC HR personnel.

## **Impact/Outcome**

The proposed training will create a Lean company culture. As a result, discrepant parts, inefficiency, and waste will be reduced by standardizing procedures and identifying the tools needed at each work area. CAC will improve its manufacturing corrective action process, by finding the root cause of each problem and implementing the right corrective action. Staff will save time, reduce scrap and rework cost on repeat orders, and become more productive. The high cost of purchasing, installing and maintaining presses, furnaces and machines needs to be offset by making as many parts as possible, in the shortest period of time. After the completion of the ETP funded training, staff will be able to implement an organizational plan facilitated by manages and utilized and implemented by operators.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

N/A

**ADMINISTRATIVE SERVICES**

N/A

**TRAINING VENDORS**

Anita Romero, Professional Trainer and Consultant (SkillPath) of Santa Monica has been retained to provide Lean Manufacturing training for a fee of \$67,200.

**Exhibit B: Menu Curriculum**

**Class/Lab Hours**

8-200 Trainees may receive any of the following:

**MANUFACTURING SKILLS**

- Lean Manufacturing

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