

DELEGATION ORDER



**Retrainee - Job Creation
Training Proposal for:
California Hydronics Corporation**

Small Business

ET17-0219

Approval Date: October 5, 2016

ETP Regional Office: San Francisco Bay Area

Analyst: L. Lai

CONTRACTOR

- Type of Industry: Manufacturing
Wholesale Trade
* Priority Industry: Yes No
- Number of Full-Time Employees * Job Number 1 is Priority
Job Numbers 2 & 3 are Not Priority

California: 95

Worldwide: 143

Number to be trained: 88

Owner Yes No

- Out-of-State Competition: No OSC
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 12%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$49,128
- In-Kind Contribution: \$73,549

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 SB <100 Priority Rate	Business Skills Computer Skills Mfg. Skills	18	8-60	0-16	\$676	\$17.79
				Weighted Avg: 26			
2	Retrainee SB <100 SET	Business Skills Computer Skills Mfg. Skills	68	8-60	0-16	\$528	\$28.37
				Weighted Avg: 24			
3	Job Creation Retrainee SB<100 SET	Business Skills Computer Skills Mfg. Skills	2	8-60	0-16	\$528	\$26.00
				Weighted Avg: 24			

- Reimbursement Rate: Job #1: \$26 SB Priority
Job #2 & 3: \$22 SB Non-Priority
- County(ies): Alameda, Placer, and Santa Clara
- Occupations to be Trained: Drafter/Designer, Engineer, Leads, Operations Staff, Production Staff, Sales Staff, Service Staff, Tech Support Staff, Manager/Supervisor
- Union Representation: Yes
 No
- Health Benefits: Job #2: \$4.15 per hour

SUBCONTRACTORS

- Development Services: N/A
- Administrative Services: N/A
- Training Vendors: To Be Determined

OVERVIEW

Founded in 1957, California Hydronics Corporation (CHC) (www.chchydronics.com) serves the mechanical trades industry as a Manufacturers’ Representative and a “Package Systems Manufacturer” of HVAC hydronics, steam, heat transfer and plumbing equipment. Product lines include centrifugal pumps, boilers and water heaters, sump & sewage pumps, water reclamation & filtration equipment. The Company has three facilities, located in Hayward, San Jose, and Rocklin.

The Hayward facility contains a manufacturing operation where 18 employees perform manufacturing functions (Job #1). These functions were accepted as having Out-of-State Competition. As a corollary the 18 trainees in Job Number 1 were found eligible for Priority Industry status. The San Jose and Rocklin facilities provide sales and services. As such, they were only eligible for funding under Special Employment Training (Job #2 and #3).

Need for Training

The HVAC industry has become more technical. HVAC manufacturers must design innovative equipment that complies with ever-changing energy standards. Equipment and products communicate with Modbus and BACnet systems or use wireless connectivity to communicate with pump for remote control from smart phones or wireless enabled devices. Thus, CHC needs to train its employees on new product lines, updates to existing products, and new technologies. For CHC to remain competitive and grow, all employees will need to gain skillsets to improve customer service, adapt to changing technologies, and achieve operational efficiency.

Job Creation

The Panel offers incentives to companies that commit to hiring new employees. Training for newly-hired employees will be reimbursed at a higher rate, and trainees will be subject to a lower post-retention wage.

CHC has committed to hiring 2 new employees (Job 3) into existing functions to expand business capacity. The date-of-hire for these new employees will be within the three-month period before contract approval or within the term-of-contract. All Job Creation trainees will be hired into “net new jobs” as a condition of contract. Although Job Creation trainees are subject to a lower post-retention wage, the two new Tech Support and Engineer positions will start at a minimum of \$26 per hour.

Training Plan

Training will be conducted in Class/Lab, E-Learning, and CBT settings. Training will be delivered by in-house subject matter experts and vendors on an as needed basis.

Business Skills - This training will be offered to all occupations to strengthen written and verbal communication skills and improve customer service.

Computer Skills - This training will be offered to all occupations to improve efficiencies of technology applications.

Manufacturing Skills - This training will be offered to all occupations. Training will increase staff capabilities in the manufacturing process, equipment operations, and product knowledge.

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

- Auditing Skills
- Coaching Skills
- Communication Skills
- Conflict Management
- Customer Service
- Decision Making
- Finance
- Goal Setting
- Grammar & Business Writing
- Interpersonal Skills
- Inventory Control
- Listening Skills
- Managing Millennials
- Motivation
- Negotiation Skills
- Presentation Skills
- Project Management
- Resolving Customer Complaints
- Sales/Marketing Skills
- Strategic Planning
- Teambuilding

COMPUTER SKILLS

- Adobe Photoshop
- Blue Beam Software
- CAD
- Computer Security
- Microsoft Office Suite (Excel, PowerPoint, Access, and Outlook)
- Network Management

MANUFACTURING SKILLS

- Equipment Operation
- Fabrication Practices
- Hot Water Boiler Design and Application
- Inventory Control
- Modern Plumbing
- Production Operations
- Steam Systems
- Variable Refrigerant Flow
- Warehousing
- Welding

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

E-Learning Hours

8 - 60

BUSINESS SKILLS

- Auditing Skills
- Business Writing
- Coaching Skills
- Communication Skills
- Conflict Management
- Customer Service
- Decision Making
- Finance
- Goal Setting
- Interpersonal Skills
- Inventory Control
- Listening Skills
- Managing Millennials
- Motivation
- Negotiation Skills
- Presentation Skills
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COMPUTER SKILLS

- Adobe Photoshop
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MANUFACTURING SKILLS

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CBT Hours

0 – 16

COMPUTER SKILLS

- Acrobat (16 hours)
- Blue Beam (16 hours)
- Excel (16 hours)
- Outlook (1 hour)
- Power Point (1 hour)

Note: Reimbursement for retraining is capped at 60 total hours per-trainee, regardless of method of delivery. CBT is capped at 50% of total training hours, per-trainee.